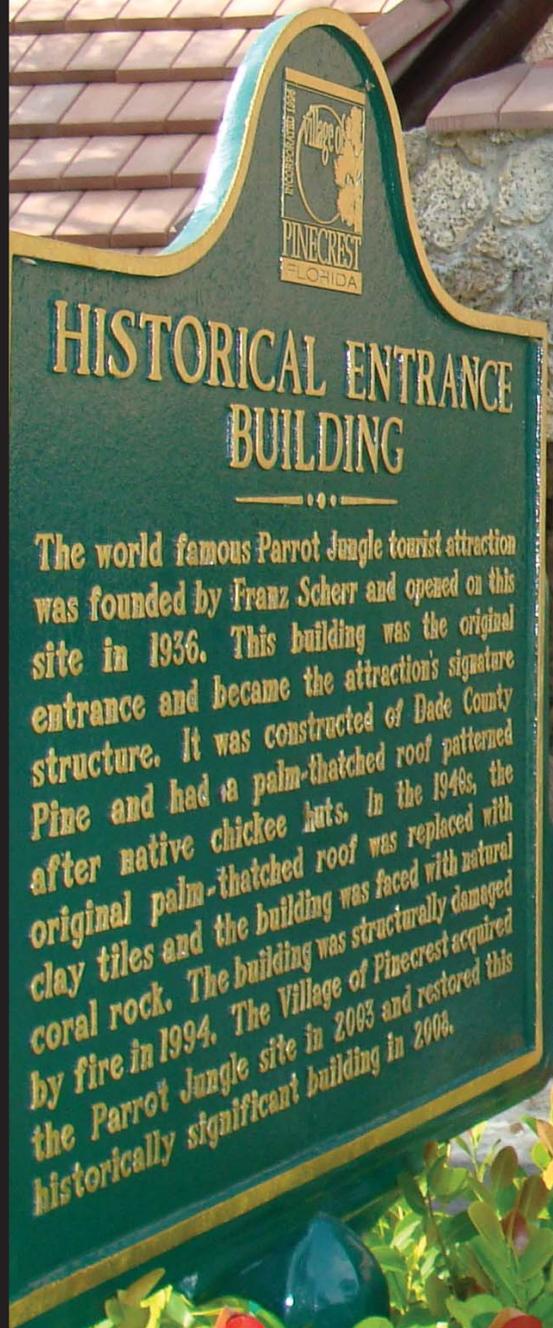




Village of Pinecrest, Florida Comprehensive Annual Financial Report

A green historical sign with a gold border and a small logo at the top. The sign is positioned in front of a stone building with a tiled roof. The text on the sign is as follows:

**HISTORICAL ENTRANCE
BUILDING**

The world famous Parrot Jungle tourist attraction was founded by Franz Scherr and opened on this site in 1936. This building was the original entrance and became the attraction's signature structure. It was constructed of Dade County Pine and had a palm-thatched roof patterned after native chickee huts. In the 1940s, the original palm-thatched roof was replaced with clay tiles and the building was faced with natural coral rock. The building was structurally damaged by fire in 1994. The Village of Pinecrest acquired the Parrot Jungle site in 2003 and restored this historically significant building in 2006.

Fiscal Year Ended
September 30, 2009

ABOUT THE COVER

The Village of Pinecrest restored the Historical Entrance Building, located at Pinecrest Gardens, in 2008. The structure, built in the 1930s, was the original entrance to the world-famous Parrot Jungle tourist attraction. (Photograph by Priscilla Torres/Office of the Village Clerk)

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
VILLAGE OF PINECREST, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009

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, 2009

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VILLAGE OF PINECREST, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



VILLAGE OF PINECREST

DEPARTMENT OF FINANCE



Gary S. Clinton, CPA, CPFO
Finance Director

January 20, 2010

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, 2009.

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, 2009, 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, 2008, 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 19,491. 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 five major departments: Police, BPZ (Building, Planning and Zoning), Public Works, Parks & Recreation 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. An operational audit of the Community Center is scheduled to be completed in FY10. Phase 2 a public potable water system has been designed and construction will be completed in 2010. Resurfacing of Village roads is planned for 2010 and 2011.

Cash management policies and practices. The Village's Cash Management Policy has three elements: (1) funds are collected and deposited as quickly as possible; (2) cash is released at the last possible moment; and (3) investment objectives are safety of capital, liquidity of funds, and investment income yield, in that order. The Village's investment policy is consistent with local government investment policies delineated in chapter 218, Florida Statutes. Cash temporarily idle in the Village's bank operating account is

invested in overnight repurchase agreements. The funds in the sweep account were properly collateralized in accordance with Chapter 280, Florida Statutes. Funds collected on credit cards are deposited in a separate account and transferred periodically to the Village's operating account. In addition, surplus cash is invested with the State of Florida Board of Administration Pooled Equity Fund.

Risk management. The Village is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Village participates in the Florida League of Cities Municipal Self Insurance Fund for workers' compensation, liability and property insurance.

Pension and other post-employment benefits. 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. In addition the Village sponsors a 457 deferred compensation plan in which the employees may contribute on a voluntary basis. A Retirement Health Savings Plan was established for all full time employees to participate in.

This year 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 remained in the 401 (a) plan sponsored by the ICMARC or the FRS plan.

The Village of Pinecrest has complied with GASB 45 and is reporting the differential of the medical insurance premiums and the actuarial computed cost for personnel who have retired from the Village of Pinecrest.

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

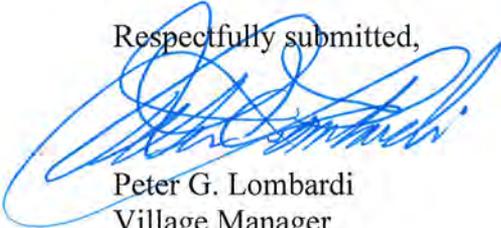
Awards and acknowledgements

The Government Finance Officers Association (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, 2008. This was the thirteenth year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the government published as easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements and can be found in Notes 3(E) and 2 (G) of the financial statements.

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,

A handwritten signature in blue ink, appearing to read "Peter G. Lombardi".

Peter G. Lombardi
Village Manager

A handwritten signature in blue ink, appearing to read "Gary S. Clinton".

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, 2008

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.



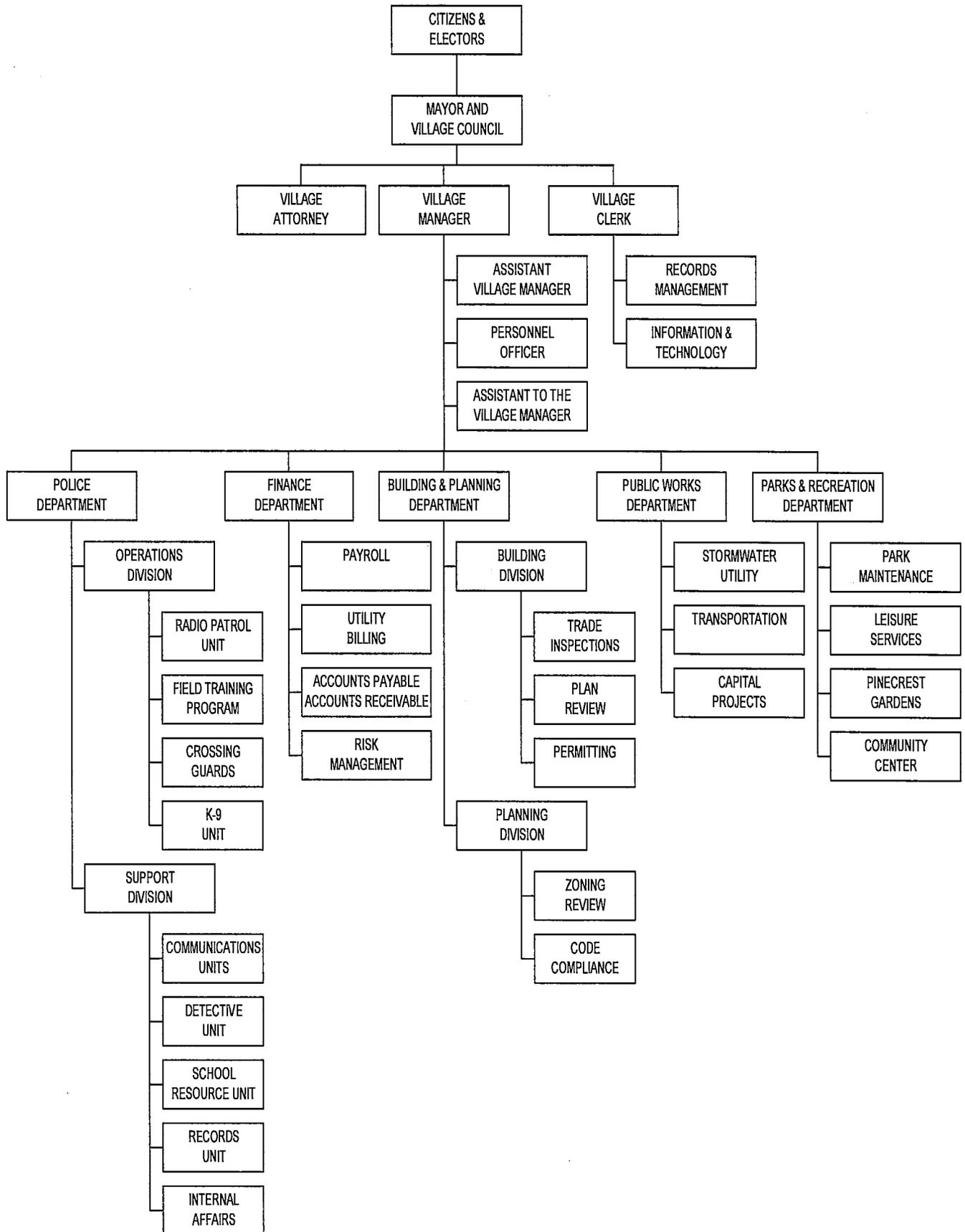
A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, clearly legible as "Jeffrey R. Emer".

