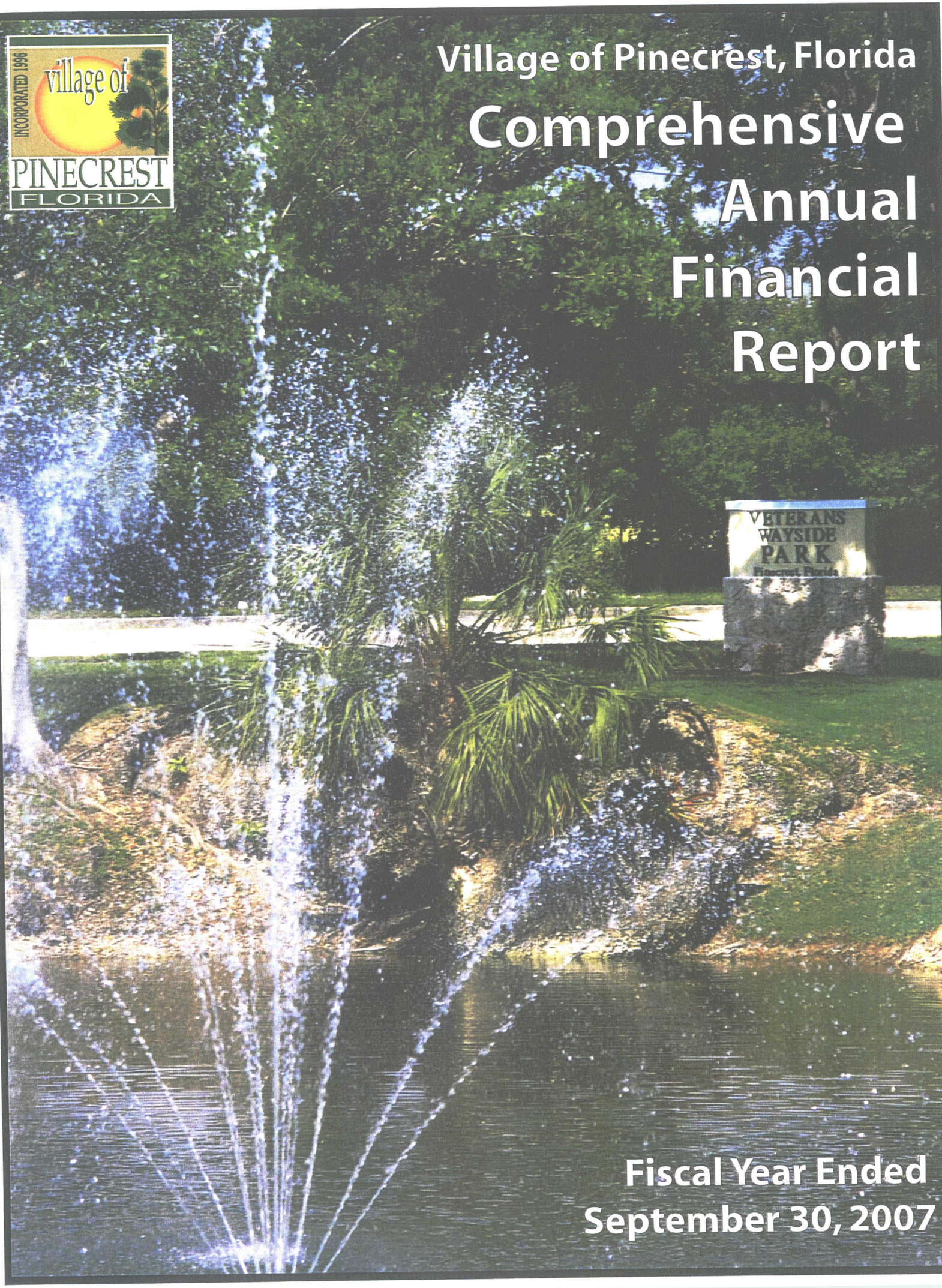
INCORPORATED 1996
village of
PINECREST
FLORIDA
Village of Pinecrest, Florida
Comprehensive Annual Financial Report
VETERANS WAYSIDE PARK
Fiscal Year Ended September 30, 2007

# VILLAGE OF PINECREST, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2007

Prepared by Gary S. Clinton, CPA, CPFO, Finance Director

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# Introductory Section

DEPARTMENT OF FINANCE

Gary S. Clinton, CPA, CPFO
*Finance Director*

December 27, 2007

To the Honorable Mayor Gary C. Matzner
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, 2007.

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 Rachlin Cohen & Holtz 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, 2007, 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



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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, 2007, 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 19,328. 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. Historic Parrot Jungle was purchased and the Village continues renovating it as a municipal recreational and cultural historical center and gardens called Pinecrest Gardens. Flagler Grove Park will be completed in March, 2008 and will function as the primary venue for soccer. The construction of the Pinecrest Branch of the Miami-Dade County Library and Pinecrest Community Center began in September, 2006 and is scheduled for completion by February, 2008. A public potable water master plan will proceed and will serve as the framework to expand the public potable and fire suppression system. Construction projects will occur as funding becomes available. 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.

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, 2006. This was the eleventh 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.

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.

In addition, the Village also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the 2006-2007 fiscal year. This was the tenth year that the Village received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

Peter G. Lombardi
Village Manager

Gary S. Clinton
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

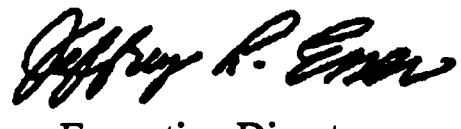
Presented to

## Village of Pinecrest
## Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

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

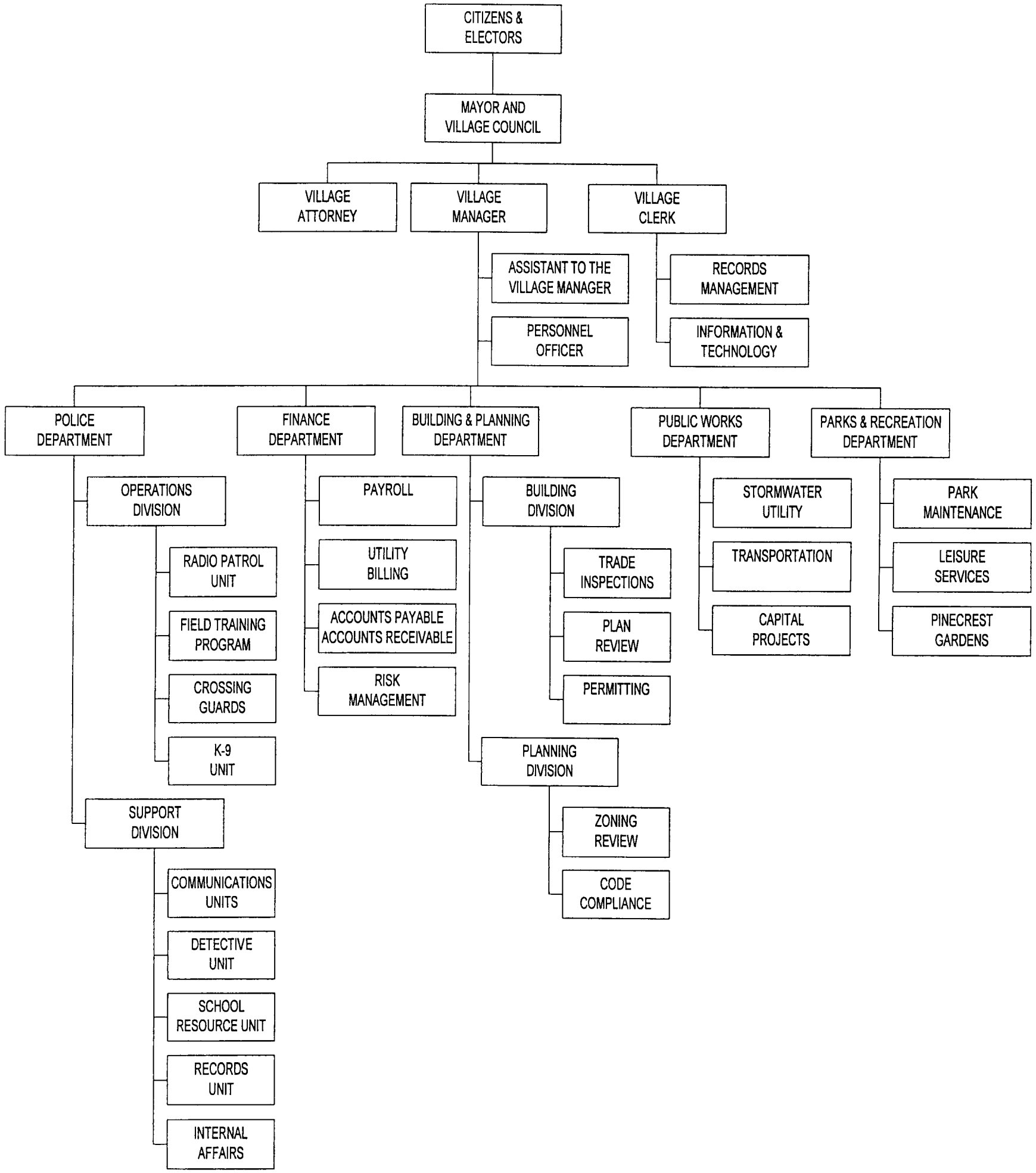
President



Executive Director

# VILLAGE OF PINECREST, FLORIDA

## *Organizational Chart*



# VILLAGE OF PINECREST, FLORIDA

## *Village Council*

Gary C. Matzner, *Mayor*
Gail D. Serota, *Vice Mayor*
Joseph M. Corradino
Jeff Cutler
Nancy L. Harter

## *Charter Officers*

Peter G. Lombardi
*Village Manager*

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

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

## *Administrative Personnel*

Alfredo Riverol, *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*

**Council – Manager Form of Government**
**Incorporated March 12, 1996**

# Financial Section

# REPORT OF INDEPENDENT
# CERTIFIED PUBLIC ACCOUNTANTS

# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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, 2007, 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 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2007 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, 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 should be considered in assessing the results of our audit.



**Rachlin Cohen & Holtz LLP**
One Southeast Third Avenue ■ Tenth Floor ■ Miami, Florida 33131 ■ **Phone** 305.377.4228 ■ **Fax** 305.377.8331 ■ **www.rachlin.com**
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Management's Discussion and Analysis and the Required Supplementary Information on pages 3 to 10 and pages 32 to 34, 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. 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 find statements and schedules have 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. The information shown in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rachlin Cohen & Holtz LLP

Miami, Florida
December 27, 2007

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

## Management Discussion and Analysis

As management of the Village of Pinecrest, we offer the Village of Pinecrest's financial statements this narrative overview and analysis of the financial activities of the Village of Pinecrest for the fiscal year ended September 30, 2007. 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 $123,400,874 (net assets). Of this amount, $5,293,745 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net assets decreased by $891,623. This decrease was largely a result of depreciation expenses.

- As of the close of the current fiscal year, the Village of Pinecrest's governmental funds reported combined ending fund balances of $12,109,753, a decrease of $2,574,542 in comparison with the prior year. Approximately 31% of this total amount, $3,706,771 is available for spending at the government's discretion (unreserved fund balance).

- At the end of the current fiscal year, unreserved fund balance for the general fund was $7,267,718 or 42% of total general fund expenditures.

