



# Village of Pinecrest, Florida Comprehensive Annual Financial Report

Fiscal Year Ended  
September 30, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
VILLAGE OF PINECREST, FLORIDA  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2010

**Prepared by:**

**Finance Director**

Gary S. Clinton, CPA, CPFO

**Independent Auditors**

Keefe, McCullough & Co., LLP  
Certified Public Accountants



VILLAGE OF PINECREST, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended September 30, 2010

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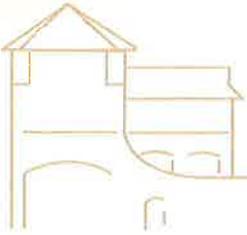
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## INTRODUCTORY SECTION





# VILLAGE OF PINECREST

## OFFICE OF THE VILLAGE MANAGER



Peter G. Lombardi  
*Village Manager*

February 8, 2011

To The Honorable Mayor Cindy Lerner  
Members of the Village Council and  
Citizens of the Village of Pinecrest:

The Government Finance Officers Association recommends that local governments publish within (6) six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that recommendation, we hereby issue the comprehensive annual financial report of the Village of Pinecrest for the fiscal year ended September 30, 2010.

This report consists of management's representation concerning the finances of the Village of Pinecrest. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Pinecrest has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Pinecrest's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village of Pinecrest's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Pinecrest's financial statements have been audited by Keefe, McCullough & Co. LLP a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Pinecrest for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount 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 the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village of Pinecrest's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village of Pinecrest's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Village of Pinecrest was incorporated on March 12, 1996 pursuant to Ordinance 95-207 adopted by the Miami-Dade Board of County Commissioners on November 12, 1995. The Village of Pinecrest occupies a land area of 8 square miles and serves a population of 19,411. The Village of Pinecrest receives tax levies on real and personal properties located within its boundaries.

The Village of Pinecrest has operated under the Council-Manager form of government since its inception. Policy making and legislative authority are vested in a governing council consisting of the Mayor and four council members. The Council is responsible for among other things, adopting ordinances, adopting the budget, appointing the Village Manager and Village Clerk. The Village Manager is responsible for carrying out the policies and directives of the Council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments.

The Village of Pinecrest offers a wide range of services, including, police protection, maintenance of roadways, parks and recreation, building, planning and zoning and stormwater services. Certain services are provided through a legally separate fire & rescue department, the school system and Miami-Dade County.

The Village of Pinecrest has six major departments: Police, BPZ (Building, Planning and Zoning), Public Works, Parks & Recreation, Pinecrest Gardens and General Government. General Government consists of the following sub-divisions; Village Council, Village Manager, Village Clerk, Finance and Village Attorney.

The annual budget serves as a foundation for the Village of Pinecrest financial planning and control. All departments of the Village are required to submit requests for appropriation to the Village Manager and these requests are the starting point for developing a proposed budget. The Village Manager then presents this proposed budget to the Council for review. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the Village's fiscal year. The appropriated budget is prepared by fund and department. No department may expend in excess of amount appropriated for that department within an individual fund without the approval of the Village Manager. The Village Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Village Council. The Village Council approves supplemental appropriations. Budget to actual comparisons are provided in this report for the general fund for which an appropriated annual budget has been adopted. The general fund, budget to actual report is presented in the required supplemental information section of this report.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment with which the Village of Pinecrest operates.

**Local economy.** While the real estate sales and development have seen a slowdown, the Village of Pinecrest still enjoys a favorable economic environment and local indicators point to continued stability. This medium sized municipality is an active community of involved citizens who take a genuine interest in the social, business, cultural and governing aspects of their Village. The Village is comprised of an affluent residential housing stock and several retail shopping malls. There is no industrial area in the community.

**Long-term financial planning.** The Village has undertaken several capital improvement projects as part of its five year capital improvement plan. The Village of Pinecrest has provided funding for the development of a new strategic plan. Improvements to Pinecrest Gardens for the renovation and upgrade of the Banyan Bowl and the Cyprus Rooms will be a priority in the coming years.

**Financial policies.** The Village of Pinecrest has policies on; Operating Budget Policy, Capital Improvement Policy, Debt Policy, Revenue Policy, Investment Policy, Fund Balance Policy, Account, Auditing and Financial Policy, Audit Committee and Auditor Selection Policy, Capital Asset Policy, Travel Policy and Purchasing Policy. The Revenue Policy establishes and one time revenues will be match with expenditures to decrease the reliance on fund balance.

**Pension.** The Village of Pinecrest sponsors a defined contribution pension plan 401 (a) with the ICMA RC (International City/County Management Association, Retirement Corporation. Each full time employee contributes seven (7) % of his or her pay to the plan, which is matched by a thirteen (13) % Village contribution.

A defined benefit plan sponsored by the Florida Retirement System (FRS) was established for all new sworn police personnel. In addition, the existing sworn police personnel will have the option of remaining in the 401 (a) plan sponsored by the ICMARC or the FRS plan.

Additional information on the Village of Pinecrest pension benefits can be found in Notes 3 (E) of the financial statements.

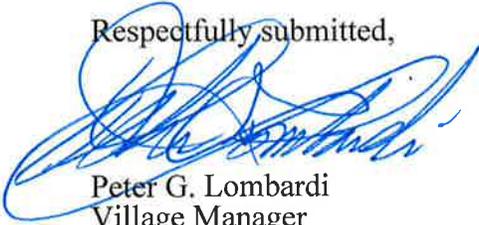
## **Awards and acknowledgements**

The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Pinecrest for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. This was the fourteenth year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

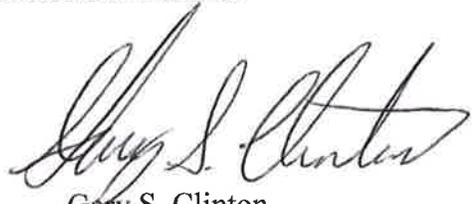
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Village Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Pinecrest's finances.

Respectfully submitted,



Peter G. Lombardi  
Village Manager



Gary S. Clinton  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Pinecrest  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

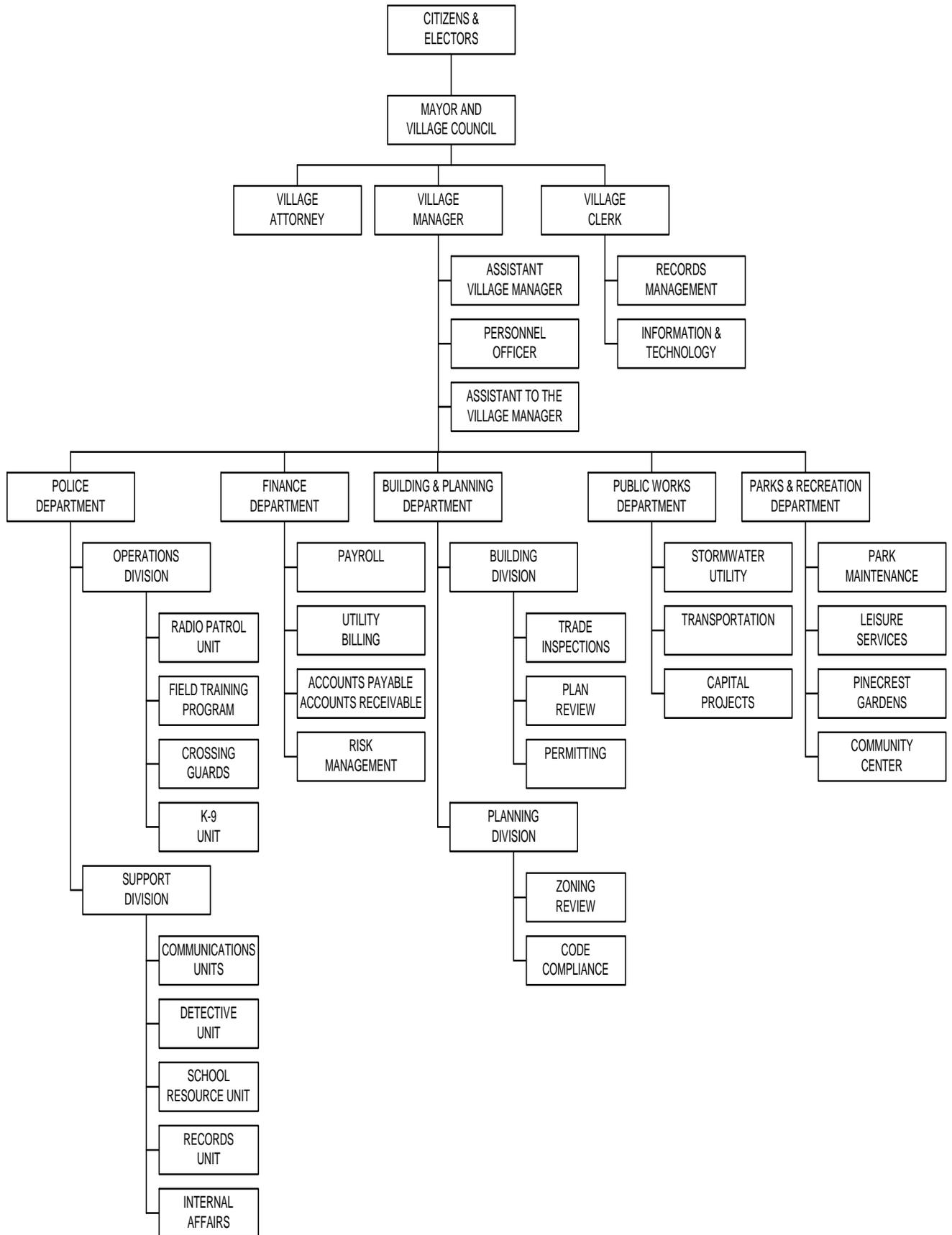
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# VILLAGE OF PINECREST, FLORIDA ORGANIZATIONAL CHART



# VILLAGE OF PINECREST, FLORIDA

## Village Council

Cindy Lerner, *Mayor*  
Joseph M. Corradino, *Vice Mayor*  
Jeff Cutler  
Nancy L. Harter  
Bob Ross

## CHARTER OFFICERS

Peter G. Lombardi  
*Village Manager*

Guido H. Inguanzo, Jr., CMC  
*Village Clerk*

Cynthia A. Everett, P.A.  
*Village Attorney*

## ADMINISTRATIVE PERSONNEL

Yocelyn Galiano Gomez, *Assistant Village Manager*  
Angela T. Gasca, *Assistant to the Village Manager*  
Leo Llanos, P.E., *Building Official*  
Gary S. Clinton, CPA, CPFO, *Finance Director*  
Loren C. Matthews, *Parks and Recreation Director*  
Mayra Sauleda, *Personnel Officer*  
Vacant, *Planning Director*  
John R. Hohensee, *Police Chief*  
Daniel Moretti, *Public Works Director*  
Alana Perez, *Pinecrest Gardens Director*

<p><b>Council – Manager Form of Government Incorporated March 12, 1996</b></p>
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## FINANCIAL SECTION



**REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**





## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Honorable Mayor,  
Village Council and Village Manager  
Village of Pinecrest, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Pinecrest, Florida (the "Village") as of and for the fiscal year ended September 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 Village, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2011 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 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 the financial reporting for placing the basic financial statements in an appropriate operations, 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 nor 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.

Village of Pinecrest, Florida

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information shown in the introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
January 19, 2011

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**



**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2010

As management of the Village of Pinecrest, Florida, we offer the Village of Pinecrest, Florida's financial statements this narrative overview and analysis of the financial activities of the Village of Pinecrest for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- The assets of the Village of Pinecrest exceeded its liabilities at the close of the most recent fiscal year by \$ 119,712,934 (net assets). Of this amount, \$ 9,741,313 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental total net assets decreased by \$ 3,867,302. This decrease was largely a result of depreciation.
- As of the close of the current fiscal year, the Village of Pinecrest's governmental funds reported combined ending fund balances of \$ 12,230,242, a decrease of \$ 484,617 in comparison with the prior year. Approximately 49.5% of this total amount, \$ 6,050,360 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 6,050,360 or 35.3% of total General Fund expenditures and transfers.
- The Village of Pinecrest total bonded debt decreased by \$ 845,000 (6.8%) during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Village of Pinecrest basic financial statements. The Village of Pinecrest basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statement.** The government-wide financial statements are designed to provide readers with a broad overview of the Village of Pinecrest's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements of the Village of Pinecrest are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village of Pinecrest include general government, police, public works (including highways), parks, and planning and building. The government-wide financial statements report on only the Village of Pinecrest.

VILLAGE OF PINECREST, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2010

**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. The Village of Pinecrest, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Pinecrest are governmental and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Pinecrest maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, capital projects, six special revenue funds and a debt service fund. Only the General, Transportation and Capital Projects Funds are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The Village of Pinecrest adopts an annual appropriated budget for its General Fund as well as its other governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary fund.** The Village of Pinecrest maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Pinecrest uses an enterprise fund to account for its stormwater activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Stormwater Fund which is considered a major fund of the Village of Pinecrest.

**Notes to the 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 combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the footnotes.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Pinecrest, assets exceeded liabilities by \$ 119,712,934 at the close of the most recent fiscal year.

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2010

By far the largest portion of the Village of Pinecrest's net assets \$ 105,873,314 (88.4%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village of Pinecrest uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Pinecrest's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Village of Pinecrest's Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 13,362,487	\$ 14,191,056	\$ 2,394,360	\$ 2,080,944	\$ 15,756,847	\$ 16,272,000
Capital assets	113,804,949	117,882,518	4,625,973	4,590,493	118,430,922	122,473,011
<b>Total assets</b>	<b>127,167,436</b>	<b>132,073,574</b>	<b>7,020,333</b>	<b>6,671,437</b>	<b>134,187,769</b>	<b>138,745,011</b>
Long-term bonded debt	11,672,608	12,570,708	-	-	11,672,608	12,570,708
Other liabilities	2,639,043	2,779,779	163,184	117,948	2,802,227	2,897,727
<b>Total liabilities</b>	<b>14,311,651</b>	<b>15,350,487</b>	<b>163,184</b>	<b>117,948</b>	<b>14,474,835</b>	<b>15,468,435</b>
Net assets:						
Invested in capital assets, net of related debt	101,247,341	104,604,877	4,625,973	4,590,493	105,873,314	109,195,370
Restricted	4,098,307	4,167,348	-	-	4,098,307	4,167,348
Unrestricted	7,510,137	7,950,862	2,231,176	1,962,996	9,741,313	9,913,858
<b>Total net assets</b>	<b>\$ 112,855,785</b>	<b>\$ 116,723,087</b>	<b>\$ 6,857,149</b>	<b>\$ 6,553,489</b>	<b>\$ 119,712,934</b>	<b>\$ 123,276,576</b>

The balance of unrestricted net assets \$ 9,741,313 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village of Pinecrest is able to report positive balances in all three categories of net assets.