Executive Director

VILLAGE OF PINECREST, FLORIDA ORGANIZATIONAL CHART



VILLAGE OF PINECREST, FLORIDA

Village Council

Cindy Lerner, *Mayor*
Jeff Cutler, *Vice Mayor*
Joseph M. Corradino
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*
James H. Holland, AICP, *Planning Director*
John R. Hohensee, *Police Chief*
Daniel Moretti, *Public Works Director*

<p>Council – Manager Form of Government Incorporated March 12, 1996</p>

FINANCIAL SECTION

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROJETTO, C.P.A.

CYNTHIA L. CALVERT, C.P.A.
ISRAEL J. GOMEZ, C.P.A.
JAMES R. LARAWAY, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

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6550 NORTH FEDERAL HIGHWAY
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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, 2009, 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.

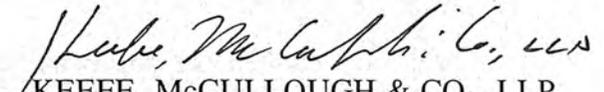
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2009, 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 20, 2010 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 the 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 important for assessing the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information on pages 3 to 10 and pages 37 to 39, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 20, 2010

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009

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, 2009. 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 \$ 123,276,576 (net assets). Of this amount, \$ 7,313,680 (unassigned net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental total net assets increased by \$ 630,813. This increase was largely a result of the receipt of capital grants.
- As of the close of the current fiscal year, the Village of Pinecrest's governmental funds reported combined ending fund balances of \$ 12,714,859, an increase of \$ 3,430,424 in comparison with the prior year. Approximately 62.2% of this total amount, \$ 7,910,329 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 \$ 7,910,329 or 53.9% of total General Fund expenditures.
- The Village of Pinecrest total bonded debt decreased by \$ 815,000 (6.2%) 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, 2009

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 \$ 123,276,576 at the close of the most recent fiscal year.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009

By far the largest portion of the Village of Pinecrest's net assets \$ 109,195,370 (88.6%) 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 14,191,056	\$ 11,288,685	\$ 2,080,944	\$ 1,928,980	\$ 16,272,000	\$ 13,217,665
Capital assets	117,882,518	121,462,435	4,590,493	4,653,865	122,473,011	126,116,300
Total assets	132,073,574	132,751,120	6,671,437	6,582,845	138,745,011	139,333,965
Long-term bonded debt	12,570,708	13,245,000	-	-	12,570,708	13,245,000
Other liabilities	2,779,779	3,413,846	117,948	111,724	2,897,727	3,525,570
Total liabilities	15,350,487	16,658,846	117,948	111,724	15,468,435	16,770,570
Net assets:						
Invested in capital assets, net of related debt	104,604,877	107,336,956	4,590,493	4,653,865	109,195,370	111,990,821
Restricted	4,167,348	5,170,702	-	-	4,167,348	5,170,702
Unrestricted	7,950,862	3,584,616	1,962,996	1,817,256	9,913,858	5,401,872
Total net assets	\$ 116,723,087	\$ 116,092,274	\$ 6,553,489	\$ 6,471,121	\$ 123,276,576	\$ 122,563,395

The balance of unassigned net assets \$ 7,313,680 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 increased the Village of Pinecrest's net assets by \$ 630,813, the majority of this was accounted for by receipts of capital grants. Key elements in the changes in net assets activity are as follows:

Village of Pinecrest's Changes in Net Assets

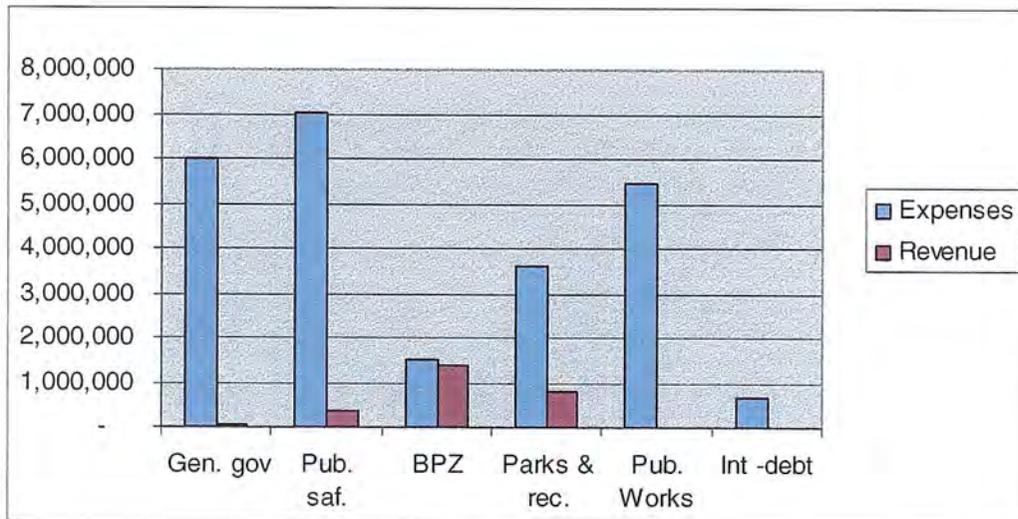
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
REVENUES:						
Program revenues:						
Charges for services	\$ 2,572,700	\$ 2,727,251	\$ 374,680	\$ 378,620	\$ 2,947,380	\$ 3,105,871
Operating grants and contributions	98,736	1,062,401	-	-	98,736	1,062,401
Capital grants and contributions	6,838,288	1,200,792	-	-	6,838,288	1,200,792
General revenues:						
Taxes	13,111,455	12,161,876	-	-	13,111,455	12,161,876
Other	2,302,652	2,488,570	19,261	50,659	2,321,913	2,539,229
Total revenues	24,923,831	19,640,890	393,941	429,279	25,317,772	20,070,169

**VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
EXPENSES:						
General government	6,012,161	2,913,321	-	-	6,012,161	2,913,321
Public safety	7,042,544	6,658,407	-	-	7,042,544	6,658,407
Building, planning and zoning	1,490,979	1,740,490	-	-	1,490,979	1,740,490
Parks and recreation	3,583,231	2,475,596	-	-	3,583,231	2,475,596
Public works	5,479,691	6,054,289	-	-	5,479,691	6,054,289
Interest on long-term debt	684,412	824,631	-	-	684,412	824,631
Stormwater	-	-	311,573	240,914	311,573	240,914
Total expenses	24,293,018	20,666,734	311,573	240,914	24,604,591	20,907,648
Increase (decrease) in net assets	630,813	(1,025,844)	82,368	188,365	713,181	(837,479)
NET ASSETS, October 1	116,092,274	117,118,118	6,471,121	6,282,756	122,563,395	123,400,874
NET ASSETS, September 30	\$ 116,723,087	\$ 116,092,274	\$ 6,553,489	\$ 6,471,121	\$ 123,276,576	\$ 122,563,395

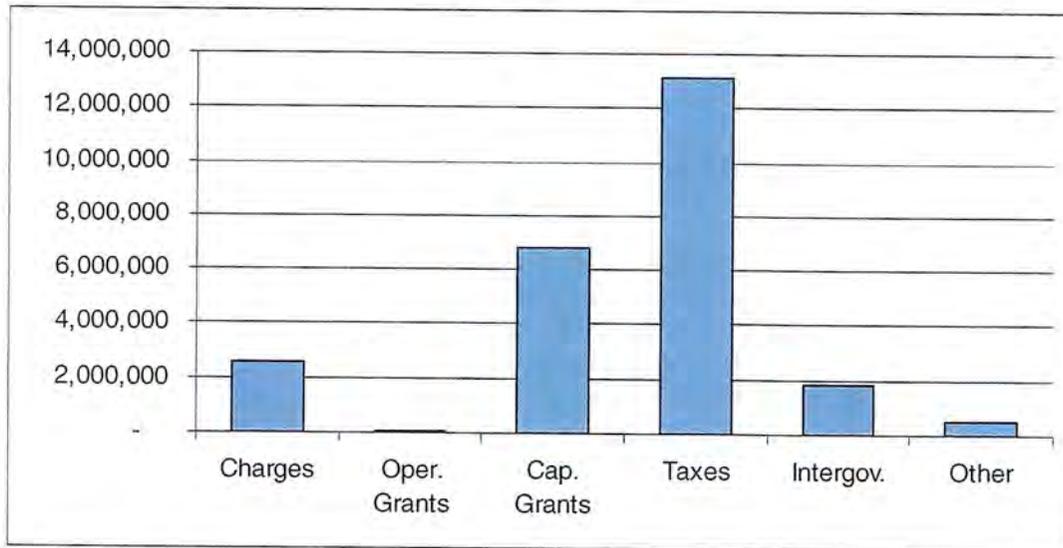
- Taxes, \$ 13,111,455 comprised (52.6 %) of the total governmental revenues, \$ 24,923,831 during the fiscal year. Most of this category is property taxes, \$ 7,483,478.
- Charges for services accounted for \$ 2,572,700 (10.3%) of total revenues.
- Capital grants and contributions accounted for \$ 6,838,288 (27.4%) of total revenues.

Expenses and Program Revenues – Governmental Activities



VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009

Revenues by Source – Governmental Activities



For the most part, decreases in expenses reflected the decline in the demand for services, particularly in the area of building, planning and zoning (“BPZ”) due to declines in the construction industry. The Village of Pinecrest’s Park and Recreation Department developed additional recreational facilities in the Community Center. Ad valorem taxes were held even, but there was a one-time increase in the communication services tax as a result of a redistribution of funds and recapture of funds to Pinecrest due to a State of Florida audit of accounts by jurisdiction.

