



Village of Pinecrest, Florida
**Comprehensive
Annual
Financial
Report**

**PINECREST
GARDENS**

**Fiscal Year Ended
September 30, 2011**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
VILLAGE OF PINECREST, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011

Prepared by:

Finance Director

Gary S. Clinton, CPA, CPFO

Independent Auditors

Keefe, McCullough & Co., LLP
Certified Public Accountants

VILLAGE OF PINECREST, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended September 30, 2011

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INTRODUCTORY SECTION



VILLAGE OF PINECREST

OFFICE OF THE VILLAGE MANAGER



Yocelyn Galiano Gomez, ICMA-CM
Village Manager

January 10, 2012

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

The Government Finance Officers Association recommends that local governments publish within (6) six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that recommendation, we hereby issue the comprehensive annual financial report of the Village of Pinecrest for the fiscal year ended September 30, 2011.

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

The Village of Pinecrest's financial statements have been audited by Keefe, McCullough & Co. LLP a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village of Pinecrest for the fiscal year ended September 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village of Pinecrest's financial statements for the fiscal year ended September 30, 2011, 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 18,255. The Village of Pinecrest receives tax levies on real and personal properties located within its boundaries.

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

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

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

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

Factors Affecting Financial Condition

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

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

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

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

Pension. The Village of Pinecrest sponsors a defined contribution pension plan 401 (a) with the ICMA RC (International City/County Management Association, Retirement Corporation. Each full time employee contributes seven (7) % of his or her pay to the plan, which is matched by a thirteen (13) % Village contribution in FY11 and 10% in FY12..

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

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

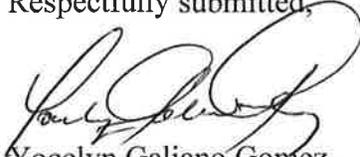
Awards and acknowledgements

The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Pinecrest for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. This was the fifteenth year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Yocelyn Galiano Gomez,
ICMA-CM
Village Manager



Gary S. Clinton,
CPA, CPFO
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, 2010

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.



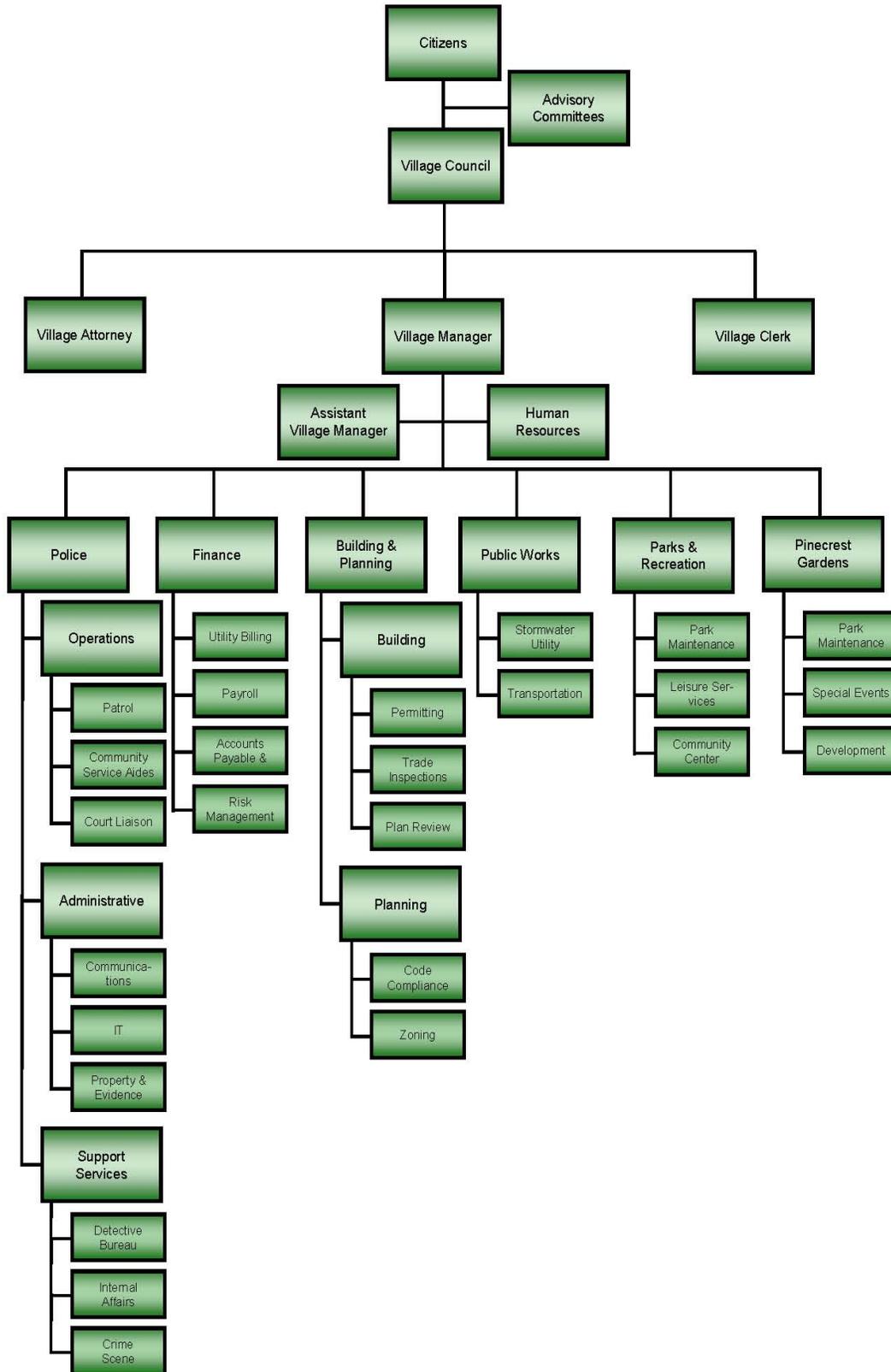
Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

Organizational Chart



Village of Pinecrest

Village Council



Cindy Lerner
Mayor



Bob Ross
Vice Mayor



Joseph M. Corradino
Councilmember



Jeff Cutler
Councilmember



Nancy L. Harter
Councilmember

Charter Officers



Yocelyn Galiano Gomez, ICMA-CM
Village Manager



Guido H. Inguanzo, Jr., CMC
Village Clerk



Cynthia A. Everett
Village Attorney

Administrative Personnel

Angela T. Gasca, Assistant to the Village Manager

Leo Llanos, P.E., Building Official

Gary S. Clinton, CPA, CPFO, Finance Director

Mayra R. Sauleda, Human Resources Manager

Loren C. Matthews, Parks and Recreation Director

Alana S. Perez, Pinecrest Gardens Director

Stephen R. Olmsted, AICP, Planning Director

John R. Hohensee, Police Chief

Daniel F. Moretti, Public Works Director

The Village of Pinecrest, Florida was incorporated March 12, 1996.

FINANCIAL SECTION

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Pinecrest, Florida (the "Village") as of and for the fiscal year ended September 30, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2012 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, other post-employment benefits on pages 3 through 10 and page 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Village of Pinecrest, Florida

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements as a whole. The introductory section, budgetary comparison information, other financial information and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison information and other financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 10, 2012

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

As management of the Village of Pinecrest, Florida, we offer the Village of Pinecrest, Florida's financial statements this narrative overview and analysis of the financial activities of the Village of Pinecrest for the fiscal year ended September 30, 2011. 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 \$ 116,368,211 (net assets). Of this amount, \$ 11,320,687 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental total net assets decreased by \$ 3,344,723. This decrease was largely a result of depreciation.
- As of the close of the current fiscal year, the Village of Pinecrest's governmental funds reported combined ending fund balances of \$ 13,382,473, an increase of \$ 1,152,231 in comparison with the prior year. Approximately 51.4% of this total amount, \$ 6,875,400 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 6,875,400 or 39.2% of total General Fund expenditures and transfers.
- The Village of Pinecrest total bonded debt increased by \$ 675,000 (5.4%) during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Pinecrest, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Pinecrest are governmental and proprietary funds.

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Pinecrest, assets exceeded liabilities by \$ 116,368,211 at the close of the most recent fiscal year.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

By far the largest portion of the Village of Pinecrest's net assets \$ 100,379,995 (86.3%) 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 14,528,866	\$ 13,362,487	\$ 2,645,063	\$ 2,394,360	\$ 17,173,929	\$ 15,756,847
Capital assets	109,683,378	113,804,949	4,533,896	4,625,973	114,217,274	118,430,922
Total assets	124,212,244	127,167,436	7,178,959	7,020,333	131,391,203	134,187,769
Long-term bonded debt	13,067,149	11,672,608	-	-	13,067,149	11,672,608
Other liabilities	1,812,032	2,639,043	143,811	163,184	1,955,843	2,802,227
Total liabilities	14,879,181	14,311,651	143,811	163,184	15,022,992	14,474,835
Net assets:						
Invested in capital assets, net of related debt	95,846,099	101,247,341	4,533,896	4,625,973	100,379,995	105,873,314
Restricted	4,667,529	4,098,307	-	-	4,667,529	4,098,307
Unrestricted	8,819,435	7,510,137	2,501,252	2,231,176	11,320,687	9,741,313
Total net assets	\$ 109,333,063	\$ 112,855,785	\$ 7,035,148	\$ 6,857,149	\$ 116,368,211	\$ 119,712,934

The balance of unrestricted net assets \$ 11,320,687 may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities decreased the Village of Pinecrest's net assets by \$ 3,522,722. Key elements in the changes in net assets activity are as follows:

Village of Pinecrest's Changes in Net Assets

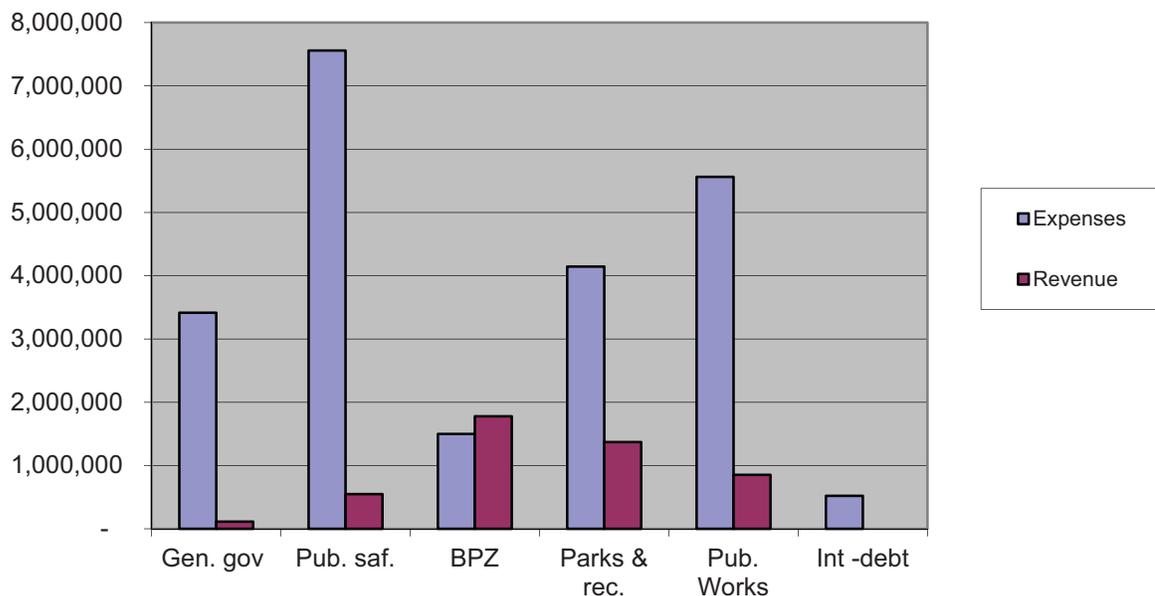
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
REVENUES:						
Program revenues:						
Charges for services	\$ 3,533,419	\$ 2,957,869	\$ 552,542	\$ 449,041	\$ 4,085,961	\$ 3,406,910
Operating grants and contributions	87,211	99,239	-	-	87,211	99,239
Capital grants and contributions	1,047,381	1,745,657	-	142,674	1,047,381	1,888,331
General revenues:						
Taxes	12,255,238	13,008,451	-	-	12,255,238	13,008,451
Other	2,253,154	2,081,706	5,853	7,411	2,259,007	2,089,117
Total revenues	19,176,403	19,892,922	558,395	599,126	19,734,798	20,492,048

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2011

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
EXPENSES:						
General government	3,414,571	4,867,768	-	-	3,414,571	4,867,768
Public safety	7,558,837	7,294,203	-	-	7,558,837	7,294,203
Building, planning and zoning	1,498,738	1,458,779	-	-	1,498,738	1,458,779
Parks and recreation	4,143,789	3,823,458	-	-	4,143,789	3,823,458
Public works	5,561,569	5,655,583	-	-	5,561,569	5,655,583
Interest and other debt service charges	521,621	660,433	-	-	521,621	660,433
Stormwater	-	-	380,396	295,466	380,396	295,466
Total expenses	22,699,125	23,760,224	380,396	295,466	23,079,521	24,055,690
Increase (decrease) in net assets	(3,522,722)	(3,867,302)	177,999	303,660	(3,344,723)	(3,563,642)
NET ASSETS, October 1	112,855,785	116,723,087	6,857,149	6,553,489	119,712,934	123,276,576
NET ASSETS, September 30	\$ 109,333,063	\$ 112,855,785	\$ 7,035,148	\$ 6,857,149	\$ 116,368,211	\$ 119,712,934

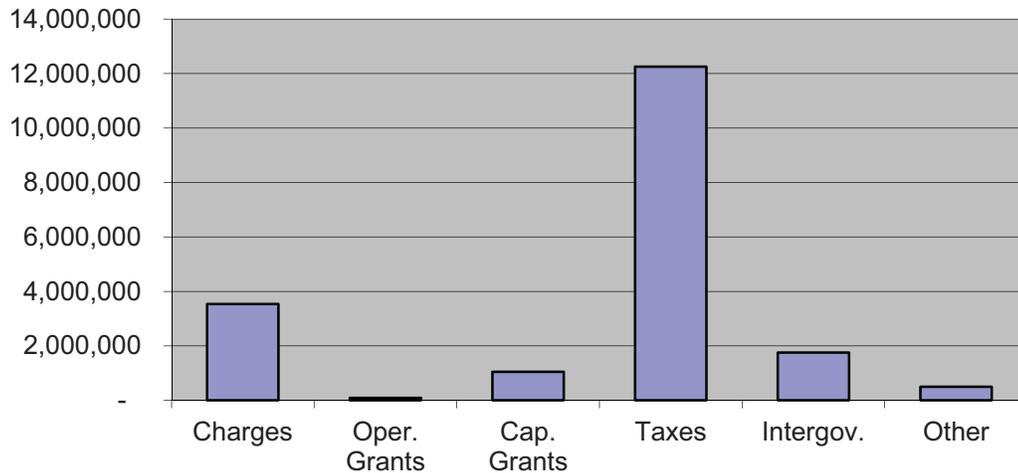
- Taxes, \$ 12,255,258 comprised (63.9 %) of the total governmental revenues, \$ 19,176,403 during the fiscal year. Most of this category is property taxes, \$ 6,992,022.
- Charges for services accounted for \$ 3,533,419 (18.4%) of total revenues.
- Capital grants and contributions accounted for \$ 1,047,381 (5.5%) of total revenues.

Expenses and Program Revenues – Governmental Activities



VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2011

Revenues by Source – Governmental Activities



For the most part, decreases in expenses reflected the decline in the demand for services. The Village of Pinecrest's Park and Recreation Department developed additional recreational facilities in the Community Center and expanded activity at Pinecrest Gardens. Ad valorem taxes were held even, but there was a decrease in the electric franchise fee due to an over collection of franchise fees due to the inclusion for fuel adjustments which were returned to the customers, but also decreasing this revenue source.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Village of Pinecrest's governmental funds (GAAP basis) reported combined ending fund balances of \$ 13,382,473, an increase of \$ 1,152,231 in comparison with the prior year, \$ 12,230,242. Approximately 51.4% of this total amount - \$ 6,875,400 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending or is assigned.

The General Fund is the chief operating fund of the Village of Pinecrest. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 6,875,400. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.2% of total General Fund expenditures including transfers, while total fund balance represents 39.7% of that same amount.

- The fund balance of the Village of Pinecrest's General Fund decreased by \$ 635,874 during the current fiscal year.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

- Licenses and permits increased by \$ 336,661 due to a modest increase in building permit fees.
- Intergovernmental revenue increased by \$ 164,661 due to increases in grant revenues.
- Charges for services increased by \$ 415,775 due to increases in culture and leisure fees.
- The largest increase in expenses was for Parks and Recreation including Pinecrest Gardens. The \$ 320,331 was due mainly to increased expanded programming.

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 \$ 1,030,000 was transferred into the fund for principal payments, an increase of \$ 185,000. This year \$ 531,692 was transferred into the fund for interest payments, a decrease of \$ 125,147.

The budget to actual variances in the General Fund were Franchise Taxes (\$ 337,322), due to an adjustment for a state mandated credit for overcharges for electric fuel adjustments which were overcharged by Florida Power and Light (FPL). The overcharge was credited to our franchise fees to make up for two years of FPL overcharges. The charges for services increased \$ 198,530 as a result of expanded services at the Parks and Pinecrest Garden. The Police Department tightly controlled personnel and overtime to reduce costs. In total the Police Department was \$ 496,788 under budget.

Proprietary Fund. The Stormwater Fund accounts for revenues collected for the maintenance of the stormwater collection function in the Village. The canals and underground pipes are maintained by the Village and there are operational costs associated with treating the water. This year the unrestricted net assets grew from \$ 2,231,176 to \$ 2,501,252, an increase of \$ 270,076. This increase reflects the fact that funds are budgeted for capital improvements which are depreciated over many years.

General Fund Budget Highlights

During the year, budgetary revenues were less than budgetary expenditures and transfers out decreasing the fund balance by \$ 635,874.

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

- Village Council, contractual services, FPL transmission line study thru C3TS, \$ 131,000.
- Additional legal expenses. The Village is engaged in more legal suits than anticipated during the budget process for FPL transmission lines, \$ 75,000.
- The Community Center contractual services account, for additional instructors and programming which does generate additional revenue, \$ 93,000.
- Parks Department incurred \$ 7,000 more in repairs and maintenance due to termites.
- The Building Department incurred \$ 80,000 in additional contractual service; due to the increase in business permitting activity. The costs were offset by increased revenue.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

Capital Asset and Debt Administration

Capital assets. The Village of Pinecrest's investment in capital assets for its governmental activities as of September 30, 2011, amounts to \$ 109,683,378 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure –roads and sidewalks, infrastructure, stormwater system and construction in progress. The total decrease in the Village of Pinecrest's investment in capital assets for the current fiscal year was 3.6%.

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

- Renovations and improvements at the Community Center.
- Renovations and improvements at Pinecrest Gardens.
- Town-wide road and sidewalk improvements.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General government	\$ 6,125,293	\$ 6,265,136	\$ -	\$ -	\$ 6,125,293	\$ 6,265,136
Public safety	412,683	578,138	-	-	412,683	578,138
Building, planning and zoning	16,203	8,894	-	-	16,203	8,894
Parks	32,018,963	31,840,157	-	-	32,018,963	31,840,157
Public works	71,110,236	75,112,624	-	-	71,110,236	75,112,624
Stormwater	-	-	4,533,896	4,625,973	4,533,896	4,625,973
Total	\$ 109,683,378	\$ 113,804,949	\$ 4,533,896	\$ 4,625,973	\$ 114,217,274	\$ 118,430,922

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

Long-term debt. At the end of the fiscal year, the Village of Pinecrest had total bonded debt outstanding of \$ 13,075,000. 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	
	2011	2010
General Obligation Bonds	\$ 13,075,000	\$ 12,400,000

The Village of Pinecrest decreased its total debt by \$ 675,000 (5.45%) during the current fiscal year. There are three issues outstanding; Pinecrest Gardens (formerly known as the Parrot Jungle), \$ 5,130,000 which matures in FY2022, the Library/Community Center, \$ 2,265,000 which matures in FY2024, and Pinecrest Gardens Improvement \$ 5,680,000, which matures in FY2030.