**Governmental activities.** Governmental activities decreased the Village of Pinecrest's net assets by \$ 3,867,302. Key elements in the changes in net assets activity are as follows:

**Village of Pinecrest's Changes in Net Assets**

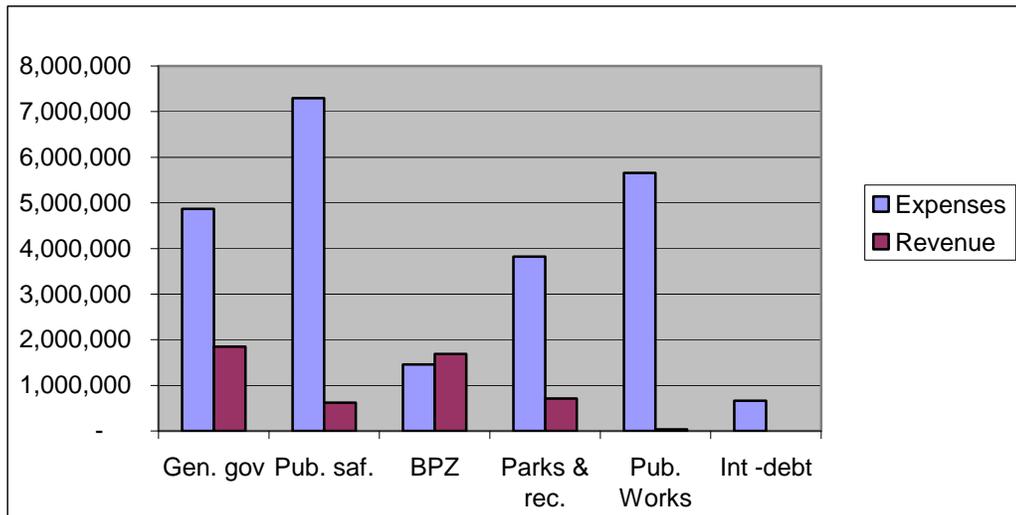
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
REVENUES:						
Program revenues:						
Charges for services	\$ 2,957,869	\$ 2,572,700	\$ 449,041	\$ 374,680	\$ 3,406,910	\$ 2,947,380
Operating grants and contributions	99,239	98,736	-	-	99,239	98,736
Capital grants and contributions	1,745,657	6,838,288	142,674	-	1,888,331	6,838,288
General revenues:						
Taxes	13,008,451	13,111,455	-	-	13,008,451	13,111,455
Other	2,081,706	2,302,652	7,411	19,261	2,089,117	2,321,913
<b>Total revenues</b>	<b>19,892,922</b>	<b>24,923,831</b>	<b>599,126</b>	<b>393,941</b>	<b>20,492,048</b>	<b>25,317,772</b>

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2010

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
<b>EXPENSES:</b>						
General government	4,867,768	6,012,161	-	-	4,867,768	6,012,161
Public safety	7,294,203	7,042,544	-	-	7,294,203	7,042,544
Building, planning and zoning	1,458,779	1,490,979	-	-	1,458,779	1,490,979
Parks and recreation	3,823,458	3,583,231	-	-	3,823,458	3,583,231
Public works	5,655,583	5,479,691	-	-	5,655,583	5,479,691
Interest on long-term debt	660,433	684,412	-	-	660,433	684,412
Stormwater	-	-	295,466	311,573	295,466	311,573
<b>Total expenses</b>	<b>23,760,224</b>	<b>24,293,018</b>	<b>295,466</b>	<b>311,573</b>	<b>24,055,690</b>	<b>24,604,591</b>
Increase (decrease) in net assets	(3,867,302)	630,813	303,660	82,368	(3,563,642)	713,181
<b>NET ASSETS, October 1</b>	<b>116,723,087</b>	<b>116,092,274</b>	<b>6,553,489</b>	<b>6,471,121</b>	<b>123,276,576</b>	<b>122,563,395</b>
<b>NET ASSETS, September 30</b>	<b>\$ 112,855,785</b>	<b>\$ 116,723,087</b>	<b>\$ 6,857,149</b>	<b>\$ 6,553,489</b>	<b>\$ 119,712,934</b>	<b>\$ 123,276,576</b>

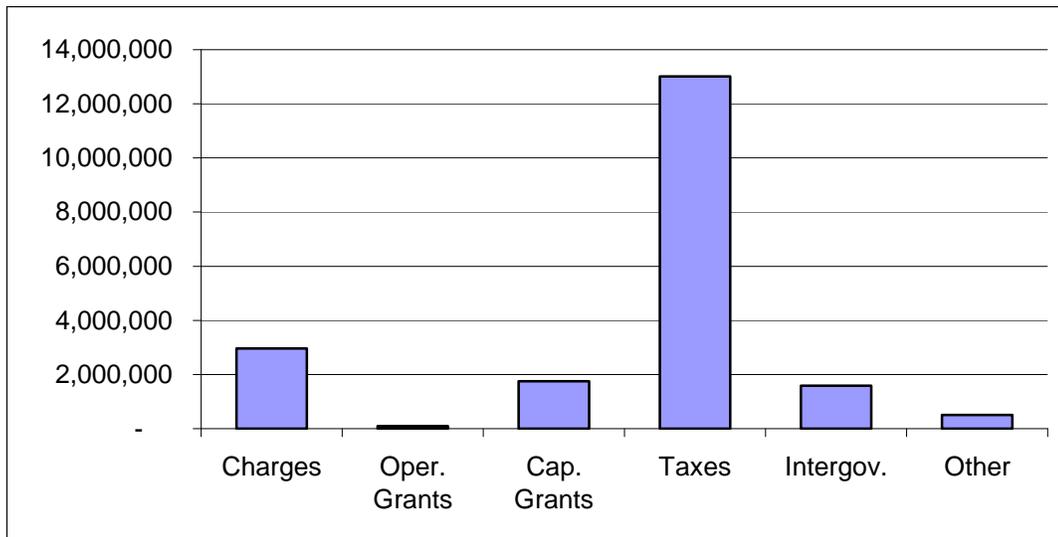
- Taxes, \$ 13,008,451 comprised (63.5 %) of the total governmental revenues, \$ 20,492,048 during the fiscal year. Most of this category is property taxes, \$ 7,441,336.
- Charges for services accounted for \$ 3,406,910 (16.6%) of total revenues.
- Capital grants and contributions accounted for \$ 1,888,331 (9.2%) of total revenues.

**Expenses and Program Revenues – Governmental Activities**



**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2010

**Revenues by Source – Governmental Activities**



Overall expenses decreased due to the decrease in expenses which was caused by fewer capital project expenses. The Village of Pinecrest's Park and Recreation Department developed additional recreational facilities with the addition of Pinecrest Gardens.

**Financial Analysis of the Government's Funds**

The Village of Pinecrest used fund accounting to ensure and demonstrate compliance with finance related requirements.

**Governmental funds.** The focus of the Village of Pinecrest's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Pinecrest'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.

As of the end of the current fiscal year, the Village of Pinecrest's governmental funds (GAAP basis) reported combined ending fund balances of \$ 12,230,242 a decrease of \$ 484,617 in comparison with the prior year, \$ 12,714,859. Approximately 49.5% of this total amount - \$ 6,050,360 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending or assigned.

The General Fund is the chief operating fund of the Village of Pinecrest. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 6,050,360. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35.3% of total General Fund expenditures including transfers, while total fund balance also represents 44.3% of that same amount.

VILLAGE OF PINECREST, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2010

- The fund balance of the Village of Pinecrest's General Fund decreased by \$ 347,842 during the current fiscal year.
- Licenses and permits increased by \$ 314,310 due to a modest increase in building permit fees.
- Intergovernmental revenue decreased by \$ 214,649 due to decreases in grant revenues.
- The largest increase in expenses was for public safety. The \$ 337,318 increase was due mainly to increased salaries and benefits and increased costs for machinery and equipment.

The Debt Service Fund has no fund balance. The government transfers the exact amount needed for both principal and interest payments each year. This year \$ 845,000 was transferred into the fund for principal payments, an increase of \$ 30,000. This year \$ 656,839 was transferred into the fund for interest payments, a decrease of \$ 34,034.

The budget to actual variances in the General Fund were Utility Taxes \$ 177,1499, due to positive variances in the use of electricity. The fines and forfeitures were \$ 89,325 under budget due to a drop off in violation fines. The Police Department tightly controlled overtime to reduce costs. In total, the Police Department was \$ 201,526 under budget.

**Proprietary Fund.** The Stormwater Fund accounts for revenues collected for the maintenance of the stormwater collection function in the Village. The canals and underground pipes are maintained by the Village and there are operational costs associated with treating the water. This year the unrestricted net assets grew from \$ 1,962,996 to \$ 2,231,176, an increase of \$ 268,180. This increase reflects the fact that funds are budgeted for capital improvements which are depreciated over many years and the collection of an intergovernmental grant from FEMA for a canal which was constructed in FY02 and closed out this year.

### **General Fund Budget Highlights**

During the year, budgetary revenues were less than budgetary expenditures and transfers out decreasing the fund balance by \$ 317,942.

The following highlights the reason for the budget amendments in the General Fund:

The budget for general government expenditures increased mainly due to more legal suits than anticipated during the budget process.

The budget for parks and recreation expenditures increased due to additional instructors and programming in the Community Center contractual services account which does generate additional revenues. The revenues other than memberships increased from approximately \$ 197,000 to \$ 309,000 during the year. In addition, Pinecrest Gardens incurred additional expenditures in repairs and maintenance and operating supplies due to renovations.

### **Capital Asset and Debt Administration**

**Capital assets.** The Village of Pinecrest's investment in capital assets for its governmental activities as of September 30, 2010, amounts to \$ 113,804,949 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure—roads and sidewalks, infrastructure, stormwater system and construction in progress. The total decrease in the Village of Pinecrest's investment in capital assets for the current fiscal year was 3 percent.

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2010

Major capital asset events during the current fiscal year included the following:

- Resurfacing of SW 112 Street and SW 77 Avenue.
- Water Main Extension - Phase 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General government	\$ 6,265,136	\$ 6,302,121	\$ -	\$ -	\$ 6,265,136	\$ 6,302,121
Public safety	578,138	453,076	-	-	578,138	453,076
Building, planning and zoning	8,894	24,570	-	-	8,894	24,570
Parks	31,840,157	32,388,301	-	-	31,840,157	32,388,301
Public works	75,112,624	78,714,450	-	-	75,112,624	78,714,450
Stormwater	-	-	4,625,973	4,590,493	4,625,973	4,590,493
<b>Total</b>	<b>\$ 113,804,949</b>	<b>\$ 117,882,518</b>	<b>\$ 4,625,973</b>	<b>\$ 4,590,493</b>	<b>\$ 118,430,922</b>	<b>\$ 122,473,011</b>

Additional information on the Village of Pinecrest's capital assets can be found in Note 2C.

**Long-term debt.** At the end of the fiscal year, the Village of Pinecrest had total bonded debt outstanding of \$ 12,400,000. The total debt is backed by the full faith and credit of the Village for which the Village is liable in the unlikely event of default.

**Village of Pinecrest's Outstanding Debt**  
General Obligation Bonds

	Governmental Activities	
	2010	2009
General Obligation Bonds	\$ 12,400,000	\$ 13,245,000

The Village of Pinecrest decreased its total debt by \$ 845,000 (6.4%) during the current fiscal year. There are three issues outstanding; Greer Park (formerly known as Pinecrest Park), \$ 4,535,000 which matures in FY2019; Pinecrest Gardens (formerly known as the Parrot Jungle), \$ 5,470,000 which matures in FY2022 and the Library/Community Center, \$ 2,395,000 which matures in FY2024.

The last Village of Pinecrest issue \$ 3,075,000 was made in conjunction with the Florida Municipal Loan Council \$ 15,585,000 on July 1, 2004. These bonds carried the following bond ratings:

- Moody's Investor Service – Aaa
- Standard & Poors – AAA
- Fitch - AAA.

Additional information on the Village of Pinecrest's long term debt can be found in Note 2E.

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2010

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Miami-Dade County/Fort Lauderdale is currently 12.1%, which is an increase from a rate of 10.9% a year ago. The Village of Pinecrest residents will have a lower unemployment rate than is reported for the county.
- Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, unassigned fund balance increased to \$ 6,050,360. The Village of Pinecrest has assigned \$ 1,539,850 of fund balance for spending in the 2011 fiscal year budget.

**Requests for Information**

This financial report is designed to provide a general overview of the Village of Pinecrest's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, 12645 Pinecrest Parkway, Pinecrest, Florida 33156-5931; or emailed to [finance@pinecrest-fl.gov](mailto:finance@pinecrest-fl.gov).