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 \$ 12,714,859 an increase of \$ 3,430,424 in comparison with the prior year, \$ 9,284,435. Approximate 62.2% of this total amount - \$ 7,910,329 constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance indicates that it is not available for new spending because it has already been committed to liquidate contract and purchase orders of the prior period (\$ 29,900), restricted for special revenue funds (\$ 4,167,348), or assigned for capital projects (\$ 607,282).

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 \$ 7,910,329. 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 47.8% of total General Fund expenditures including transfers, while total fund balance represents 48% of that same amount.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009

- The fund balance of the Village of Pinecrest's General Fund increased by \$ 3,796,596 during the current fiscal year. The primary reason for the increase was a grant reimbursement from the County which represents reimbursement from the Capital Projects Fund which covers three (3) fiscal years and was payable in full at the end of the grant period. This resulted in a transfer for \$ 3,582,000 from the Capital Projects Fund to the General Fund.
- Charges for services in the General Fund also experienced an increase of \$ 447,304 in part because the Community Center was open for its first full year of operation.
- Licenses and permits decreased by \$ 476,052 due to the drop off in the housing industry and the corresponding reduction in building permit fees.
- Transfers increased \$ 3,582,000 as a result of the Library Construction Grant being received in full at the end of the three-year construction period.

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 \$ 815,000 was transferred into the fund for principal payments, an increase of \$ 35,000. This year \$ 690,873 was transferred into the fund for interest payments, a decrease of \$ 30,297.

The largest budget to actual variance in the General Fund was licenses and permits (\$ 508,784), due to less permit fees in response to the decline in the housing industry. In addition, declining interest rates to a rate of 0.1 - 0.2% resulted in \$ 197,866 less in interest earnings. The communications tax increased by \$ 206,656 due to a one-time adjustment as the State of Florida has made adjustments for past years when this revenue was underpaid. The Police Department also had several unfilled positions and due to a turnover in personnel over the past two years, new police officers started at the bottom of the salary scale. In total, the Police Department was \$ 758,004 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 \$ 1,817,256 to \$ 1,962,996 a \$ 145,740 increase. The increase reflects the fact that funds are budgeted for capital improvements which are depreciated over many years.

General Fund Budget Highlights

During the year, budgetary revenues were more than budgetary expenditures and transfers out increasing the fund balance by \$ 3,796,596.

Capital Asset and Debt Administration

Capital assets. The Village of Pinecrest's investment in capital assets for its governmental activities as of September 30, 2009, amounts to \$ 117,882,518 (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 increase in the Village of Pinecrest's investment in capital assets for the current fiscal year was 1 percent.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009

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

- Completion of the Community Center/Library.
- Renovations and improvements at Pinecrest Gardens.
- Construction at Flagler Grove Park.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
General government	\$ 6,302,121	\$ 6,441,691	\$ -	\$ -	\$ 6,302,121	\$ 6,441,691
Public safety	453,076	501,742	-	-	453,076	501,742
Building, planning and zoning	24,570	38,796	-	-	24,570	38,796
Parks	32,388,301	31,886,946	-	-	32,388,301	31,886,946
Public works	78,714,450	82,593,260	-	-	78,714,450	82,593,260
Stormwater	-	-	4,590,493	4,653,865	4,590,493	4,653,865
Total	\$ 117,882,518	\$ 121,462,435	\$ 4,590,493	\$ 4,653,865	\$ 122,473,011	\$ 126,116,300

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 \$ 13,245,000. 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	
	2009	2008
General Obligation Bonds	\$ 13,245,000	\$ 14,060,000

The Village of Pinecrest decreased its total debt by \$ 815,000 (5.8%) during the current fiscal year. There are three issues outstanding; Greer Park (formerly known as Pinecrest Park), \$ 4,930,000 which matures in FY2019; Pinecrest Gardens (formerly known as the Parrot Jungle), \$ 5,795,000 which matures in FY2022 and the Library/Community Center, \$ 2,520,000 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, 2009

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Miami-Dade County/Fort Lauderdale is currently 10.9%, which is an increase from a rate of 6.6% 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 \$ 7,910,329. The Village of Pinecrest has appropriated \$ 1,048,360 of this amount for spending in the 2010 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.

BASIC FINANCIAL STATEMENTS

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2009

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 13,155,050	\$ 1,961,224	\$ 15,116,274
Receivables, net	897,939	119,720	1,017,659
	<u>14,052,989</u>	<u>2,080,944</u>	<u>16,133,933</u>
Non-current assets:			
Capital assets, not depreciated:			
Land	17,437,190	-	17,437,190
Capital assets, net of accumulated depreciation:			
Buildings	17,230,299	-	17,230,299
Improvements	4,454,828	-	4,454,828
Equipment	732,029	-	732,029
Infrastructure	78,028,172	4,590,493	82,618,665
Unamortized bond issue costs	138,067	-	138,067
	<u>118,020,585</u>	<u>4,590,493</u>	<u>122,611,078</u>
Total non-current assets	<u>118,020,585</u>	<u>4,590,493</u>	<u>122,611,078</u>
Total assets	<u>132,073,574</u>	<u>6,671,437</u>	<u>138,745,011</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, 2009

	Governmental Activities	Business -Type Activities	Total
LIABILITIES AND NET ASSETS:			
LIABILITIES:			
Current:			
Accounts payable and other accrued liabilities	1,084,862	6,006	1,090,868
Accrued interest payable	156,402	-	156,402
Revenues collected in advance	-	111,942	111,942
Compensated absences, due in one year	268,810	-	268,810
Bonds payable, due in one year	845,000	-	845,000
	<u>2,355,074</u>	<u>117,948</u>	<u>2,473,022</u>
Total current liabilities			
Non-current:			
Unearned revenues	253,268	-	253,268
OPEB liability	124,000	-	124,000
Compensated absences, due in more than one year	47,437	-	47,437
Bonds payable, due in more than one year	12,570,708	-	12,570,708
	<u>12,995,413</u>	<u>-</u>	<u>12,995,413</u>
Total non-current liabilities			
	<u>12,995,413</u>	<u>-</u>	<u>12,995,413</u>
Total liabilities	<u>15,350,487</u>	<u>117,948</u>	<u>15,468,435</u>
NET ASSETS:			
Investments in capital assets, net of related debt	104,604,877	4,590,493	109,195,370
Restricted fund balance	4,167,348	-	4,167,348
Unrestricted fund balance	7,950,862	1,962,996	9,913,858
	<u>116,723,087</u>	<u>6,553,489</u>	<u>123,276,576</u>
Total net assets	<u>\$ 116,723,087</u>	<u>\$ 6,553,489</u>	<u>\$ 123,276,576</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, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 6,012,161	\$ 35,080	\$ -	\$ 2,791,708	\$ (3,185,373)	\$ -	\$ (3,185,373)
Public safety	7,042,544	361,786	98,736	-	(6,582,022)	-	(6,582,022)
Building, planning and zoning	1,490,979	1,377,035	-	-	(113,944)	-	(113,944)
Parks and recreation	3,583,231	798,799	-	4,046,580	1,262,148	-	1,262,148
Public works	5,479,691	-	-	-	(5,479,691)	-	(5,479,691)
Interest on long-term debt	684,412	-	-	-	(684,412)	-	(684,412)
Total governmental activities	24,293,018	2,572,700	98,736	6,838,288	(14,783,294)	-	(14,783,294)
Business-type activities:							
Stormwater	311,573	374,680	-	-	-	63,107	63,107
Total business-type activities	311,573	374,680	-	-	-	63,107	63,107
Total primary government	\$ 24,604,591	\$ 2,947,380	\$ 98,736	\$ 6,838,288	(14,783,294)	63,107	(14,720,187)
General revenues:							
Ad valorem taxes					7,483,478	-	7,483,478
Franchise fees					1,407,106	-	1,407,106
Utilities taxes					1,802,525	-	1,802,525
Communications services tax					1,331,456	-	1,331,456
Transportation tax					932,016	-	932,016
Business tax					154,874	-	154,874
Intergovernmental, not restricted to specific programs					1,798,570	-	1,798,570
Interest earnings					56,881	19,261	76,142
Miscellaneous					447,201	-	447,201
Total general revenues					15,414,107	19,261	15,433,368
Change in net assets					630,813	82,368	713,181
Net assets- beginning of year					116,092,274	6,471,121	122,563,395
Net assets- end of year					\$ 116,723,087	\$ 6,553,489	\$ 123,276,576

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

VILLAGE OF PINECREST, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 8,137,716	\$ 3,788,327	\$ 922,167	\$ 306,840	\$ 13,155,050
Receivables, net	<u>749,427</u>	<u>100,736</u>	<u>-</u>	<u>47,776</u>	<u>897,939</u>
Total assets	<u>\$ 8,887,143</u>	<u>\$ 3,889,063</u>	<u>\$ 922,167</u>	<u>\$ 354,616</u>	<u>\$ 14,052,989</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 693,646	\$ 2,700	\$ 314,885	\$ 73,631	\$ 1,084,862
Deferred revenue	<u>253,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,268</u>
Total liabilities	<u>946,914</u>	<u>2,700</u>	<u>314,885</u>	<u>73,631</u>	<u>1,338,130</u>
Fund balances:					
Restricted fund balance:					
Special revenue funds	-	3,886,363	-	280,985	4,167,348
Unrestricted fund balance:					
Committed fund balance	29,900	-	-	-	29,900
Assigned fund balance	-	-	607,282	-	607,282
Unassigned fund balance	<u>7,910,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,910,329</u>
Total fund balances	<u>7,940,229</u>	<u>3,886,363</u>	<u>607,282</u>	<u>280,985</u>	<u>12,714,859</u>
Total liabilities and fund balances	<u>\$ 8,887,143</u>	<u>\$ 3,889,063</u>	<u>\$ 922,167</u>	<u>\$ 354,616</u>	<u>\$ 14,052,989</u>