- The Village of Pinecrest total debt decreased by $750,000 (5%) 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.

**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 run 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 eight 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, 5 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 this nonmajor governmental fund is 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 $123,400,874 at the close of the most recent fiscal year.

By far the largest portion of the Village of Pinecrest's net assets $109,704,147 (89 %) 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 | |
|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Current and other assets | $ 13,497,113 | $ 15,694,547 | $1,712,110 | $1,462,481 | $ 15,209,223 | $ 17,157,028 |
| Capital assets | 120,432,796 | 119,717,810 | 4,695,732 | 4,763,070 | 125,128,528 | 124,480,880 |
| Total assets | $ 133,929,909 | $135,412,357 | $6,407,842 | $6,225,551 | $140,337,751 | $141,637,908 |
| Long term debt | $ 14,080,000 | $ 14,840,000 | $ - | $ - | $ 14,080,000 | $ 14,840,000 |
| Other liabilities | 2,731,791 | 2,366,465 | 125,086 | 138,946 | 2,856,877 | 2,505,411 |
| Total liabilities | $ 16,811,791 | $ 17,206,465 | $ 125,086 | $ 138,946 | $ 16,936,877 | $ 17,345,411 |
| Net assets | $ 117,118,118 | $118,205,892 | $6,282,756 | $6,086,605 | $123,400,874 | $124,292,497 |
| Invested in capital assets, net of related debt | $ 105,008,365 | $103,521,597 | $4,695,782 | $4,763,070 | $109,704,147 | $108,284,667 |
| Restricted | 8,402,982 | 5,058,775 | - | - | 8,402,982 | 5,058,775 |
| Unrestricted | 3,706,771 | 9,625,520 | 1,586,974 | 1,323,535 | 5,293,745 | 10,949,055 |
| Total net assets | $ 117,118,118 | $118,205,892 | $6,282,756 | $6,086,605 | $123,400,874 | $124,292,497 |

The balance of unrestricted net assets $ 5,293,745 may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Governmental activities.** Governmental activities decreased the Village of Pinecrest's net assets by $1,087,774, the majority of this accounted for by depreciation in the Public Works category. Key elements in the Changes in Net Assets activity are as follows:

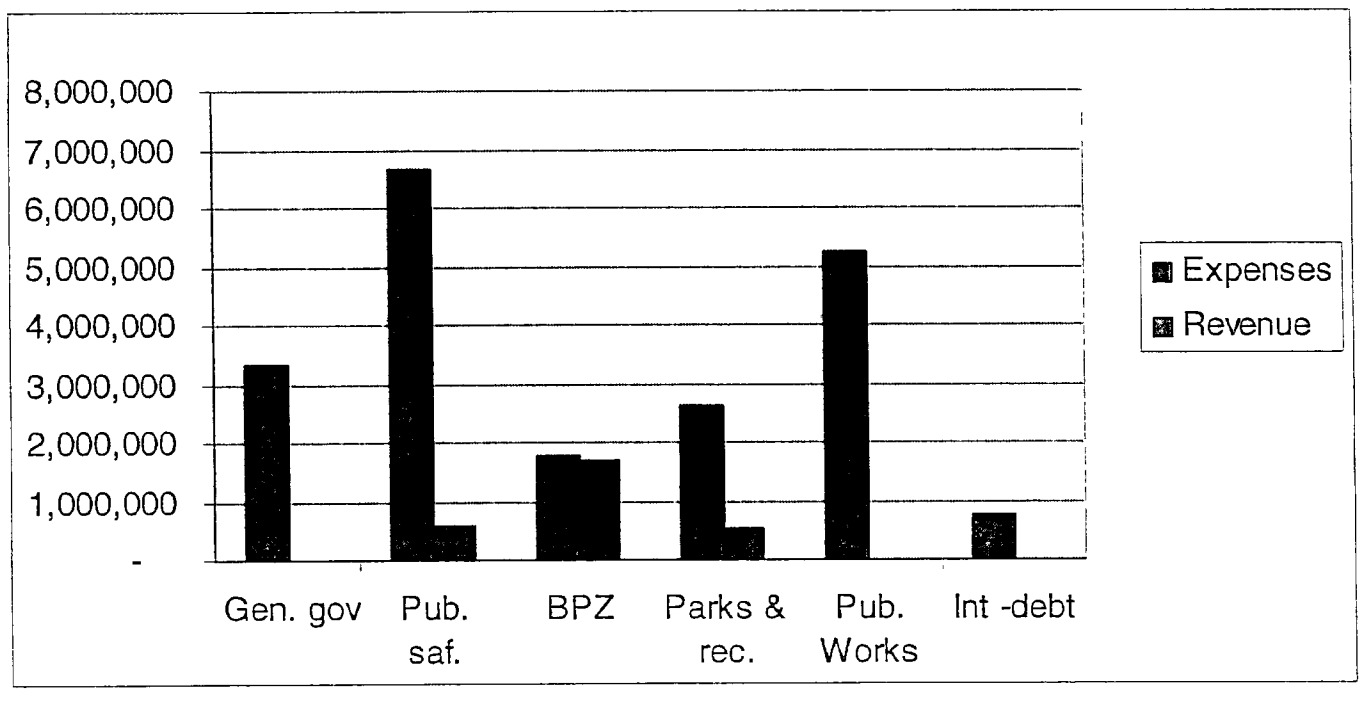
## Village of Pinecrest's Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 2.823,621 | $ 3,157.806 | $ 401.860 | $ 355,470 | $ 3.225,481 | $ 3.513.276 |
| Operating grants and contributions | 1.252.442 | 1,177.608 | - | - | 1.252,442 | 1.177,608 |
| Capital grants and contributions | 71.700 | - | - | 351,688 | 71.700 | 351.688 |
| General revenues: | | | | | | |
| Taxes | 12,724.310 | 11.188.038 | - | - | 12,724.310 | 11,188,038 |
| Other | 3.224.549 | 3.555,187 | 81.411 | 48,419 | 3.305,960 | 3.603.606 |
| Total revenues | 20,096.622 | 19.078.639 | 483.271 | 755.577 | 20.579.893 | 19,834.216 |
| Expenses: | | | | | | |
| General government | 3.946,447 | 2.264,779 | - | - | 3.946,447 | 2.264,779 |
| Police | 6.807,130 | 6.768,471 | - | - | 6.807,130 | 6,768,471 |
| Building and zoning | 1.800,796 | 1.641.088 | - | - | 1.800,796 | 1,641,088 |
| Parks and recreation | 2.646.670 | 2.706.295 | - | - | 2.646,670 | 2,706,295 |
| Public works | 5.235.870 | 5.481,480 | - | - | 5.235.870 | 5,481,480 |
| Interest on long term debt | 747,482 | 781.526 | - | - | 747.482 | 781,526 |
| Stormwater | - | - | 287.120 | 305.899 | 287,120 | 305.899 |
| Total expenses | 21.184.395 | 19.643.639 | 287.120 | 305,899 | 21.471.515 | 19.949.538 |
| Increase (decrease) in net assets | (1.087.773) | (565,000) | 196.151 | 449.678 | (891.622) | (115.322) |
| Net assets, October 1 | 118.205.891 | 118.770.892 | 6.086,605 | 5.636.927 | 124.292.496 | 124.407.819 |
| Net assets, September 30 | $ 117.118.118 | $ 118.205.892 | $ 6.282.756 | $ 6.086.605 | $ 123,400.874 | $ 124.292.497 |

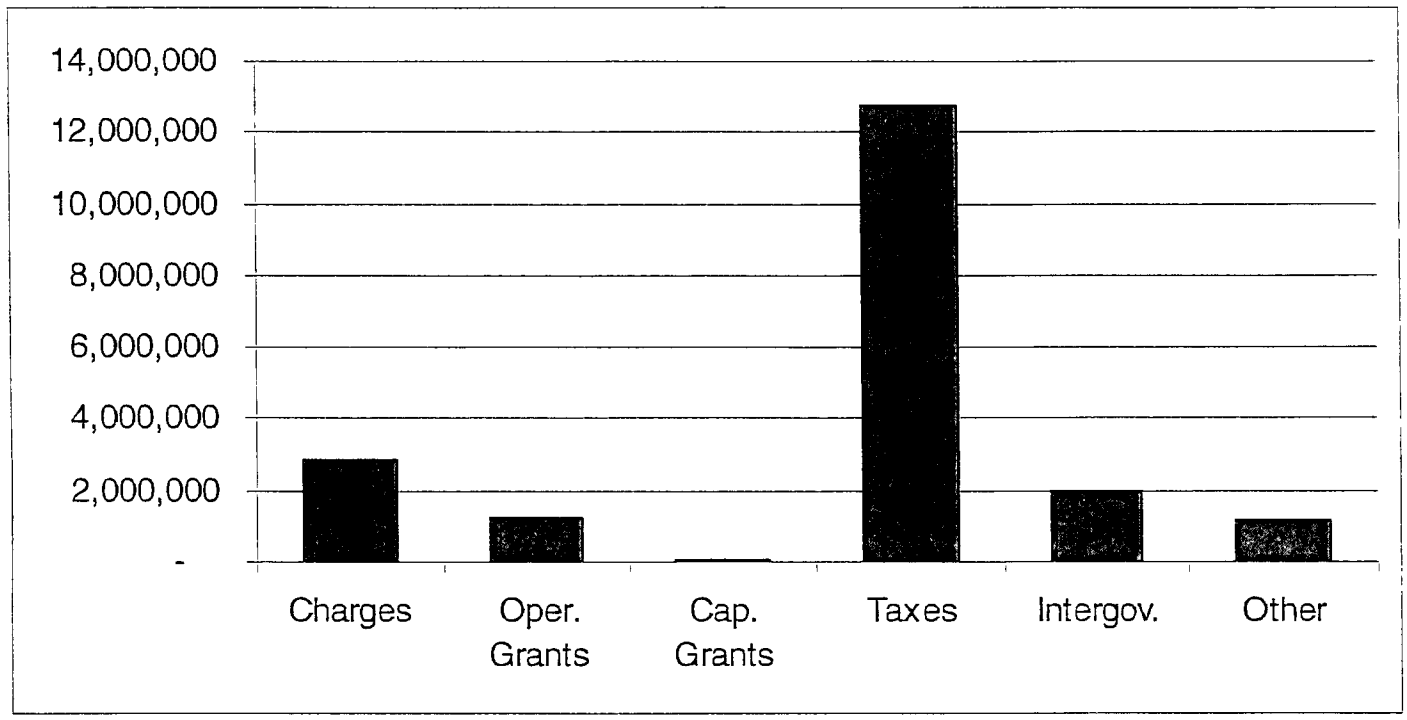
- Taxes, $12,724,310 comprised (63 percent) of the total revenues, $20,076,623 during the fiscal year. Most of this category is property taxes, $8,132,032.

- Operating grants and contributions accounted for $1,324,142 (6.6 %) of total revenues.

## Expenses and Program Revenues – Governmental Activities



**Revenues by Source – Governmental Activities**




For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Additionally, the Village of Pinecrest's Park & Recreation Department developed additional recreational facilities in the Coral Pines Park.

## 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, unreserved 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 reported combined ending fund balances of $12,109,753, a decrease of $2,574,542 in comparison with the prior year, $14,684,295. Approximate 31 % of this total amount - $3,706,771 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contract and purchase orders of the prior period ($3,995,155) or reserved for special revenue funds ($4,407,827).