The last Village of Pinecrest issue, \$ 5,825,000, was made in conjunction with the Florida Municipal Loan Council on March 1, 2011. These bonds carried the following bond ratings:

- Standard & Poor's – AAA
- Fitch – AA+.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

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 10.3%, which is a decrease from a rate of 12.1% 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, unassigned fund balance increased to \$ 6,875,400. The Village of Pinecrest has assigned \$ 79,602 of fund balance for spending in the 2012 fiscal year budget.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2011

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 13,558,511	\$ 2,393,599	\$ 15,952,110
Receivables, net	738,589	251,464	990,053
Prepays	<u>1,511</u>	<u>-</u>	<u>1,511</u>
Total current assets	<u>14,298,611</u>	<u>2,645,063</u>	<u>16,943,674</u>
Non-current assets:			
Capital assets, not depreciated:			
Land	17,437,190	-	17,437,190
Capital assets, net of accumulated depreciation:			
Buildings	16,820,139	-	16,820,139
Improvements	4,141,315	-	4,141,315
Equipment	571,527	-	571,527
Computer software	118,235	-	118,235
Infrastructure	70,594,972	4,533,896	75,128,868
Unamortized bond issue costs	<u>230,255</u>	<u>-</u>	<u>230,255</u>
Total non-current assets	<u>109,913,633</u>	<u>4,533,896</u>	<u>114,447,529</u>
Total assets	<u>124,212,244</u>	<u>7,178,959</u>	<u>131,391,203</u>

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF NET ASSETS
(continued)
September 30, 2011

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
LIABILITIES AND NET ASSETS:			
LIABILITIES:			
Current:			
Accounts payable and other accrued liabilities	807,369	13,596	820,965
Accrued interest payable	142,331	-	142,331
Revenues collected in advance	-	130,215	130,215
Compensated absences, due in one year	316,679	-	316,679
Bonds payable, due in one year	<u>1,020,000</u>	<u>-</u>	<u>1,020,000</u>
Total current liabilities	<u>2,286,379</u>	<u>143,811</u>	<u>2,430,190</u>
Non-current:			
Unearned revenues	108,769	-	108,769
OPEB liability	381,000	-	381,000
Compensated absences, due in more than one year	55,884	-	55,884
Bonds payable, due in more than one year	<u>12,047,149</u>	<u>-</u>	<u>12,047,149</u>
Total non-current liabilities	<u>12,592,802</u>	<u>-</u>	<u>12,592,802</u>
Total liabilities	<u>14,879,181</u>	<u>143,811</u>	<u>15,022,992</u>
NET ASSETS:			
Invested in capital assets, net of related debt	95,846,099	4,533,896	100,379,995
Restricted for:			
Transportation	4,617,313	-	4,617,313
Public safety	50,216	-	50,216
Unrestricted net assets	<u>8,819,435</u>	<u>2,501,252</u>	<u>11,320,687</u>
Total net assets	<u>\$ 109,333,063</u>	<u>\$ 7,035,148</u>	<u>\$ 116,368,211</u>

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF ACTIVITIES
Fiscal Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
General government	\$ 3,414,571	\$ 113,670	\$ -	\$ -	\$ (3,300,901)	\$ -	\$ (3,300,901)	
Public safety	7,558,837	459,377	87,211	2,821	(7,009,428)	-	(7,009,428)	
Building, planning and zoning	1,498,738	1,779,187	-	-	280,449	-	280,449	
Parks and recreation	4,143,789	1,181,185	-	190,558	(2,772,046)	-	(2,772,046)	
Public works	5,561,569	-	-	854,002	(4,707,567)	-	(4,707,567)	
Interest and other debt service costs	521,621	-	-	-	(521,621)	-	(521,621)	
Total governmental activities	22,699,125	3,533,419	87,211	1,047,381	(18,031,114)	-	(18,031,114)	
Business-type activities:								
Stormwater	380,396	552,542	-	-	-	172,146	172,146	
Total business-type activities	380,396	552,542	-	-	-	172,146	172,146	
Total primary government	\$ 23,079,521	\$ 4,085,961	\$ 87,211	\$ 1,047,381	(18,031,114)	172,146	(17,858,968)	
General revenues:								
Ad valorem taxes					6,992,022	-	6,992,022	
Franchise fees					1,074,458	-	1,074,458	
Utilities taxes					1,937,059	-	1,937,059	
Communications services tax					1,146,763	-	1,146,763	
Transportation tax					983,380	-	983,380	
Business tax					121,556	-	121,556	
Intergovernmental, not restricted to specific programs					1,755,109	-	1,755,109	
Interest earnings					61,048	5,853	66,901	
Miscellaneous					436,997	-	436,997	
Total general revenues					14,508,392	5,853	14,514,245	
Change in net assets					(3,522,722)	177,999	(3,344,723)	
Net assets - beginning of year					112,855,785	6,857,149	119,712,934	
Net assets - end of year					\$ 109,333,063	\$ 7,035,148	\$ 116,368,211	

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

VILLAGE OF PINECREST, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2011

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 7,269,384	\$ 4,098,562	\$ 1,763,913	\$ 426,652	\$ 13,558,511
Receivables, net	545,181	108,707	37,613	47,088	738,589
Prepays	<u>1,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,511</u>
Total assets	<u>\$ 7,816,076</u>	<u>\$ 4,207,269</u>	<u>\$ 1,801,526</u>	<u>\$ 473,740</u>	<u>\$ 14,298,611</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 750,794	\$ 13,480	\$ 43,095	-	\$ 807,369
Deferred revenue	<u>108,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,769</u>
Total liabilities	<u>\$ 859,563</u>	<u>\$ 13,480</u>	<u>\$ 43,095</u>	<u>\$ -</u>	<u>\$ 916,138</u>
Fund balances:					
Nonspendable:					
Prepays	1,511	-	-	-	1,511
Restricted for:					
Transportation	-	4,193,789	-	423,524	4,617,313
Public safety	-	-	-	50,216	50,216
Assigned to:					
Capital projects	-	-	1,758,431	-	1,758,431
Subsequent year's budget	79,602	-	-	-	79,602
Unassigned	<u>6,875,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,875,400</u>
Total fund balances	<u>\$ 6,956,513</u>	<u>\$ 4,193,789</u>	<u>\$ 1,758,431</u>	<u>\$ 473,740</u>	<u>\$ 13,382,473</u>
Total liabilities and fund balances	<u>\$ 7,816,076</u>	<u>\$ 4,207,269</u>	<u>\$ 1,801,526</u>	<u>\$ 473,740</u>	<u>\$ 14,298,611</u>

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

VILLAGE OF PINECREST, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
For the Year Ended September 30, 2011

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 14 \$ 13,382,473

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

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

Governmental capital assets	\$ 198,562,121	
Less accumulated depreciation	<u>(88,878,743)</u>	109,683,378

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

Deferred charge on debt issuance costs, net of accumulated amortization		230,255
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

OPEB liability	(381,000)	
Accrued interest payable	(142,331)	
Compensated absences	(372,563)	
Governmental bonds payable	<u>(13,067,149)</u>	<u>(13,963,043)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 12 \$ 109,333,063

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Fiscal Year Ended September 30, 2011

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,271,858	\$ 983,380	\$ -	\$ -	\$ 12,255,238
Licenses and permits	1,779,187	-	-	-	1,779,187
Intergovernmental	1,635,130	408,409	636,151	210,011	2,889,701
Charges for services	1,554,990	-	-	-	1,554,990
Fines and forfeitures	191,230	-	-	8,012	199,242
Interest	21,686	36,452	1,821	1,089	61,048
Miscellaneous	439,305	-	20,245	-	459,550
	16,893,386	1,428,241	658,217	219,112	19,198,956
Expenditures:					
Current:					
General government	3,223,351	-	53,760	-	3,277,111
Public safety	7,106,962	-	-	172,815	7,279,777
Building, planning and zoning	1,501,214	-	-	-	1,501,214
Parks and recreation	3,482,546	-	825,333	-	4,307,879
Public works	659,485	886,378	-	12,948	1,558,811
Debt service:					
Principal	-	-	-	1,030,000	1,030,000
Interest	-	-	-	531,692	531,692
Bond issue costs	-	-	112,883	-	112,883
	15,973,558	886,378	991,976	1,747,455	19,599,367
Excess (deficiency) of revenues over expenditures	919,828	541,863	(333,759)	(1,528,343)	(400,411)
Other financing sources (uses):					
Bond proceeds	-	-	5,825,000	-	5,825,000
Bond discount	-	-	(52,098)	-	(52,098)
Payment to refunding escrow agent	-	-	(4,220,260)	-	(4,220,260)
Transfers in	-	-	-	1,581,692	1,581,692
Transfers out	(1,555,702)	(25,990)	-	-	(1,581,692)
	(1,555,702)	(25,990)	1,552,642	1,581,692	1,552,642
Net change in fund balances	(635,874)	515,873	1,218,883	53,349	1,152,231
Fund balances, beginning	7,592,387	3,677,916	539,548	420,391	12,230,242
Fund balances, ending	\$ 6,956,513	\$ 4,193,789	\$ 1,758,431	\$ 473,740	\$ 13,382,473

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

VILLAGE OF PINECREST, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS (Page 16) \$ 1,152,231

Amounts reported for governmental activities are different because:

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

The details of the difference are as follows:

Capital Outlay	\$	1,612,925	
Depreciation		(5,711,943)	
Disposal of capital assets		(22,553)	
Net adjustment		(4,121,571)	(4,121,571)

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:

Bond proceeds		(5,825,000)	
Bond issue costs		112,883	
Bond discount		52,098	
Principal payments		5,150,000	
Deferred loss on refunding		100,260	
Amortization of bond premium/discount		13,101	
Amortization of bond issue costs		(10,348)	
Accrued interest		7,318	
Net adjustment		(399,688)	(399,688)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The details of the difference is as follows:

Other post-employment benefits		(129,000)	
Compensated absences		(24,694)	
		(153,694)	

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES (Page 13) \$ (3,522,722)

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2011

	Stormwater Fund
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 2,393,599
Receivables	251,464
	2,645,063
Non-current assets:	
Capital assets, net	4,533,896
	4,533,896
Total assets	7,178,959
 LIABILITIES AND NET ASSETS:	
Current liabilities:	
Accounts payable	13,596
Revenues collected in advance	130,215
	143,811
Net assets:	
Invested in capital assets	4,533,896
Unrestricted	2,501,252
	\$ 7,035,148

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
 For the Year Ended September, 30, 2011

	<u>Stormwater Fund</u>
OPERATING REVENUES:	
Utility fees	\$ 551,792
Miscellaneous income	<u>750</u>
Total operating revenues	<u>552,542</u>
OPERATING EXPENSES:	
Cost of sales	274,419
Depreciation	<u>105,977</u>
Total operating expenses	<u>380,396</u>
Operating income	<u>172,146</u>
NONOPERATING REVENUES:	
Interest earnings	<u>5,853</u>
Change in net assets	177,999
NET ASSETS, beginning	<u>6,857,149</u>
NET ASSETS, ending	<u><u>\$ 7,035,148</u></u>

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended September, 30, 2011

	<u>Stormwater Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 433,938
Payments to suppliers	(276,781)
Miscellaneous receipts	<u>750</u>
Cash flows provided by operating activities	<u>157,907</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	<u>(13,900)</u>
Cash flows used in capital and related financing activities	<u>(13,900)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>5,853</u>
Cash flows provided by investing activities	<u>5,853</u>
Net increase in cash and cash equivalents	149,860
 CASH AND CASH EQUIVALENTS, beginning of year	 <u>2,243,739</u>
 CASH AND CASH EQUIVALENTS, end of year	 \$ <u><u>2,393,599</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 172,146
Depreciation	105,977
Change in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(100,843)
Increase (decrease) in accounts payable	(2,362)
Increase (decrease) in revenues collected in advance	<u>(17,011)</u>
Total adjustments	<u>(120,216)</u>
Net cash provided by operating activities	\$ <u><u>157,907</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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 18,233. The Village of Pinecrest operates under a Council-Manager form of government and provides the following services: public safety (police), public works, building, planning and zoning, code enforcement, stormwater management, and parks and recreation. The basic financial statements of the Village of Pinecrest have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles.