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, 2009

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 14 \$ 12,714,859

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	\$ 195,619,041	
Less accumulated depreciation	<u>(77,736,523)</u>	117,882,518

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		138,067
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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	(124,000)	
Accrued interest payable	(156,402)	
Compensated absences	(316,247)	
Governmental bonds payable	<u>(13,415,708)</u>	<u>(14,012,357)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12 \$ 116,723,087

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, 2009

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 12,179,439	\$ 932,016	\$ -	\$ -	\$ 13,111,455
Licenses and permits	1,128,216	-	-	-	1,128,216
Intergovernmental	1,685,118	-	6,838,288	212,188	8,735,594
Charges for services	1,226,808	-	-	-	1,226,808
Fines and forfeitures	206,861	-	-	10,815	217,676
Interest	29,834	2,374	8,002	3,570	43,780
Miscellaneous	326,442	-	120,759	-	447,201
	<u>16,782,718</u>	<u>934,390</u>	<u>6,967,049</u>	<u>226,573</u>	<u>24,910,730</u>
Total revenues					
Expenditures:					
Current:					
General government	2,812,996	-	3,094,952	-	5,907,948
Public safety	6,786,106	-	-	123,546	6,909,652
Building, planning and zoning	1,475,663	-	-	-	1,475,663
Parks and recreation	2,899,629	-	1,185,885	-	4,085,514
Public works	663,955	931,701	-	-	1,595,656
Debt service:					
Principal	-	-	-	815,000	815,000
Interest	-	-	-	690,873	690,873
	<u>14,638,349</u>	<u>931,701</u>	<u>4,280,837</u>	<u>1,629,419</u>	<u>21,480,306</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>2,144,369</u>	<u>2,689</u>	<u>2,686,212</u>	<u>(1,402,846)</u>	<u>3,430,424</u>
Other financing sources (uses):					
Transfers in	3,582,000	-	420,000	1,505,873	5,507,873
Transfers out	(1,899,873)	(26,000)	(3,582,000)	-	(5,507,873)
	<u>1,682,127</u>	<u>(26,000)</u>	<u>(3,162,000)</u>	<u>1,505,873</u>	<u>-</u>
Total other financing sources (uses)					
Net change in fund balances	3,826,496	(23,311)	(475,788)	103,027	3,430,424
Fund balances, beginning	<u>4,113,733</u>	<u>3,909,674</u>	<u>1,083,070</u>	<u>177,958</u>	<u>9,284,435</u>
Fund balances, ending	<u>\$ 7,940,229</u>	<u>\$ 3,886,363</u>	<u>\$ 607,282</u>	<u>\$ 280,985</u>	<u>\$ 12,714,859</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, 2009

NET CHANGE IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS (Page 16) \$ 3,430,424

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	\$	2,027,126	
Depreciation		(5,596,268)	
Disposal of capital assets		(10,775)	
Net adjustment		(3,579,917)	(3,579,917)

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		13,101	
Issuance costs		(10,348)	
Principal payments		815,000	
Capital lease		30,085	
Accrued interest		6,461	
Net adjustment		854,299	854,299

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		(63,000)	
Compensated absences		(10,993)	
		(74,000)	

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES (Page 13) \$ 630,813

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, 2009

	Stormwater Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 1,961,224
Receivables	119,720
	2,080,944
Non-current assets:	
Capital assets, net	4,590,493
	4,590,493
Total assets	6,671,437
 LIABILITIES AND NET ASSETS:	
Current liabilities:	
Accounts payable	6,006
Revenues collected in advance	111,942
	117,948
Net assets:	
Invested in capital assets	4,590,493
Unrestricted	1,962,996
	\$ 6,553,489

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, 2009

	<u>Stormwater Fund</u>
OPERATING REVENUES:	
Utility fees	\$ <u>374,680</u>
Total operating revenues	<u>374,680</u>
 OPERATING EXPENSES:	
Cost of sales	209,151
Depreciation	<u>102,422</u>
Total operating expenses	<u>311,573</u>
Operating income	<u>63,107</u>
 NONOPERATING REVENUES:	
Interest earnings	<u>19,261</u>
Total operating revenue	<u>19,261</u>
Change in net assets	82,368
 NET ASSETS, beginning	 <u>6,471,121</u>
 NET ASSETS, ending	 \$ <u><u>6,553,489</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, 2009

	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 364,937
Payments to suppliers	(203,145)
Cash flows provided by operating activities	161,792
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(39,050)
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	19,261
Net increase in cash and cash equivalents	142,003
CASH AND CASH EQUIVALENTS, beginning of year	1,819,221
CASH AND CASH EQUIVALENTS, end of year	\$ 1,961,224
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 63,107
Depreciation	102,422
Change in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(9,961)
Increase (decrease) in accounts payable	6,006
Increase (decrease) in revenues collected in advance	218
Total adjustments	(3,737)
Net cash provided by operating activities	\$ 161,792

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, 2009

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 nonfiduciary 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, 2009

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 Pincrest 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 Pincrest 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 Pincrest has elected not to follow subsequent private sector guidance.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, a repurchase agreement 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, equipment, 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, including software – 3 years
- Infrastructure:
 - Roads – 25 years
 - Stormwater system – 50 years

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2009 was 1.9809 mills.

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.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2009.

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.

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. In the prior year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("LGIP" and "Fund B").

VILLAGE OF PINECREST, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2009

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

The LGIP has adopted operating procedures consistent with the requirement for a 2a7-like fund. The Village of Pinecrest's investment in the LGIP 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, 2009

Investment	Maturities	Fair Value
LGIP	Weighted average days to maturity is 33 days	\$ 13,422,007
Fund B	Weighted average life is 9.36 years	\$ 197,360
Repurchase agreement	Overnight sweep account which invests in obligations of the U.S. government whose maturities change on a daily basis	\$ 1,494,482

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 LGIP 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.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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	\$ 198,629	\$ -	\$ -	\$ -	\$ 198,629
Intergovernmental	109,625	100,736	47,776	-	258,137
Franchise and utility	183,603	-	-	-	183,603
Ad valorem taxes	166,562	-	-	-	166,562
Other	91,008	-	-	119,720	210,728
	<u>749,427</u>	<u>100,736</u>	<u>47,776</u>	<u>119,720</u>	<u>1,017,659</u>
Gross receivables					
	749,427	100,736	47,776	119,720	1,017,659
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receivables	<u>\$ 749,427</u>	<u>\$ 100,736</u>	<u>\$ 47,776</u>	<u>\$ 119,720</u>	<u>\$ 1,017,659</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, 2009 of \$ 198,629 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>	
2010	\$ 85,346
2011	88,779
2012	<u>24,504</u>
Total	<u>\$ 198,629</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

Total deferred revenues as of September 30, 2009:

Palmetto High School property lease	\$	198,629
Occupational taxes collected in advance		<u>54,639</u>
Total deferred revenues	\$	<u><u>253,268</u></u>

C. Capital assets

Capital asset activity for the year ended September, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 17,437,190	\$ -	\$ -	\$ -	\$ 17,437,190
Construction in progress	<u>429,551</u>	<u>-</u>	<u>(429,551)</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>17,866,741</u>	<u>-</u>	<u>(429,551)</u>	<u>-</u>	<u>17,437,190</u>
Capital assets, being depreciated:					
Buildings	17,528,735	674,375	429,551	-	18,632,661
Improvements	5,338,996	416,228	-	-	5,755,224
Equipment	2,488,220	159,857	-	(55,762)	2,592,315
Infrastructure	<u>150,424,985</u>	<u>776,666</u>	<u>-</u>	<u>-</u>	<u>151,201,651</u>
Total capital assets, being depreciated	<u>175,780,936</u>	<u>2,027,126</u>	<u>429,551</u>	<u>(55,762)</u>	<u>178,181,851</u>
Less accumulated depreciation for:					
Buildings	(987,481)	(414,881)	-	-	(1,402,362)
Improvements	(980,866)	(319,530)	-	-	(1,300,396)
Equipment	(1,613,384)	(291,889)	-	(44,987)	(1,860,286)
Infrastructure	<u>(68,603,511)</u>	<u>(4,569,968)</u>	<u>-</u>	<u>-</u>	<u>(73,173,479)</u>
Total accumulated depreciation	<u>(72,185,242)</u>	<u>(5,596,268)</u>	<u>-</u>	<u>(44,987)</u>	<u>(77,736,523)</u>
Total capital assets, being depreciated, net	<u>103,595,694</u>	<u>(3,569,142)</u>	<u>429,551</u>	<u>(10,775)</u>	<u>100,445,328</u>
Governmental activities capital assets, net	<u>\$ 121,462,435</u>	<u>\$ (3,569,142)</u>	<u>\$ -</u>	<u>\$ (10,775)</u>	<u>\$ 117,882,518</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ <u>7,762,743</u>	\$ <u>39,050</u>	\$ <u>-</u>	\$ <u>7,801,793</u>
Total capital assets, being depreciated	<u>7,762,743</u>	<u>39,050</u>	<u>-</u>	<u>7,801,793</u>
Less accumulated depreciation for:				
Infrastructure	<u>(3,108,878)</u>	<u>(102,422)</u>	<u>-</u>	<u>(3,211,300)</u>
Total accumulated depreciation	<u>(3,108,878)</u>	<u>(102,422)</u>	<u>-</u>	<u>(3,211,300)</u>
Total capital assets, being depreciated, net	<u>4,653,865</u>	<u>(63,372)</u>	<u>-</u>	<u>4,590,493</u>
Business-type activities capital assets, net	\$ <u><u>4,653,865</u></u>	\$ <u><u>(63,372)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,590,493</u></u>