The general fund is the chief operating fund of the Village of Pinecrest. At the end of the current fiscal year, unreserved fund balance of the general fund was $7,267,718. The General Fund has an Interfund receivable of $3,561,000 to the Capital Projects Fund. Grants are expected from the County in 2008 to pay for their portion of the library/community center project. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 44 percent of total general fund expenditures, while total fund balance represents 44 percent of that same amount.

- The fund balance of the Village of Pinecrest's general fund increased by $1,063,085 during the current fiscal year.

- The fund balance of the Transportation increased by $894,730. The increase is due to projects being delayed or abandoned.

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 $750,000 was transferred into the fund for principal payments, an increase of $25,000. This year $747,482 was transferred into the fund for interest payments, a decrease of $61,916.

The budget to actual variances in the General Fund were taxes $705,780, comprised mainly of difference in the franchise fee estimates provided by the State of Florida and actual collections. In addition, rising interest rate combined with larger balances on hand than anticipated resulted in $269,915 of additional interest earnings. A series of large fines to one user resulted in $160,000 of the $259,604 variance in this item. In the expenditure side of the budget, the Village instituted a hiring freeze midway during the year and also cut back on expenditures as a result of a series of legislative proposals and legislation to reduce municipal taxes. The police department also had several unfilled positions. In total the Police Department was $1,173,947 under budget. The Parks and Recreation Department did not hire an executive director and the opening of the Community Center was postponed due to construction delays, resulting in a budget variance of $415,667.

**The Transportation Fund**

The revenues and expenditures of the Transportation Fund included $3,000,000 for the construction of a "Park and Ride Lot" for commuters. This project was curtailed after residential opposition to the project developed. In addition a $500,000 project for access to the Municipal Center was delayed.

**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 retained earnings grow from $1,323,535 to $1,586,974 a $263,439 increase. The increase reflects the fact that funds are budgeted for capital improvements which are depreciated over many years.

**General Fund Budget Highlights**

There was $1,000,000 in supplemental appropriations to the original budget for a transfer to the Capital Projects Fund from the General Fund.

During the year, budgetary revenues exceeded budgetary expenditures adding $1,275,791 to fund balance.

## Capital Asset and Debt Administration

**Capital assets.** The Village of Pinecrest's investment in capital assets for its governmental activities as of September 30, 2007, amounts to $120,274,033 (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 0.5 percent.

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

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| General government | $ 6,581,261 | $ 6,720,832 | $ - | $ - | $ 6,581,261 | $ 6,720,832 |
| Public safety | 531,845 | 605,983 | - | - | 531,845 | 605,983 |
| Building, planning & zoning | 55,226 | 31,321 | - | - | 55,226 | 31,321 |
| Parks | 26,542,783 | 21,534,882 | - | - | 26,542,783 | 21,534,882 |
| Public works | 86,562,918 | 90,655,682 | - | - | 86,562,918 | 90,655,682 |
| Stormwater | - | - | 4,695,732 | 4,763,070 | 4,695,732 | 4,763,070 |
| Totals | $ 120,274,033 | $ 119,548,700 | $4,695,732 | $4,763,070 | $ 124,969,765 | $ 124,311,770 |

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 $14,840,000. 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 | |
|---|---|---|
| | 2007 | 2006 |
| General Obligation Bonds | $ 14,840,000 | $ 15,590,000 |

The Village of Pinecrest decreased its total debt by $750,000 (4.8%) during the current fiscal year. There are three issues outstanding; Greer Park (formerly known as Pinecrest Park), $5,675,000 which matures in FY2019; Pinecrest Gardens (formerly known as the Parrot Jungle), $6,410,000 which matures in FY2022 and the Library/Community Center, $2,755,000 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 were 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.

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

- The unemployment rate for Miami-Dade County/Fort Lauderdale is currently 4.2 %, which is an increase from a rate of 3.1% 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, unreserved fund balance increased to $7,267,718. The Village of Pinecrest has appropriated $730,540 of this amount for spending in the 2008 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, 2007

| | Governmental Activities | Business -type Activities | Total |
|---|---|---|---|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 12,392,788 | $ 1,637,867 | $ 14,030,655 |
| Receivables, net | 1,104,325 | 74,243 | 1,178,568 |
| Total current assets | 13,497,113 | 1,712,110 | 15,209,223 |
| Non-current assets: | | | |
| Capital assets, not depreciated: | | | |
| Land | 17,437,190 | - | 17,437,190 |
| Construction in progress | 5,640,339 | - | 5,640,339 |
| Capital assets, net of accumulated depreciation: | | | |
| Buildings | 8,549,061 | - | 8,549,061 |
| Improvements | 2,150,564 | - | 2,150,564 |
| Equipment | 713,978 | - | 713,978 |
| Infrastructure | 85,782,901 | 4,695,732 | 90,478,633 |
| Unamortized bond issue costs | 158,763 | - | 158,763 |
| Total non-current assets | 120,432,796 | 4,695,732 | 125,128,528 |
| Total assets | $ 133,929,909 | $ 6,407,842 | $ 140,337,751 |
| LIABILITIES AND NET ASSETS | | | |
| Liabilities: | | | |
| Current: | | | |
| Accounts payable | 1,099,922 | 10,820 | 1,110,742 |
| Revenues collected in advance | - | 114,266 | 114,266 |
| Leases payable, due in one year | 21,205 | - | 21,205 |
| Compensated absences, due in one year | 248,951 | - | 248,951 |
| Bonds payable, due in one year | 780,000 | - | 780,000 |
| Total current liabilities | 2,150,078 | 125,086 | 2,275,164 |
| Non-current: | | | |
| Unearned revenues | 346,842 | - | 346,842 |
| Premium on bonds payable | 196,909 | - | 196,909 |
| Leases payable, due in more than one year | 15,104 | - | 15,104 |
| Compensated absences, due in more than one year | 42,858 | - | 42,858 |
| Bonds payable, due in more than one year | 14,060,000 | - | 14,060,000 |
| Total non-current liabilities | 14,661,713 | - | 14,661,713 |
| Total liabilities | 16,811,791 | 125,086 | 16,936,877 |
| Net assets: | | | |
| Investments in capital assets, net of related debt | 105,008,365 | 4,695,782 | 109,704,147 |
| Restricted for: | | | |
| Capital projects | 3,995,155 | | 3,995,155 |
| Transportation and public safety programs | 4,407,827 | | 4,407,827 |
| Unrestricted | 3,706,771 | 1,586,974 | 5,293,745 |
| Total net assets | $ 117,118,118 | $ 6,282,756 | $ 123,400,874 |

See notes to basic financial statements.

# VILLAGE OF PINECREST, FLORIDA

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2007

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets: Governmental Activities | Net (Expense) Revenue and Changes in Net Assets: Business-type Activities | Net (Expense) Revenue and Changes in Net Assets: Total |
|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | |
| General government | $ 3,946,447 | $ - | $ - | $ 71,700 | $ (3,874,747) | $ - | $ (3,874,747) |
| Public safety | 6,807,130 | 594,004 | - | - | (6,213,126) | - | (6,213,126) |
| Building, planning and zoning | 1,800,796 | 1,676,528 | - | - | (124,268) | - | (124,268) |
| Parks and recreation | 2,646,670 | 553,089 | - | - | (2,093,581) | - | (2,093,581) |
| Public works | 5,235,870 | - | 1,252,442 | - | (3,983,428) | - | (3,983,428) |
| Interest on long-term debt | 747,482 | - | - | - | (747,482) | - | (747,482) |
| Total governmental activities | 21,184,395 | 2,823,621 | 1,252,442 | 71,700 | (17,036,632) | - | (17,036,632) |
| Business-type activities: | | | | | | | |
| Stormwater | 287,120 | 401,860 | - | - | - | 114,740 | 114,740 |
| Total business-type activities | 287,120 | 401,860 | - | - | - | 114,740 | 114,740 |
| Total primary government | $21,471,515 | $3,225,481 | $ 1,252,442 | $ 71,700 | (17,036,632) | 114,740 | (16,921,892) |
| General revenues: | | | | | | | |
| Ad valorem taxes | | | | | 8,132,032 | - | 8,132,032 |
| Franchise fees | | | | | 1,852,068 | - | 1,852,068 |
| Utility taxes | | | | | 1,802,388 | - | 1,802,388 |
| Communications services tax | | | | | 815,593 | - | 815,593 |
| Business tax | | | | | 122,229 | - | 122,229 |
| Intergovernmental grants, not restricted to specific programs | | | | | 2,013,703 | - | 2,013,703 |
| Unrestricted interest earnings | | | | | 820,496 | 81,411 | 901,907 |
| Miscellaneous | | | | | 390,350 | - | 390,350 |
| Total general revenues | | | | | 15,948,859 | 81,411 | 16,030,270 |
| Change in net assets | | | | | (1,087,773) | 196,151 | (891,622) |
| Net assets- beginning | | | | | 118,205,892 | 6,086,605 | 124,292,497 |
| Net assets- ending | | | | | $ 117,118,118 | $ 6,282,756 | $ 123,400,874 |

See notes to basic financial statements.

# VILLAGE OF PINECREST, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2007

| | General Fund | Transportation Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | $ 3,839,607 | $ 4,190,931 | $ 4,263,637 | $ 98,613 | $ 12,392,788 |
| Receivables, net | 821,184 | 176,032 | 71,700 | 35,409 | 1,104,325 |
| Due from other funds | 3,561,000 | - | - | - | 3,561,000 |
| Total assets | $ 8,221,791 | $ 4,366,963 | $ 4,335,337 | $ 134,022 | $ 17,058,113 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 548,769 | $ 31,868 | $ 398,591 | $ 61,290 | $ 1,040,518 |
| Due to other funds | - | - | 3,561,000 | - | 3,561,000 |
| Unearned revenue | 346,842 | - | - | - | 346,842 |
| Total liabilities | 895,611 | 31,868 | 3,959,591 | 61,290 | 4,948,360 |
| Fund balances: | | | | | |
| Reserved for encumbrances | 58,462 | - | 3,936,693 | - | 3,995,155 |
| Reserved for capital projects | - | - | - | - | - |
| Reserved for special revenue funds | - | 4,335,095 | - | 72,732 | 4,407,827 |
| Unreserved: | | | | | |
| Undesignated | 7,267,718 | - | (3,560,947) | - | 3,706,771 |
| Total fund balances | 7,326,180 | 4,335,095 | 375,746 | 72,732 | 12,109,753 |
| Total liabilities and fund balances | $ 8,221,791 | $ 4,366,963 | $ 4,335,337 | $ 134,022 | |
| 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 funds | | | | | 105,434,033 |
| Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds | | | | | (425,668) |
| Net assets of governmental activities | | | | | $ 117,118,118 |

See notes to basic financial statements.