## BASIC FINANCIAL STATEMENTS

VILLAGE OF PINECREST, FLORIDA  
STATEMENT OF NET ASSETS  
September 30, 2010

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 12,388,381	\$ 2,243,739	\$ 14,632,120
Receivables, net	844,209	150,621	994,830
Prepays	<u>2,177</u>	<u>-</u>	<u>2,177</u>
Total current assets	<u>13,234,767</u>	<u>2,394,360</u>	<u>15,629,127</u>
Non-current assets:			
Capital assets, not depreciated:			
Land	17,437,190	-	17,437,190
Capital assets, net of accumulated depreciation:			
Buildings	16,798,560	-	16,798,560
Improvements	4,193,260	-	4,193,260
Equipment	749,883	-	749,883
Computer software	114,202	-	114,202
Infrastructure	74,511,854	4,625,973	79,137,827
Unamortized bond issue costs	<u>127,720</u>	<u>-</u>	<u>127,720</u>
Total non-current assets	<u>113,932,669</u>	<u>4,625,973</u>	<u>118,558,642</u>
Total assets	<u>127,167,436</u>	<u>7,020,333</u>	<u>134,187,769</u>

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

VILLAGE OF PINECREST, FLORIDA  
STATEMENT OF NET ASSETS  
(continued)  
September 30, 2010

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
<b>LIABILITIES AND NET ASSETS:</b>			
<b>LIABILITIES:</b>			
Current:			
Accounts payable and other accrued liabilities	811,754	15,958	827,712
Accrued interest payable	149,649	-	149,649
Revenues collected in advance	-	147,226	147,226
Compensated absences, due in one year	295,688	-	295,688
Bonds payable, due in one year	885,000	-	885,000
	<u>2,142,091</u>	<u>163,184</u>	<u>2,305,275</u>
Non-current:			
Unearned revenues	192,771	-	192,771
OPEB liability	252,000	-	252,000
Compensated absences, due in more than one year	52,181	-	52,181
Bonds payable, due in more than one year	11,672,608	-	11,672,608
	<u>12,169,560</u>	<u>-</u>	<u>12,169,560</u>
Total non-current liabilities	<u>12,169,560</u>	<u>-</u>	<u>12,169,560</u>
Total liabilities	<u>14,311,651</u>	<u>163,184</u>	<u>14,474,835</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	101,247,341	4,625,973	105,873,314
Restricted for:			
Transportation	3,990,669	-	3,990,669
Public safety	107,638	-	107,638
Unrestricted net assets	7,510,137	2,231,176	9,741,313
	<u>7,510,137</u>	<u>2,231,176</u>	<u>9,741,313</u>
Total net assets	<u>\$ 112,855,785</u>	<u>\$ 6,857,149</u>	<u>\$ 119,712,934</u>

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

**VILLAGE OF PINECREST, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
Fiscal Year Ended September 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 4,867,768	\$ 68,220	\$ -	\$ 1,713,657	\$ (3,085,891)	\$ -	\$ (3,085,891)
Public safety	7,294,203	526,787	96,849	-	(6,670,567)	-	(6,670,567)
Building, planning and zoning	1,458,779	1,580,575	-	-	121,796	-	121,796
Parks and recreation	3,823,458	782,287	2,390	-	(3,038,781)	-	(3,038,781)
Public works	5,655,583	-	-	32,000	(5,623,583)	-	(5,623,583)
Interest on long-term debt	660,433	-	-	-	(660,433)	-	(660,433)
Total governmental activities	<u>23,760,224</u>	<u>2,957,869</u>	<u>99,239</u>	<u>1,745,657</u>	<u>(18,957,459)</u>	<u>-</u>	<u>(18,957,459)</u>
<b>Business-type activities:</b>							
Stormwater	<u>295,466</u>	<u>449,041</u>	<u>-</u>	<u>142,674</u>	<u>-</u>	<u>296,249</u>	<u>296,249</u>
Total business-type activities	<u>295,466</u>	<u>449,041</u>	<u>-</u>	<u>142,674</u>	<u>-</u>	<u>296,249</u>	<u>296,249</u>
Total primary government	<u>\$ 24,055,690</u>	<u>\$ 3,406,910</u>	<u>\$ 99,239</u>	<u>\$ 1,888,331</u>	<u>(18,957,459)</u>	<u>296,249</u>	<u>(18,661,210)</u>
<b>General revenues:</b>							
Ad valorem taxes					7,441,336	-	7,441,336
Franchise fees					1,432,193	-	1,432,193
Utilities taxes					1,932,539	-	1,932,539
Communications services tax					1,197,369	-	1,197,369
Transportation tax					907,330	-	907,330
Business tax					97,684	-	97,684
Intergovernmental, not restricted to specific programs					1,581,369	-	1,581,369
Interest earnings					137,443	7,411	144,854
Miscellaneous					362,894	-	362,894
Total general revenues					<u>15,090,157</u>	<u>7,411</u>	<u>15,097,568</u>
Change in net assets					<u>(3,867,302)</u>	<u>303,660</u>	<u>(3,563,642)</u>
Net assets - beginning of year					<u>116,723,087</u>	<u>6,553,489</u>	<u>123,276,576</u>
Net assets - end of year					<u>\$ 112,855,785</u>	<u>\$ 6,857,149</u>	<u>\$ 119,712,934</u>

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

**VILLAGE OF PINECREST, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2010

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 7,833,381	\$ 3,639,187	\$ 543,116	\$ 372,697	\$ 12,388,381
Receivables, net	663,973	132,542	-	47,694	844,209
Prepays	2,177	-	-	-	2,177
Total assets	\$ 8,499,531	\$ 3,771,729	\$ 543,116	\$ 420,391	\$ 13,234,767
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 714,373	\$ 93,813	\$ 3,568	\$ -	\$ 811,754
Deferred revenue	192,771	-	-	-	192,771
Total liabilities	907,144	93,813	3,568	-	1,004,525
Fund balances:					
Nonspendable:					
Prepays	2,177	-	-	-	2,177
Restricted for:					
Transportation	-	3,677,916	-	312,753	3,990,669
Public safety	-	-	-	107,638	107,638
Assigned to:					
Capital projects	-	-	539,548	-	539,548
Subsequent year's budget	1,539,850	-	-	-	1,539,850
Unassigned	6,050,360	-	-	-	6,050,360
Total fund balances	7,592,387	3,677,916	539,548	420,391	12,230,242
Total liabilities and fund balances	\$ 8,499,531	\$ 3,771,729	\$ 543,116	\$ 420,391	\$ 13,234,767

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

VILLAGE OF PINECREST, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
For the Year Ended September 30, 2010

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 14 \$ 12,230,242

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

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

Governmental capital assets	\$ 197,025,101	
Less accumulated depreciation	<u>(83,220,152)</u>	113,804,949

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Deferred charge on debt issuance costs, net of accumulated amortization		127,720
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

OPEB liability	(252,000)	
Accrued interest payable	(149,649)	
Compensated absences	(347,869)	
Governmental bonds payable	<u>(12,557,608)</u>	<u>(13,307,126)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12 \$ 112,855,785

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

**VILLAGE OF PINECREST, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Fiscal Year Ended September 30, 2010

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 12,101,121	\$ 907,330	\$ -	\$ -	\$ 13,008,451
Licenses and permits	1,442,526	-	-	-	1,442,526
Intergovernmental	1,470,469	32,000	1,713,657	210,139	3,426,265
Charges for services	1,139,215	-	-	-	1,139,215
Fines and forfeitures	272,845	-	-	103,283	376,128
Interest	29,886	92,870	159	1,428	124,343
Miscellaneous	324,781	-	38,113	-	362,894
	<u>16,780,843</u>	<u>1,032,200</u>	<u>1,751,929</u>	<u>314,850</u>	<u>19,879,822</u>
<b>Total revenues</b>					
<b>Expenditures:</b>					
<b>Current:</b>					
General government	3,108,319	-	1,720,453	-	4,828,772
Public safety	7,123,424	-	-	157,944	7,281,368
Building, planning and zoning	1,433,623	-	-	-	1,433,623
Parks and recreation	3,171,148	-	99,210	-	3,270,358
Public works	790,252	1,214,727	-	43,500	2,048,479
<b>Debt service:</b>					
Principal	-	-	-	845,000	845,000
Interest	-	-	-	656,839	656,839
	<u>15,626,766</u>	<u>1,214,727</u>	<u>1,819,663</u>	<u>1,703,283</u>	<u>20,364,439</u>
<b>Total expenditures</b>					
Excess (deficiency) of revenues over expenditures	<u>1,154,077</u>	<u>(182,527)</u>	<u>(67,734)</u>	<u>(1,388,433)</u>	<u>(484,617)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	1,527,839	1,527,839
Transfers out	<u>(1,501,919)</u>	<u>(25,920)</u>	<u>-</u>	<u>-</u>	<u>(1,527,839)</u>
	<u>(1,501,919)</u>	<u>(25,920)</u>	<u>-</u>	<u>1,527,839</u>	<u>-</u>
<b>Total other financing sources (uses)</b>					
Net change in fund balances	(347,842)	(208,447)	(67,734)	139,406	(484,617)
Fund balances, beginning	<u>7,940,229</u>	<u>3,886,363</u>	<u>607,282</u>	<u>280,985</u>	<u>12,714,859</u>
Fund balances, ending	<u>\$ 7,592,387</u>	<u>\$ 3,677,916</u>	<u>\$ 539,548</u>	<u>\$ 420,391</u>	<u>\$ 12,230,242</u>

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

**VILLAGE OF PINECREST, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2010

NET CHANGE IN FUND BALANCES - TOTAL  
GOVERNMENTAL FUNDS (Page 16) \$ (484,617)

Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

The details of the difference are as follows:

Capital Outlay	\$	1,575,911	
Depreciation		(5,650,579)	
Disposal of capital assets		(2,901)	
Net adjustment		(4,077,569)	(4,077,569)

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

The details of the difference are as follows:

Issuance premium		13,100	
Principal payments		845,000	
Accrued interest		(3,594)	
Net adjustment		854,506	854,506

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.

The details of the difference is as follows:

Other post-employment benefits		(128,000)	
Compensated absences		(31,622)	
		(159,622)	

CHANGE IN NET ASSETS OF GOVERNMENTAL  
ACTIVITIES (Page 13) \$ (3,867,302)

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

VILLAGE OF PINECREST, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
September 30, 2010

	<u>Stormwater Fund</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ 2,243,739
Receivables	<u>150,621</u>
Total current assets	<u>2,394,360</u>
Non-current assets:	
Capital assets, net	<u>4,625,973</u>
Total non-current assets	<u>4,625,973</u>
Total assets	<u>7,020,333</u>
 <b>LIABILITIES AND NET ASSETS:</b>	
Current liabilities:	
Accounts payable	15,958
Revenues collected in advance	<u>147,226</u>
Total liabilities	<u>163,184</u>
Net assets:	
Invested in capital assets	4,625,973
Unrestricted	<u>2,231,176</u>
Total net assets	<u>\$ 6,857,149</u>

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

**VILLAGE OF PINECREST, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
 For the Year Ended September, 30, 2010

	<u>Stormwater Fund</u>
<b>OPERATING REVENUES:</b>	
Utility fees	\$ <u>449,041</u>
Total operating revenues	<u>449,041</u>
<b>OPERATING EXPENSES:</b>	
Cost of sales	192,263
Depreciation	<u>103,203</u>
Total operating expenses	<u>295,466</u>
Operating income	<u>153,575</u>
<b>NONOPERATING REVENUES:</b>	
Interest earnings	<u>7,411</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Intergovernmental grant	<u>142,674</u>
Change in net assets	303,660
<b>NET ASSETS, beginning</b>	<u>6,553,489</u>
<b>NET ASSETS, ending</b>	\$ <u><u>6,857,149</u></u>

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

VILLAGE OF PINECREST, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year Ended September, 30, 2010

	<u>Stormwater Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers and users	\$ 453,424
Payments to suppliers	<u>(182,311)</u>
Cash flows provided by operating activities	<u>271,113</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of capital assets	(138,683)
Intergovernmental grants	<u>142,674</u>
Cash flows provided by capital and related financing activities	<u>3,991</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	<u>7,411</u>
Net increase in cash and cash equivalents	282,515
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,961,224</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>2,243,739</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ 153,575
Depreciation	103,203
Change in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(30,901)
Increase (decrease) in accounts payable	9,952
Increase (decrease) in revenues collected in advance	<u>35,284</u>
Total adjustments	<u>14,335</u>
Net cash provided by operating activities	\$ <u><u>271,113</u></u>

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



## NOTES TO BASIC FINANCIAL STATEMENTS



VILLAGE OF PINECREST, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**A. Reporting entity**

The Village of Pinecrest was incorporated on March 12, 1996 pursuant to Ordinance 95-207 adopted by the Miami Dade Board of County Commissioners on November 12, 1995. The Village of Pinecrest occupies a land area of eight (8) square miles and serves a population of 19,491. The Village of Pinecrest operates under a Council-Manager form of government and provides the following services: public safety (police), public works, building, planning and zoning, code enforcement, stormwater management, and parks and recreation. The basic financial statements of the Village of Pinecrest have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles.

The financial statements were prepared in accordance with Government Accounting Standards, 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 consists of the Village of Pinecrest, organizations for which the Village of Pinecrest is financially accountable, and other organizations for which the nature and significance of their relationship with the Village of Pinecrest are such that exclusion would cause the reporting entity's financials statements to be misleading or incomplete. The Village of Pinecrest 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 will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village of Pinecrest. Based upon the application of these criteria, there were no organizations that met the criteria described above.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i. e., the statements of net assets and the statement of changes in net assets) report information on all of the activities of the Village of Pinecrest. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 the proprietary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF PINECREST, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C. 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 as is used for 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 Village considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property 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 Village.

The Village of Pinecrest reports the following major governmental funds:

- The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Transportation Fund receives grants from the State of Florida and from Miami-Dade County to be used to account for and report resources restricted or committed to improvement of the Village of Pinecrest roadway system. The primary sources of revenue are intergovernmental grants for a portion of the gasoline sales tax and a Miami-Dade County share of a 1/2 cent sales tax to be used for non-public transportation.
- The Capital Projects Fund receives transfers from the General Fund as well as grants and accounts for purchases of land and improvements to the parks and buildings in the community.

The Village reports its only proprietary fund as a major fund:

- The Stormwater Fund (an enterprise fund) accounts for the stormwater control activities of the community. Funds are received from business and residential users and used to maintain the stormwater collection system.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village of Pinecrest has elected not to follow subsequent private sector guidance.

VILLAGE OF PINECREST, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Stormwater Fund are charges to business and residential customers for stormwater system maintenance. Operating expenses report on the costs to maintain the stormwater system, 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.

**D. Assets, liabilities and net assets or equity.**

**1. Deposits and investments.**

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash on hand, and investments with the State Board of Administration Investment Pool. Investments are reported at fair value.

**2. Capital assets**

Capital assets, which include property, land, rights of way, equipment, computer software and infrastructure assets (e. g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 10,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs or normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Village are depreciated using the straight line method over the following estimated useful lives:

- Buildings – 40 years
- Improvements – 15 years
- Equipment :
  - Cars – 5 years
  - Trucks – 10 years
  - Equipment – 5 years
  - Computer equipment – 3 years

VILLAGE OF PINECREST, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Computer software – 7 years
- Infrastructure:
  - Roads – 25 years
  - Stormwater system – 50 years
  - Sidewalks – 20 years

**3. Compensated absences**

Village employees are granted vacation and sick leave in varying amounts based on length of service and the department that the employee services.

The Village's sick leave policy is to permit employees to accumulate earned but unused sick pay benefits. Such leave is accrued and reported as a fund liability when it is probable that the Village will compensate the employee in the following fiscal year. Unused sick pay is not paid at termination.

The Village's vacation policy is that earned vacation must be taken within one year of the employee's anniversary. Carryover is limited to two hundred and forty (240) hours. Unused vacation pay, if any, is paid with the employee's termination or retirement. Those amounts estimated to be liquidated with expendable available financial resources from the General Fund are reported as expenditures and a fund liability of the General Fund.

**4. Long term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported gross of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**5. Property taxes**

Property taxes for the current year were assessed and collected by Miami-Dade County and subsequently remitted to the Village. 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 offices 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 assessment by the Village for the year ended September 30, 2010 was 2.1040 mills.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1, each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and Miami-Dade County also collects the taxes for the Village. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (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 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. There were no material delinquent property taxes at September 30, 2010.