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

Governmental activities:	
General government	\$ 139,570
Public safety	197,747
Public works	4,655,476
Building, planning and zoning	14,226
Parks and recreation	<u>589,249</u>
Total depreciation expense, governmental activities	\$ <u><u>5,596,268</u></u>
Business type activities:	
Stormwater	\$ <u>102,422</u>
Total depreciation expense business type activities	\$ <u><u>102,422</u></u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

D. Transfers

The composition of interfund operating transfers as of September 30, 2009, is as follows:

Interfund transfers:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>	<u>Transfer Purpose</u>
General Fund	Debt Service	\$ 1,479,873	Provide debt service funds
General Fund	Capital Fund	420,000	Provide capital project funds
Capital Project	General Fund	3,582,000	Return funds - library grant
Transportation Fund	Debt Service	<u>26,000</u>	Provide debt service funds
Total General Fund		<u>\$ 5,507,873</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 \$ 13,245,000, 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>
2010	\$ 845,000	\$ 665,873	\$ 1,510,873
2011	885,000	630,059	1,515,059
2012	925,000	591,274	1,516,274
2013	965,000	547,719	1,512,719
2014	1,010,000	500,329	1,510,329
2015-2019	5,885,000	1,651,737	7,536,737
2020-2024	<u>2,730,000</u>	<u>343,059</u>	<u>3,073,059</u>
Totals	<u>\$ 13,245,000</u>	<u>\$ 4,930,050</u>	<u>\$ 18,175,050</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2008	Additions	Reductions	Balance September 30, 2009	Due Within One Year
Bonds payable	\$ 14,060,000	\$ -	\$ 815,000	\$ 13,245,000	\$ 845,000
Unamortized premium	183,809	-	13,101	170,708	-
Capital leases	30,085	-	30,085	-	-
Compensated absences	<u>305,254</u>	<u>316,247</u>	<u>305,254</u>	<u>316,247</u>	<u>268,810</u>
Totals	<u>\$ 14,579,148</u>	<u>\$ 316,247</u>	<u>\$ 1,163,440</u>	<u>\$ 13,731,955</u>	<u>\$ 1,113,810</u>

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	Other Nonmajor Governmental Fund	Stormwater	Total
Payables:						
Payroll	\$ 392,662	\$ -	\$ -	\$ -	\$ -	\$ 392,662
Vendors	289,781	2,700	314,885	73,631	6,006	687,003
Other	<u>11,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,203</u>
Total payable	<u>\$ 693,646</u>	<u>\$ 2,700</u>	<u>\$ 314,885</u>	<u>\$ 73,631</u>	<u>\$ 6,006</u>	<u>\$ 1,090,868</u>

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, 2009

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 \$ 200 higher on average for the HMO plan, \$ 325 higher on average for the PPO plan or \$ 125 higher on average for the high-deductible plan if the subsidy were not in place. Therefore, the actuary treated either \$ 200, \$ 325, or \$ 125 per month as the implied subsidy at age 65 for purposes of GASB 45 for the HMO, PPO, and high-deductible plans, respectively.

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, 2009:

Annual required contribution	\$	66,000
Interest on net OPEB obligation		3,000
Adjustment to annual required contribution		<u>(6,000)</u>
Annual OPEB cost		63,000
Contributions made		-
Increase in net OPEB obligation		63,000
Net OPEB obligation, October 1, 2008		<u>61,000</u>
Net OPEB obligation, September 30, 2009	\$	<u><u>124,000</u></u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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%

4. Actuarial Methods and Assumptions

Valuation date	April 1, 2008
Actuarial cost method	Projected unit credit
Amortization method	15-year open period; payment
Investment return	5.00% per annum (includes inflation at 3.00% per annum)
Healthcare cost trend rate(s):	<u>Insurance Premiums</u>
Select rates	10.00% for 2008 graded to 6.00% for 2016
Ultimate rate	5.5% per annum

H. Fund Balances - Governmental Funds

As of September 30, 2009, 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. 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 for 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, 2009

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

As of September 30, 2009, fund balances are composed of the following:

	General Fund	Transportation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted Funds	\$ -	\$ 3,886,363	\$ -	\$ 280,985	\$ 4,167,348
Committed Funds	29,900	-	-	-	29,900
Assigned Funds	-	-	607,282	-	607,282
Unassigned Funds	<u>7,910,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,910,329</u>
Total fund balances	<u>\$ 7,940,229</u>	<u>\$ 3,886,363</u>	<u>\$ 607,282</u>	<u>\$ 280,985</u>	<u>\$ 12,714,859</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.

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 \$ 1,317,317 to the Village for the fiscal year ended September 30, 2009. This agreement will be in effect as long as the Ordinance establishing the collection of these fees is in place.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

On July 17, 2003 the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, the County remitted \$ 567,259 to the Village for the fiscal year ended September 30, 2009 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 \$ 1,494,751 to the Village for the fiscal year ended September 30, 2009.

On June 8, 2006, the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, Original Entrance to Parrot Jungle GOB Project number 274-70544, the County remitted \$ 114,580 to the Village for the fiscal year ended September 30, 2009.

E. Pension Plans

Defined Contribution Plan

The Village of Pincrest 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 \$ 572,839. There are current year forfeitures of \$ 40,016, of which \$ 2 will be used in lieu of Village contributions in fiscal 2009. Employee contributions were \$ 295,184 for the year ended September 30, 2009.

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, 2009

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 20.92% for the special risk class. No employee contributions are required. At September 30, 2009, the Village had 47 sworn police personnel participating in the FRS.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2009 and the 2 preceding years were as follows:

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

* The RFS plan started in the Village of Pinecrest in January 2009, no 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.

F. Construction Commitments

A construction commitment is defined as the difference between the contract price of a project and the amount paid on that contract through the fiscal year ended September 30, 2009. Outstanding construction commitments at September 30, 2009 are approximately \$ 29,900 for projects which include the development of various park renovations and improvements. These projects are all fully funded.

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem taxes	\$ 7,419,980	\$ 7,419,980	\$ 7,483,478	\$ 63,498
Franchise fees	1,455,230	1,455,230	1,407,106	(48,124)
Utility taxes	1,736,880	1,736,880	1,802,525	65,645
Communications services tax	1,124,800	1,124,800	1,331,456	206,656
Business tax	109,660	109,660	154,874	45,214
Total taxes	<u>11,846,550</u>	<u>11,846,550</u>	<u>12,179,439</u>	<u>332,889</u>
Licenses and permits	1,637,000	1,637,000	1,128,216	(508,784)
Intergovernmental revenue	1,826,570	1,826,570	1,685,118	(141,452)
Charges for services	1,136,930	1,136,930	1,226,808	89,878
Fines and forfeitures	180,000	180,000	206,861	26,861
Miscellaneous revenues:				
Interest earnings	227,700	227,700	29,834	(197,866)
PHS parking rent	91,650	91,650	91,658	8
Other miscellaneous revenues	135,030	135,030	234,784	99,754
Total miscellaneous revenues	<u>454,380</u>	<u>454,380</u>	<u>356,276</u>	<u>(98,104)</u>
Total revenues	<u>17,081,430</u>	<u>17,081,430</u>	<u>16,782,718</u>	<u>(298,712)</u>
Expenditures:				
General government	2,873,140	2,873,140	2,842,896	30,244
Public safety	7,544,110	7,544,110	6,786,106	758,004
Building, planning and zoning	1,636,640	1,636,640	1,475,663	160,977
Parks and recreation	2,905,760	2,905,760	2,899,629	6,131
Public works	796,010	796,010	663,955	132,055
Total expenditures	<u>15,755,660</u>	<u>15,755,660</u>	<u>14,668,249</u>	<u>1,087,411</u>
Other financing sources (uses):				
Appropriation of prior year's fund balance	582,850	582,850	-	(582,850)
Transfers in	-	-	3,582,000	3,582,000
Transfers out	(1,908,620)	(1,908,620)	(1,899,873)	8,747
Total other financing sources (uses)	<u>(1,325,770)</u>	<u>(1,325,770)</u>	<u>1,682,127</u>	<u>3,007,897</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,796,596</u>	<u>\$ 3,796,596</u>

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
 Fiscal Year Ended September, 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Transportation taxes	\$ 1,015,680	\$ 1,015,680	\$ 932,016	\$ (83,664)
Interest	<u>135,130</u>	<u>135,130</u>	<u>2,374</u>	<u>(132,756)</u>
Total revenues	<u>1,150,810</u>	<u>1,150,810</u>	<u>934,390</u>	<u>(216,420)</u>
EXPENDITURES:				
Public works	<u>959,400</u>	<u>959,400</u>	<u>931,701</u>	<u>27,699</u>
Total expenditures	<u>959,400</u>	<u>959,400</u>	<u>931,701</u>	<u>27,699</u>
Excess (deficiency) of revenues over expenditures	191,410	191,410	2,689	(188,721)
OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(165,410)	(165,410)	-	165,410
Transfers out	<u>(26,000)</u>	<u>(26,000)</u>	<u>(26,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(191,410)</u>	<u>(191,410)</u>	<u>(26,000)</u>	<u>165,410</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,311)</u>	<u>\$ (23,311)</u>

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Fiscal Year Ended September 30, 2009

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 Hardwire (\$ 5,500) and Wireless (\$ 1,200) Funds during the fiscal year ended September 30, 2009.
- 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 funds with GAAP to budgetary basis differences were the General and Capital Projects Funds

	<u>General Fund</u>	<u>Capital Projects Fund</u>
Net change in fund balance, GAAP basis	\$ 3,826,496	\$ (475,788)
Expenditures on a budgetary basis (encumbrances), September 30, 2008	-	541,611
Expenditures on a budgetary basis (encumbrances), September 30, 2009	<u>(29,900)</u>	<u>-</u>
Net change in fund balance, budgetary basis	<u>\$ 3,796,596</u>	<u>\$ 65,823</u>