# VILLAGE OF PINECREST, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED SEPTEMBER 30, 2007

| | General Fund | Transportation Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Taxes | $ 12,724,310 | $ - | $ - | $ - | $ 12,724,310 |
| Licenses and permits | 1,676,528 | - | - | - | 1,676,528 |
| Intergovernmental | 1,856,480 | 1,252,442 | 71,700 | 157,223 | 3,337,845 |
| Charges for services | 606,006 | - | - | - | 606,006 |
| Fines and forfeitures | 528,924 | - | - | 12,163 | 541,087 |
| Interest | 454,555 | 207,250 | 144,326 | 1,265 | 807,396 |
| Miscellaneous | 379,713 | - | 10,637 | - | 390,350 |
| Total revenues | 18,226,516 | 1,459,692 | 226,663 | 170,651 | 20,083,522 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 2,810,851 | - | 996,245 | - | 3,807,096 |
| Public safety | 6,610,386 | - | - | 118,981 | 6,729,367 |
| Building, planning and zoning | 1,823,887 | - | - | - | 1,823,887 |
| Parks and recreation | 2,281,367 | - | 5,372,907 | - | 7,654,274 |
| Public works | 603,607 | 538,962 | - | - | 1,142,569 |
| Debt service: | | | | | |
| Principal | - | - | - | 750,000 | 750,000 |
| Interest | - | - | - | 750,871 | 750,871 |
| Total expenditures | 14,130,098 | 538,962 | 6,369,152 | 1,619,852 | 22,658,064 |
| Excess (deficiency) of revenues over expenditures | 4,096,418 | 920,730 | (6,142,489) | (1,449,201) | (2,574,542) |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | 1,500,000 | 1,500,871 | 3,000,871 |
| Transfers out | (2,974,871) | (26,000) | - | - | (3,000,871) |
| Total other financing sources (uses) | (2,974,871) | (26,000) | 1,500,000 | 1,500,871 | - |
| Net change in fund balances | 1,121,547 | 894,730 | (4,642,489) | 51,670 | (2,574,542) |
| Fund balances, beginning | 6,204,633 | 3,440,365 | 5,018,235 | 21,062 | 14,684,295 |
| Fund balances, ending | $ 7,326,180 | $ 4,335,095 | $ 375,746 | $ 72,732 | $ 12,109,753 |

See notes to basic financial 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

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

Amounts reported for governmental activities are different because:

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds (Page 14) | | $ (2,574,542) |
| 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 | $ 6,035,226 | |
| Depreciation | (5,111,744) | |
| Disposal of capital assets | (198,149) | |
| Net adjustment | | 725,333 |
| 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: | | |
| Bonds payable | | |
| Issuance premium | $ 13,100 | |
| Issuance costs | (10,347) | |
| Principal payments | 750,000 | |
| Accrued interest | 3,389 | |
| Capital lease | 11,385 | |
| Net adjustment | | 767,527 |
| 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 detail of the difference is as follows: | | |
| Compensated absences | | (6,091) |
| Change in net assets of governmental activities (Page 12) | | $ (1,087,773) |

See notes to basic financial statements.

# VILLAGE OF PINECREST, FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUND

SEPTEMBER 30, 2007

| | Stormwater Fund |
|---|---|
| **ASSETS** | |
| Current assets: | |
| Cash and cash equivalents | $ 1,637,867 |
| Receivables | 74,243 |
| Total current assets | 1,712,110 |
| Non-current assets: | |
| Capital assets, net | 4,695,732 |
| Total non-current assets | 4,695,732 |
| Total assets | $ 6,407,842 |
| **LIABILITIES AND NET ASSETS** | |
| Current liabilities: | |
| Accounts payable | $ 10,820 |
| Revenues collected in advance | 114,266 |
| Total liabilities | 125,086 |
| Net assets: | |
| Invested in capital assets | 4,695,782 |
| Unrestricted | 1,586,974 |
| Total net assets | $ 6,282,756 |

See notes to basic financial statements.

# VILLAGE OF PINECREST, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2007

| | Stormwater Fund |
|---|---|
| Operating revenues: | |
| Utility fees | $ 401,860 |
| Miscellaneous | - |
| Total operating revenues | 401,860 |
| Operating expenses | |
| Cost of sales | 186,435 |
| Depreciation | 100,685 |
| Total operating expenses | 287,120 |
| Operating income | 114,740 |
| Nonoperating revenues (expenses): | |
| Interest earnings | 81,411 |
| Change in net assets | 196,151 |
| Total net assets, beginning | 6,086,605 |
| Total net assets, ending | $6,282,756 |

See notes to basic financial statements.

# VILLAGE OF PINECREST, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2007

| | Stormwater Fund |
|---|---|
| Cash flows from operating activities: | |
| Receipts from customers and users | $ 373,641 |
| Payments to supplies | (175,705) |
| Cash flows provided by operating activities | 197,936 |
| Cash flows from capital and related financing activities: | |
| Acquisition of capital assets | (33,347) |
| Cash flows from investing activities: | |
| Interest received | 81,411 |
| Net increase in cash and cash equivalents | 246,000 |
| Cash and cash equivalents, beginning of year | 1,391,867 |
| Cash and cash equivalents, end of year | $ 1,637,867 |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | $ 114,740 |
| Depreciation | 100,685 |
| Change in operating assets and liabilities: | |
| Increase in accounts receivable | (3,629) |
| Decrease in revenues collected in advance | (24,590) |
| Increase in accounts payable | 10,730 |
| Total adjustments | 83,196 |
| Net cash provided by operating activities | $ 197,936 |

See notes to basic financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS

## 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 19,530. 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 if 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 is 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Government-wide and fund financial statements (Continued)

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.

### C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as is used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village of Pinecrest reports the following major governmental funds:

- The general fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The 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 Transportation Fund receives grants from the State of Florida and from Miami-Dade County.

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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, liabilities and net assets or equity (Continued)

#### 2. Capital assets (Continued)

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

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

- Buildings – 40 years
- Improvements – 15 years
- Equipment:
  - Cars – 5 years
  - Trucks – 10 years
  - Equipment – 5 years
  - Computer equipment – 3 years
- Infrastructure:
  - Roads – 25 years
  - Stormwater system – 50 years

#### 3. Compensated absences

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

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

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

#### 4. Long term obligations

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, liabilities and net assets or equity (Continued)

#### 4. Long term obligations (Continued)

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 an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as an 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 assess by the Village for the year ended September 30, 2007 was 2.40 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.

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 Statures.

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, 2007.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Assets, liabilities and net assets or equity (Continued)

#### 6. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

#### 7. 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 theses 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 had the following investments as of September 30, 2007:

| Investment | Maturities | Fair Value |
|---|---|---|
| Repurchase agreements | | |
| Federal Home Loan Mortgage | 10/15/2032 | $1,939,387 |

The Village of Pinecrest also participates in the State Board of Administration (SBA) investment pool which is unrated.

## NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

### A. Deposits and investments (Continued)

#### Investments (Continued)

Credit Risk

The Village of Pinecrest has an investment policy that emphasizes 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). Investments in US Agencies are rated AAA and Aaa respectively. Excess funds are also sent to the SBA for their investment. The SBA does not have a rating from a NRSRO. This is the only external investment pool that the Village of Pinecrest can invest in.

Concentration Credit Risk

GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. The investment in the Federal Home Loan Bank is 14.4%. Given the restriction to the highest rating, the additional concentration is not viewed to be an additional risk to the Village.

External investment pools are exempt from Concentration and Interest Rate Risk disclosures.

Subsequent Event

On November, 29, 2007, the trustees of the State Board of Administration (SBA), responding to withdrawals totaling 40% or $10 billion of funds by local government, following a downgrade or nearly $2 billion of the assets of the Local Government Investment Pool implemented a temporary freeze on the assets of the pool. The Trustees of SBA restructured the fund dividing the assets into Plan A and Plan B. Plan A will have investment grade assets and continue to operate as a money market Type fund. Plan B will contain assets in default, impaired, extended maturity dates which have significant credit risk.

Plan A of the pool reopened on December 3, 2007 and limits the amount of assets which can be withdrawn in the short term to 15% or $2 million of the fund. New deposits can be withdrawn at any time. The amount available for withdrawal will increase has more assets mature. On December 21, 2007, Standard and Poor's ratings services assigned its "AAAM" principal stability fund rating to Pool A.

The Village of Pinecrest on November 30, 2007 had $9.664 (unaudited) million in the fund. Plan A had a balance $8,274 (unaudited) million which is considered liquid and Plan B had a balance of $1,390 million which is not considered liquid. Since the reopening of the pool the Village of Pinecrest has made both deposits and withdrawals.

## NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

### B. Receivables

Receivables as of September 30, 2007 for the Village's individual major and nonmajor funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General | Trans-portation | Capital Projects | Other Nonmajor Governmental Funds | Storm-water | Total |
|---|---|---|---|---|---|---|
| Note receivable | $ 346,842 | $ - | $ - | $ - | $ - | $ 346,842 |
| Intergovernmental | 112,912 | 176,032 | 71,700 | 35,027 | - | 395,671 |
| Franchise and utility | 152,865 | - | - | - | - | 152,865 |
| Ad valorem taxes | 137,395 | - | - | - | - | 137,395 |
| Other | 71,170 | - | - | 382 | 74,243 | 145,795 |
| Gross receivables | 821,184 | 176,032 | 71,700 | 35,409 | 74,243 | 1,178,568 |
| Less allowance for doubtful accounts | - | - | - | - | - | - |
| Total receivables | $ 821,184 | $ 176,032 | $ 71,700 | $ 35,409 | $ 74,243 | $ 1,178,568 |

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, 2007 of $346,842 is included in deferred revenues.

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

| For the year ended September 30: | |
|---|---|
| 2008 | $ 79,193 |
| 2009 | 82,378 |
| 2010 | 85,692 |
| 2011 | 89,139 |
| 2012 | 10,440 |
| | $ 346,842 |

## NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

### C. Capital assets

Capital asset activity for the year ended September 30, 2007 was as follows:

| | Beginning Balance | Increases | Adjustments | Decreases | Ending Balance |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 17,423,144 | $ 14,046 | $ - | $ - | $ 17,437,190 |
| Construction in progress | 455,409 | 5,256,379 | (7,477) | (63,972) | 5,640,339 |
| Total capital assets, not being depreciated | 17,878,553 | 5,270,425 | (7,477) | (63,972) | 23,077,529 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 9,233,803 | 76,934 | - | - | 9,310,737 |
| Improvements | 2,961,909 | - | 4,559 | (12,374) | 2,954,094 |
| Equipment | 2,007,397 | 216,984 | - | (121,803) | 2,102,578 |
| Infrastructure | 149,363,740 | 470,883 | 2,918 | - | 149,837,541 |
| Total capital assets, being depreciated | 163,566,849 | 764,801 | 7,477 | (134,177) | 164,204,950 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (537,794) | (223,882) | - | - | (761,676) |
| Improvements | (626,194) | (177,336) | - | - | (803,530) |
| Equipment | (1,211,028) | (177,572) | - | - | (1,388,600) |
| Infrastructure | (59,521,686) | (4,532,954) | - | - | (64,054,640) |
| Total accumulated depreciation | (61,896,702) | (5,111,744) | - | - | (67,008,446) |
| Total capital assets, being depreciated, net | 101,670,147 | (4,346,943) | 7,477 | (134,177) | 97,196,504 |
| Governmental activities capital assets, net | $ 119,548,700 | $ 923,482 | $ - | $ (198,149) | $ 120,274,033 |
| **Business type activities:** | | | | | |
| Capital assets being depreciated: | | | | | |
| Infrastructure | $ 7,669,910 | $ 33,347 | $ - | $ - | $ 7,703,257 |
| Less accumulated depreciation for infrastructure | (2,906,840) | (100,685) | - | - | (3,007,525) |
| Total capital assets, being depreciated, net | 4,763,070 | (67,338) | - | - | 4,695,732 |
| Business type activities capital assets, net | $ 4,763,070 | $ (67,338) | $ - | $ - | $ 4,695,732 |

## NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

### C. Capital assets (Continued)

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 139,571 |
| Public safety | 126,693 |
| Public works | 4,608,240 |
| Building, planning, and zoning | 6,347 |
| Parks and recreation | 230,893 |
| Total depreciation expense, governmental activities | $5,111,744 |
| | |
| Business type activities: | |
| Stormwater | $ (100,685) |
| Total depreciation expense, business type activities | $ (100,685) |

### D. Transfers

The composition of interfund operating transfers as of September 30, 2007, is as follows:

Interfund transfers:

| Transfers out | Transfers In | Amount | Transfer Purpose |
|---|---|---|---|
| General Fund | Debt service | $1,474,871 | Provide debt service funds |
| General Fund | Capital Fund | 1,500,000 | Provide capital project funds |
| Transportation Fund | Debt service | 26,000 | Provide debt service funds |
| Total | | $3,000,871 | |

There is one Interfund due to/from:

| Due To | Due From | Amount | Transfer Purpose |
|---|---|---|---|
| General Fund | Capital Project | $3,561,000 | Provide operational funds |

### 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 $14,840,000, and are due in varying installments through July 1, 2024 and bear

## NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

### E. Long term debt (Continued)

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.

| | Principal | Interest | Total |
|---|---|---|---|
| Fiscal year ended September 30: | | | |
| 2008 | $ 780,000 | $ 731,212 | $ 1,511,212 |
| 2009 | 815,000 | 699,638 | 1,514,638 |
| 2010 | 845,000 | 665,873 | 1,510,873 |
| 2011 | 885,000 | 630,060 | 1,515,060 |
| 2012 | 925,000 | 591,275 | 1,516,275 |
| 2013-2017 | 5,325,000 | 2,220,695 | 7,545,695 |
| 2018-2022 | 4,825,000 | 787,035 | 5,612,035 |
| 2023-2024 | 440,000 | 35,115 | 475,115 |
| | $14,840,000 | $6,360,903 | $21,200,903 |

The Village leases a vehicle and office equipment under non-cancelable capital leases expiring in 2010. The total liability for such leases was $36,309 as of September 30, 2007. The future minimum lease payments for these leases are as follows:

| | |
|---|---|
| Fiscal year ending September 30: | |
| 2008 | $21,205 |
| 2009 | 10,584 |
| 2010 | 4,520 |
| Total minimum lese payments | 36,309 |
| Less amount representing interest | 1,815 |
| Present value of net minimum lease payments | 34,494 |
| Less current portion | 21,205 |
| Capital lease obligations excluding current portion | $13,289 |

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

| | Balance 9/30/06 | Additions | Reductions | Balance 9/30/07 | Due Within One Year |
|---|---|---|---|---|---|
| Bonds payable | $15,590,000 | $ - | $ 750,000 | $14,840,000 | $ 780,000 |
| Capital leases | 47,694 | 12,053 | 23,438 | 36,309 | 21,205 |
| Compensated absences | 285,718 | 291,809 | 285,718 | 291,809 | 248,037 |
| | $15,923,412 | $303,862 | $1,059,156 | $15,168,118 | $1,049,242 |

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

## 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 $1,746,727 to the Village for the fiscal year ended September 30, 2007. This agreement will be in effect as long as the Ordinance establishing the collection of these fees is in place.

On July 17, 2003 the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, the County remitted $649,224 to the Village for the fiscal year ended September 30, 2007 for the purpose of providing transportation services within the Village. This agreement shall remain if 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.

### E. Defined Contribution Plan

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

## NOTE 3. COMMITMENTS AND CONTINGENCIES (Continued)

### E. Defined Contribution Plan (Continued)

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 $786,012. There are current year forfeitures of $55,698, of which $15 will be used in lieu of Village contributions in fiscal 2008. Employee contributions were $423,291 for the year ended September 30, 2007.

### 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, 2007. Outstanding construction commitments at September 30, 2007 are approximately $3,955,000 for projects which include the development of various park renovations and improvements. These projects are all fully funded.

INCORPORATED 1996

village of

# PINECREST

FLORIDA

# REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

# VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Taxes: | | | | |
| Ad valorem taxes | $7,985,830 | $7,985,830 | $8,132,032 | $ 146,202 |
| Franchise fees | 1,385,190 | 1,385,190 | 1,852,068 | 466,878 |
| Utility taxes | 1,675,560 | 1,675,560 | 1,802,388 | 126,828 |
| Communications services tax | 866,820 | 866,820 | 815,593 | (51,227) |
| Business tax | 105,130 | 105,130 | 122,229 | 17,099 |
| Total taxes | 12,018,530 | 12,018,530 | 12,724,310 | 705,780 |
| Licenses and permits | 1,706,980 | 1,706,980 | 1,676,528 | (30,452) |
| Intergovernmental revenue | 1,816,090 | 1,816,090 | 1,856,480 | 40,390 |
| Charges for services | 595,970 | 595,970 | 606,006 | 10,036 |
| Fines and forfeitures | 269,320 | 269,320 | 528,924 | 259,604 |
| Miscellaneous revenue: | | | | |
| Interest earnings | 184,640 | 184,640 | 454,555 | 269,915 |
| PHS parking rent | 91,650 | 91,650 | 91,658 | 8 |
| Other miscellaneous revenues | 255,770 | 255,770 | 293,349 | 37,579 |
| Total miscellaneous revenues | 532,060 | 532,060 | 839,562 | 307,502 |
| Total revenues | 16,938,950 | 16,938,950 | 18,231,810 | 1,292,860 |
| Expenditures: | | | | |
| General government | 3,125,190 | 3,125,190 | 2,810,707 | 314,483 |
| Public safety | 7,645,440 | 7,645,440 | 6,596,346 | 1,049,094 |
| Building, planning and zoning | 1,826,000 | 1,826,000 | 1,823,887 | 2,113 |
| Parks and recreation | 2,670,230 | 2,670,230 | 2,281,367 | 388,863 |
| Public works | 994,010 | 994,010 | 662,069 | 331,941 |
| Total expenditures | 16,260,870 | 16,260,870 | 14,174,376 | (2,086,494) |
| Other financing sources (uses): | | | | |
| Appropriation of prior years fund balance | 1,334,290 | 2,334,290 | - | 2,334,290 |
| Transfers out | 2,012,370 | 3,012,370 | 2,974,871 | 37,499 |
| Total other financing sources (uses) | (678,080) | (678,080) | (2,974,871) | 2,296,791 |
| Net change in fund balance | $ - | $ - | $1,082,563 | $1,082,563 |



See notes to budgetary comparison schedules.

# VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $1,127,750 | $1,127,750 | $1,252,442 | $ 124,692 |
| Interest | 52,820 | 52,820 | 207,250 | 154,430 |
| Miscellaneous | 3,000,000 | 3,000,000 | - | (3,000,000) |
| Total revenues | 4,180,570 | 4,180,570 | 1,459,692 | (2,720,878) |
| Expenditures: | | | | |
| Public works | 4,387,490 | 4,387,490 | 538,962 | 3,848,528 |
| Total expenditures | 4,387,490 | 4,387,490 | 538,962 | 3,848,528 |
| Excess of revenues over expenditures | (206,920) | (206,920) | 920,730 | 1,127,650 |
| Other financing sources (uses): | | | | |
| Appropriation of prior year's fund balance | 532,920 | 532,920 | - | (532,920) |
| Transfers out | (326,000) | (326,000) | (26,000) | 300,000 |
| Total other financing sources (uses) | 206,920 | 206,920 | (26,000) | (232,920) |
| Net change in fund balance | $ - | $ - | $ 894,730 | $ 894,730 |



See notes to budgetary comparison schedules.

# VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULES

FISCAL YEAR ENDED SEPTEMBER 30, 2007

## 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 no supplemental appropriations during the fiscal year ended September 30, 2007.
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 classification detail at which expenditures may not legally exceed appropriations is at the FUND 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 Improvement Funds.

The following adjustments are necessary to present the actual data on a budgetary basis from the fiscal year ended September 30, 2007.

| | General Fund | Capital Improvements Fund |
|---|---|---|
| Net change in fund balance - GAAP basis | $1,121,547 | $ (4,642,489) |
| Expenditures on a budgetary basis (encumbrances) September 30, 2006 | 19,478 | 140,152 |
| Expenditures on a budgetary basis (encumbrances) September 30, 2007 | (58,462) | (3,936,692) |
| Net change in fund balance (budgetary basis) | $1,082,563 | $ (8,439,029) |

INCORPORATED 1996

village of

# PINECREST

FLORIDA

# 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

### 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, 2007

| | Police Education Fund | Police Forfeiture Fund | Hardwire Fund | Wireless Fund | Total Special Revenue Funds | Debt Service Fund | Total Non-Major Governmental Funds |
|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | |
| Cash and cash equivalents | $ 11,725 | $ 68,862 | $ 11,451 | $ 6,575 | $ 98,613 | $ - | $ 98,613 |
| Receivables | 382 | - | 10,288 | 24,739 | 35,409 | - | 35,409 |
| Total assets | $ 12,107 | $ 68,862 | $ 21,739 | $ 31,314 | $ 134,022 | $ - | $ 134,022 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Accounts payable | $ - | $ 61,290 | $ - | $ - | $ 61,290 | $ - | $ 61,290 |
| Due from other funds | - | - | - | - | - | - | - |
| Total liabilities | - | 61,290 | - | - | 61,290 | - | 61,290 |
| Fund balances: | | | | | | | |
| Reserved for encumbrances | - | - | - | - | - | - | - |
| Unreserved | 12,107 | 7,572 | 21,739 | 31,314 | 72,732 | - | 72,732 |
| Total fund balances | 12,107 | 7,572 | 21,739 | 31,314 | 72,732 | - | 72,732 |
| Total liabilities and fund balances | $ 12,107 | $ 68,862 | $ 21,739 | $ 31,314 | $ 134,022 | $ - | $ 134,022 |

# VILLAGE OF PINECREST, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

| | Police Education Fund | Police Forfeiture Fund | Hardwire Fund | Wireless Fund | Total Special Revenue Funds | Debt Service Fund | Total Non-major Governmental Funds |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Intergovernmental | $ - | $ - | $ 69,665 | $ 87,558 | $ 157,223 | $ - | $ 157,223 |
| Fines and forfeitures | 5,563 | 6,600 | - | - | 12,163 | - | 12,163 |
| Interest | 492 | 369 | 328 | 76 | 1,265 | - | 1,265 |
| Miscellaneous | - | - | - | - | - | - | - |
| Total revenues | 6,055 | 6,969 | 69,993 | 87,634 | 170,651 | - | 170,651 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Public safety | 1,225 | - | 60,051 | 57,705 | 118,981 | - | 118,981 |
| Public works | - | - | - | - | - | - | - |
| Debt service: | | | | | - | - | - |
| Principal | - | - | - | - | - | 750,000 | 750,000 |
| Interest | - | - | - | - | - | 750,871 | 750,871 |
| Total expenditures | 1,225 | - | 60,051 | 57,705 | 118,981 | 1,500,871 | 1,619,852 |
| Excess (deficiency) of revenues over expenditures | 4,830 | 6,969 | 9,942 | 29,929 | 51,670 | (1,500,871) | (1,449,201) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | - | 1,500,871 | 1,500,871 |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | 1,500,871 | 1,500,871 |
| Net change in fund balances | 4,830 | 6,969 | 9,942 | 29,929 | 51,670 | - | 51,670 |
| Fund balances, beginning | 7,277 | 603 | 11,797 | 1,385 | 21,062 | - | 21,062 |
| Fund balances, ending | $ 12,107 | $ 7,572 | $ 21,739 | $ 31,314 | $ 72,732 | $ - | $ 72,732 |