**6. Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**NOTE 2. - DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments.**

**Deposits**

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)**

**Investments**

The Village of Pinecrest invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The SBA has structured the State Pool into two separate pools ("Florida PRIME" and "Fund B").

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The Village of Pinecrest's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

The Village of Pinecrest had the following investments as of September 30, 2010:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida PRIME	Weighted average days to maturity is 52 days	\$ 13,465,426
Fund B	Weighted average life is 7.49 years	\$ 196,563

Credit Risk

The Village of Pinecrest has an investment policy that emphasis the safety of principal while maintaining adequate liquidity to meet its needs. Investments are limited to the highest ratings by two of the nationally recognized statistical rating organizations (NRSRO) - (Standard and Poors and Moody's Investment Services). The Florida PRIME is rated AAAM by Standard and Poors and Fund B is not rated by any nationally recognized statistical rating agency.

Concentration Credit Risk

GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. External investment pools and obligations of the U.S. government are exempt from concentration risk disclosures.

Interest Rate Risk

In accordance with our investment policy, the Village of Pinecrest manages its exposure to declines in fair values by investing in conservative investments with the emphasis on safety of principal.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)**

**B. Receivables**

Receivables as of fiscal year end for the Village's individual major and nonmajor funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Transportation</u>	<u>Other Non-Major Governmental Funds</u>	<u>Stormwater</u>	<u>Total</u>
Receivables:					
Note receivable	\$ 113,283	\$ -	\$ -	\$ -	\$ 113,283
Intergovernmental	112,199	132,542	47,694	-	292,435
Franchise and utility	195,457	-	-	-	195,457
Ad valorem taxes	155,403	-	-	-	155,403
Other	87,631	-	-	150,621	238,252
	<u>663,973</u>	<u>132,542</u>	<u>47,694</u>	<u>150,621</u>	<u>994,830</u>
Gross receivables					
	663,973	132,542	47,694	150,621	994,830
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receivables	<u>\$ 663,973</u>	<u>\$ 132,542</u>	<u>\$ 47,694</u>	<u>\$ 150,621</u>	<u>\$ 994,830</u>

In December 2001, the Village executed a note receivable under a lease purchase agreement with Miami-Dade County School Board for land to be used as a parking lot. Under the terms of the agreement, the Village is to receive annual rentals, including interest of approximately \$ 91,600, payable in monthly installments of approximately \$ 7,600, including interest at 3.95% beginning in January, 2002 and through December 2011. The balance of the note receivable at September 30, 2010 of \$ 113,283 is included in deferred revenues.

Future minimum lease payments reflecting principal payments on the note to be received are as follows:

<u>Year Ending September 30,</u>	
2011	\$ 88,779
2012	<u>24,504</u>
Total	<u>\$ 113,283</u>

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)**

Total deferred revenues as of September 30, 2010:

Palmetto High School property lease	\$	113,283
Occupational taxes collected in advance		<u>79,488</u>
 Total deferred revenues	 \$	 <u><u>192,771</u></u>

**C. Capital assets**

Capital asset activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ <u>17,437,190</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>17,437,190</u>
 Total capital assets, not being depreciated	 <u>17,437,190</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>17,437,190</u>
Capital assets, being depreciated:					
Buildings	18,632,661	-	-	-	18,632,661
Improvements	5,755,224	85,712	-	-	5,840,936
Equipment	2,592,315	291,280	-	(169,851)	2,713,744
Computer software	-	114,202	-	-	114,202
Infrastructure	<u>151,201,651</u>	<u>1,084,717</u>	<u>-</u>	<u>-</u>	<u>152,286,368</u>
 Total capital assets, being depreciated	 <u>178,181,851</u>	 <u>1,575,911</u>	 <u>-</u>	 <u>(169,851)</u>	 <u>179,587,911</u>
Less accumulated depreciation for:					
Buildings	(1,402,362)	(431,739)	-	-	(1,834,101)
Improvements	(1,300,396)	(347,280)	-	-	(1,647,676)
Equipment	(1,860,286)	(270,525)	-	166,950	(1,963,861)
Infrastructure	<u>(73,173,479)</u>	<u>(4,601,035)</u>	<u>-</u>	<u>-</u>	<u>(77,774,514)</u>
 Total accumulated depreciation	 <u>(77,736,523)</u>	 <u>(5,650,579)</u>	 <u>-</u>	 <u>166,950</u>	 <u>(83,220,152)</u>
 Total capital assets, being depreciated, net	 <u>100,445,328</u>	 <u>(4,074,668)</u>	 <u>-</u>	 <u>(2,901)</u>	 <u>96,367,759</u>
 Governmental activities capital assets, net	 <u>\$ 117,882,518</u>	 <u>\$ (4,074,668)</u>	 <u>\$ -</u>	 <u>\$ (2,901)</u>	 <u>\$ 113,804,949</u>

VILLAGE OF PINECREST, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2010

NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Land	\$ <u>7,801,793</u>	\$ <u>138,683</u>	\$ <u>-</u>	\$ <u>7,940,476</u>
Total capital assets, being depreciated	<u>7,801,793</u>	<u>138,683</u>	<u>-</u>	<u>7,940,476</u>
Less accumulated depreciation for:				
Infrastructure	<u>(3,211,300)</u>	<u>(103,203)</u>	<u>-</u>	<u>(3,314,503)</u>
Total accumulated depreciation	<u>(3,211,300)</u>	<u>(103,203)</u>	<u>-</u>	<u>(3,314,503)</u>
Total capital assets, being depreciated, net	<u>4,590,493</u>	<u>35,480</u>	<u>-</u>	<u>4,625,973</u>
Business-type activities capital assets, net	\$ <u><u>4,590,493</u></u>	\$ <u><u>35,480</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,625,973</u></u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 126,985
Public safety	190,420
Public works	4,686,543
Building, planning and zoning	12,775
Parks and recreation	<u>633,856</u>
Total depreciation expense, governmental activities	\$ <u><u>5,650,579</u></u>
Business type activities:	
Stormwater	\$ <u>103,203</u>
Total depreciation expense business type activities	\$ <u><u>103,203</u></u>

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)

**D. Transfers**

The composition of interfund operating transfers as of September 30, 2010, is as follows:

Interfund transfers:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>	<u>Transfer Purpose</u>
General Fund	Debt Service	\$ 1,475,919	Provide debt service funds
General Fund	Hardwire Fund	16,000	Provide operational funds
General Fund	Wireless Fund	10,000	Provide operational funds
Transportation Fund	Debt Service	<u>25,920</u>	Provide debt service funds
Total transfers		<u>\$ 1,527,839</u>	

**E. Long term debt**

Florida Municipal Loan Revenue Bonds, Series 1999, Series 2002 and Series 2004. The Village of Pinecrest has issued three bond issues. The first issue was for \$ 8,155,000 for the development of Pinecrest Park, the Village Hall and other capital improvement projects. The second issue was for \$ 7,740,000 for the purchase and development of Parrot Jungle which is known as Pinecrest Gardens. The third issue is for the construction costs of the Library/Community Center at Pinecrest Gardens, \$ 3,075,000. The bonds have an outstanding balance of \$ 12,400,000, and are due in varying installments through July 1, 2024 and bear interest rates from 3.2% to 5.5% with interest paid semiannually. The principal and interest on these bonds are payable from a pledge of non-ad valorem revenues, as defined.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest and fees</u>	<u>Total</u>
2011	\$ 885,000	\$ 630,060	\$ 1,515,060
2012	925,000	591,275	1,516,275
2013	965,000	547,719	1,512,719
2014	1,010,000	500,329	1,510,329
2015	1,060,000	447,544	1,507,544
2016-2020	5,550,000	1,257,067	6,807,067
2021-2024	<u>2,005,000</u>	<u>290,183</u>	<u>2,295,183</u>
Totals	<u>\$ 12,400,000</u>	<u>\$ 4,264,177</u>	<u>\$ 16,664,177</u>

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)**

Changes in long-term debt of governmental activities during the year are summarized as follows:

	Balance September 30, 2009	Additions	Reductions	Balance September 30, 2010	Due Within One Year
Bonds payable	\$ 13,245,000	\$ -	\$ 845,000	\$ 12,400,000	\$ 885,000
Unamortized premium	170,708	-	13,100	157,608	-
Compensated absences	316,247	492,241	460,619	347,869	295,688
<b>Totals</b>	<b>\$ 13,731,955</b>	<b>\$ 492,241</b>	<b>\$ 1,318,719</b>	<b>\$ 12,905,477</b>	<b>\$ 1,180,688</b>

Compensated absences are paid from the General Fund in the form of vacation pay.

**F. Accounts Payable and Other Accrued Liabilities:**

Accounts payable and other accrued liabilities as of fiscal year end for the Village's individual major and nonmajor funds, in the aggregate are as follows:

	General Fund	Transportation Fund	Capital Projects Fund	Stormwater	Total
Payables:					
Payroll	\$ 478,959	\$ -	\$ -	\$ -	\$ 478,959
Vendors	155,867	93,813	3,568	15,958	269,206
Other	79,547	-	-	-	79,547
<b>Total payable</b>	<b>\$ 714,373</b>	<b>\$ 93,813</b>	<b>\$ 3,568</b>	<b>\$ 15,958</b>	<b>\$ 827,712</b>

**G. Other Post-Employment Benefits (OPEBs)**

1. Description

In June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB No. 45 requires employer governments to account for and report the annual cost of other postemployment benefits in the same manner as they do for pensions. The Village recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Village's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 15 years, commencing with the 2008 liability.

VILLAGE OF PINECREST, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2010

NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)

Under Florida State law, the Village of Pinecrest is required to offer a continuation of health insurance coverage to retirees at the same premium that is charged by the insurance carrier with respect to active employees. Currently, the Village does not have any retirees who are receiving post-employment benefits and the Village has not yet formulated a policy regarding the amount that must be paid by future retirees for post-employment benefits. Therefore, for purposes of the actuarial valuation, future retirees were assumed to contribute an amount equal to the actual premiums for health insurance that are charged by the carrier and the actuary assumed that there will be no other post-employment benefits provided. Based on this assumption, there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for retirees will be the same as the premium charged for active employees, who are younger than retirees on average. The actuary assumed that monthly retiree healthcare premiums at age 65 for single coverage would be \$ 325 higher on average for the HMO plan, \$ 450 higher on average for the PPO plan or \$ 250 higher on average for the high-deductible plan if the subsidy were not in place. Therefore, the actuary treated either \$ 325, \$ 450, or \$ 250 per month as the implied subsidy at age 65 for purposes of GASB 45 for the HMO, PPO, and high-deductible plans, respectively. The plan which is a single employer plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report.

2. Annual OPEB cost and net OPEB obligation

The Village's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Village has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 15 years.

The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and the Village's net OPEB obligation at September 30, 2010:

Annual required contribution	\$	138,000
Interest on net OPEB obligation		5,000
Adjustment to annual required contribution		<u>(11,000)</u>
Annual OPEB cost		132,000
Contributions made		(4,000)
Increase in net OPEB obligation		128,000
Net OPEB obligation, October 1, 2009		<u>124,000</u>
Net OPEB obligation, September 30, 2010	\$	<u><u>252,000</u></u>

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)**

**3. Schedule of Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) ÷ (2)	Covered Payroll	UAAL as % of Covered Payroll (3) ÷ (4)
April 1, 2008	\$ -	\$ 228,000	\$ 228,000	0.0%	\$ 4,813,000	4.7%
January 1, 2010	\$ -	\$ 634,000	\$ 634,000	0.0%	\$ 5,712,000	11.1%

**4. Actuarial Methods and Assumptions**

Valuation date	January 1, 2010
Actuarial cost method	Projected unit credit
Amortization method	15-year open period; payment
Investment return	4.00% per annum (includes inflation at 2.750% per annum)
Healthcare cost trend rate(s):	<u>Insurance Premiums</u>
Select rates	10.00% for 2010 graded to 6.00% for 2018
Ultimate rate	5.0% per annum

**H. Fund Balances - Governmental Funds**

As of September 30, 2010, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of Village Council. Village Council is the highest level of decision making authority for the Village. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Village Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used or specific purposes. Under the Village's adopted policy, only Village Council may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 2. - DETAILED NOTES ON ALL FUNDS (continued)**

As of September 30, 2010, fund balances are composed of the following:

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepays	\$ 2,177	\$ -	\$ -	\$ -	\$ 2,177
Restricted:					
Transportation	-	3,677,916	-	312,753	3,990,669
Public safety	-	-	-	107,638	107,638
Assigned:					
Capital projects	-	-	539,548	-	539,548
Subsequent year's budget	1,539,850	-	-	-	1,539,850
Unassigned Funds	<u>6,050,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,050,360</u>
 Total fund balances	 <u>\$ 7,592,387</u>	 <u>\$ 3,677,916</u>	 <u>\$ 539,548</u>	 <u>\$ 420,391</u>	 <u>\$ 12,230,242</u>

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

**NOTE 3. COMMITMENTS AND CONTINGENCIES**

**A. Risk Management**

The Village is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters for which the Village carries insurance through the Florida League of Cities. There were no significant reductions in insurance coverage from the coverage in the prior year. There were no settled claims that have exceeded insurance coverage for each of the past three years.

**B. Litigation**

The Village is a defendant in various lawsuits incidental to its operations. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's management and legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

**C. Contingent Liabilities**

Amounts received or receivable from grantor 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 Village's financial condition.

VILLAGE OF PINECREST, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2010

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

**D. Interlocal Agreement**

On June 17, 1997 the Village entered into an interlocal agreement with Miami-Dade County to pass thru the Village's share of the franchise fee on electricity collected by Florida Power and Light. Under this agreement, the County remitted \$ 1,343,813 to the Village for the fiscal year ended September 30, 2010. This agreement will be in effect as long as the Ordinance establishing the collection of these fees is in place.

On July 17, 2003 the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, the County remitted \$ 566,451 to the Village for the fiscal year ended September 30, 2010 for the purpose of providing transportation services within the Village. This agreement shall remain in effect as long as the County receives net proceeds from the ½ cent County Transit System Surtax as authorized by Miami-Dade County Ordinance No. 02-116 pursuant to the authority of Section 212.055(1) Florida Statutes 2002.

On December 5, 2007, the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, Water and Fire Project/GOB Project Number 17.11-71200, (Countywide Water and Sewer Enhancements) 9-70593, the County remitted \$ 1,713,657 to the Village for the fiscal year ended September 30, 2010.

**E. Pension Plans**

**Defined Contribution Plan**

The Village of Pinecrest 401(a) Money Purchase Plan is a defined contribution plan established by the Village to provide benefits at retirement for its employees. All full time employees must be a member of the plan. Plan members are required to contribute 7% of base earnings for the plan year. The Village is required to contribute 13% of base earnings for each participant for the plan year. Plan provisions and contribution requirements are established and may be amended by the Village Council.