The financial statements were prepared in accordance with Government Accounting Standards, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Village of Pinecrest, organizations for which the Village of Pinecrest is financially accountable and other organizations for which the nature and significance of their relationship with the Village of Pinecrest are such that exclusion would cause the reporting entity's financials statements to be misleading or incomplete. The Village of Pinecrest is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Village of Pinecrest. Based upon the application of these criteria, there were no organizations that met the criteria described above.

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The Village of Pinecrest reports the following major governmental funds:

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

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

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

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Stormwater Fund are charges to business and residential customers for stormwater system maintenance. Operating expenses report on the costs to maintain the stormwater system, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, liabilities and net assets or equity.

1. Deposits and investments.

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

2. Capital assets

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

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

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

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Compensated absences

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

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

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

4. Long term obligations

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

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

5. Property taxes

Property taxes for the current year were assessed and collected by Miami-Dade County and subsequently remitted to the Village. Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1. Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$ 10 per \$ 1,000 of assessed taxable valuation). The millage rate assessment by the Village for the year ended September 30, 2011 was 2.1040 mills.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

All real and tangible personal property taxes are due and payable on November 1, each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and Miami-Dade County also collects the taxes for the Village. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. There were no material delinquent property taxes at September 30, 2011.

6. Use of estimates

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

NOTE 2. - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments.

Deposits

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

VILLAGE OF PINECREST, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2011

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

Investments

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

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

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

The Village of Pinecrest had the following investments as of September 30, 2011:

Investment	Maturities	Fair Value
Florida PRIME	Weighted average days to maturity is 38 days	\$ 13,408,590
Fund B	Weighted average life is 4.82 years	\$ 167,102

Credit Risk

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

Concentration Credit Risk

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

Interest Rate Risk

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

B. Receivables

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

	<u>General</u>	<u>Transportation</u>	<u>Capital Projects Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Stormwater</u>	<u>Total</u>
Receivables:						
Note receivable	\$ 24,504	\$ -	\$ -	\$ -	\$ -	\$ 24,504
Intergovernmental	129,143	108,707	37,613	47,088	-	322,551
Franchise and utility	189,626	-	-	-	-	189,626
Ad valorem taxes	116,639	-	-	-	-	116,639
Other	<u>85,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,464</u>	<u>336,733</u>
Gross receivables	545,181	108,707	37,613	47,088	251,464	990,053
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receivables	<u>\$ 545,181</u>	<u>\$ 108,707</u>	<u>\$ 37,613</u>	<u>\$ 47,088</u>	<u>\$ 251,464</u>	<u>\$ 990,053</u>

In December 2001, the Village executed a note receivable under a lease purchase agreement with Miami-Dade County School Board for land to be used as a parking lot. Under the terms of the agreement, the Village is entering into the final year of the agreement and will receive \$ 24,504 through December 2011. The balance of the note receivable at September 30, 2011 of \$ 24,504 is included in deferred revenues.

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

Year Ending <u>September 30,</u>	
2012	\$ <u>24,504</u>

Total deferred revenues as of September 30, 2011:

Palmetto High School property lease	\$ 24,504
Occupational taxes collected in advance	<u>84,265</u>
Total deferred revenues	<u>\$ 108,769</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

C. Capital assets

Capital asset activity for the year ended September 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 17,437,190	\$ -	\$ -	\$ -	\$ 17,437,190
Total capital assets, not being depreciated	<u>17,437,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,437,190</u>
Capital assets, being depreciated:					
Buildings	18,632,661	453,318	-	-	19,085,979
Improvements	5,840,936	301,046	-	-	6,141,982
Equipment	2,713,744	110,671	-	(75,905)	2,748,510
Computer software	114,202	20,347	-	-	134,549
Infrastructure	<u>152,286,368</u>	<u>727,543</u>	<u>-</u>	<u>-</u>	<u>153,013,911</u>
Total capital assets, being depreciated	<u>179,587,911</u>	<u>1,612,925</u>	<u>-</u>	<u>(75,905)</u>	<u>181,124,931</u>
Less accumulated depreciation for:					
Buildings	(1,834,101)	(431,739)	-	-	(2,265,840)
Improvements	(1,647,676)	(352,991)	-	-	(2,000,667)
Equipment	(1,963,861)	(266,474)	-	53,352	(2,176,983)
Computer software	-	(16,314)	-	-	(16,314)
Infrastructure	<u>(77,774,514)</u>	<u>(4,644,425)</u>	<u>-</u>	<u>-</u>	<u>(82,418,939)</u>
Total accumulated depreciation	<u>(83,220,152)</u>	<u>(5,711,943)</u>	<u>-</u>	<u>53,352</u>	<u>(88,878,743)</u>
Total capital assets, being depreciated, net	<u>96,367,759</u>	<u>(4,099,018)</u>	<u>-</u>	<u>(22,553)</u>	<u>92,246,188</u>
Governmental activities capital assets, net	<u>\$ 113,804,949</u>	<u>\$ (4,099,018)</u>	<u>\$ -</u>	<u>\$ (22,553)</u>	<u>\$ 109,683,378</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ <u>7,940,476</u>	\$ <u>13,900</u>	\$ <u>-</u>	\$ <u>7,954,376</u>
Total capital assets, being depreciated	<u>7,940,476</u>	<u>13,900</u>	<u>-</u>	<u>7,954,376</u>
Less accumulated depreciation for:				
Infrastructure	<u>(3,314,503)</u>	<u>(105,977)</u>	<u>-</u>	<u>(3,420,480)</u>
Total accumulated depreciation	<u>(3,314,503)</u>	<u>(105,977)</u>	<u>-</u>	<u>(3,420,480)</u>
Total capital assets, being depreciated, net	<u>4,625,973</u>	<u>(92,077)</u>	<u>-</u>	<u>4,533,896</u>
Business-type activities capital assets, net	\$ <u><u>4,625,973</u></u>	\$ <u><u>(92,077)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,533,896</u></u>

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

Governmental activities:	
General government	\$ 139,843
Public safety	202,576
Public works	4,729,932
Building, planning and zoning	2,691
Parks and recreation	<u>636,901</u>
Total depreciation expense, governmental activities	\$ <u><u>5,711,943</u></u>
Business type activities:	
Stormwater	\$ <u>105,977</u>
Total depreciation expense business type activities	\$ <u><u>105,977</u></u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

D. Transfers

The composition of interfund operating transfers as of September 30, 2011, is as follows:

	<u>Transfers In</u>	<u>Transfer Out</u>	<u>Transfer Purpose</u>
General Fund	\$ -	\$ 1,555,702	Provide debt service funds
Transportation Fund	-	25,990	Provide debt service and operational funds
Hardwire Fund	8,000	-	Provide operational funds
Wireless Fund	12,000	-	Provide operational funds
Debt Service	<u>1,561,692</u>	-	Provide debt service funds
	<u>\$ 1,581,692</u>	<u>\$ 1,581,692</u>	

E. Long-term debt

Florida Municipal Loan Revenue Bonds, Series 2002, Series 2004 and Series 2011. The Village of Pincrest has issued three bond series. The first issue was for \$ 7,740,000 for the purchase and development of Parrot Jungle which is known as Pincrest Gardens and bears interest from 3.0 to 3.5%. The second issue is for the construction costs of the Library/Community Center at Pincrest Gardens, \$ 3,075,000 and bears interest at 5.5%. The third issue, Series 2011-A-1 was for \$ 4,320,000 and refunded the Series 1999 bonds that paid for the development of Pincrest Park. The fourth issue, Series 2011-B-1 was for capital improvements at Pincrest Gardens and the Community Center. The 2011 series bonds bear interest at rates from 2.0% to 5.0%. The principal and interest on these bonds are payable from a pledge of non-ad valorem revenues, as defined in the bond indentures.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest and fees</u>	<u>Total</u>
2012	\$ 1,020,000	\$ 574,060	\$ 1,594,060
2013	1,055,000	535,165	1,590,165
2014	1,100,000	492,905	1,592,905
2015	1,140,000	448,589	1,588,589
2016	1,180,000	404,449	1,584,449
2017-2021	5,485,000	1,251,958	6,736,958
2022-2026	1,665,000	273,177	1,938,177
2027-2030	<u>430,000</u>	<u>55,000</u>	<u>485,000</u>
Totals	<u>\$ 13,075,000</u>	<u>\$ 4,035,303</u>	<u>\$ 17,110,303</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

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

	Balance September 30, 2010	Additions	Reductions	Balance September 30, 2011	Due Within One Year
Bonds payable	\$ 12,400,000	\$ 5,825,000	\$ 5,150,000	\$ 13,075,000	\$ 1,020,000
Unamortized premium/ discount and loss on refunding	157,608	(152,358)	13,101	(7,851)	-
Compensated absences	<u>347,869</u>	<u>494,732</u>	<u>470,038</u>	<u>372,563</u>	<u>316,679</u>
Totals	<u>\$ 12,905,477</u>	<u>\$ 6,167,374</u>	<u>\$ 5,633,139</u>	<u>\$ 13,439,712</u>	<u>\$ 1,336,679</u>

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

The Village of Pinecrest refinanced the Series 1999 and replaced it with the Series 2011-B-1 at favorable rates. The defeasement resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$ 220,311.