# VILLAGE OF PINECREST, FLORIDA

BUDGETARY COMPARISON SCHEDULE
POLICE EDUCATION FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Fines and forfeitures | $ 3,550 | $3,550 | $ 5,563 | $ (2,013) |
| Interest | 200 | 200 | 492 | (292) |
| Donations | - | - | - | - |
| Total revenues | 3,750 | 3,750 | 6,055 | (2,305) |
| Expenditures: | | | | |
| Public safety | 7,850 | 7,850 | 1,225 | 6,625 |
| Total expenditures | 7,850 | 7,850 | 1,225 | 6,625 |
| Deficiency of revenues over expenditures | (4,100) | (4,100) | 4,830 | 8,930 |
| Other financing sources (uses): | | | | |
| Appropriation of prior year's fund balance | 4,100 | 4,100 | - | 4,100 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 4,100 | 4,100 | - | 4,100 |
| Net change in fund balance | $ - | $ - | $ 4,830 | $ 4,830 |

# VILLAGE OF PINECREST, FLORIDA

BUDGETARY COMPARISON SCHEDULE
POLICE FORFEITURE FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Fines and forfeitures | $ - | $ - | $ 6,600 | $ 6,600 |
| Interest | 30 | 30 | 369 | 339 |
| Total revenues | 30 | 30 | 6,969 | 6,939 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess of revenues over expenditures | 30 | 30 | 6,969 | 6,939 |
| Other financing sources (uses): | | | | |
| Appropriation of prior year's fund balance | 30 | 30 | | (30) |
| Total other financing sources (uses) | 30 | 30 | - | (30) |
| Net change in fund balance | $ - | $ - | $ 6,969 | $ 6,969 |

# VILLAGE OF PINECREST, FLORIDA

BUDGETARY COMPARISON SCHEDULE
HARDWIRE FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $ 64,130 | $ 64,130 | $69,665 | $ (5,535) |
| Fines and forfeitures | - | - | - | - |
| Interest | 50 | 50 | 328 | (278) |
| Donations | - | - | - | - |
| Total revenues | 64,180 | 64,180 | 69,993 | (5,813) |
| Expenditures: | | | | |
| Public safety | 67,460 | 67,460 | 60,051 | 7,409 |
| Total expenditures | 67,460 | 67,460 | 60,051 | 7,409 |
| Excess (deficiency) of revenues over expenditures | (3,280) | (3,280) | 9,942 | 13,222 |
| Other financing sources (uses): | | | | |
| Appropriation of prior year's fund balance | 3,280 | 3,280 | - | 3,280 |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 3,280 | 3,280 | - | 3,280 |
| Net change in fund balance | $ - | $ - | $ 9,942 | $ 9,942 |

# VILLAGE OF PINECREST, FLORIDA

BUDGETARY COMPARISON SCHEDULE
WIRELESS FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $ 55,000 | $ 55,000 | $ 87,558 | $ (32,558) |
| Fines and forfeitures | - | - | - | - |
| Interest | 100 | 100 | 76 | 24 |
| Donations | - | - | - | - |
| Total revenues | 55,100 | 55,100 | 87,634 | (32,534) |
| Expenditures: | | | | |
| Public safety | 62,490 | 62,490 | 57,705 | 4,785 |
| Total expenditures | 62,490 | 62,490 | 57,705 | 4,785 |
| Excess (deficiency) of revenues over expenditures | (7,390) | (7,390) | 29,929 | 37,319 |
| Other financing sources (uses): | | | | |
| Appropriation of prior year's fund balance | 7,390 | 7,390 | - | 7,390 |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 7,390 | 7,390 | - | 7,390 |
| Net change in fund balance | $ - | $ - | $ 29,929 | $ 29,929 |

# VILLAGE OF PINECREST, FLORIDA

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Expenditures: | | | | |
| Principal | $ 900,000 | $ 900,000 | $ 750,000 | $ 150,000 |
| Interest | 938,370 | 938,370 | 750,871 | 187,499 |
| Total expenditures | 1,838,370 | 1,838,370 | 1,500,871 | 337,499 |
| Other financing sources: | | | | |
| Transfers in | 1,838,370 | 1,838,370 | 1,500,871 | (337,499) |
| Net change in fund balance | $ - | $ - | $ - | $ - |

# VILLAGE OF PINECREST, FLORIDA

BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND

FISCAL YEAR ENDED SEPTEMBER, 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| Revenues: | | | | |
| Intergovernmental | $3,982,000 | $3,982,000 | $ 71,700 | $(3,910,300) |
| Interest | 78,750 | 78,750 | 144,326 | 65,576 |
| Miscellaneous | - | - | 10,637 | 10,637 |
| Total revenues | 4,060,750 | 4,060,750 | 226,663 | (3,834,087) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 981,369 | (981,369) |
| Parks and recreation | 9,699,170 | 9,699,170 | 9,184,323 | 514,847 |
| Total expenditures | 9,699,170 | 9,699,170 | 10,165,692 | (466,522) |
| Deficiency of revenues over expenditures | (5,638,420) | (5,638,420) | (9,939,029) | (4,300,609) |
| Other financing sources (uses): | | | | |
| Appropriation of prior year's fund balance | 5,138,420 | 4,138,420 | - | (4,138,420) |
| Bond proceeds | - | - | - | - |
| Transfers in | 500,000 | 1,500,000 | 1,500,000 | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 5,638,420 | 5,638,420 | 1,500,000 | (4,138,420) |
| Net change in fund balance | $ - | $ - | $(8,439,029) | $(8,439,029) |

# Statistical Section

# VILLAGE OF PINECREST, FLORIDA

NET ASSETS BY COMPONENT
(ACCRUAL BASIS OF ACCOUNTING)
AMOUNTS EXPRESSED IN THOUSANDS

| | Fiscal Year | | | | | |
|---|---|---|---|---|---|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Governmental activities: | | | | | | |
| Invested in capital assets, net of related debt | $ 100,990 | $ 112,626 | $ 108,793 | $ 106,284 | $ 103,522 | $ 105,008 |
| Restricted | 10,345 | 1,092 | 3,308 | 2,589 | 5,058 | 8,403 |
| Unrestricted | 8,784 | 10,302 | 8,856 | 9,898 | 9,625 | 3,707 |
| Total governmental activities net assets | 120,119 | 124,020 | 120,957 | 118,771 | 118,205 | 117,118 |
| Business-type activities: | | | | | | |
| Invested in capital assets, net of related debt | 2,171 | 2,127 | 2,313 | 4,286 | 4,763 | 4,696 |
| Restricted | | | | | | |
| Unrestricted | 906 | 1,120 | 1,234 | 1,350 | 1,324 | 1,587 |
| Total business-type activities net assets | 3,077 | 3,247 | 3,547 | 5,636 | 6,087 | 6,283 |
| Primary government: | | | | | | |
| Invested in capital assets, net of related debt | 103,161 | 114,753 | 111,106 | 110,570 | 108,285 | 109,704 |
| Restricted | 10,345 | 1,092 | 3,308 | 2,589 | 5,058 | 8,403 |
| Unrestricted | 9,690 | 11,422 | 10,090 | 11,248 | 10,949 | 5,294 |
| Total primary government net assets | $ 123,196 | $ 127,267 | $ 124,504 | $ 124,407 | $ 124,292 | $ 123,401 |

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

# VILLAGE OF PINECREST, FLORIDA

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
AMOUNTS EXPRESSED IN THOUSANDS

| | Fiscal Year | | | | | |
|---|---|---|---|---|---|---|
| Expenses: | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Governmental activities: | | | | | | |
| General government | $ 2,343 | $ 2,262 | $ 1,790 | $ 2,457 | $ 2,265 | $ 3,946 |
| Public safety | 6,553 | 6,354 | 6,394 | 6,441 | 6,768 | 6,807 |
| Building, planning and zoning | 1,175 | 1,298 | 1,394 | 1,573 | 1,641 | 1,801 |
| Parks and recreation | 1,650 | 1,544 | 2,318 | 2,503 | 2,706 | 2,647 |
| Public works | 5,153 | 4,608 | 5,948 | 5,239 | 5,482 | 5,236 |
| Interest on long-term debt | 377 | 707 | 701 | 842 | 782 | 747 |
| Total governmental activities | 17,251 | 16,773 | 18,545 | 19,055 | 19,644 | 21,184 |
| Business-type activities | | | | | | |
| Stormwater | 126 | 140 | 184 | 213 | 306 | 287 |
| Total business-type activities | 126 | 140 | 184 | 213 | 306 | 287 |
| Total primary government | $ 17,377 | $ 16,913 | $ 18,729 | $ 19,268 | $ 19,950 | $ 21,471 |
| Program revenues: | | | | | | |
| Governmental activities: | | | | | | |
| Charges for services: | | | | | | |
| General government | | | | | | |
| Public safety | $ 96 | $ 255 | $ 363 | $ 275 | $ 469 | $ 594 |
| Building, planning and zoning | 1,431 | 1,481 | 1,657 | 1,822 | 2,122 | 1,677 |
| Parks and recreation | 90 | 868 | 399 | 463 | 567 | 553 |
| Public works | - | - | - | - | - | - |
| Operating grants and contributions | 167 | 155 | 33 | 1,106 | 1,177 | 1,252 |
| Capital grants and contributions | 824 | 7,100 | 644 | 30 | - | 72 |
| Total governmental activities program revenues | 2,608 | 9,859 | 3,096 | 3,696 | 4,335 | 4,148 |
| Business type activities: | | | | | | |
| Charges for services: | | | | | | |
| Stormwater system | 228 | 294 | 374 | 376 | 355 | 402 |
| Operating grants and contributions | - | - | - | - | - | - |
| Capital grants and contributions | - | - | 94 | 1,905 | 352 | - |
| Total business-type activities program revenues | 228 | 294 | 468 | 2,281 | 707 | 402 |
| Total primary government program revenues | $ 2,836 | $ 10,153 | $ 3,564 | $ 5,977 | $ 5,042 | $ 4,550 |
| Net (expense) revenue: | | | | | | |
| Governmental activities | $(14,643) | $ (6,914) | $(15,449) | $(15,359) | $(15,309) | $(17,036) |
| Business-type activities | 102 | 154 | 284 | 2,068 | 401 | 115 |
| Total primary government net expense | $(14,541) | $ (6,760) | $(15,165) | $(13,291) | $(14,908) | $(16,921) |
| 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 |
| Franchise fees on gross receipts | 971 | 914 | 978 | 1,029 | 1,464 | 1,852 |
| Utility taxes | 1,636 | 1,731 | 1,674 | 1,733 | 1,744 | 1,802 |
| Communications services tax | 652 | 855 | 658 | 777 | 863 | 816 |
| Business tax | - | - | - | - | - | 122 |
| Intergovernmental grants, not restricted to specific programs | 1,332 | 1,320 | 2,641 | 2,433 | 2,446 | 2,014 |
| Interest earnings | 253 | 326 | 156 | 451 | 683 | 821 |
| Miscellaneous | 422 | 435 | 509 | 454 | 427 | 390 |
| Total governmental activities | 9,411 | 10,815 | 12,386 | 13,172 | 14,744 | 15,949 |
| Business-type activities | | | | | | |
| Interest earnings | 19 | 16 | 16 | 22 | 48 | 81 |
| Total business-type activities | 19 | 16 | 16 | 22 | 48 | 81 |
| Total primary government | $ 9,430 | $ 10,831 | $ 12,402 | $ 13,194 | $ 14,792 | $ 16,030 |
| Changes in net assets: | | | | | | |
| Government activities | $ (5,232) | $ 3,901 | $ (3,063) | $ (2,187) | $ (565) | $ (1,087) |
| Business-type activities | 121 | 170 | 300 | 2,090 | 449 | 196 |
| Total primary government | $ (5,111) | $ 4,071 | $ (2,763) | $ (97) | $ (116) | $ (891) |