The Plan's assets are administered by ICMA Retirement Corporation. The Village does not exercise any control over the plan assets. Village contributions to the plan were \$ 521,939. There are current year forfeitures of \$ 36,547, all of which will be used in lieu of Village contributions in fiscal 2010. Employee contributions were \$ 281,044 for the year ended September 30, 2010.

**Defined Benefit Plan**

The Village participates in the Florida Retirement System (FRS), a statewide cost-sharing multiple-employer public employee retirement system (PERS), available to governmental units within the state and administered by the State of Florida Division of Retirement, Department of Administration. The sworn police personnel are eligible to participate in the FRS. All rates, benefits and amendments are established by the State of Florida through its legislative body. FRS members with six years of service are entitled to a retirement benefit. Such benefits, payable monthly for life, are based on the percentage shown below, times the number of years of credited service, times the average of the member's five highest years of earnings.

Special Risk Class - Police:

Retirement based upon 25 years of special risk service 3.00% per year.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2010

**NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)**

Normal retirement age for sworn police personnel is:

- Age 55 and vested;
- Have at least 25 years of special risk creditable service;
- Combined 25 years of special risk creditable service and military service and are age 52 or;
- Have at least 30 years of any creditable service.

If a member is vested but has not yet reached normal retirement age, early retirement can be taken. The amount of the benefit will be reduced by 5.00% for each year the retirement date precedes normal retirement age.

Contributions to the FRS are made by the Village as a percentage of covered payroll. The required contribution rate in effect at year-end was 23.25% for the special risk class. No employee contributions are required. At September 30, 2010, the Village had 47 sworn police personnel participating in the FRS.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2010 and the three preceding years were as follows:

	<u>2010</u>	<u>2009</u>	<u>2008*</u>	<u>2007*</u>
Contribution requirements	\$ 712,370	\$ 530,787	N/A	N/A
Contributions made (100%)	\$ 712,370	\$ 530,787	N/A	N/A
Total covered payroll	\$ 3,063,960	\$ 2,537,223	N/A	N/A
Percent of contributions to total covered payroll	23.25%	20.92%	N/A	N/A

\* The FRS plan started in the Village of Pinecrest in January 2009, thus prior year information is neither relevant nor presented.

The FRS issues an annual report including the disclosures above, a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399, or online at [www.myfrs.com](http://www.myfrs.com).

**F. Construction Commitments**

There are two projects in the Capital Projects Fund which were not completed by year end and carried over. The projects are:

Water Project	\$ 129,557
Pinecrest Gardens Lighting Project, Construction	\$ 140,000

The Water Project is in the process of litigation and there are no contracts outstanding to a designated vendor. The Pinecrest Gardens Lighting Project construction phase was not yet bid and did not have a vendor at year end.

**G. Subsequent Event**

None

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other Than MD&A)**

**VILLAGE OF PINECREST, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
Fiscal Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Taxes:</b>				
Ad valorem taxes	\$ 7,454,500	\$ 7,454,500	\$ 7,441,336	\$ (13,164)
Franchise fees	1,426,140	1,426,140	1,432,193	6,053
Utility taxes	1,755,390	1,755,390	1,932,539	177,149
Communications services tax	1,157,700	1,157,700	1,197,369	39,669
Business tax	<u>115,250</u>	<u>115,250</u>	<u>97,684</u>	<u>(17,566)</u>
<b>Total taxes</b>	<u>11,908,980</u>	<u>11,908,980</u>	<u>12,101,121</u>	<u>192,141</u>
Licenses and permits	<u>1,459,000</u>	<u>1,459,000</u>	<u>1,442,526</u>	<u>(16,474)</u>
Intergovernmental revenue	<u>1,494,850</u>	<u>1,494,850</u>	<u>1,470,469</u>	<u>(24,381)</u>
Charges for services	<u>1,119,980</u>	<u>1,119,980</u>	<u>1,139,215</u>	<u>19,235</u>
Fines and forfeitures	<u>362,170</u>	<u>362,170</u>	<u>272,845</u>	<u>(89,325)</u>
<b>Miscellaneous revenues:</b>				
Interest earnings	72,000	72,000	29,886	(42,114)
PHS parking rent	91,650	91,650	94,387	2,737
Other miscellaneous revenues	<u>164,610</u>	<u>164,610</u>	<u>230,394</u>	<u>65,784</u>
<b>Total miscellaneous revenues</b>	<u>328,260</u>	<u>328,260</u>	<u>354,667</u>	<u>26,407</u>
<b>Total revenues</b>	<u>16,673,240</u>	<u>16,673,240</u>	<u>16,780,843</u>	<u>107,603</u>
<b>Expenditures:</b>				
General government	3,028,300	3,137,500	3,078,419	59,081
Public safety	7,614,150	7,324,950	7,123,424	201,526
Building, planning and zoning	1,458,890	1,458,890	1,433,623	25,267
Parks and recreation	3,117,280	3,297,280	3,171,148	126,132
Public works	<u>852,010</u>	<u>852,010</u>	<u>790,252</u>	<u>61,758</u>
<b>Total expenditures</b>	<u>16,070,630</u>	<u>16,070,630</u>	<u>15,596,866</u>	<u>473,764</u>
<b>Other financing sources (uses):</b>				
Appropriation of prior year's fund balance	1,048,360	1,048,360	-	(1,048,360)
Transfers in	-	-	-	-
Transfers out	<u>(1,650,970)</u>	<u>(1,650,970)</u>	<u>(1,501,919)</u>	<u>149,051</u>
<b>Total other financing sources (uses)</b>	<u>(602,610)</u>	<u>(602,610)</u>	<u>(1,501,919)</u>	<u>(899,309)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (317,942)</u>	<u>\$ (317,942)</u>

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 TRANSPORTATION FUND  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Transportation taxes	\$ 924,660	\$ 924,660	\$ 907,330	\$ (17,330)
Intergovernmental	440,000	440,000	32,000	(408,000)
Interest	55,000	55,000	92,870	37,870
Total revenues	1,419,660	1,419,660	1,032,200	(387,460)
 <b>EXPENDITURES:</b>				
Public works	1,249,400	1,249,400	1,214,727	34,673
Total expenditures	1,249,400	1,249,400	1,214,727	34,673
Excess (deficiency) of revenues over expenditures	170,260	170,260	(182,527)	(352,787)
 <b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of prior year's fund balance	(144,340)	(144,340)	-	144,340
Transfers out	(25,920)	(25,920)	(25,920)	-
Total other financing sources (uses)	(170,260)	(170,260)	(25,920)	144,340
Net change in fund balance	\$ -	\$ -	\$ (208,447)	\$ (208,447)

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 NOTES TO BUDGETARY COMPARISON SCHEDULES  
 Fiscal Year Ended September 30, 2010

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING:

An annual appropriated budget is adopted for all of the governmental funds on a basis consistent with accounting principles generally accepted in the United States except for encumbrances.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Village Manager submits to the Council a proposed operating and capital budget for the ensuing year. The budget includes proposed expenditures and means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through the passage of a budget ordinance.
- d. The Village Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. There were supplemental appropriations in the Police Forfeiture Fund for an additional \$ 43,070 during the fiscal year ended September 30, 2010.
- e. Formal budgetary integration is employed as a management control devise during the year for all of the funds.
- f. The Village Manager is authorized to transfer part of, all or an unencumbered appropriation within a department within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Village Council. The Departments are General Government, Police, BPZ (Building, Planning and Zoning), Public Works, and Parks and Recreation. The classification detail at which expenditures may not legally exceed appropriations is at the department level.
- g. Unencumbered appropriations lapse at fiscal year end. Unencumbered amounts are reappropriated in the following year's budget.
- h. Budgeted amounts are as originally adopted or as amended. Individual type amendments are not material in relation to the original appropriations.

NOTE 2 - RECONCILIATION OF BUDGETED AND ACTUAL RESULTS

The only fund with GAAP to budgetary basis differences was the General Fund

		General Fund
Net change in fund balance, GAAP basis	\$	(347,842)
Expenditures on a budgetary basis (encumbrances), September 30, 2009		29,900
Net change in fund balance, budgetary basis	\$	(317,942)

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

None.

**COMBINING FUND FINANCIAL  
STATEMENTS AND SCHEDULES**



## NONMAJOR GOVERNMENTAL FUNDS

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Police Education Fund** - This fund receives funds from judgments, donations and grants to be used to provide training to police department personnel.

**Police Forfeiture Fund** - This fund receives forfeited cash and assets of individuals involved in drug enforcement activities and must be used for police related services.

**Hardwire Fund** - This fund receives funds derived from a tax on land-based phone lines and is used to fund 911 services.

**Wireless Fund** - This fund receives funds derived from a tax on cell phones and is used to fund 911 services.

**CITT Public Transit Fund** - This fund reports on the public transit funds received from a portion of the transportation sales tax.

### **Debt Service Fund**

**Debt Service Fund** - This fund is used to accumulate resources and distribute principal, interest and bond related issuance costs on long-term debt payable by the Village of Pinecrest.

**VILLAGE OF PINECREST, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2010

	Police Education Fund	Police Forfeiture Fund	Hardwire Fund	Wireless Fund	CITT Public Transit Fund	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 9,195	\$ 58,968	\$ 6,958	\$ 9,958	\$ 287,618	\$ 372,697	\$ -	\$ 372,697
Receivables	357	-	9,401	12,801	25,135	47,694	-	47,694
Total assets	\$ 9,552	\$ 58,968	\$ 16,359	\$ 22,759	\$ 312,753	\$ 420,391	\$ -	\$ 420,391
 <b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>								
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 Fund balances:								
Restricted for:								
Transportation	-	-	-	-	312,753	312,753	-	312,753
Public safety	9,552	58,968	16,359	22,759	-	107,638	-	107,638
Total fund balances	9,552	58,968	16,359	22,759	312,753	420,391	-	420,391
Total liabilities and fund balances	\$ 9,552	\$ 58,968	\$ 16,359	\$ 22,759	\$ 312,753	\$ 420,391	\$ -	\$ 420,391

**VILLAGE OF PINECREST, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENT FUNDS**  
**Fiscal Year Ended September 30, 2010**

	Police Education Fund	Police Forfeiture Fund	Hardwire Fund	Wireless Fund	CITT Public Transit Fund	Total Special Revenue Funds	Debt Service Fund	Total Non-major Governmental Funds
<b>REVENUES:</b>								
Intergovernmental	\$ -	\$ -	\$ 57,902	\$ 38,947	\$ 113,290	\$ 210,139	\$ -	\$ 210,139
Fines and forfeitures	4,573	98,710	-	-	-	103,283	-	103,283
Interest	72	304	6	25	1,021	1,428	-	1,428
<b>Total revenues</b>	<b>4,645</b>	<b>99,014</b>	<b>57,908</b>	<b>38,972</b>	<b>114,311</b>	<b>314,850</b>	<b>-</b>	<b>314,850</b>
<b>EXPENDITURES:</b>								
Current:								
Public safety	5,077	46,256	64,557	42,054	-	157,944	-	157,944
Public works	-	-	-	-	43,500	43,500	-	43,500
Debt service:								
Principal	-	-	-	-	-	-	845,000	845,000
Interest	-	-	-	-	-	-	656,839	656,839
<b>Total expenditures</b>	<b>5,077</b>	<b>46,256</b>	<b>64,557</b>	<b>42,054</b>	<b>43,500</b>	<b>201,444</b>	<b>1,501,839</b>	<b>1,703,283</b>
Excess (deficiency) of revenues over expenditures	(432)	52,758	(6,649)	(3,082)	70,811	113,406	(1,501,839)	(1,388,433)
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	16,000	10,000	-	26,000	1,501,839	1,527,839
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>16,000</b>	<b>10,000</b>	<b>-</b>	<b>26,000</b>	<b>1,501,839</b>	<b>1,527,839</b>
Net change in fund balances	(432)	52,758	9,351	6,918	70,811	139,406	-	139,406
Fund balances, beginning	9,984	6,210	7,008	15,841	241,942	280,985	-	280,985
Fund balances, ending	\$ 9,552	\$ 58,968	\$ 16,359	\$ 22,759	\$ 312,753	\$ 420,391	\$ -	\$ 420,391

**VILLAGE OF PINECREST, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**POLICE EDUCATION FUND**  
 Fiscal Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES:</b>				
Fines and forfeitures	\$ 4,830	\$ 4,830	\$ 4,573	\$ (257)
Interest	180	180	72	(108)
Total revenues	5,010	5,010	4,645	(365)
 <b>EXPENDITURES:</b>				
Public safety	10,940	10,940	5,077	5,863
Total expenditures	10,940	10,940	5,077	5,863
Excess (deficiency) of revenues over expenditures	(5,930)	(5,930)	(432)	5,498
 <b>OTHER FINANCING SOURCES:</b>				
Appropriation of prior year's fund balance	5,930	5,930	-	(5,930)
Total other financing sources	5,930	5,930	-	(5,930)
Net change in fund balance	\$ -	\$ -	\$ (432)	\$ (432)

**VILLAGE OF PINECREST, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**POLICE FORFEITURE FUND**  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ -	\$ 43,070	\$ 98,710	\$ 55,640
Interest	20	20	304	284
Total revenues	20	43,090	99,014	55,924
 <b>EXPENDITURES:</b>				
Current:				
Public safety	6,100	49,170	46,256	2,914
Total expenditures	6,100	49,170	46,256	2,914
Excess (deficiency) of revenues over expenditures	(6,080)	(6,080)	52,758	58,838
 <b>OTHER FINANCING SOURCES:</b>				
Appropriation of prior year's fund balance	6,080	6,080	-	(6,080)
Total other financing sources	6,080	6,080	-	(6,080)
Net change in fund balance	\$ -	\$ -	\$ 52,758	\$ 52,758

VILLAGE OF PINECREST, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 HARDWARE FUND  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 61,470	\$ 61,470	\$ 57,902	\$ (3,568)
Interest	80	80	6	(74)
Total revenues	61,550	61,550	57,908	(3,642)
<b>EXPENDITURES:</b>				
Public safety	81,340	81,340	64,557	16,783
Excess (deficiency) of revenues over expenditures	(19,790)	(19,790)	(6,649)	13,141
<b>OTHER FINANCING SOURCES:</b>				
Appropriation of prior year's fund balance	3,790	3,790	-	(3,790)
Transfers in	16,000	16,000	16,000	-
Total other financing sources	19,790	19,790	16,000	(3,790)
Net change in fund balance	\$ -	\$ -	\$ 9,351	\$ 9,351