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, 2009

	Police Education Fund	Police Forfeiture Fund	Hardware Fund	Wireless Fund	CITT Public Transit Fund	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS:								
Cash and cash equivalents	\$ 9,617	\$ 70,811	\$ 2,308	\$ 7,346	\$ 216,758	\$ 306,840	\$ -	\$ 306,840
Receivables	367	-	10,140	12,085	25,184	47,776	-	47,776
Total assets	<u>\$ 9,984</u>	<u>\$ 70,811</u>	<u>\$ 12,448</u>	<u>\$ 19,431</u>	<u>\$ 241,942</u>	<u>\$ 354,616</u>	<u>\$ -</u>	<u>\$ 354,616</u>
LIABILITIES, EQUITY AND OTHER CREDITS:								
Accounts payable	\$ -	\$ 64,601	\$ 5,440	\$ 3,590	\$ -	\$ 73,631	\$ -	\$ 73,631
Total liabilities	<u>-</u>	<u>64,601</u>	<u>5,440</u>	<u>3,590</u>	<u>-</u>	<u>73,631</u>	<u>-</u>	<u>73,631</u>
Fund balances:								
Restricted fund balance:								
Special revenue funds	9,984	6,210	7,008	15,841	241,942	280,985	-	280,985
Total fund balances	<u>9,984</u>	<u>6,210</u>	<u>7,008</u>	<u>15,841</u>	<u>241,942</u>	<u>280,985</u>	<u>-</u>	<u>280,985</u>
Total liabilities and fund balances	<u>\$ 9,984</u>	<u>\$ 70,811</u>	<u>\$ 12,448</u>	<u>\$ 19,431</u>	<u>\$ 241,942</u>	<u>\$ 354,616</u>	<u>\$ -</u>	<u>\$ 354,616</u>

VILLAGE OF PINECREST, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENT FUNDS
Fiscal Year Ended September 30, 2009

	Police Education Fund	Police Forfeiture Fund	Hardware Fund	Wireless Fund	CITT Public Transit Fund	Total Special Revenue Funds	Debt Service Fund	Total Non-major Governmental Funds
REVENUES:								
Intergovernmental	\$ -	-	\$ 61,391	\$ 37,345	\$ 113,452	\$ 212,188	-	\$ 212,188
Fines and forfeitures	5,065	5,750	-	-	-	10,815	-	10,815
Interest	170	62	60	132	3,146	3,570	-	3,570
Total revenues	<u>5,235</u>	<u>5,812</u>	<u>61,451</u>	<u>37,477</u>	<u>116,598</u>	<u>226,573</u>	<u>-</u>	<u>226,573</u>
EXPENDITURES:								
Current:								
Public safety	4,242	-	74,450	44,854	-	123,546	-	123,546
Public works	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	815,000	815,000
Interest	-	-	-	-	-	-	690,873	690,873
Total expenditures	<u>4,242</u>	<u>-</u>	<u>74,450</u>	<u>44,854</u>	<u>-</u>	<u>123,546</u>	<u>1,505,873</u>	<u>1,629,419</u>
Excess (deficiency) of revenues over expenditures	993	5,812	(12,999)	(7,377)	116,598	103,027	(1,505,873)	(1,402,846)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	1,505,873	1,505,873
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,873</u>	<u>1,505,873</u>
Net change in fund balances	993	5,812	(12,999)	(7,377)	116,598	103,027	-	103,027
Fund balances, beginning	8,991	398	20,007	23,218	125,344	177,958	-	177,958
Fund balances, ending	<u>\$ 9,984</u>	<u>\$ 6,210</u>	<u>\$ 7,008</u>	<u>\$ 15,841</u>	<u>\$ 241,942</u>	<u>\$ 280,985</u>	<u>\$ -</u>	<u>\$ 280,985</u>

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 POLICE EDUCATION FUND
 Fiscal Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 4,330	\$ 4,330	\$ 5,065	\$ 735
Interest	50	50	170	120
Total revenues	4,380	4,380	5,235	855
 EXPENDITURES:				
Public safety	7,850	7,850	4,242	3,608
Total expenditures	7,850	7,850	4,242	3,608
Excess (deficiency) of revenues over expenditures	(3,470)	(3,470)	993	4,463
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	3,470	3,470	-	(3,470)
Total other financing sources	3,470	3,470	-	(3,470)
Net change in fund balance	\$ -	\$ -	\$ 993	\$ 993

VILLAGE OF PINECREST, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE FORFEITURE FUND
 Fiscal Year Ended September, 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 5,750	\$ 5,750
Interest	50	50	62	12
Total revenues	50	50	5,812	5,762
 EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	50	50	5,812	5,762
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ 50	\$ 50	\$ 5,812	\$ 5,762

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 HARDWIRE FUND
 Fiscal Year Ended September, 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 58,210	\$ 58,210	\$ 61,391	\$ 3,181
Interest	160	160	60	(100)
Total revenues	58,370	58,370	61,451	3,081
 EXPENDITURES:				
Public safety	69,000	74,500	74,450	50
Excess (deficiency) of revenues over expenditures	(10,630)	(16,130)	(12,999)	3,131
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	10,630	16,130	-	(16,130)
Total other financing sources	10,630	16,130	-	(16,130)
Net change in fund balance	\$ -	\$ -	\$ (12,999)	\$ (12,999)

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 WIRELESS FUND
 Fiscal Year Ended September, 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 36,260	\$ 36,260	\$ 37,345	\$ 1,085
Interest	30	30	132	102
Total revenues	<u>36,290</u>	<u>36,290</u>	<u>37,477</u>	<u>1,187</u>
EXPENDITURES:				
Public safety	43,730	44,930	44,854	76
Total expenditures	<u>43,730</u>	<u>44,930</u>	<u>44,854</u>	<u>76</u>
Excess (deficiency) of revenues over expenditures	<u>(7,440)</u>	<u>(8,640)</u>	<u>(7,377)</u>	<u>1,263</u>
OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	7,440	8,640	-	(8,640)
Total other financing sources	<u>7,440</u>	<u>8,640</u>	<u>-</u>	<u>(8,640)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,377)</u>	<u>\$ (7,377)</u>

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 CITT PUBLIC TRANSIT FUND
 Fiscal Year Ended September, 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 122,500	\$ 122,500	\$ 113,452	\$ (9,048)
Interest	21,000	21,000	3,146	(17,854)
Total revenues	143,500	143,500	116,598	(26,902)
 EXPENDITURES:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	143,500	143,500	116,598	(26,902)
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	(143,500)	(143,500)	-	143,500
Transfers in	-	-	-	-
Total other financing sources	(143,500)	(143,500)	-	143,500
Net change in fund balance	\$ -	\$ -	\$ 116,598	\$ 116,598

VILLAGE OF PINECREST, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
 Fiscal Year Ended September, 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Principal	\$ 815,000	\$ 815,000	\$ 815,000	\$ -
Interest	699,660	699,660	690,873	8,787
Total expenditures	1,514,660	1,514,660	1,505,873	8,787
 OTHER FINANCING SOURCES:				
Transfers in	1,514,660	1,514,660	1,505,873	(8,787)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Fiscal Year Ended September, 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 4,952,300	\$ 4,952,300	\$ 6,838,288	\$ 1,885,988
Interest	-	-	8,002	8,002
Miscellaneous	-	-	417,930	417,930
	<u>4,952,300</u>	<u>4,952,300</u>	<u>7,264,220</u>	<u>2,311,920</u>
EXPENDITURES:				
Current:				
General government	4,400,000	4,400,000	3,094,952	1,305,048
Parks and recreation	1,550,000	1,550,000	941,445	608,555
	<u>5,950,000</u>	<u>5,950,000</u>	<u>4,036,397</u>	<u>1,913,603</u>
Excess (deficiency) of revenues over expenditures	(997,700)	(997,700)	3,227,823	4,225,523
OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	577,700	577,700	-	(577,700)
Transfers in	420,000	420,000	420,000	-
Transfers out	-	-	(3,582,000)	(3,582,000)
	<u>997,700</u>	<u>997,700</u>	<u>(3,162,000)</u>	<u>(4,159,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,823</u>	<u>\$ 65,823</u>

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.

Table 1

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
Invested in capital assets, net of related debt	\$ 100,990	\$ 112,626	\$ 108,793	\$ 106,284	\$ 103,522	\$ 105,008	\$ 107,337	\$ 104,605
Restricted	10,345	1,092	3,308	2,589	5,058	8,403	5,171	4,167
Unrestricted	8,784	10,302	8,856	9,898	9,625	3,707	3,584	7,951
Total governmental activities net assets	<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>
Business-type activities:								
Invested in capital assets, net of related debt	2,171	2,127	2,313	4,286	4,763	4,696	4,654	4,590
Restricted	-	-	-	-	-	-	-	-
Unrestricted	906	1,120	1,234	1,350	1,324	1,587	1,817	1,963
Total business-type activities net assets	<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>
Primary government:								
Invested in capital assets, net of related debt	103,161	114,753	111,106	110,570	108,285	109,704	111,991	109,195
Restricted	10,345	1,092	3,308	2,589	5,058	8,403	5,171	4,167
Unrestricted	9,690	11,422	10,090	11,248	10,949	5,294	5,401	9,914
Total primary government net assets	<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>