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

# VILLAGE OF PINECREST, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
AMOUNTS EXPRESSED IN THOUSANDS

| Fiscal Year | Ad Valorem Tax | Franchise Fees on Services | Utility Tax | Communications Service Tax | Transportation 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 |

The Village of Pinecrest implemented GASB 34 in FY 2002, prior to that date this date 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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| General fund: | | | | | | | | | | |
| Reserved | $ 302 | $ 800 | $ 1,066 | $ 883 | $ 169 | $ 206 | $ 200 | $ 135 | $ 19 | $ 58 |
| Unreserved | 5,313 | 8,070 | 10,490 | 6,879 | 7,182 | 6,671 | 4,383 | 5,008 | 6,185 | 7,268 |
| Total general fund | $5,615 | $8,870 | $11,556 | $7,762 | $ 7,351 | $6,877 | $4,583 | $5,143 | $6,204 | $7,326 |
| All other governmental funds: | | | | | | | | | | |
| Reserved | $ 497 | $ 333 | $ 1,720 | $1,129 | $10,176 | $3,248 | $1,811 | $ 179 | $ 162 | $3,937 |
| Unreserved: | | | | | | | | | | |
| Special revenue funds | 690 | 807 | 976 | 1,274 | 1,219 | 1,092 | 1,297 | 2,275 | 3,440 | 4,408 |
| Capital project funds | - | 5,634 | 2,833 | 3,261 | 382 | 177 | 4,473 | 4,890 | 4,878 | (3,561) |
| Total all other Governmental funds | $1,187 | $6,774 | $ 5,529 | $5,664 | $11,777 | $4,517 | $7,581 | $7,344 | $8,480 | $4,784 |

# 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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Revenues: | | | | | | | | | | |
| Taxes | $ 7,881 | $ 8,319 | $ 8,423 | $ 8,673 | $ 7,404 | $ 8,734 | $ 9,080 | $ 9,835 | $ 11,188 | $ 12,724 |
| Licenses and permits | 893 | 829 | 1,052 | 1,121 | 1,363 | 1,417 | 1,657 | 1,822 | 2,122 | 1,677 |
| Intergovernmental | 419 | 2,106 | 1,489 | 979 | 2,323 | 8,575 | 3,318 | 3,570 | 3,623 | 3,338 |
| Charges for services | 395 | 386 | 448 | 391 | 246 | 545 | 481 | 463 | 619 | 606 |
| Fines and forfeitures | 141 | 193 | 229 | 232 | 219 | 215 | 281 | 275 | 416 | 541 |
| Interest | 289 | 525 | 1,039 | 892 | 253 | 313 | 156 | 437 | 670 | 807 |
| Miscellaneous | 28 | 87 | 215 | 110 | 321 | 863 | 509 | 454 | 427 | 390 |
| Total revenues | 10,046 | 12,445 | 12,895 | 12,398 | 12,129 | 20,662 | 15,482 | 16,856 | 19,065 | 20,083 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 644 | 1,568 | 1,164 | 1,949 | 2,287 | 1,926 | 877 | 2,338 | 2,129 | 3,807 |
| Public safety | 3,417 | 3,167 | 3,826 | 4,869 | 6,238 | 6,303 | 6,311 | 6,334 | 6,736 | 6,729 |
| Building, planning and zoning | - | 695 | 906 | 1,051 | 1,140 | 1,300 | 1,376 | 1,542 | 1,640 | 1,824 |
| Parks and recreation | - | 254 | 508 | 835 | 1,648 | 15,379 | 2,654 | 2,453 | 3,984 | 7,654 |
| Public works | 324 | 237 | 475 | 1,378 | 1,366 | 1,333 | 1,549 | 1,222 | 872 | 1,143 |
| Non-departmental | 1,134 | 5,653 | 3,938 | 5,341 | 976 | 904 | 3,674 | 1,145 | | - |
| Debt service: | | | | | | | | | | |
| Principal | - | - | 275 | 280 | 290 | 550 | 570 | 690 | 725 | 750 |
| Interest | - | 184 | 362 | 354 | 344 | 701 | 701 | 809 | 782 | 751 |
| Issuance costs | - | - | - | - | 136 | - | - | - | - | - |
| Total expenditures | 5,519 | 11,758 | 11,454 | 16,057 | 14,425 | 28,396 | 17,712 | 16,533 | 16,868 | 22,658 |
| Excess (deficiency) of revenues over expenditures | 4,527 | 687 | 1,441 | (3,659) | (2,296) | (7,734) | (2,230) | 323 | 2,197 | (2,575) |
| Other financing sources (uses): | | | | | | | | | | |
| Issuance of debt | - | 8,155 | - | - | 7,998 | - | 3,000 | - | - | - |
| Transfers in | - | 184 | 636 | 4,329 | 634 | 1,632 | 3,671 | 1,499 | 2,696 | 3,001 |
| Transfers out | - | (184) | (636) | (4,329) | (634) | (1,632) | (3,671) | (1,499) | (2,696) | (3,001) |
| Total other financing sources (uses) | - | 8,155 | - | - | 7,998 | - | 3,000 | - | - | - |
| Net change in fund balances | $ 4,527 | $ 8,842 | $ 1,441 | $ (3,659) | $ 5,702 | $ (7,734) | $ 770 | $ 323 | $ 2,197 | $ (2,575) |
| Debt service as a percentage of non-capital expenditures | 0.00% | 1.56% | 5.56% | 3.95% | 4.40% | 4.41% | 7.18% | 9.07% | 8.93% | 6.62% |

# VILLAGE OF PINECREST, FLORIDA

GENERAL G0VERNMENTAL REVENUES BY FUNCTION
LAST TEN FISCAL YEARS

| Fiscal Year | Taxes | Licenses and Permits | Inter-Governmental | Charges for Services | Fines and Forfeitures | Interest | Misc. | Total |
|---|---|---|---|---|---|---|---|---|
| 1998 | $7,360,276 | $ 893,005 | $ 314,559 | $77,128 | $ 137,634 | $ 240,461 | $27,470 | $ 9,050,533 |
| 1999 | 8,318,873 | 829,305 | 463,889 | 385,923 | 193,163 | 472,792 | 87,193 | 10,751,138 |
| 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 | 370,351 | 20,063,523 |

Source: General fund for fiscal year 1998.
General fund and special revenue funds for fiscal year 1999.
All governmental funds for fiscal years commencing 2000

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

# VILLAGE OF PINECREST, FLORIDA

ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| 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 |
|---|---|---|---|---|---|---|
| 1998 | $ 1,657,437,548 | $ 42,538,893 | $ 1,699,976,441 | 2.1 | $ 1,789,448,885 | 95% |
| 1999 | 1,736,986,871 | 48,367,813 | 1,785,354,684 | 2.1 | 1,879,320,720 | 95% |
| 2000 | 1,832,884,111 | 49,266,728 | 1,882,150,839 | 2.1 | 1,981,211,409 | 95% |
| 2001 | 2,028,549,847 | 44,051,288 | 2,072,601,135 | 2.1 | 2,181,685,405 | 95% |
| 2002 | 2,231,723,235 | 45,728,441 | 2,277,451,676 | 2.4 | 2,397,317,554 | 95% |
| 2003 | 2,457,111,202 | 42,781,470 | 2,499,892,672 | 2.4 | 2,631,465,971 | 95% |
| 2004 | 2,692,568,177 | 45,247,052 | 2,737,815,229 | 2.4 | 2,881,910,767 | 95% |
| 2005 | 3,053,194,733 | 44,846,184 | 3,098,040,917 | 2.4 | 3,261,095,702 | 95% |
| 2006 | 3,460,282,932 | 39,173,088 | 3,499,456,020 | 2.4 | 3,683,637,916 | 95% |
| 2007 | 3,942,371,638 | 46,427,219 | 3,988,798,857 | 1.95 | 4,198,735,639 | 95% |

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

# VILLAGE OF PINECREST, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

| | Village | School | | State | | | County | | | Special Districts | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Operating Millage | Operating Millage | Debt Service | Everglades Project | South Florida Water Management | FIN (1) | Operating Millage | Debt Service | Children's Trust | Fire Rescue | Fire Debt | Library | Total Millage |
| 1998 | 2.277 | 9.356 | 1.106 | 0.100 | 0.597 | 0.050 | 6.023 | 0.929 | 0.00 | 2.650 | 0.075 | 0.316 | 23.479 |
| 1999 | 2.100 | 9.182 | 0.978 | 0.100 | 0.597 | 0.0470 | 6.023 | 0.837 | 0.00 | 2.796 | 0.068 | 0.334 | 23.062 |
| 2000 | 2.100 | 8.654 | 0.990 | 0.100 | 0.597 | 0.0440 | 5.809 | 0.816 | 0.00 | 2.683 | 0.069 | 0.321 | 22.183 |
| 2001 | 2.100 | 8.702 | 0.915 | 0.100 | 0.597 | 0.0410 | 5.751 | 0.652 | 0.00 | 2.683 | 0.069 | 0.351 | 21.961 |
| 2002 | 2.100 | 8.528 | 0.848 | 0.100 | 0.597 | 0.0385 | 5.713 | 0.552 | 0.00 | 2.683 | 0.069 | 0.451 | 21.680 |
| 2003 | 2.400 | 8.482 | 0.770 | 0.100 | 0.597 | 0.0385 | 5.889 | 0.390 | 0.00 | 2.582 | 0.079 | 0.486 | 21.814 |
| 2004 | 2.400 | 8.418 | 0.682 | 0.100 | 0.597 | 0.0385 | 5.969 | 0.285 | 0.500 | 2.582 | 0.079 | 0.486 | 22.137 |
| 2005 | 2.400 | 8.09 | 0.597 | 0.100 | 0.597 | 0.0385 | 5.935 | 0.285 | 0.444 | 2.592 | 0.069 | 0.486 | 21.634 |
| 2006 | 2.400 | 7.947 | 0.491 | 0.100 | 0.597 | 0.0385 | 5.835 | 0.285 | 0.429 | 2.609 | 0.052 | 0.486 | 21.269 |
| 2007 | 2.400 | 7.691 | 0.414 | 0.100 | 0.597 | 0.0385 | 5.615 | 0.285 | 0.422 | 2.609 | 0.042 | 0.486 | 20.700 |