**VILLAGE OF PINECREST, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**WIRELESS FUND**  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 38,100	\$ 38,100	\$ 38,947	\$ 847
Interest	140	140	25	(115)
Total revenues	38,240	38,240	38,972	732
 <b>EXPENDITURES:</b>				
Public safety	53,700	53,700	42,054	11,646
Total expenditures	53,700	53,700	42,054	11,646
Excess (deficiency) of revenues over expenditures	(15,460)	(15,460)	(3,082)	12,378
 <b>OTHER FINANCING SOURCES:</b>				
Appropriation of prior year's fund balance	15,460	15,460	-	(15,460)
Transfers in	-	-	10,000	10,000
Total other financing sources	15,460	15,460	10,000	(5,460)
Net change in fund balance	\$ -	\$ -	\$ 6,918	\$ 6,918

VILLAGE OF PINECREST, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 CITT PUBLIC TRANSIT FUND  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 114,500	\$ 114,500	\$ 113,290	\$ (1,210)
Interest	3,000	3,000	1,021	(1,979)
Total revenues	117,500	117,500	114,311	(3,189)
 <b>EXPENDITURES:</b>				
Public works	53,000	53,000	43,500	9,500
Total expenditures	53,000	53,000	43,500	9,500
Excess (deficiency) of revenues over expenditures	64,500	64,500	70,811	6,311
 <b>OTHER FINANCING SOURCES:</b>				
Appropriation of prior year's fund balance	(64,500)	(64,500)	-	64,500
Total other financing sources	(64,500)	(64,500)	-	64,500
Net change in fund balance	\$ -	\$ -	\$ 70,811	\$ 70,811

**VILLAGE OF PINECREST, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Principal	\$ 845,000	\$ 845,000	\$ 845,000	\$ -
Interest	815,890	815,890	656,839	159,051
Total expenditures	1,660,890	1,660,890	1,501,839	159,051
 <b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,660,890	1,660,890	1,501,839	(159,051)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

VILLAGE OF PINECREST, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS FUND  
 Fiscal Year Ended September, 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,813,010	\$ 1,813,010	\$ 1,713,657	\$ (99,353)
Interest	16,710	16,710	159	(16,551)
Miscellaneous	-	-	38,113	38,113
	<u>1,829,720</u>	<u>1,829,720</u>	<u>1,751,929</u>	<u>(77,791)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,850,010	1,850,010	1,720,453	129,557
Parks and recreation	240,000	240,000	99,210	140,790
	<u>2,090,010</u>	<u>2,090,010</u>	<u>1,819,663</u>	<u>270,347</u>
Excess (deficiency) of revenues over expenditures	(260,290)	(260,290)	(67,734)	192,556
<b>OTHER FINANCING SOURCES:</b>				
Appropriation of prior year's fund balance	260,290	260,290	-	(260,290)
	<u>260,290</u>	<u>260,290</u>	<u>-</u>	<u>(260,290)</u>
Net change in fund balance	\$ -	\$ -	\$ (67,734)	\$ (67,734)

## STATISTICAL SECTION



## STATISTICAL SECTION

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

### Contents

#### Financial Trends:

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

- Table 1 - Net Assets by Component
- Table 2 - Changes in Net Assets
- Table 3 - Governmental Activities Tax Revenues by Source
- Table 4 - Fund Balances in Governmental Funds
- Table 5 - Statement of Revenues, Expenditures and Changes in Fund Balance

#### Revenue Capacity:

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

- Table 6 - General Governmental Revenues by Function
- Table 7 - Assessed Value of Taxable Property
- Table 8 - Property Tax Rates – Direct and Overlapping Governments
- Table 9 - Property Tax Levies and Collections
- Table 10 - Principal Taxpayers

#### Debt Capacity:

These schedules contain 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.

- Table 11 - Ratio of Outstanding Debt by Type
- Table 12 - Ratio of General Bonded Debt Outstanding
- Table 13 - Computation of Direct and Overlapping Debt

#### Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment with which the government's financial activities take place.

- Table 14 - Demographic and Economic Statistics
- Table 15 - Principal Employers

#### Operating Information:

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.

- Table 16 - Full Time Equivalent Government Employees by Function
- Table 17 - Operating Indicators by Function
- Table 18 - Capital Assets by Function

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



**VILLAGE OF PINECREST, FLORIDA**  
**NET ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**AMOUNTS EXPRESSED IN THOUSANDS**

Table 1

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$ 100,990	\$ 112,626	\$ 108,793	\$ 106,284	\$ 103,522	\$ 105,008	\$ 107,337	\$ 104,605	\$ 101,247
Restricted	10,345	1,092	3,308	2,589	5,058	8,403	5,171	4,167	4,099
Unrestricted	<u>8,784</u>	<u>10,302</u>	<u>8,856</u>	<u>9,898</u>	<u>9,625</u>	<u>3,707</u>	<u>3,584</u>	<u>7,951</u>	<u>7,510</u>
<b>Total governmental     activities net assets</b>	<u>120,119</u>	<u>124,020</u>	<u>120,957</u>	<u>118,771</u>	<u>118,205</u>	<u>117,118</u>	<u>116,092</u>	<u>116,723</u>	<u>112,856</u>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	2,171	2,127	2,313	4,286	4,763	4,696	4,654	4,590	4,626
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	<u>906</u>	<u>1,120</u>	<u>1,234</u>	<u>1,350</u>	<u>1,324</u>	<u>1,587</u>	<u>1,817</u>	<u>1,963</u>	<u>2,231</u>
<b>Total business-type     activities net assets</b>	<u>3,077</u>	<u>3,247</u>	<u>3,547</u>	<u>5,636</u>	<u>6,087</u>	<u>6,283</u>	<u>6,471</u>	<u>6,553</u>	<u>6,857</u>
<b>Primary government:</b>									
Invested in capital assets, net of related debt	103,161	114,753	111,106	110,570	108,285	109,704	111,991	109,195	105,873
Restricted	10,345	1,092	3,308	2,589	5,058	8,403	5,171	4,167	4,099
Unrestricted	<u>9,690</u>	<u>11,422</u>	<u>10,090</u>	<u>11,248</u>	<u>10,949</u>	<u>5,294</u>	<u>5,401</u>	<u>9,914</u>	<u>9,741</u>
<b>Total primary     government net assets</b>	<u>\$ 123,196</u>	<u>\$ 127,267</u>	<u>\$ 124,504</u>	<u>\$ 124,407</u>	<u>\$ 124,292</u>	<u>\$ 123,401</u>	<u>\$ 122,563</u>	<u>\$ 123,276</u>	<u>\$ 119,713</u>

The Village of Pinecrest implemented GASB 34 in FY 2002, prior to that date this data was not maintained.

VILLAGE OF PINECREST, FLORIDA  
 CHANGES IN NET ASSETS  
 LAST NINE FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 AMOUNTS EXPRESSED IN THOUSANDS

Table 2

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:									
Governmental activities:									
General government	\$ 2,343	\$ 2,262	\$ 1,790	\$ 2,457	\$ 2,265	\$ 3,946	\$ 2,913	\$ 6,012	\$ 4,868
Public safety	6,553	6,354	6,394	6,441	6,768	6,807	6,658	7,043	7,294
Building, planning and zoning	1,175	1,298	1,394	1,573	1,641	1,801	1,740	1,491	1,459
Parks and recreation	1,650	1,544	2,318	2,503	2,706	2,647	2,476	3,583	3,823
Public works	5,153	4,608	5,948	5,239	5,482	5,236	6,054	5,480	5,656
Interest on long-term debt	377	707	701	842	782	747	825	684	660
Total governmental activities	<u>17,251</u>	<u>16,773</u>	<u>18,545</u>	<u>19,055</u>	<u>19,644</u>	<u>21,184</u>	<u>20,666</u>	<u>24,293</u>	<u>23,760</u>
Business-type activities									
Stormwater	<u>126</u>	<u>140</u>	<u>184</u>	<u>213</u>	<u>306</u>	<u>287</u>	<u>241</u>	<u>312</u>	<u>295</u>
Total business-type activities	<u>126</u>	<u>140</u>	<u>184</u>	<u>213</u>	<u>306</u>	<u>287</u>	<u>241</u>	<u>312</u>	<u>295</u>
Total primary government expenses	<u>\$ 17,377</u>	<u>\$ 16,913</u>	<u>\$ 18,729</u>	<u>\$ 19,268</u>	<u>\$ 19,950</u>	<u>\$ 21,471</u>	<u>\$ 20,907</u>	<u>\$ 24,605</u>	<u>\$ 24,055</u>

**VILLAGE OF PINECREST, FLORIDA**  
**CHANGES IN NET ASSETS**  
**LAST NINE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**AMOUNTS EXPRESSED IN THOUSANDS**

Table 2  
(continued)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Program revenues:									
Governmental activities:									
Charges for services:									
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35	\$ 68
Public safety	96	255	363	275	469	594	487	362	527
Building, planning and zoning	1,431	1,481	1,657	1,822	2,122	1,677	1,604	1,377	1,580
Parks and recreation	90	868	399	463	567	553	636	799	782
Operating grants and contributions	167	155	33	1,106	1,177	1,252	1,062	99	99
Capital grants and contributions	824	7,100	644	30	-	72	1,201	6,838	1,746
Total governmental activities program revenues	<u>2,608</u>	<u>9,859</u>	<u>3,096</u>	<u>3,696</u>	<u>4,335</u>	<u>4,148</u>	<u>4,990</u>	<u>9,510</u>	<u>4,802</u>
Business type activities:									
Charges for services:									
Stormwater system	228	294	374	376	355	402	379	375	449
Capital grants and contributions	-	-	94	1,905	352	-	-	-	143
Total business-type activities program revenues	<u>228</u>	<u>294</u>	<u>468</u>	<u>2,281</u>	<u>707</u>	<u>402</u>	<u>379</u>	<u>375</u>	<u>592</u>
Total primary government program revenues	<u>\$ 2,836</u>	<u>\$ 10,153</u>	<u>\$ 3,564</u>	<u>\$ 5,977</u>	<u>\$ 5,042</u>	<u>\$ 4,550</u>	<u>\$ 5,369</u>	<u>\$ 9,885</u>	<u>\$ 5,394</u>
Net (expense)/revenue									
Governmental activities	\$ (14,643)	\$ (6,914)	\$ (15,449)	\$ (15,359)	\$ (15,309)	\$ (17,036)	\$ (15,676)	(14,783)	(18,958)
Business-type activities	<u>102</u>	<u>154</u>	<u>284</u>	<u>2,068</u>	<u>401</u>	<u>115</u>	<u>138</u>	<u>63</u>	<u>297</u>
Total primary government net expense	<u>\$ (14,541)</u>	<u>\$ (6,760)</u>	<u>\$ (15,165)</u>	<u>\$ (13,291)</u>	<u>\$ (14,908)</u>	<u>\$ (16,921)</u>	<u>\$ (15,538)</u>	<u>(14,720)</u>	<u>(18,661)</u>

VILLAGE OF PINECREST, FLORIDA  
 CHANGES IN NET ASSETS  
 LAST NINE FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)  
 AMOUNTS EXPRESSED IN THOUSANDS

Table 2  
 (continued)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General revenues and other changes in net assets									
Governmental activities:									
Ad valorem taxes	\$ 4,145	\$ 5,234	\$ 5,770	\$ 6,295	\$ 7,117	\$ 8,132	\$ 7,369	\$ 7,484	\$ 7,441
Franchise fees on gross receipts	971	914	978	1,029	1,464	1,852	1,807	1,407	1,432
Utility taxes	1,636	1,731	1,674	1,733	1,744	1,802	1,827	1,802	1,933
Communications services tax	652	855	658	777	863	816	1,003	1,331	1,198
Transportation tax	640	902	1,039	1,106	1,178	1,252	986	932	907
Business tax	-	-	-	-	-	122	156	155	98
Intergovernmental, not restricted to specific programs	692	418	1,602	1,327	1,268	762	904	1,799	1,581
Interest earnings	253	326	156	451	683	821	276	57	138
Miscellaneous	422	435	509	454	427	390	322	447	363
<b>Total governmental activities</b>	<b>9,411</b>	<b>10,815</b>	<b>12,386</b>	<b>13,172</b>	<b>14,744</b>	<b>15,949</b>	<b>14,650</b>	<b>15,414</b>	<b>15,091</b>
Business-type activities									
Interest earnings	19	16	16	22	48	81	51	19	7
<b>Total business-type activities</b>	<b>19</b>	<b>16</b>	<b>16</b>	<b>22</b>	<b>48</b>	<b>81</b>	<b>51</b>	<b>19</b>	<b>7</b>
<b>Total primary government</b>	<b>\$ 9,430</b>	<b>\$ 10,831</b>	<b>\$ 12,402</b>	<b>\$ 13,194</b>	<b>\$ 14,792</b>	<b>\$ 16,030</b>	<b>\$ 14,701</b>	<b>\$ 15,433</b>	<b>\$ 15,098</b>
Changes in net assets									
Government activities	\$ (5,232)	\$ 3,901	\$ (3,063)	\$ (2,187)	\$ (565)	\$ (1,087)	\$ (1,026)	\$ 631	\$ (3,867)
Business-type activities	121	170	300	2,090	449	196	188	82	304
<b>Total primary government</b>	<b>\$ (5,111)</b>	<b>\$ 4,071</b>	<b>\$ (2,763)</b>	<b>\$ (97)</b>	<b>\$ (116)</b>	<b>\$ (891)</b>	<b>\$ (838)</b>	<b>\$ 713</b>	<b>\$ (3,563)</b>

The Village of Pinecrest implemented GASB 34 in FY 2002, prior to that date this data was not maintained.

**VILLAGE OF PINECREST, FLORIDA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST NINE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**AMOUNTS EXPRESSED IN THOUSANDS**

Table 3

Fiscal Year	Ad Valorem Tax	Franchise Fees on Services	Utility Tax	Communications Service Tax	Transportation Tax	Business Tax	Total
2002	\$ 4,145	\$ 971	\$ 1,636	\$ 652	\$ 640	\$ -	\$ 8,044
2003	5,234	914	1,731	855	902	-	9,636
2004	5,770	978	1,674	658	1,039	-	10,119
2005	6,295	1,029	1,733	777	1,106	-	10,940
2006	7,117	1,464	1,744	863	1,178	-	12,366
2007	8,132	1,852	1,802	816	1,252	-	13,854
2008	7,369	1,807	1,827	1,003	986	156	13,148
2009	7,483	1,407	1,802	1,331	932	155	13,110
2010	7,441	1,432	1,933	1,197	907	98	13,008

The Village of Pinecrest implemented GASB 34 in FY 2002, prior to that date this data was not maintained.