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

Table 2

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses:								
Governmental activities:								
General government	\$ 2,343	\$ 2,262	\$ 1,790	\$ 2,457	\$ 2,265	\$ 3,946	\$ 2,913	\$ 6,012
Public safety	6,553	6,354	6,394	6,441	6,768	6,807	6,658	7,043
Building, planning and zoning	1,175	1,298	1,394	1,573	1,641	1,801	1,740	1,491
Parks and recreation	1,650	1,544	2,318	2,503	2,706	2,647	2,476	3,583
Public works	5,153	4,608	5,948	5,239	5,482	5,236	6,054	5,480
Interest on long-term debt	377	707	701	842	782	747	825	684
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>
Business-type activities								
Stormwater	126	140	184	213	306	287	241	312
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>
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>

Table 2
(continued)

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

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

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

Table 2
(continued)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
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
Franchise fees on gross receipts	971	914	978	1,029	1,464	1,852	1,807	1,407
Utility taxes	1,636	1,731	1,674	1,733	1,744	1,802	1,827	1,802
Communications services tax	652	855	658	777	863	816	1,003	1,331
Transportation tax	640	902	1,039	1,106	1,178	1,252	986	932
Business tax						122	156	155
Intergovernmental, not restricted to specific programs	692	418	1,602	1,327	1,268	762	904	1,799
Interest earnings	253	326	156	451	683	821	276	57
Miscellaneous	422	435	509	454	427	390	322	447
Total governmental activities	9,411	10,815	12,386	13,172	14,744	15,949	14,650	15,414
Business-type activities								
Interest earnings	19	16	16	22	48	81	51	19
Total business-type activities	19	16	16	22	48	81	51	19
Total primary government	\$ 9,430	\$ 10,831	\$ 12,402	\$ 13,194	\$ 14,792	\$ 16,030	\$ 14,701	\$ 15,433
Changes in net assets								
Government activities	\$ (5,232)	\$ 3,901	\$ (3,063)	\$ (2,187)	\$ (565)	\$ (1,087)	\$ (1,026)	\$ 631
Business-type activities	121	170	300	2,090	449	196	188	82
Total primary government	\$ (5,111)	\$ 4,071	\$ (2,763)	\$ (97)	\$ (116)	\$ (891)	\$ (837)	\$ 713

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

Table 3

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

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

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Committed	\$ 1,066	\$ 883	\$ 169	\$ 206	\$ 200	\$ 135	\$ 19	\$ 58	\$ 66	\$ 30
Unassigned	10,490	6,879	7,182	6,671	4,383	5,008	6,185	7,268	4,047	7,910
Total General Fund	\$ 11,556	\$ 7,762	\$ 7,351	\$ 6,877	\$ 4,583	\$ 5,143	\$ 6,204	\$ 7,326	\$ 4,113	\$ 7,940
All Other Governmental Funds:										
Restricted:										
Special Revenue Funds	\$ 976	\$ 1,274	\$ 1,219	\$ 1,092	\$ 1,297	\$ 2,275	\$ 3,440	\$ 4,408	\$ 4,087	\$ 4,167
Committed	1,720	1,129	10,176	3,248	1,811	179	162	3,937	542	-
Assigned:										
Capital Project Funds	2,833	3,261	382	177	4,473	4,890	4,878	-	541	608
Unassigned:										
Capital Project Funds	-	-	-	-	-	-	-	(3,561)	-	-
Total all other governmental funds	\$ 5,529	\$ 5,664	\$ 11,777	\$ 4,517	\$ 7,581	\$ 7,344	\$ 8,480	\$ 4,784	\$ 5,170	\$ 4,775
Fund balances all governmental funds	\$ 17,085	\$ 13,426	\$ 19,128	\$ 11,394	\$ 12,164	\$ 12,487	\$ 14,684	\$ 12,110	\$ 9,283	\$ 12,715

Table 5

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$ 8,423	\$ 8,673	\$ 7,404	\$ 8,734	\$ 9,080	\$ 9,835	\$ 11,188	\$ 12,724	\$ 12,162	\$ 13,111
Licenses and permits	1,052	1,121	1,363	1,417	1,657	1,822	2,122	1,677	1,604	1,128
Intergovernmental	1,489	979	2,323	8,575	3,318	3,570	3,623	3,338	4,153	8,736
Charges for services	448	391	246	545	481	463	619	606	780	1,227
Fines and forfeitures	229	232	219	215	281	275	416	541	343	218
Interest	1,039	892	253	313	156	437	670	807	263	44
Miscellaneous	215	110	321	863	509	454	427	390	323	447
Total revenues	12,895	12,398	12,129	20,662	15,482	16,856	19,065	20,083	19,628	24,911
Expenditures:										
Current:										
General government	1,164	1,949	2,287	1,926	877	2,338	2,129	3,807	2,730	5,908
Public safety	3,826	4,869	6,238	6,303	6,311	6,334	6,736	6,729	6,588	6,910
Building, planning & zoning	906	1,051	1,140	1,300	1,376	1,542	1,640	1,824	1,734	1,476
Parks and recreation	508	835	1,648	15,379	2,654	2,453	3,984	7,654	7,827	4,085
Public works	475	1,378	1,366	1,333	1,549	1,222	872	1,143	2,087	1,596
Non-departmental	3,938	5,341	976	904	3,674	1,145	-	-	-	-
Debt service:										
Principal	275	280	290	550	570	690	725	750	780	815
Interest	362	354	344	701	701	809	782	751	721	691
Issuance costs	-	-	136	-	-	-	-	-	-	-
Total expenditures	11,454	16,057	14,425	28,396	17,712	16,533	16,868	22,658	22,467	21,481
Excess (deficiency) of revenues over expenditures	1,441	(3,659)	(2,296)	(7,734)	(2,230)	323	2,197	(2,575)	(2,839)	3,430
Other financing sources (uses):										
Issuance of debt	-	-	7,998	-	3,000	-	-	-	-	-
Transfers in	636	4,329	634	1,632	3,671	1,499	2,696	3,001	7,025	5,508
Transfers out	(636)	(4,329)	(634)	(1,632)	(3,671)	(1,499)	(2,696)	(3,001)	(7,025)	(5,508)
Capital lease	-	-	-	-	-	-	-	-	14	-
Total other financing sources (uses)	-	-	7,998	-	3,000	-	-	-	14	-
Net change in fund balances	\$ 1,441	\$ (3,659)	\$ 5,702	\$ (7,734)	\$ 770	\$ 323	\$ 2,197	\$ (2,575)	\$ (2,825)	\$ 3,430
Debt service as a percentage of non-capital expenditures	5.56%	3.95%	4.40%	4.41%	7.18%	9.07%	8.93%	6.62%	9.34%	7.75%

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

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Interest	Misc.	Total
2000	\$ 8,423,089	\$ 1,051,945	\$ 1,488,698	\$ 447,999	\$ 229,366	\$ 1,039,238	\$ 214,836	\$ 12,895,171
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

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.

Table 7

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

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Assessed Property Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2000	\$ 1,736,986,871	\$ 48,367,813	\$ 1,785,354,684	2.1	\$ 1,879,320,720	95%
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%

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

Fiscal Year	Village			School			State			County			Special Districts			Total Direct Millage
	Operating Millage	Operating Millage	Debt Service	Everglades Project	Management	South Florida Water	FIN (1)	Operating Millage	Debt Service	Children's Trust	Fire Rescue	Fire Debt	Library			
2000	2.1000	8.654	0.990	0.100	0.597	0.0440	0.0440	5.809	0.816	0.00	2.683	0.069	0.321	22.183		
2001	2.1000	8.702	0.915	0.100	0.597	0.0410	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	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	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	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	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	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	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	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	0.0345	4.8379	0.285	0.4212	2.1851	0.042	0.3822	18.5898		

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

Table 9

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

Fiscal Year	Taxes Levied (1)	Amount Collected (2)	Percentage of Levy	Collections in		Percentage of Levy
				Subsequent Years	Collected (2)	
2000	\$ 3,749,245	\$ 3,589,958	95.8%	*	\$ 3,589,958	95.8%
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%

(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, 2009

Table 10

Taxpayer	Type of Use	2009			2000		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Spector & Sons	Shopping Center	\$ 32,678,357	1	0.78%	\$ 16,825,898	1	0.89%
Kendall Plaza, LTD	Shopping Center	20,529,442	2	0.49%	12,333,610	3	0.66%
Kendall Imports LLC	Shopping Center	20,400,000	3	0.49%	14,662,309	2	0.78%
Pinecrest Realty Associates	Shopping Center	19,700,000	4	0.47%	6,625,000	6	0.35%
Gator Dadeland Partners, LTD	Shopping Center	18,200,000	5	0.43%			
Suniland Center	Shopping Center	14,895,000	6	0.35%			
G F B Enterprises	Automotive	13,159,023	7	0.31%			
Suniland Associates	Shopping Center	12,459,690	8	0.30%	9,744,036	4	0.52%
Florida Power & Light	Utility	12,031,759	9	0.29%			
Burdines Real Estate	Shopping Center	11,902,930	10	0.28%			
Kenneth L Shimm	Shopping Center				8,160,339	5	0.43%
East Moreland Associates	Shopping Center				4,914,560	7	0.26%
Sodix	Shopping Center				4,855,904	8	0.26%
John Hancock	Apartments				4,800,000	9	0.26%
Kendall House Apartments	Apartments				4,676,056	10	0.25%

Source: Miami-Dade County Tax Assessor's Office 2009 Tax Roll
 Real/Personal Property taxable value - \$ 4,199,640,131
 Miami-Dade County Tax Assessor's Office 2000 Tax Roll
 Real/Personal Property taxable value - \$ 1,882,150,839

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

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

Table 11

Fiscal Year	Governmental Activities General Obligation Bonds* (2)	Business Type Activities Outstanding Bonds	Total Primary Government	Population (1)	Percentage of Personal Income	Per Capita Debt
2000	\$ 7,880	\$ -	\$ 7,880	19,055	0.81%	\$ 414
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

Notes: * In thousands

- (1) Fiscal year 2000, US Census.
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 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