Analysis of debt service streams is as follows:

Refunded debt:

Series 1999 Florida Municipal Loan

Revenue Bonds:

Principal payments	\$ 4,120,000
Interest payments and fees	<u>1,090,045</u>

Debt stream on refunded debt	5,210,045
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Refunding debt:

Series 2011 B-1 Florida Municipal Loan

Revenue Bonds:

Principal payments	\$ 4,320,000
Interest payments and fees	<u>704,591</u>

Debt stream on refunding debt	<u>5,024,591</u>
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Aggregate savings in debt services	<u>\$ 185,454</u>
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F. Accounts Payable and Other Accrued Liabilities:

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

	General Fund	Transportation Fund	Capital Projects Fund	Stormwater	Total
Payables:					
Payroll	\$ 498,969	\$ -	\$ -	\$ -	\$ 498,969
Vendors	172,149	13,480	43,095	13,596	242,320
Other	<u>79,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,676</u>
Total payable	<u>\$ 750,794</u>	<u>\$ 13,480</u>	<u>\$ 43,095</u>	<u>\$ 13,596</u>	<u>\$ 820,965</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

G. Other Post-Employment Benefits (OPEBs)

1. Description

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

Under Florida State law, the Village of Pinecrest is required to offer a continuation of health insurance coverage to retirees at the same premium that is charged by the insurance carrier with respect to active employees. Currently, the Village does not have any retirees who are receiving post-employment benefits, nor plans to contribute directly towards post-employment benefits other than making insurance available. Therefore, for purposes of the actuarial valuation, future retirees were assumed to contribute an amount equal to the actual premiums for health insurance that are charged by the carrier and the actuary assumed that there will be no other post-employment benefits provided. Based on this assumption, there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for retirees will be the same as the premium charged for active employees, who are younger than retirees on average. The actuary assumed that monthly retiree healthcare premiums at age 65 for single coverage would be \$ 200 higher on average for the HMO plan, \$ 325 higher on average for the PPO plan or \$ 125 higher on average for the high-deductible plan if the subsidy were not in place. Therefore, the actuary treated either \$ 200, \$ 325, or \$ 125 per month as the implied subsidy at age 65 for purposes of GASB 45 for the HMO, PPO, and high-deductible plans, respectively. The plan which is a single employer plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report.

2. Annual OPEB cost and net OPEB obligation

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and the Village's net OPEB obligation at September 30, 2011:

Annual required contribution	\$	147,000
Interest on net OPEB obligation		10,000
Adjustment to annual required contribution		<u>(22,000)</u>
Annual OPEB cost		135,000
Contributions made		<u>(6,000)</u>
Increase in net OPEB obligation		129,000
Net OPEB obligation, October 1, 2010		<u>252,000</u>
Net OPEB obligation, September 30, 2011	\$	<u><u>381,000</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2011 and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 63,000	0.0%	\$ 124,000
9/30/2010	\$ 132,000	3.0%	\$ 252,000
9/30/2011	\$ 135,000	4.4%	\$ 381,000

3. Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2010 was as follows:

Actuarial accrued liability	\$	634,000
Actuarial value of Plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	634,000
Funded ratio		-
Covered payroll	\$	5,712,000
UAAL as a percentage of covered payroll		11.1%

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the Village has not contributed assets to the Plan at this time.

VILLAGE OF PINECREST, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2011

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

4. Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Village and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

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

H. Fund Balances - Governmental Funds

As of September 30, 2011, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

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

As of September 30, 2011, fund balances are composed of the following:

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepays	\$ 1,511	\$ -	\$ -	\$ -	\$ 1,511
Restricted:					
Transportation	-	4,193,789	-	423,524	4,617,313
Public safety	-	-	-	50,216	50,216
Assigned:					
Capital projects	-	-	1,758,431	-	1,758,431
Subsequent year's budget	79,602	-	-	-	79,602
Unassigned Funds	<u>6,875,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,875,400</u>
 Total fund balances	 <u>\$ 6,956,513</u>	 <u>\$ 4,193,789</u>	 <u>\$ 1,758,431</u>	 <u>\$ 473,740</u>	 <u>\$ 13,382,473</u>

The makeup of the "Subsequent Year Appropriations" in the General Fund consists of:

Carryovers (see footnote 3F)	\$ 97,862
Used to balance toe 2012 budget	<u>(18,260)</u>
Total	<u>\$ 79,602</u>

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

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Risk Management

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

B. Litigation

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

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 \$ 986,201 to the Village for the fiscal year ended September 30, 2011. 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 \$ 613,680 to the Village for the fiscal year ended September 30, 2011 for the purpose of providing transportation services within the Village. This agreement shall remain in effect as long as the County receives net proceeds from the ½ cent County Transit System Surtax as authorized by Miami-Dade County Ordinance No. 02-116 pursuant to the authority of Section 212.055(1) Florida Statutes 2002.

On December 5, 2007, the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, Water and Fire Project/GOB Project Number 17.11-71200, (Countywide Water and Sewer Enhancements) 9-70593, the County remitted \$ 445,593 to the Village for the fiscal year ended September 30, 2011.

E. Pension Plans

Defined Contribution Plan

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

The Plan's assets are administered by ICMA Retirement Corporation. The Village does not exercise any control over the plan assets. Village contributions to the plan were \$ 536,340. There are current year forfeitures of \$ 10,638, of which \$ 4,514 was used in lieu of Village contributions in fiscal 2011. There is a balance of \$ 6,124 available for use in fiscal year 2012. Employee contributions were \$ 288,798 for the year ended September 30, 2011.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

Defined Benefit Plan

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

Special Risk Class - Police:

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

Normal retirement age for sworn police personnel is:

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

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

Contributions to the FRS are made by the Village as a percentage of covered payroll. For the first three quarters of the fiscal year, the Village was required to pay all contributions for participating police personnel. Effective July 1, 2011, the employee is required to contribute 3%. The Village contribution rate to the FRS plan during the year ended September 30, 2011 was 23.25% from October 1, 2010 through June 30, 2011 and 14.10% from July 1, 2011 through September 30, 2011. At September 30, 2011, the Village had 47 sworn police personnel participating in the FRS.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2011 and the three preceding years were as follows:

	2011	2010	2009	2008*
Employer contribution requirements	\$ 705,639	\$ 712,370	\$ 530,787	N/A
Employee contribution requirements	\$ 28,530	\$ N/A	\$ N/A	N/A
Contributions made (100%)	\$ 734,169	\$ 712,370	\$ 530,787	N/A
Total covered payroll	\$ 3,364,993	\$ 3,063,960	\$ 2,537,223	N/A
Percent of contributions to total covered payroll	21.82%	23.25%	20.92%	N/A

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

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

F. Construction Commitments

There are two projects and two equipment purchases on backorder in the General Fund which were not completed by year end and carried over. The projects are:

Greenhouse Project, Pinecrest Gardens	\$	17,589
Marketing Project, Pinecrest Gardens		13,726
Pickup truck, Pinecrest Gardens		18,461
Pickup truck, Public Works		<u>48,086</u>
Total General Fund carryovers	\$	<u><u>97,862</u></u>

There is one carryover in the Stormwater Fund:

Pickup Trucks, Stormwater Fund	\$	<u><u>48,086</u></u>
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G. Subsequent Event

None

REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
 (Unaudited)

<u>Actuarial Valuation Date</u>	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	(b-a)/c UAAL as a Percentage of Covered Payroll
4/1/2008	\$ -	\$ 228,000	\$ (228,000)	0.00%	\$ 4,813,000	4.70%
1/1/2010	\$ -	\$ 634,000	\$ (634,000)	0.00%	\$ 5,712,000	11.10%

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem taxes	\$ 7,064,700	\$ 7,064,700	\$ 6,992,022	\$ (72,678)
Franchise fees	1,411,780	1,411,780	1,074,458	(337,322)
Utility taxes	1,781,810	1,781,810	1,937,059	155,249
Communications services tax	1,131,480	1,131,480	1,146,763	15,283
Business tax	124,590	124,590	121,556	(3,034)
Total taxes	11,514,360	11,514,360	11,271,858	(242,502)
Licenses and permits	1,305,000	1,385,000	1,779,187	394,187
Intergovernmental revenue	1,613,790	1,713,790	1,635,130	(78,660)
Charges for services	1,356,460	1,356,460	1,554,990	198,530
Fines and forfeitures	220,580	220,580	191,230	(29,350)
Miscellaneous revenues:				
Interest earnings	50,000	50,000	21,686	(28,314)
PHS parking rent	91,650	91,650	91,658	8
Other miscellaneous revenues	196,200	196,200	347,647	151,447
Total miscellaneous revenues	337,850	337,850	460,991	123,141
Total revenues	16,348,040	16,528,040	16,893,386	365,346
Expenditures:				
General government	3,122,500	3,328,500	3,223,351	105,149
Public safety	7,603,750	7,603,750	7,106,962	496,788
Building, planning and zoning	1,422,910	1,502,910	1,501,214	1,696
Parks and recreation	3,433,130	3,533,130	3,482,546	50,584
Public works	728,050	728,050	659,485	68,565
Total expenditures	16,310,340	16,696,340	15,973,558	722,782
Other financing sources (uses):				
Appropriation of prior year's fund balance	1,539,850	1,745,850	-	(1,745,850)
Transfers in	-	-	-	-
Transfers out	(1,577,550)	(1,577,550)	(1,555,702)	21,848
Total other financing sources (uses)	(37,700)	168,300	(1,555,702)	(1,724,002)
Net change in fund balance	\$ -	\$ -	\$ (635,874)	\$ (635,874)

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Transportation taxes	\$ 945,000	\$ 945,000	\$ 983,380	\$ 38,380
Intergovernmental	40,000	40,000	408,409	368,409
Interest	20,000	20,000	36,452	16,452
Total revenues	1,005,000	1,005,000	1,428,241	423,241
 EXPENDITURES:				
Public works	834,400	834,400	886,378	(51,978)
Total expenditures	834,400	834,400	886,378	(51,978)
Excess (deficiency) of revenues over expenditures	170,600	170,600	541,863	371,263
 OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(144,610)	(144,610)	-	144,610
Transfers out	(25,990)	(25,990)	(25,990)	-
Total other financing sources (uses)	(170,600)	(170,600)	(25,990)	144,610
Net change in fund balance	\$ -	\$ -	\$ 515,873	\$ 515,873

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Fiscal Year Ended September 30, 2011

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING:

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

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

- a. The Village Manager submits to the Council a proposed operating and capital budget for the ensuing year. The budget includes proposed expenditures and means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through the passage of a budget ordinance.
- d. The Village Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. There were supplemental appropriations in the General Fund for an additional \$ 386,000 during the fiscal year ended September 30, 2011.
- e. Formal budgetary integration is employed as a management control device during the year for all of the funds.
- f. The Village Manager is authorized to transfer part of, all or an unencumbered appropriation within a department within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Village Council. The Departments are General Government, Police, BPZ (Building, Planning and Zoning), Public Works, and Parks and Recreation. The classification detail at which expenditures may not legally exceed appropriations is at the department level.
- g. Unencumbered appropriations lapse at fiscal year end. Unencumbered amounts are reappropriated in the following year's budget.
- h. Budgeted amounts are as originally adopted or as amended. Individual type amendments are not material in relation to the original appropriations.