**VILLAGE OF PINECREST, FLORIDA**  
**FUND BALANCES IN GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**AMOUNTS EXPRESSED IN THOUSANDS**

Table 4

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Committed	883	169	206	200	135	19	58	66	30	-
Assigned	-	-	-	-	-	-	-	583	1,048	1,540
Unassigned	6,879	7,182	6,671	4,383	5,008	6,185	7,268	3,464	6,862	6,050
Total General Fund	<u>\$ 7,762</u>	<u>\$ 7,351</u>	<u>\$ 6,877</u>	<u>\$ 4,583</u>	<u>\$ 5,143</u>	<u>\$ 6,204</u>	<u>\$ 7,326</u>	<u>\$ 4,113</u>	<u>\$ 7,940</u>	<u>\$ 7,592</u>
All Other Governmental Funds:										
Restricted:										
Special Revenue Funds	\$ 1,274	\$ 1,219	\$ 1,092	\$ 1,297	\$ 2,275	\$ 3,440	\$ 4,408	\$ 4,087	\$ 4,167	\$ 4,098
Committed	1,129	10,176	3,248	1,811	179	162	3,937	542	-	-
Assigned:										
Capital Project Funds	3,261	382	177	4,473	4,890	4,878	-	541	608	540
Unassigned:										
Capital Project Funds	-	-	-	-	-	-	(3,561)	-	-	-
Total all other governmental funds	<u>\$ 5,664</u>	<u>\$ 11,777</u>	<u>\$ 4,517</u>	<u>\$ 7,581</u>	<u>\$ 7,344</u>	<u>\$ 8,480</u>	<u>\$ 4,784</u>	<u>\$ 5,170</u>	<u>\$ 4,775</u>	<u>\$ 4,638</u>
Fund balances all governmental funds	<u>\$ 13,426</u>	<u>\$ 19,128</u>	<u>\$ 11,394</u>	<u>\$ 12,164</u>	<u>\$ 12,487</u>	<u>\$ 14,684</u>	<u>\$ 12,110</u>	<u>\$ 9,283</u>	<u>\$ 12,715</u>	<u>\$ 12,230</u>

**VILLAGE OF PINECREST, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**AMOUNTS EXPRESSED IN THOUSANDS**

Table 5

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Taxes	\$ 8,673	\$ 7,404	\$ 8,734	\$ 9,080	\$ 9,835	\$ 11,188	\$ 12,724	\$ 12,162	\$ 13,111	\$ 13,008
Licenses and permits	1,121	1,363	1,417	1,657	1,822	2,122	1,677	1,604	1,128	1,443
Intergovernmental	979	2,323	8,575	3,318	3,570	3,623	3,338	4,153	8,736	3,426
Charges for services	391	246	545	481	463	619	606	780	1,227	1,139
Fines and forfeitures	232	219	215	281	275	416	541	343	218	376
Interest	892	253	313	156	437	670	807	263	44	124
Miscellaneous	110	321	863	509	454	427	390	323	447	363
<b>Total revenues</b>	<b>12,398</b>	<b>12,129</b>	<b>20,662</b>	<b>15,482</b>	<b>16,856</b>	<b>19,065</b>	<b>20,083</b>	<b>19,628</b>	<b>24,911</b>	<b>19,879</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	1,949	2,287	1,926	877	2,338	2,129	3,807	2,730	5,908	4,829
Public safety	4,869	6,238	6,303	6,311	6,334	6,736	6,729	6,588	6,910	7,281
Building, planning & zoning	1,051	1,140	1,300	1,376	1,542	1,640	1,824	1,734	1,476	1,434
Parks and recreation	835	1,648	15,379	2,654	2,453	3,984	7,654	7,827	4,085	3,270
Public works	1,378	1,366	1,333	1,549	1,222	872	1,143	2,087	1,596	2,048
Non-departmental	5,341	976	904	3,674	1,145	-	-	-	-	-
<b>Debt service:</b>										
Principal	280	290	550	570	690	725	750	780	815	845
Interest	354	344	701	701	809	782	751	721	691	657
Issuance costs	-	136	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>16,057</b>	<b>14,425</b>	<b>28,396</b>	<b>17,712</b>	<b>16,533</b>	<b>16,868</b>	<b>22,658</b>	<b>22,467</b>	<b>21,481</b>	<b>20,364</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,659)</b>	<b>(2,296)</b>	<b>(7,734)</b>	<b>(2,230)</b>	<b>323</b>	<b>2,197</b>	<b>(2,575)</b>	<b>(2,839)</b>	<b>3,430</b>	<b>(485)</b>
<b>Other financing sources (uses):</b>										
Issuance of debt	-	7,998	-	3,000	-	-	-	-	-	-
Transfers in	4,329	634	1,632	3,671	1,499	2,696	3,001	7,025	5,508	1,528
Transfers out	(4,329)	(634)	(1,632)	(3,671)	(1,499)	(2,696)	(3,001)	(7,025)	(5,508)	(1,528)
Capital lease	-	-	-	-	-	-	-	14	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,998</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (3,659)</b>	<b>\$ 5,702</b>	<b>\$ (7,734)</b>	<b>\$ 770</b>	<b>\$ 323</b>	<b>\$ 2,197</b>	<b>\$ (2,575)</b>	<b>\$ (2,825)</b>	<b>\$ 3,430</b>	<b>\$ (485)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>3.95%</b>	<b>4.40%</b>	<b>4.41%</b>	<b>7.18%</b>	<b>9.07%</b>	<b>8.93%</b>	<b>6.62%</b>	<b>9.34%</b>	<b>7.75%</b>	<b>7.99%</b>

**VILLAGE OF PINECREST, FLORIDA**  
**GENERAL GOVERNMENTAL REVENUES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Table 6

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Misc.</u>	<u>Total</u>
2001	\$ 8,673,171	\$ 1,120,887	\$ 979,321	\$ 390,716	\$ 231,873	\$ 892,535	\$ 110,428	\$ 12,398,931
2002	7,403,931	1,362,665	2,322,980	246,445	219,151	252,897	321,026	12,129,095
2003	8,734,449	1,416,741	8,575,259	544,766	214,524	312,738	863,096	20,661,573
2004	9,080,086	1,656,751	3,318,279	480,774	281,158	155,854	509,096	15,481,998
2005	9,834,612	1,821,586	3,569,813	463,108	274,974	437,419	454,296	16,855,808
2006	11,188,038	2,121,715	3,623,129	619,666	416,425	669,998	426,567	19,065,538
2007	12,724,310	1,676,528	3,337,845	606,006	541,087	807,396	390,350	20,083,522
2008	12,161,876	1,604,268	4,153,107	779,504	343,479	263,059	322,496	19,627,789
2009	13,111,455	1,128,216	8,735,594	1,226,808	217,676	43,780	447,201	24,910,730
2010	13,008,451	1,442,526	3,426,265	1,139,215	376,128	124,343	362,894	19,879,822

Source: All governmental funds for fiscal years commencing 2000.

Note: This schedule is prepared on a GAAP basis.  
The information reported is from the Comprehensive Annual Financial Reports.

**VILLAGE OF PINECREST, FLORIDA  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Table 7

<u>Fiscal Year</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Assessed Property Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2001	\$ 1,832,884,111	\$ 49,266,728	\$ 1,882,150,839	2.1	\$ 1,981,211,409	95%
2002	2,028,549,847	44,051,288	2,072,601,135	2.1	2,181,685,405	95%
2003	2,231,723,235	45,728,441	2,277,451,676	2.4	2,397,317,554	95%
2004	2,457,111,202	42,781,470	2,499,892,672	2.4	2,631,465,971	95%
2005	2,692,568,177	45,247,052	2,737,815,229	2.4	2,881,910,767	95%
2006	3,053,194,733	44,846,184	3,098,040,917	2.4	3,261,095,702	95%
2007	3,460,282,932	39,173,088	3,499,456,020	2.4	3,683,637,916	95%
2008	3,895,944,419	46,427,219	3,942,371,638	1.95	4,149,864,882	95%
2009	3,901,885,281	36,488,013	3,938,373,294	1.98	4,145,656,099	95%
2010	3,682,575,484	39,424,119	3,721,999,603	2.1	3,917,894,319	95%

Data is provided by the Miami-Dade County Appraisor's Office.

**VILLAGE OF PINECREST, FLORIDA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Table 8

Fiscal Year	Village	School		State			County			Special Districts			Total Direct Millage
	Direct Operating Millage	Operating Millage	Debt Service	Everglades Project	South Florida Water Management	FIN (1)	Operating Millage	Debt Service	Children's Trust	Fire Rescue	Fire Debt	Library	
2001	2.1000	8.702	0.915	0.100	0.597	0.0410	5.751	0.652	0.00	2.683	0.069	0.351	21.961
2002	2.1000	8.528	0.848	0.100	0.597	0.0385	5.713	0.552	0.00	2.683	0.069	0.451	21.680
2003	2.4000	8.482	0.770	0.100	0.597	0.0385	5.889	0.390	0.00	2.582	0.079	0.486	21.814
2004	2.4000	8.418	0.682	0.100	0.597	0.0385	5.969	0.285	0.500	2.582	0.079	0.486	22.137
2005	2.4000	8.09	0.597	0.100	0.597	0.0385	5.935	0.285	0.444	2.592	0.069	0.486	21.634
2006	2.4000	7.947	0.491	0.100	0.597	0.0385	5.835	0.285	0.429	2.609	0.052	0.486	21.269
2007	2.4000	7.691	0.414	0.100	0.597	0.0385	5.615	0.285	0.422	2.609	0.042	0.486	20.700
2008	1.9500	7.570	0.378	0.0894	0.5346	0.0345	4.5796	0.285	0.4223	2.2067	0.042	0.3842	18.4763
2009	1.9809	7.533	0.264	0.0894	0.5346	0.0345	4.8379	0.285	0.4212	2.1851	0.042	0.3822	18.5898
2010	2.1040	7.698	0.297	0.0890	0.5350	0.0345	4.8379	1.285	0.5000	2.1850	0.042	0.3820	19.9894

Data is provided by the Miami-Dade County Appraisor's Office.  
(1) Florida Inland Navigation District

**VILLAGE OF PINECREST, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Table 9

Fiscal Year	Taxes Levied (1)	Amount Collected (2)	Percentage of Levy	Collections in Subsequent Years	Collected (2)	Percentage of Levy
2001	\$ 3,952,517	\$ 3,789,725	95.9%	*	\$ 3,789,725	95.9%
2002	4,352,462	4,137,179	95.1%	*	4,137,179	95.1%
2003	5,465,884	5,221,224	95.5%	*	5,221,224	95.5%
2004	5,999,742	5,765,664	96.1%	*	5,765,664	96.1%
2005	6,570,757	6,294,169	95.8%	*	6,294,169	95.8%
2006	7,435,298	7,103,976	95.5%	*	7,103,976	95.5%
2007	8,398,694	8,121,422	96.8%	*	8,121,422	96.7%
2008	7,687,625	7,323,491	95.3%	*	7,323,491	95.3%
2009	7,801,524	7,483,478	95.9%	*	7,483,478	95.9%
2010	7,831,087	7,441,336	95.0%	*	7,441,336	95.0%

(1) Data is taken from Form DR 420 submitted to the Miami-Dade County Appraiser's Office and the State of Florida.

(2) Information provided by the Village of Pinecrest.

\* Information is not available.

VILLAGE OF PINECREST, FLORIDA  
PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2010

Table 10

Taxpayer	Type of Use	2010			2001		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Spector & Sons	Shopping Center	\$ 31,182,004	1	0.84%	\$ 20,342,487	1	1.08%
Kendall Plaza, LTD	Shopping Center	18,800,000	2	0.51%	13,054,305	4	0.69%
Gator Dadeland Partners, LTD	Shopping Center	17,500,000	3	0.47%	6,625,000	7	0.35%
Kendall Imports LLC	Shopping Center	17,000,000	4	0.46%	16,280,374	2	0.86%
Comcast of Florida	Utility	14,536,827	5	0.39%	-	-	-
Pinecrest Realty Associates	Shopping Center	14,400,000	6	0.39%	-	-	-
G F B Enterprises	Automotive	13,005,546	7	0.35%	-	-	-
Florida Power & Light	Utility	11,657,225	8	0.31%	6,287,276	8	0.33%
Kendall House Apartments	Apartments	11,590,215	9	0.31%	-	-	-
Burdines Real Estate	Shopping Center	11,208,342	10	0.30%	-	-	-
Bell South Communications	Utility	-	-	-	13,748,608	3	0.73%
Suniland Associates	Shopping Center	-	-	-	11,234,854	5	0.60%
Kenneth L Shimm	Shopping Center	-	-	-	10,822,395	6	0.58%
Raymand F. Forgarty, TT	Shopping Center	-	-	-	6,276,790	9	0.33%
Sodix	Shopping Center	-	-	-	5,731,919	10	0.30%

Source: Miami-Dade County Tax Assessor's Office 2010 Tax Roll  
Real/Personal Property taxable value - \$ 3,721,999,603  
Miami-Dade County Tax Assessor's Office 2001 Tax Roll  
Real/Personal Property taxable value - \$ 1,882,150,839

Data is provided by the Miami-Dade County Appraisor's Office.

**VILLAGE OF PINECREST, FLORIDA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Table 11

Fiscal Year	Governmental Activities <u>General Obligation Bonds* (2)</u>	Business Type Activities <u>Outstanding Bonds</u>	Total Primary Government	Population (1)	Percentage of Personal Income	Per Capita Debt
2001	\$ 7,600	\$ -	\$ 7,600	19,064	0.78%	\$ 399
2002	15,050	-	15,050	19,078	1.54%	789
2003	14,500	-	14,500	19,286	1.47%	752
2004	17,005	-	17,005	19,317	1.72%	880
2005	16,315	-	16,315	19,460	1.64%	838
2006	15,590	-	15,590	19,530	1.60%	798
2007	14,840	-	14,840	19,382	1.50%	766
2008	14,060	-	14,060	19,454	1.41%	723
2009	13,245	-	13,245	19,491	1.33%	680
2010	12,400	-	12,400	19,411	1.25%	639

Notes: \* In thousands

- (1) Fiscal year 2010, U.S. Census will not be available until March 2011. Fiscal years 2001 and thereafter the population as estimated by the Bureau of Economic and Business Research, University of Florida as of April 1 each year.
- (2) The Village of Pinecrest Finance Department is the source for this data.