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

# VILLAGE OF PINECREST, FLORIDA

PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2007

| | | 2007 | | | 1998 | | |
|---|---|---|---|---|---|---|---|
| Taxpayer | Type of Use | Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Spector & Sons | Shopping Center | $36,260,920 | 1 | 0.92% | | | |
| Kendall Imports LLC | Shopping Center | 24,123,849 | 2 | 0.61% | | | |
| Pinecrest Realty Associates | Shopping Center | 21,079,759 | 3 | 0.53% | | | |
| Kendall Plaza, LTD | Shopping Center | 18,933,937 | 4 | 0.48% | $10,027,151 | 2 | 0.59% |
| Gator Dadeland Partners, LTD | Shopping Center | 17,507,120 | 5 | 0.44% | 6,625,000 | 6 | 0.39% |
| Suniland Center | Shopping Center | 14,338,750 | 6 | 0.36% | | | |
| ESF Holdings | Automotive | 14,059,957 | 7 | 0.36% | | | |
| Burdines Real Estate | Shopping Center | 13,000,000 | 8 | 0.33% | | | |
| G F B Enterprises | Automotive | 12,805,017 | 9 | 0.32% | | | |
| Florida Power & Light | Electric Power | 12,389,252 | 10 | 0.31% | | | |
| South Shore Properties | Shopping Center | | | | 12,870,782 | 1 | 0.76% |
| R & B Holding | Auto Dealership | | | | 9,176,163 | 3 | 0.54% |
| Frank & Mary Smathers | Residential | | | | 8,023,470 | 4 | 0.47% |
| Kenneth L Shimm | Shopping Center | | | | 7,916,195 | 5 | 0.47% |
| Gulliver Academy, Inc. | Private School | | | | 5,909,642 | 7 | 0.35% |
| Suniland Associates | Shopping Center | | | | 4,819,345 | 8 | 0.28% |
| Kendall House Apartments | Apartments | | | | 4,600,000 | 9 | 0.27% |
| J Byrons Enterprises | Department Store | | | | 4,200,034 | 10 | 0.25% |

Source: Miami-Dade County Tax Assessor's Office 2007 Tax Roll
Real/Personal Property taxable value - $3,942,371,638
Miami-Dade County Tax Assessor's Office 1998 Tax Roll
Real/Personal Property taxable value - $1,699,976,441

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

| Fiscal Year | Governmental Activities: General Obligation Bonds* (2) | Business-type Activities: Outstanding Bonds | Total Primary Government | Population (1) | Per Capita Debt |
|---|---|---|---|---|---|
| 1998 | $ - | $ - | $ - | 17,800 | $ - |
| 1999 | 8,155 | - | 8,155 | 17,984 | 453 |
| 2000 | 7,880 | - | 7,880 | 19,055 | 414 |
| 2001 | 7,600 | - | 7,600 | 19,064 | 399 |
| 2002 | 15,050 | - | 15,050 | 19,078 | 789 |
| 2003 | 14,500 | - | 14,500 | 19,286 | 752 |
| 2004 | 17,005 | - | 17,005 | 19,317 | 880 |
| 2005 | 16,315 | - | 16,315 | 19,460 | 838 |
| 2006 | 15,590 | - | 15,590 | 19,530 | 798 |
| 2007 | 14,840 | - | 14,840 | 19,382 | 766 |

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 OUTSTANDING
LAST NINE FISCAL YEARS

| Fiscal Year | General Obligation Bonds* (2) | Assessed Value of Taxable Property* (3) | Ratio of Bonded Debt to Assessed Value | Population (1) | Per Capita Debt |
|---|---|---|---|---|---|
| 1999 | $ 8,155 | $ 1,736,987 | 0.47% | 17,984 | $ 453 |
| 2000 | 7,880 | 1,832,884 | 0.43% | 19,055 | 414 |
| 2001 | 7,600 | 2,028,550 | 0.37% | 19,064 | 399 |
| 2002 | 15,050 | 2,231,723 | 0.67% | 19,078 | 789 |
| 2003 | 14,500 | 2,457,111 | 0.59% | 19,286 | 752 |
| 2004 | 17,005 | 2,692,568 | 0.63% | 19,317 | 880 |
| 2005 | 16,315 | 3,098,041 | 0.53% | 19,460 | 838 |
| 2006 | 15,990 | 3,499,456 | 0.46% | 19,530 | 819 |
| 2007 | 14,840 | 3,942,372 | 0.38% | 19,382 | 766 |

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, 2007

| Jurisdiction | Bonded Debt Outstanding | Percentage Applicable to Pinecrest (1) | Amount Applicable to Pinecrest | Amount Per Capita Pinecrest (1) |
|---|---|---|---|---|
| Direct: | | | | |
| Village of Pinecrest | $ 14,840,000 | 100.00% | $ 14,840,000 | $ 766 |
| Overlapping: | | | | |
| School Board (2) | $ 541,525,000 | 0.80% | $ 4,324,575 | $ 223 |
| County (3) | 472,236,000 | 0.80% | 3,771,238 | 195 |
| | $ 1,013,761,000 | | $ 8,095,813 | $ 415 |

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

| Fiscal Year | Population | Median Household Income (1) | Household Units (1) | School Enrollment (2) | Unemployment Rate (3) |
|---|---|---|---|---|---|
| 1998 | 17,986 | NA | NA | 6,541 | NA |
| 1999 | 17,984 | NA | NA | 7,263 | NA |
| 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% |

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 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

| | 2007 | | | 1998 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total Village Employment | Employees | Rank | Percentage of Total Village Employment |
| Miami Dade School System | 514 | 1 | NA | NA | NA | NA |
| Kendall Toyota | 365 | 2 | NA | NA | NA | NA |
| Village of Pinecrest | 168 | 3 | NA | NA | NA | NA |
| Falls Pontica-GMS, Inc | 53 | 4 | NA | NA | NA | NA |
| First Bank | 28 | 5 | NA | NA | NA | NA |
| Young, Stovall and Company | 26 | 6 | NA | NA | NA | NA |
| Prudential Florida WCI Realty | 25 | 7 | NA | NA | NA | NA |
| Commerce Bank | 20 | 8 | NA | NA | NA | NA |
| Color World Beauty Inc | 19 | 9 | NA | NA | NA | NA |
| Langford Insurance Agency, Inc. | 18 | 10 | NA | NA | NA | NA |
| Total | 1,236 | | | | | |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| General government | 12.0 | 11.0 | 12.0 | 11.5 | 12.0 | 12.0 | 12.0 | 9.5 | 8.5 | 7.5 |
| Public safety: | | | | | | | | | | |
| Sworn | 54.0 | 54.0 | 54.0 | 54.0 | 58.0 | 57.0 | 55.0 | 45.0 | 43.0 | 41.0 |
| Civilians | 25.0 | 25.0 | 26.0 | 26.0 | 27.0 | 27.0 | 22.0 | 20.5 | 18.5 | 15.5 |
| Building, planning and zoning | 18.0 | 15.0 | 15.0 | 14.0 | 16.0 | 16.0 | 15.0 | 13.0 | 12.0 | 11.0 |
| Public works | 6.0 | 7.0 | 7.0 | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 3.0 |
| Parks and recreation | 53.0 | 34.0 | 31.0 | 29.0 | 29.0 | 23.0 | 23.0 | 16.0 | 14.0 | 6.0 |
| | 168.0 | 146.0 | 145.0 | 141.5 | 148.0 | 141.0 | 133.0 | 110.0 | 101.0 | 84.0 |

# VILLAGE OF PINECREST, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

| Function | Full time Equivalent as of September 30: 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police: | | | | | | | | | | |
| Part 1 crimes* | 837 | 586 | 849 | 753 | 751 | 795 | - | - | - | - |
| Traffic citations and warnings | 11,743 | 14,562 | 13,989 | 13,144 | 16,892 | 13,232 | - | - | - | - |
| False alarms | 2,509 | 2,633 | 2,440 | 2,807 | 2,950 | 3,018 | - | - | - | - |
| Crashes | 918 | 882 | 878 | 856 | 798 | 917 | - | - | - | - |
| Other | 1,250 | 1,023 | 3,444 | 7,799 | 4,789 | 4,838 | - | - | - | - |
| Total | 17,257 | 19,686 | 21,600 | 25,359 | 26,180 | 22,800 | - | - | - | - |
| Building permits: | | | | | | | | | | |
| Building | 2,251 | 2,414 | 1,989 | 1,765 | 2,161 | 2,018 | 2,124 | 2,084 | 2,502 | 1,537 |
| Electrical | 855 | 873 | 823 | 720 | 769 | 844 | 883 | 786 | 711 | 841 |
| Mechanical | 378 | 448 | 440 | 477 | 467 | 377 | 384 | 340 | 401 | 596 |
| Plumbing | 662 | 716 | 742 | 676 | 800 | 818 | 783 | 821 | 710 | 735 |
| Gas | 143 | 233 | 52 | 25 | 53 | 40 | 34 | 47 | 20 | 26 |
| Total | 4,289 | 4,684 | 4,046 | 3,663 | 4,250 | 4,097 | 4,208 | 4,078 | 4,344 | 3,735 |

*Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.

# VILLAGE OF PINECREST, FLORIDA

CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

| Function | Full time Equivalents as of September 30: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| Police: | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of police vehicles | 32 | 31 | 33 | 33 | 33 | 33 | 33 | 19 | 19 | 13 |
| Parks: | | | | | | | | | | |
| Parks | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 4 | 4 | 3 |
| Park acreage | 62 | 61 | 60 | 60 | 60 | 36 | 36 | 32 | 32 | 22 |
| Tennis courts | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public works: | | | | | | | | | | |
| Miles of roads | 108 | 108 | 108 | 108 | 108 | 108 | 101 | 101 | 101 | 101 |
| Cable television systems | 2 | 2 | 3 | 3 | 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 |

INCORPORATED 1996

village of

# PINECREST

FLORIDA

# Compliance Section

**Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor, 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, 2007, which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 of Pinecrest's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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.



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

This report is intended solely for the information and use of the Mayor, Village Council, management, and regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Rachlin Cohen + Holtz LLP

Miami, Florida
December 27, 2007

Cohen
&Holtz
Accountants Advisors

**Management Letter in Accordance with the Rules of the Auditor General of the State of Florida**

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

We have audited the financial statements of the Village of Pinecrest, Florida (the Village) as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated December 27, 2007.

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 Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in those reports which are dated December 27, 2007, 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 and, unless otherwise required to be reported in the report on compliance and internal controls this letter is required to include the following information.

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 significant findings and recommendations made in the preceding annual financial audit report. There were no significant 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, accounting procedures, and internal controls. 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 and 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.



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Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. 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. The Village of Pinecrest was incorporated by Ordinance 95-207 adopted by the Miami-Dade Board of County Commissioners on November 12, 1995. There are no component units related to the Village.

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, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.

Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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. The assessment was done as of the fiscal year end. There were no findings that identified deteriorating financial conditions.

This management letter is intended solely for the information of the Honorable Mayor, Village Council and Village Manager of the Village of Pinecrest, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Rachlin Cohen & Holtz LLP

Miami, Florida
December 27, 2007