NOTE 2 - RECONCILIATION OF BUDGETED AND ACTUAL RESULTS

The GAAP to budgetary basis was the same for all funds.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded the budget in the following funds:

Transportation Fund	\$	51,978
Police Forfeiture Fund	\$	19,775

**COMBINING FUND FINANCIAL
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

Debt Service Fund

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

VILLAGE OF PINECREST, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2011

	Police Education Fund	Police Forfeiture Fund	Hardwire Fund	Wireless Fund	CITT Public Transit Fund	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS:								
Cash and cash equivalents	\$ 5,514	\$ -	\$ 15,497	\$ 9,374	\$ 396,267	\$ 426,652	\$ -	\$ 426,652
Receivables	<u>816</u>	<u>-</u>	<u>10,407</u>	<u>8,608</u>	<u>27,257</u>	<u>47,088</u>	<u>-</u>	<u>47,088</u>
Total assets	<u>\$ 6,330</u>	<u>\$ -</u>	<u>\$ 25,904</u>	<u>\$ 17,982</u>	<u>\$ 423,524</u>	<u>\$ 473,740</u>	<u>\$ -</u>	<u>\$ 473,740</u>
LIABILITIES, EQUITY AND OTHER CREDITS:								
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:								
Restricted for:								
Transportation	-	-	-	-	423,524	423,524	-	423,524
Public safety	<u>6,330</u>	<u>-</u>	<u>25,904</u>	<u>17,982</u>	<u>-</u>	<u>50,216</u>	<u>-</u>	<u>50,216</u>
Total fund balances	<u>6,330</u>	<u>-</u>	<u>25,904</u>	<u>17,982</u>	<u>423,524</u>	<u>473,740</u>	<u>-</u>	<u>473,740</u>
Total liabilities and fund balances	<u>\$ 6,330</u>	<u>\$ -</u>	<u>\$ 25,904</u>	<u>\$ 17,982</u>	<u>\$ 423,524</u>	<u>\$ 473,740</u>	<u>\$ -</u>	<u>\$ 473,740</u>

VILLAGE OF PINECREST, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENT FUNDS
Fiscal Year Ended September 30, 2011

	Police Education Fund	Police Forfeiture Fund	Hardwire Fund	Wireless Fund	CJTT Public Transit Fund	Total Special Revenue Funds	Debt Service Fund	Total Non-major Governmental Funds
REVENUES:								
Intergovernmental	\$ -	\$ -	\$ 63,553	\$ 23,658	\$ 122,800	\$ 210,011	\$ -	\$ 210,011
Fines and forfeitures	4,700	3,312	-	-	-	8,012	-	8,012
Interest	22	95	32	21	919	1,089	-	1,089
Total revenues	4,722	3,407	63,585	23,679	123,719	219,112	-	219,112
EXPENDITURES:								
Current:								
Public safety	7,944	62,375	62,040	40,456	-	172,815	-	172,815
Public works	-	-	-	-	12,948	12,948	-	12,948
Debt service:								
Principal	-	-	-	-	-	-	1,030,000	1,030,000
Interest	-	-	-	-	-	-	531,692	531,692
Total expenditures	7,944	62,375	62,040	40,456	12,948	185,763	1,561,692	1,747,455
Excess (deficiency) of revenues over expenditures	(3,222)	(58,968)	1,545	(16,777)	110,771	33,349	(1,561,692)	(1,528,343)
OTHER FINANCING SOURCES:								
Transfers in	-	-	8,000	12,000	-	20,000	1,561,692	1,581,692
Total other financing sources	-	-	8,000	12,000	-	20,000	1,561,692	1,581,692
Net change in fund balances	(3,222)	(58,968)	9,545	(4,777)	110,771	53,349	-	53,349
Fund balances, beginning	9,552	58,968	16,359	22,759	312,753	420,391	-	420,391
Fund balances, ending	\$ 6,330	\$ -	\$ 25,904	\$ 17,982	\$ 423,524	\$ 473,740	\$ -	\$ 473,740

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 POLICE EDUCATION FUND
 Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 5,180	\$ 5,180	\$ 4,700	\$ (480)
Interest	200	200	22	(178)
Total revenues	5,380	5,380	4,722	(658)
 EXPENDITURES:				
Public safety	10,940	10,940	7,944	2,996
Total expenditures	10,940	10,940	7,944	2,996
Excess (deficiency) of revenues over expenditures	(5,560)	(5,560)	(3,222)	2,338
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	5,560	5,560	-	(5,560)
Total other financing sources	5,560	5,560	-	(5,560)
Net change in fund balance	\$ -	\$ -	\$ (3,222)	\$ (3,222)

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 POLICE FORFEITURE FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 3,312	\$ 3,312
Interest	520	520	95	(425)
Total revenues	520	520	3,407	2,887
 EXPENDITURES:				
Current:				
Public safety	42,600	42,600	62,375	(19,775)
Total expenditures	42,600	42,600	62,375	(19,775)
Excess (deficiency) of revenues over expenditures	(42,080)	(42,080)	(58,968)	(16,888)
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	42,080	42,080	-	(42,080)
Total other financing sources	42,080	42,080	-	(42,080)
Net change in fund balance	\$ -	\$ -	\$ (58,968)	\$ (58,968)

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 HARDWARE FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 59,100	\$ 59,100	\$ 63,553	\$ 4,453
Interest	80	80	32	(48)
Total revenues	59,180	59,180	63,585	4,405
 EXPENDITURES:				
Public safety	64,600	64,600	62,040	2,560
Excess (deficiency) of revenues over expenditures	(5,420)	(5,420)	1,545	6,965
 OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(2,580)	(2,580)	-	2,580
Transfers in	8,000	8,000	8,000	-
Total other financing sources (uses)	5,420	5,420	8,000	2,580
Net change in fund balance	\$ -	\$ -	\$ 9,545	\$ 9,545

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 WIRELESS FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 37,800	\$ 37,800	\$ 23,658	\$ (14,142)
Interest	140	140	21	(119)
Total revenues	37,940	37,940	23,679	(14,261)
 EXPENDITURES:				
Public safety	42,730	42,730	40,456	2,274
Total expenditures	42,730	42,730	40,456	2,274
Excess (deficiency) of revenues over expenditures	(4,790)	(4,790)	(16,777)	(11,987)
 OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(7,210)	(7,210)	-	7,210
Transfers in	12,000	12,000	12,000	-
Total other financing sources (uses)	4,790	4,790	12,000	7,210
Net change in fund balance	\$ -	\$ -	\$ (4,777)	\$ (4,777)

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 CITT PUBLIC TRANSIT FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 113,450	\$ 113,450	\$ 122,800	\$ 9,350
Interest	3,500	3,500	919	(2,581)
Total revenues	116,950	116,950	123,719	6,769
 EXPENDITURES:				
Public works	345,000	345,000	12,948	332,052
Total expenditures	345,000	345,000	12,948	332,052
Excess (deficiency) of revenues over expenditures	(228,050)	(228,050)	110,771	338,821
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	228,050	228,050	-	(228,050)
Total other financing sources	228,050	228,050	-	(228,050)
Net change in fund balance	\$ -	\$ -	\$ 110,771	\$ 110,771

VILLAGE OF PINECREST, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Principal	\$ 949,250	\$ 949,250	\$ 1,030,000	\$ (80,750)
Interest	634,320	634,320	531,692	102,628
Total expenditures	1,583,570	1,583,570	1,561,692	21,878
OTHER FINANCING SOURCES:				
Transfers in	1,583,570	1,583,570	1,561,692	(21,878)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Fiscal Year Ended September, 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 636,151	\$ 461,151
Interest	10,000	10,000	1,821	(8,179)
Miscellaneous	17,000	17,000	20,245	3,245
	<u>202,000</u>	<u>202,000</u>	<u>658,217</u>	<u>456,217</u>
EXPENDITURES:				
Current:				
General government	-	129,557	53,760	75,797
Parks and recreation	1,495,000	1,635,000	825,333	809,667
Debt service:				
Bond issue costs	-	-	112,883	(112,883)
	<u>1,495,000</u>	<u>1,764,557</u>	<u>991,976</u>	<u>772,581</u>
Excess (deficiency) of revenues over expenditures	(1,293,000)	(1,562,557)	(333,759)	1,228,798
OTHER FINANCING SOURCES (USES):				
Bond proceeds	1,435,000	1,435,000	5,825,000	4,390,000
Bond discount	-	-	(52,098)	(52,098)
Payment to refunding escrow agent	-	-	(4,220,260)	(4,220,260)
Appropriation of prior year's fund balance	(142,000)	127,557	-	(127,557)
	<u>1,293,000</u>	<u>1,562,557</u>	<u>1,552,642</u>	<u>(9,915)</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,218,883</u></u>	\$ <u><u>1,218,883</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Financial Trends:

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

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

Revenue Capacity:

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

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

Debt Capacity:

These schedules contain information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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

Demographic and Economic Information:

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

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

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

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

Table 1

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Invested in capital assets, net of related debt	\$ 100,990	\$ 112,626	\$ 108,793	\$ 106,284	\$ 103,522	\$ 105,008	\$ 107,337	\$ 104,605	\$ 101,247	\$ 95,846
Restricted	10,345	1,092	3,308	2,589	5,058	8,403	5,171	4,167	4,099	4,668
Unrestricted	8,784	10,302	8,856	9,898	9,625	3,707	3,584	7,951	7,510	8,819
Total governmental activities net assets	120,119	124,020	120,957	118,771	118,205	117,118	116,092	116,723	112,856	109,333
Business-type activities:										
Invested in capital assets, net of related debt	2,171	2,127	2,313	4,286	4,763	4,696	4,654	4,590	4,626	4,534
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	906	1,120	1,234	1,350	1,324	1,587	1,817	1,963	2,231	2,501
Total business-type activities net assets	3,077	3,247	3,547	5,636	6,087	6,283	6,471	6,553	6,857	7,035
Primary government:										
Invested in capital assets, net of related debt	103,161	114,753	111,106	110,570	108,285	109,704	111,991	109,195	105,873	100,380
Restricted	10,345	1,092	3,308	2,589	5,058	8,403	5,171	4,167	4,099	4,668
Unrestricted	9,690	11,422	10,090	11,248	10,949	5,294	5,401	9,914	9,741	11,320
Total primary government net assets	\$ 123,196	\$ 127,267	\$ 124,504	\$ 124,407	\$ 124,292	\$ 123,401	\$ 122,563	\$ 123,276	\$ 119,713	\$ 116,368

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

Table 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:										
Governmental activities:										
General government	\$ 2,343	\$ 2,262	\$ 1,790	\$ 2,457	\$ 2,265	\$ 3,946	\$ 2,913	\$ 6,012	\$ 4,868	\$ 3,415
Public safety	6,553	6,354	6,394	6,441	6,768	6,807	6,658	7,043	7,294	7,559
Building, planning and zoning	1,175	1,298	1,394	1,573	1,641	1,801	1,740	1,491	1,459	1,499
Parks and recreation	1,650	1,544	2,318	2,503	2,706	2,647	2,476	3,583	3,823	4,144
Public works	5,153	4,608	5,948	5,239	5,482	5,236	6,054	5,480	5,656	5,561
Interest on long-term debt	377	707	701	842	782	747	825	684	660	521
Total governmental activities	17,251	16,773	18,545	19,055	19,644	21,184	20,666	24,293	23,760	22,699
Business-type activities										
Stormwater	126	140	184	213	306	287	241	312	295	380
Total business-type activities	126	140	184	213	306	287	241	312	295	380
Total primary government expenses	\$ 17,377	\$ 16,913	\$ 18,729	\$ 19,268	\$ 19,950	\$ 21,471	\$ 20,907	\$ 24,605	\$ 24,055	\$ 23,079

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

Table 2
(continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program revenues:										
Governmental activities:										
Charges for services:										
General government	96	255	363	275	469	594	487	35	68	114
Public safety								362	527	460
Building, planning and zoning	1,431	1,481	1,657	1,822	2,122	1,677	1,604	1,377	1,580	1,779
Parks and recreation	90	868	399	463	567	553	636	799	782	1,181
Operating grants and contributions	167	155	33	1,106	1,177	1,252	1,062	99	99	87
Capital grants and contributions	824	7,100	644	30	-	72	1,201	6,838	1,746	1,047
Total governmental activities	2,608	9,859	3,096	3,696	4,335	4,148	4,990	9,510	4,802	4,668
Business type activities:										
Charges for services:										
Stormwater system	228	294	374	376	355	402	379	375	449	553
Capital grants and contributions	-	-	94	1,905	352	-	-	-	143	-
Total business-type activities	228	294	468	2,281	707	402	379	375	592	553
Total primary government program revenues	\$ 2,836	\$ 10,153	\$ 3,564	\$ 5,977	\$ 5,042	\$ 4,550	\$ 5,369	\$ 9,885	\$ 5,394	\$ 5,221
Net (expense)/revenue	\$ (14,643)	\$ (6,914)	\$ (15,449)	\$ (15,359)	\$ (15,309)	\$ (17,036)	\$ (15,676)	\$ (14,783)	\$ (18,958)	\$ (18,031)
Governmental activities	102	154	284	2,068	401	115	138	63	297	172
Business-type activities										
Total primary government net expense	\$ (14,541)	\$ (6,760)	\$ (15,165)	\$ (13,291)	\$ (14,908)	\$ (16,921)	\$ (15,538)	\$ (14,720)	\$ (18,661)	\$ (17,859)

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

Table 2
(continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General revenues and other changes in net assets:										
Governmental activities:										
Ad valorem taxes	\$ 4,145	\$ 5,234	\$ 5,770	\$ 6,295	\$ 7,117	\$ 8,132	\$ 7,369	\$ 7,484	\$ 7,441	\$ 6,992
Franchise fees										
on gross receipts	971	914	978	1,029	1,464	1,852	1,807	1,407	1,432	1,074
Utility taxes	1,636	1,731	1,674	1,733	1,744	1,802	1,827	1,802	1,933	1,937
Communications										
services tax	652	855	658	777	863	816	1,003	1,331	1,198	1,147
Transportation tax	640	902	1,039	1,106	1,178	1,252	986	932	907	983
Business tax	-	-	-	-	-	122	156	155	98	122
Intergovernmental, not restricted to specific programs										
Interest earnings	692	418	1,602	1,327	1,268	762	904	1,799	1,581	1,755
Miscellaneous	253	326	156	451	683	821	276	57	138	61
Total governmental activities	422	435	509	454	427	390	322	447	363	437
Total governmental activities	9,411	10,815	12,386	13,172	14,744	15,949	14,650	15,414	15,091	14,508
Business-type activities										
Interest earnings	19	16	16	22	48	81	51	19	7	6
Total business-type activities	19	16	16	22	48	81	51	19	7	6
Total primary government	\$ 9,430	\$ 10,831	\$ 12,402	\$ 13,194	\$ 14,792	\$ 16,030	\$ 14,701	\$ 15,433	\$ 15,098	\$ 14,514
Changes in net assets										
Government activities	\$ (5,232)	\$ 3,901	\$ (3,063)	\$ (2,187)	\$ (565)	\$ (1,087)	\$ (1,026)	\$ 631	\$ (3,867)	\$ (3,523)
Business-type activities	121	170	300	2,090	449	196	188	82	304	178
Total primary government	\$ (5,111)	\$ 4,071	\$ (2,763)	\$ (97)	\$ (116)	\$ (891)	\$ (838)	\$ 713	\$ (3,563)	\$ (3,345)

Table 3

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

Fiscal Year	Ad Valorem Tax	Franchise Fees on Services	Utility Tax	Communications			Business Tax	Total
				Service Tax	Transportation Tax			
2002	\$ 4,145	\$ 971	1,636	\$ 652	\$ 640	\$ -	\$ 8,044	
2003	5,234	914	1,731	855	902	-	9,636	
2004	5,770	978	1,674	658	1,039	-	10,119	
2005	6,295	1,029	1,733	777	1,106	-	10,940	
2006	7,117	1,464	1,744	863	1,178	-	12,366	
2007	8,132	1,852	1,802	816	1,252	-	13,854	
2008	7,369	1,807	1,827	1,003	986	156	13,148	
2009	7,483	1,407	1,802	1,331	932	155	13,110	
2010	7,441	1,432	1,933	1,197	907	98	13,008	
2011	6,992	1,074	1,937	1,147	983	122	12,255	

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

Table 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	169	206	200	135	19	58	66	30	-	1
Assigned	-	-	-	-	-	-	583	1,048	1,540	80
Unassigned	7,182	6,671	4,383	5,008	6,185	7,268	3,464	6,862	6,050	6,875
Total General Fund	\$ 7,351	\$ 6,877	\$ 4,583	\$ 5,143	\$ 6,204	\$ 7,326	\$ 4,113	\$ 7,940	\$ 7,592	\$ 6,956
All Other Governmental Funds:										
Restricted:										
Special Revenue Funds	\$ 1,219	\$ 1,092	\$ 1,297	\$ 2,275	\$ 3,440	\$ 4,408	\$ 4,087	\$ 4,167	\$ 4,098	\$ 4,668
Committed	10,176	3,248	1,811	179	162	3,937	542	-	-	-
Assigned:										
Capital Project Funds	382	177	4,473	4,890	4,878	-	541	608	540	1,758
Unassigned:										
Capital Project Funds	-	-	-	-	-	(3,561)	-	-	-	-
Total all other governmental funds	\$ 11,777	\$ 4,517	\$ 7,581	\$ 7,344	\$ 8,480	\$ 4,784	\$ 5,170	\$ 4,775	\$ 4,638	\$ 6,426
Fund balances all governmental funds	\$ 19,128	\$ 11,394	\$ 12,164	\$ 12,487	\$ 14,684	\$ 12,110	\$ 9,283	\$ 12,715	\$ 12,230	\$ 13,382

Table 5

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	\$ 7,404	\$ 8,734	\$ 9,080	\$ 9,835	\$ 11,188	\$ 12,724	\$ 12,162	\$ 13,111	\$ 13,008	\$ 12,255
Licenses and permits	1,363	1,417	1,657	1,822	2,122	1,677	1,604	1,128	1,443	1,779
Intergovernmental	2,323	8,575	3,318	3,570	3,623	3,338	4,153	8,736	3,426	2,890
Charges for services	246	545	481	463	619	606	780	1,227	1,139	1,555
Fines and forfeitures	219	215	281	275	416	541	343	218	376	199
Interest	253	313	156	437	670	807	263	44	124	61
Miscellaneous	321	863	509	454	427	390	323	447	363	460
Total revenues	12,129	20,662	15,482	16,856	19,065	20,083	19,628	24,911	19,879	19,199
Expenditures:										
Current:										
General government	2,287	1,926	877	2,338	2,129	3,807	2,730	5,908	4,829	3,277
Public safety	6,238	6,303	6,311	6,334	6,736	6,729	6,588	6,910	7,281	7,280
Building, planning & zoning	1,140	1,300	1,376	1,542	1,640	1,824	1,734	1,476	1,434	1,501
Parks and recreation	1,648	15,379	2,654	2,453	3,984	7,654	7,827	4,085	3,270	4,308
Public works	1,366	1,333	1,549	1,222	872	1,143	2,087	1,596	2,048	1,559
Non-departmental	976	904	3,674	1,145	-	-	-	-	-	-
Debt service:										
Principal	290	550	570	690	725	750	780	815	845	1,030
Interest	344	701	701	809	782	751	721	691	657	531
Issuance costs	136	-	-	-	-	-	-	-	-	113
Total expenditures	14,425	28,396	17,712	16,533	16,868	22,658	22,467	21,481	20,364	19,599
Excess (deficiency) of revenues over expenditures	(2,296)	(7,734)	(2,230)	323	2,197	(2,575)	(2,839)	3,430	(485)	(400)
Other financing sources (uses):										
Bond proceeds	7,998	-	3,000	-	-	-	-	-	-	5,825
Bond discount	-	-	-	-	-	-	-	-	-	(52)
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	-	(4,220)
Transfers in	634	1,632	3,671	1,499	2,696	3,001	7,025	5,508	1,528	1,528
Transfers out	(634)	(1,632)	(3,671)	(1,499)	(2,696)	(3,001)	(7,025)	(5,508)	(1,528)	(1,528)
Capital lease	-	-	-	-	-	-	14	-	-	-
Total other financing sources (uses)	7,998	-	3,000	-	-	-	14	-	-	1,553
Net change in fund balances	\$ 5,702	\$ (7,734)	\$ 770	\$ 323	\$ 2,197	\$ (2,575)	\$ (2,825)	\$ 3,430	\$ (485)	\$ 1,153
Debt service as a percentage of non-capital expenditures	4.40%	4.41%	7.18%	9.07%	8.93%	6.62%	9.34%	7.75%	7.99%	9.31%