**VILLAGE OF PINECREST, FLORIDA**  
**RATIO OF GENERAL BONDED DEBT OUSTANDING**  
**LAST TEN FISCAL YEARS**

Table 12

<u>Fiscal Year</u>	<u>General Obligation Bonds* (2)</u>	<u>Assessed Value of Taxable Property* (3)</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Population (1)</u>	<u>Per Capita Debt</u>
2001	\$ 7,600	\$ 1,882,151	0.40%	19,064	\$ 399
2002	15,050	2,072,601	0.73%	19,078	789
2003	14,500	2,277,452	0.64%	19,286	752
2004	17,005	2,499,893	0.68%	19,317	880
2005	16,315	2,737,815	0.60%	19,460	838
2006	15,590	3,098,041	0.50%	19,530	798
2007	14,840	3,499,456	0.42%	19,382	766
2008	14,060	3,943,372	0.36%	19,454	723
2009	13,245	3,938,373	0.34%	19,491	680
2010	12,400	3,722,000	0.33%	19,411	639

Notes: \* In thousands

- (1) Fiscal year 2010, U.S. Census, pending, not received yet.  
Fiscal years 2001 and thereafter the population as estimated by the Bureau of Economic and Business Research, University of Florida as of April 1 each year.
- (2) The Village of Pinecrest Finance Department is the source for this data.
- (3) Data is provided by the Miami Dade County's Property Appraiser.

**VILLAGE OF PINECREST, FLORIDA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**GENERAL OBLIGATION BONDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

Table 13

<u>Jursidiction</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to Pinecrest (1)</u>	<u>Amount Applicable to Pinecrest</u>	<u>Amount Per Capita Pinecrest (1)</u>
<b>Direct</b>				
Village of Pinecrest	\$ <u>12,400,000</u>	100.00%	\$ <u>12,400,000</u>	\$ <u>639</u>
<b>Overlapping</b>				
School Board (2)	\$ 348,100,000	0.78%	\$ 2,702,112	\$ 139
County (3)	<u>881,276,000</u>	0.78%	<u>6,840,869</u>	<u>352</u>
	<u>\$ 1,229,376,000</u>		<u>\$ 9,542,981</u>	<u>\$ 491</u>

Notes:

- (1) Based upon population; Village of Pinecrest and Miami-Dade County
- (2) Amounts provided by School Board are as of June 30th.
- (3) Amounts provided by the Miami-Dade County Finance Department

VILLAGE OF PINECREST, FLORIDA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Table 14

Fiscal Year	Population (1)	Median Household Income (1)	Household Units (1)	School Enrollment (2)	Unemployment Rate (3)
2001	19,064	\$ 107,507	6,261	7,574	7.2%
2002	19,078	107,507	6,261	6,788	7.4%
2003	19,268	107,507	6,261	6,788	7.3%
2004	19,317	107,507	6,261	6,796	6.1%
2005	19,460	107,507	6,261	6,814	4.0%
2006	19,530	107,507	6,261	6,877	3.1%
2007	19,382	107,507	6,261	6,345	4.2%
2008	19,454	107,507	6,261	6,095	6.6%
2009	19,491	107,507	6,261	5,904	10.9%
2010	19,411	107,507	6,261	5,821	12.1%

Notes:

- (1) Fiscal year 2000, US Census, fiscal year 2010 census is not available.  
 Fiscal years 2002 and thereafter the population as estimated by the Bureau  
 of Economic and Business Research, University of Florida as of April 1 each year.
- (2) The Miami Dade School system is the source of this data
- (3) The Department of Labor is the source of this data.

VILLAGE OF PINECREST, FLORIDA  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

Table 15

Employer	2010			2001		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Miami Dade School System	463	1	NA	439	1	NA
Kendall Imports, LLC	365	2	NA	365	2	NA
Home Depot	245	3	NA	NA		
Village of Pinecrest	159	4	NA	133	3	NA
Whole Food Market	137	5	NA	NA		
Best Buy	100	6	NA	NA		
Ross Dress for Less, Inc.	49	7	NA	NA		
Ethan Allen	40	8	NA	NA		
Office Max	35	9	NA	NA		
Macy's	31	10				
CMT Holdings				121	4	NA
Gulliver Preparatory School				110	5	NA
Hallet Pontiac - GMC Truck, Inc.				80	6	NA
Parrott Jungle				69	7	NA
Berenfeld, Spritzer, Shechter & Sheep				35	8	NA
Churchill Hair Designers				34	9	NA
School Management Systems				33	10	NA
<b>Total</b>	<b>1,624</b>			<b>1,419</b>		

Source: Occupational license records of the Village of Pinecrest, except Miami-Dade School Board and the Village of Pinecrest. The Miami-Dade School System provided data for the school system. See full time equivalent position table for the Village of Pinecrest data.

**VILLAGE OF PINECREST, FLORIDA**  
**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Table 16

Function:	Full time Equivalent Employees as of September 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government	12.0	11.0	11.0	12.0	11.0	12.0	11.5	12.0	12.0	12.0
Public safety										
Sworn	50.0	50.0	54.0	54.0	54.0	54.0	54.0	58.0	57.0	55.0
Civilians	23.0	23.0	23.0	25.0	25.0	26.0	26.0	27.0	27.0	22.0
Building, planning and zoning	15.0	14.0	19.0	18.0	15.0	15.0	14.0	16.0	16.0	15.0
Public works	7.0	6.0	6.0	6.0	7.0	7.0	7.0	6.0	6.0	6.0
Parks and recreation	31.0	49.0	49.0	53.0	34.0	31.0	29.0	29.0	23.0	23.0
Pinecrest Gardens	21.0	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>159.0</b>	<b>153.0</b>	<b>162.0</b>	<b>168.0</b>	<b>146.0</b>	<b>145.0</b>	<b>141.5</b>	<b>148.0</b>	<b>141.0</b>	<b>133.0</b>

**VILLAGE OF PINCREST, FLORIDA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Table 17

Function:	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Population	19,411	19,491	19,454	19,382	19,530	19,460	19,317	19,268	19,078	19,064
Police:										
Part 1 crimes*	584	723	792	837	586	849	753	751	795	-
Traffic citations and warnings	17,089	18,168	11,290	11,743	14,562	13,989	13,144	16,892	13,232	-
False alarms	2,177	2,118	2,343	2,509	2,633	2,440	2,807	2,950	3,018	-
Crashes	793	787	749	918	882	878	856	798	917	-
Other	635	642	740	1,250	1,023	3,444	7,799	4,789	4,838	-
Total	21,278	22,438	15,914	17,257	19,686	21,600	25,359	26,180	22,800	-
* Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.										
Expenditures (thousands)	\$ 7,123	\$ 6,909	\$ 6,588	\$ 6,729	\$ 6,736	\$ 6,334	\$ 6,311	\$ 6,303	\$ 6,238	\$ 4,869
Revenue (thousands)	584	423	487	594	469	275	363	255	96	-
Net expenses	\$ 6,539	\$ 6,486	\$ 6,101	\$ 6,135	\$ 6,267	\$ 6,059	\$ 5,948	\$ 6,048	\$ 6,142	\$ 4,869
Cost per resident	\$ 336.87	\$ 332.77	\$ 313.61	\$ 316.53	\$ 320.89	\$ 311.36	\$ 307.92	\$ 313.89	\$ 321.94	\$ 255.40
911 calls	7,975	8,811	-	-	-	-	-	-	-	-
Service calls (911 and nonemergency dispatch calls)	19,074	19,528	-	-	-	-	-	-	-	-
Building, planning and zoning:										
Building permits:										
Building	1,363	1,421	1,568	2,251	2,414	1,989	1,765	2,161	2,018	2,124
Electrical	466	448	654	855	873	823	720	769	844	883
Mechanical	339	245	321	378	448	440	477	467	377	384
Plumbing	510	402	498	662	716	742	676	800	818	783
Gas	46	37	72	143	233	52	25	53	40	34
Total	2,724	2,553	3,113	4,289	4,684	4,046	3,663	4,250	4,097	4,208

**VILLAGE OF PINCREST, FLORIDA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Table 17  
(continued)

Function:	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Parks:</b>										
<b>Pinecrest Gardens:</b>										
Expenditures (thousands)	\$ 1,357	\$ 1,193	\$ 1,108	\$ 1,109	\$ 1,262	\$ 1,198	\$ 1,092	\$ 790	\$ -	\$ -
Revenue (thousands)	<u>125</u>	<u>126</u>	<u>215</u>	<u>156</u>	<u>193</u>	<u>150</u>	<u>188</u>	<u>211</u>	<u>-</u>	<u>-</u>
Net expenses	<u>\$ 1,232</u>	<u>\$ 1,067</u>	<u>\$ 893</u>	<u>\$ 953</u>	<u>\$ 1,069</u>	<u>\$ 1,048</u>	<u>\$ 904</u>	<u>\$ 579</u>	<u>\$ -</u>	<u>\$ -</u>
Net cost per resident	<u>\$ 63.47</u>	<u>\$ 54.75</u>	<u>\$ 45.91</u>	<u>\$ 49.17</u>	<u>\$ 54.74</u>	<u>\$ 53.85</u>	<u>\$ 46.80</u>	<u>\$ 30.05</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Community Center:</b>										
Expenditures (thousands)	\$ 738	\$ 367	\$ 245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue (thousands)	<u>504</u>	<u>204</u>	<u>116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net expenses	<u>\$ 234</u>	<u>\$ 163</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ -</u>					
Net cost per resident	<u>\$ 12.06</u>	<u>\$ 8.36</u>	<u>\$ 6.63</u>	<u>\$ -</u>	<u>\$ -</u>					
<b>All other parks:</b>										
Expenditures (thousands)	\$ 1,076	\$ 1,346	\$ 1,158	\$ 1,173	\$ 1,208	\$ 1,143	\$ 893	\$ 895	\$ 817	\$ -
Revenue (thousands)	<u>201</u>	<u>429</u>	<u>204</u>	<u>188</u>	<u>175</u>	<u>150</u>	<u>124</u>	<u>120</u>	<u>90</u>	<u>-</u>
Net expenses	<u>\$ 875</u>	<u>\$ 917</u>	<u>\$ 954</u>	<u>\$ 985</u>	<u>\$ 1,033</u>	<u>\$ 993</u>	<u>\$ 769</u>	<u>\$ 775</u>	<u>\$ 727</u>	<u>\$ -</u>
Net cost per resident	<u>\$ 45.08</u>	<u>\$ 47.05</u>	<u>\$ 49.04</u>	<u>\$ 50.82</u>	<u>\$ 52.89</u>	<u>\$ 51.03</u>	<u>\$ 39.81</u>	<u>\$ 40.22</u>	<u>\$ 38.11</u>	<u>\$ -</u>

**VILLAGE OF PINCREST, FLORIDA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Table 17  
(continued)

Function:	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Fund:</b>										
General Fund (GF) revenues*	\$ 16,781	\$ 20,365	\$ 17,176	\$ 18,232	\$ 17,401	\$ 15,470	\$ 13,669	\$ 12,858	\$ 11,221	\$ 10,971
Per capital GF revenues	\$ 864.51	\$ 1,044.84	\$ 882.90	\$ 940.66	\$ 890.99	\$ 794.96	\$ 707.61	\$ 667.32	\$ 588.16	\$ 575.48
General Fund expenditures*	\$ 17,129	\$ 16,538	\$ 20,402	\$ 17,149	\$ 16,224	\$ 14,845	\$ 15,958	\$ 13,369	\$ 11,156	\$ 14,721
Per capita GF expenditures	\$ 882.44	\$ 848.49	\$ 1,048.73	\$ 884.79	\$ 830.72	\$ 762.85	\$ 826.11	\$ 693.84	\$ 584.76	\$ 772.19
GF revenue as a percentage of GF expenditures	98.14%	122.92%	84.49%	106.31%	107.25%	104.21%	85.66%	96.18%	100.59%	74.52%
Interest rates, maximum	0.40%	2.01%	5.62%	5.77%	5.39%	3.70%	1.70%	2.00%	2.86%	-
Interest rates, minimum	0.10%	0.20%	1.60%	3.50%	2.50%	1.30%	1.15%	1.25%	1.90%	-
<b>Stormwater Fund:</b>										
Operating revenue*	\$ 449	\$ 375	\$ 379	\$ 402	\$ 355	\$ 376	\$ 374	\$ 294	\$ 229	\$ 207
Operating revenue per capita	\$ 23	\$ 19	\$ 19	\$ 21	\$ 18	\$ 19	\$ 19	\$ 15	\$ 12	\$ 11
Accounts receivable*	\$ 151	\$ 120	\$ 110	\$ 74	\$ 71	\$ 1,023	\$ 31	\$ 26	\$ 44	\$ 35
Unrestricted net assets*	\$ 2,231	\$ 1,963	\$ 1,817	\$ 1,587	\$ 1,324	\$ 1,350	\$ 1,235	\$ 1,121	\$ 906	\$ 740
Percentage of accounts receivable to unrestricted net assets	6.77%	6.11%	6.05%	4.66%	5.36%	75.78%	2.51%	2.32%	4.86%	4.73%
<b>General Government:</b>										
Lien searches	420	393	304	496	535	641	661	890	773	506
Homestead properties	4,807									
Total properties	6,512									
Homestead as percentage of total properties	73.8%									

\* Amounts in thousands

VILLAGE OF PINECREST, FLORIDA  
 CAPITAL ASSETS BY FUNCTION  
 LAST TEN FISCAL YEARS

Table 18

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Police:</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	33	31	32	32	31	33	33	33	33	33
<b>Parks:</b>										
Parks	7	7	7	7	7	7	7	7	6	6
Park Acreage	62	62	62	62	61	60	60	60	36	36
Tennis Courts	6	6	6	6	6	6	6	6	6	6
<b>Public Works</b>										
Miles of roads	108	108	108	108	108	108	108	108	108	101
Cable Television Systems	1	1	1	2	2	3	3	3	3	3
<b>Public Schools:</b>										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	3	3	3	3	3	3	3

## COMPLIANCE SECTION





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

To The Honorable Mayor,  
Village Council and Village Manager  
Village of Pinecrest, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Pinecrest, Florida (the "Village") as of and for the year ended September 30, 2010, which collectively comprise the Village of Pinecrest, Florida's basic financial statements and have issued our report thereon dated January 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.

Village of Pinecrest, Florida

This report is intended solely for the information and use of Village management, members of the Village Council, Federal and state awarding agencies, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
January 19, 2011



## INDEPENDENT AUDITORS' REPORT TO VILLAGE MANAGEMENT

To The Honorable Mayor,  
Village Council and Village Manager  
Village of Pinecrest, Florida

We have audited the basic financial statements of Village of Pinecrest, Florida (the "Village"), as of and for the year ended September 30, 2010, and have issued our report thereon dated January 19, 2011.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which are dated January 19, 2011 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports.

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. There were no findings and recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., 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)4., Rules of the Auditor General, requires that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Village of Pinecrest, Florida

Section 10.554(1)(i)6., 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. Village of Pinecrest, Florida was incorporated by Ordinance No. 95-207 adopted by the Miami-Dade Board of County Commissioners on November 12, 1995. The Village does not have any component units.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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 Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Village for the fiscal year ended September 30, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Village'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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
January 19, 2011