Fiscal Year	General Obligation Bonds* (2)	Assessed Value of Taxable Property* (3)	Ratio of Bonded Debt to Assessed Value	Population (1)	Per Capita Debt
2000	\$ 7,880	\$ 1,785,355	0.44%	19,055	\$ 414
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	15,990	3,098,041	0.52%	19,530	819
2007	14,840	3,499,456	0.42%	19,382	766
2008	14,060	3,938,373	0.36%	19,454	723
2009	13,245	3,722,000	0.36%	19,491	680

Notes: * In thousands

- (1) Fiscal year 2000, US Census.
 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 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, 2009

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>
Direct				
Village of Pinecrest	\$ <u>13,245,000</u>	100.00%	\$ <u>13,245,000</u>	\$ <u>680</u>
Overlapping				
School Board (2)	\$ 405,070,000	0.81%	\$ 3,285,833	\$ 169
County (3)	<u>843,961,000</u>	0.81%	<u>6,846,013</u>	<u>351</u>
	<u>\$ 1,249,031,000</u>		<u>\$ 10,131,846</u>	<u>\$ 520</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)
2000	19,055	\$ 107,507	6,261	8,883	NA
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%

Notes:

- (1) Fiscal year 2000, US Census.
 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	2009			2000		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Miami Dade School System	475	1	NA	NA	NA	NA
Kendall Imports, LLC	365	2	NA	NA	NA	NA
Village of Pinecrest	153	3	NA	NA	NA	NA
First Bank	28	4	NA	NA	NA	NA
Prudential Florida WCI Realty	25	5	NA	NA	NA	NA
ProMD Practice Management, Inc.	25	5	NA	NA	NA	NA
Esslinger Wooten Maxwell, Inc.	25	5	NA	NA	NA	NA
JAGS Wattanty Group, Inc.	20	8	NA	NA	NA	NA
Young, Stovall and Company	19	9	NA	NA	NA	NA
Color World Beauty Inc	19	9	NA	NA	NA	NA
Total	<u>1,154</u>					

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

Function:	Full time Equivalent Employees as of September 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	11.0	11.0	12.0	11.0	12.0	11.5	12.0	12.0	12.0	9.5
Public safety										
Sworn	50.0	54.0	54.0	54.0	54.0	54.0	58.0	57.0	55.0	45.0
Civilians	23.0	23.0	25.0	25.0	26.0	26.0	27.0	27.0	22.0	20.5
Building, planning and zoning	14.0	19.0	18.0	15.0	15.0	14.0	16.0	16.0	15.0	13.0
Public works	6.0	6.0	6.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0
Parks and recreation	49.0	49.0	53.0	34.0	31.0	29.0	29.0	23.0	23.0	16.0
Total	153.0	162.0	168.0	146.0	145.0	141.5	148.0	141.0	133.0	110.0

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

Function:	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Population	19,491	19,454	19,382	19,530	19,460	19,317	19,268	19,078	19,064	19,055
Police:										
Part 1 crimes*	723	792	837	586	849	753	751	795	-	-
Traffic citations and warnings	18,168	11,290	11,743	14,562	13,989	13,144	16,892	13,232	-	-
False alarms	2,118	2,343	2,509	2,633	2,440	2,807	2,950	3,018	-	-
Crashes	787	749	918	882	878	856	798	917	-	-
Other	642	740	1,250	1,023	3,444	7,799	4,789	4,838	-	-
Total	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)	\$ 6,909	\$ 6,588	\$ 6,729	\$ 6,736	\$ 6,344	\$ 6,311	\$ 6,303	\$ 6,238	\$ 4,869	\$ 3,826
Revenue (thousands)	423	487	594	469	275	363	255	96	-	-
Net expenses	\$ 6,486	\$ 6,101	\$ 6,135	\$ 6,267	\$ 6,059	\$ 5,948	\$ 6,048	\$ 6,142	\$ 4,869	\$ 3,826
Cost per resident	\$ 332.77	\$ 313.61	\$ 316.53	\$ 320.89	\$ 311.36	\$ 307.92	\$ 313.89	\$ 321.94	\$ 255.40	\$ 200.79
Building, planning and zoning:										
Building permits:										
Building	1,421	1,568	2,251	2,414	1,989	1,765	2,161	2,018	2,124	2,084
Electrical	448	654	855	873	823	720	769	844	883	786
Mechanical	245	321	378	448	440	477	467	377	384	340
Plumbing	402	498	662	716	742	676	800	818	783	821
Gas	37	72	143	233	52	25	53	40	34	47
Total	2,553	3,113	4,289	4,684	4,046	3,663	4,250	4,097	4,208	4,078

Table 17
(continued)

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

Function:	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Parks:										
Pinecrest Gardens:										
Expenditures (thousands)	\$ 1,193	\$ 1,108	\$ 1,109	\$ 1,262	\$ 1,198	\$ 1,092	\$ 790	\$ -	\$ -	\$ -
Revenue (thousands)	<u>126</u>	<u>215</u>	<u>156</u>	<u>193</u>	<u>150</u>	<u>188</u>	<u>211</u>	-	-	-
Net expenses	\$ <u>1,067</u>	\$ <u>893</u>	\$ <u>952</u>	\$ <u>1,069</u>	\$ <u>1,048</u>	\$ <u>904</u>	\$ <u>580</u>	\$ -	\$ -	\$ -
Net cost per resident	\$ <u>54.75</u>	\$ <u>45.91</u>	\$ <u>49.13</u>	\$ <u>54.74</u>	\$ <u>53.84</u>	\$ <u>46.80</u>	\$ <u>30.09</u>	\$ -	\$ -	\$ -
Community Center:										
Expenditures (thousands)	\$ 367	\$ 245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue (thousands)	<u>204</u>	<u>116</u>	-	-	-	-	-	-	-	-
Net expenses	\$ <u>163</u>	\$ <u>129</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net cost per resident	\$ <u>8.35</u>	\$ <u>6.62</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other parks:										
Expenditures (thousands)	\$ 1,346	\$ 1,158	\$ 1,173	\$ 1,208	\$ 1,143	\$ 893	\$ 895	\$ 817	\$ -	\$ -
Revenue (thousands)	<u>429</u>	<u>204</u>	<u>188</u>	<u>175</u>	<u>150</u>	<u>124</u>	<u>120</u>	<u>90</u>	-	-
Net expenses	\$ <u>916</u>	\$ <u>954</u>	\$ <u>985</u>	\$ <u>1,033</u>	\$ <u>993</u>	\$ <u>768</u>	\$ <u>775</u>	\$ <u>727</u>	\$ -	\$ -
Net cost per resident	\$ <u>47.01</u>	\$ <u>49.05</u>	\$ <u>50.79</u>	\$ <u>52.88</u>	\$ <u>51.03</u>	\$ <u>39.77</u>	\$ <u>40.22</u>	\$ <u>38.11</u>	\$ -	\$ -

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

Table 18

Function	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	31	32	32	31	33	33	33	33	33	19
Parks:										
Parks	7	7	7	7	7	7	7	6	6	4
Park Acreage	62	62	62	61	60	60	60	36	36	32
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Public Works:										
Miles of roads	108	108	108	108	108	108	108	108	101	101
Cable Television Systems	1	1	2	2	3	3	3	3	3	3
Public Schools:										
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



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

To The Honorable Mayor,
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, 2009, which collectively comprise the Village of Pinecrest, Florida's basic financial statements and have issued our report thereon dated January 20, 2010. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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 20, 2010



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Compliance

We have audited the compliance of the Village of Pincrest, Florida (the "Village") with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, that are applicable to each of its major state projects for the year ended September 30, 2009. The Village's major state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major state projects is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village of Pincrest, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major state projects for the year ended September 30, 2009.

Internal Control over Compliance

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to state projects. In planning and performing our audit, we considered the Village's internal control over compliance with the requirements that could have a direct and material effect on a major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state project will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Pinecrest, Florida, as of and for the year ended September 30, 2009, and have issued our report thereon dated January 20, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Village of Pinecrest, Florida's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of Village management, members of the Village Council, the State of Florida Auditor General, state awarding agencies and other grantor agencies, 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 20, 2010



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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, 2009, and have issued our report thereon dated January 20, 2010.

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 on Compliance and Other Matters. Disclosures in that report, which are dated January 20, 2010 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 govern 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 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.

Village of Pinecrest, Florida

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) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

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, 2009, 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, 2009. 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 20, 2010

VILLAGE OF PINECREST, FLORIDA
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the Year Ended September 30, 2009

State Agency, Pass-through Entity State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
STATE AGENCY NAME:				
Direct Programs:				
Florida Department of Environmental Protection				
Statewide Surface Water Restoration and Wastewater Projects	*	37.039	\$ 1,296,958	\$ -
Florida Recreation Development Assistance Program		A9075	<u>68,653</u>	<u>-</u>
Total state financial assistance			\$ <u>1,365,611</u>	\$ <u>-</u>

* Denotes a major project

Note: This schedule was prepared on the accrual basis of accounting.

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2009

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the 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.
3. No instances of noncompliance material to the basic financial statements of Village of Pinecrest, Florida, were disclosed during the audit.
4. No material weaknesses relating to the audit of the major state project is reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Project and on Internal Control over Compliance in Accordance with Chapter 10.550, Rules of the Auditor General.
5. The auditors' report on compliance for the major state project for Village of Pinecrest, Florida expresses an unqualified opinion.
6. No audit findings relative to the major state project for Village of Pinecrest, Florida are reported in Part C of this schedule.
7. The program tested as a major project is as follows:

State Project	State CSFA No.
Florida Department of Environmental Protection Statewide Surface Water Restoration and Wastewater Projects	37.039

8. The threshold for distinguishing Types A and B projects was \$ 300,000 for the major state project.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECT

NONE

D. OTHER ISSUES

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to state projects.

No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.