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

Table 6

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Misc.</u>	<u>Total</u>
2002	7,403,931	1,362,665	2,322,980	246,445	219,151	252,897	321,026	12,129,095
2003	8,734,449	1,416,741	8,575,259	544,766	214,524	312,738	863,096	20,661,573
2004	9,080,086	1,656,751	3,318,279	480,774	281,158	155,854	509,096	15,481,998
2005	9,834,612	1,821,586	3,569,813	463,108	274,974	437,419	454,296	16,855,808
2006	11,188,038	2,121,715	3,623,129	619,666	416,425	669,998	426,567	19,065,538
2007	12,724,310	1,676,528	3,337,845	606,006	541,087	807,396	390,350	20,083,522
2008	12,161,876	1,604,268	4,153,107	779,504	343,479	263,059	322,496	19,627,789
2009	13,111,455	1,128,216	8,735,594	1,226,808	217,676	43,780	447,201	24,910,730
2010	13,008,451	1,442,526	3,426,265	1,139,215	376,128	124,343	362,894	19,879,822
2011	12,255,238	1,779,187	2,889,701	1,554,990	199,242	61,048	459,550	19,198,956

Source: All governmental funds for fiscal years commencing 2002.

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

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

Table 7

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
2002	2,028,549,847	44,051,288	2,072,601,135	2.1	2,181,685,405	95 %
2003	2,231,723,235	45,728,441	2,277,451,676	2.4	2,397,317,554	95 %
2004	2,457,111,202	42,781,470	2,499,892,672	2.4	2,631,465,971	95 %
2005	2,692,568,177	45,247,052	2,737,815,229	2.4	2,881,910,767	95 %
2006	3,053,194,733	44,846,184	3,098,040,917	2.4	3,261,095,702	95 %
2007	3,460,282,932	39,173,088	3,499,456,020	2.4	3,683,637,916	95 %
2008	3,895,944,419	46,427,219	3,942,371,638	1.95	4,149,864,882	95 %
2009	3,901,885,281	36,488,013	3,938,373,294	1.98	4,145,656,099	95 %
2010	3,682,575,484	39,424,119	3,721,999,603	2.1	3,917,894,319	95 %
2011	3,510,207,226	41,237,888	3,551,445,114	2.104	3,738,363,278	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

Table 8

Fiscal Year	Village			School		State		County				Special Districts				Total Direct Millage
	Operating Millage	Direct Operating Millage	Debt Service	Everglades Project	Florida Water Management	FIN (1)	Operating Millage	Debt Service	Children's Trust	Fire Rescue	Fire Debt	Library	Fire Debt			
2002	2.1000	8.528	0.848	0.100	0.597	0.0385	5.713	0.552	0.00	2.683	0.069	0.451	0.069	21.680		
2003	2.4000	8.482	0.770	0.100	0.597	0.0385	5.889	0.390	0.00	2.582	0.079	0.486	0.079	21.814		
2004	2.4000	8.418	0.682	0.100	0.597	0.0385	5.969	0.285	0.500	2.582	0.079	0.486	0.079	22.137		
2005	2.4000	8.09	0.597	0.100	0.597	0.0385	5.935	0.285	0.444	2.592	0.069	0.486	0.069	21.634		
2006	2.4000	7.947	0.491	0.100	0.597	0.0385	5.835	0.285	0.429	2.609	0.052	0.486	0.052	21.269		
2007	2.4000	7.691	0.414	0.100	0.597	0.0385	5.615	0.285	0.422	2.609	0.042	0.486	0.042	20.700		
2008	1.9500	7.570	0.378	0.0894	0.5346	0.0345	4.5796	0.285	0.4223	2.2067	0.042	0.3842	0.042	18.4763		
2009	1.9809	7.533	0.264	0.0894	0.5346	0.0345	4.8379	0.285	0.4212	2.1851	0.042	0.3822	0.042	18.5898		
2010	2.1040	7.698	0.297	0.0890	0.5350	0.0345	4.8379	1.285	0.5000	2.1850	0.042	0.3820	0.042	19.9894		
2011	2.1040	7.864	0.385	0.0894	0.5346	0.0345	5.4275	0.445	0.5000	2.5750	0.020	0.2840	0.020	20.2633		

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

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

Fiscal Year	Taxes Levied (1)	Amount Collected (2)	Percentage of Levy	Collections in Subsequent Years	Collected (2)	Percentage of Levy
2002	4,352,462	4,137,179	95.1 %	*	4,137,179	95.1 %
2003	5,465,884	5,221,224	95.5 %	*	5,221,224	95.5 %
2004	5,999,742	5,765,664	96.1 %	*	5,765,664	96.1 %
2005	6,570,757	6,294,169	95.8 %	*	6,294,169	95.8 %
2006	7,435,298	7,103,976	95.5 %	*	7,103,976	95.5 %
2007	8,398,694	8,121,422	96.8 %	*	8,121,422	96.7 %
2008	7,687,625	7,323,491	95.3 %	*	7,323,491	95.3 %
2009	7,801,524	7,483,478	95.9 %	*	7,483,478	95.9 %
2010	7,831,087	7,441,336	95.0 %	*	7,441,336	95.0 %
2011	7,702,974	6,909,711	89.7 %	*	6,909,711	89.7 %

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

(2) Information provided by the Village of Pinecrest.

* Information is not available.

VILLAGE OF PINECREST, FLORIDA
 PRINCIPAL TAXPAYERS
 SEPTEMBER 30, 2011

Table 10

Taxpayer	Type of Use	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Spector & Sons	Shopping Center	\$ 28,879,000	1	0.82%	\$ 20,644,359	1	0.91%
Kendall Plaza, LTD	Shopping Center	18,400,000	2	0.52%	13,311,175	4	0.58%
Gator Dadeland Partners, LTD	Shopping Center	17,416,485	3	0.50%	9,300,000	7	0.41%
Kendall Imports LLC	Shopping Center	16,100,000	4	0.46%	15,704,911	2	0.69%
G F B Enterprises	Automotive	13,000,000	5	0.37%	-	-	-
Florida Power & Light	Utility	12,506,170	6	0.36%	6,913,519	8	0.30%
Pinecrest Realty Associates	Shopping Center	11,900,000	7	0.34%	-	-	-
Suniland Associates	Shopping Center	10,400,000	8	0.30%	11,234,854	5	0.49%
Kendall House Apartments	Apartments	9,760,000	9	0.28%	6,155,549	10	0.27%
Burdines Real Estate	Shopping Center	9,600,000	10	0.27%	-	-	-
Bell South Communications	Utility	-	-	-	13,862,895	3	0.61%
Kenneth L Shimm	Shopping Center	-	-	-	11,024,990	6	0.48%
Raymond F. Forgarty, TT	Shopping Center	-	-	-	6,304,553	9	0.28%

Source: Miami-Dade County Tax Assessor's Office 2011 Tax Roll
 Real/Personal Property taxable value - \$ 3,517,339,939
 Miami-Dade County Tax Assessor's Office 2002 Tax Roll
 Real/Personal Property taxable value - \$ 2,277,451,805

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

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

Table 11

Fiscal Year	Governmental Activities <u>General Obligation Bonds* (2)</u>	Business Type Activities <u>Outstanding Bonds</u>	Total Primary Government	Population (1)	Percentage of Personal Income	Per Capita Debt
2002	15,050	-	15,050	19,078	1.54%	789
2003	14,500	-	14,500	19,286	1.47%	752
2004	17,005	-	17,005	19,317	1.72%	880
2005	16,315	-	16,315	19,460	1.64%	838
2006	15,590	-	15,590	19,530	1.60%	798
2007	14,840	-	14,840	19,382	1.50%	766
2008	14,060	-	14,060	19,454	1.41%	723
2009	13,245	-	13,245	19,491	1.33%	680
2010	12,400	-	12,400	19,411	1.25%	639
2011	13,075	-	13,075	18,255	1.40%	716

Notes: * In thousands

- (1) Fiscal years 2002 and thereafter the population as estimated by the Bureau of Economic and Business Research, University of Florida as of April 1 each year.
- (2) The Village of Pinecrest Finance Department is the source for this data.

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

Table 12

Fiscal Year	General Obligation Bonds* (2)	Assessed Value of Taxable Property* (3)	Ratio of Bonded Debt to Assessed Value	Population (1)	Per Capita Debt
2002	15,050	2,072,601	0.73%	19,078	789
2003	14,500	2,277,452	0.64%	19,286	752
2004	17,005	2,499,893	0.68%	19,317	880
2005	16,315	2,737,815	0.60%	19,460	838
2006	15,590	3,098,041	0.50%	19,530	798
2007	14,840	3,499,456	0.42%	19,382	766
2008	14,060	3,942,372	0.36%	19,454	723
2009	13,245	3,938,373	0.34%	19,491	680
2010	12,400	3,722,000	0.33%	19,411	639
2011	13,075	3,551,445	0.37%	18,255	716

Notes: * In thousands

- (1) 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, 2011

Table 13

<u>Jurisdiction</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to Pinecrest (1)</u>	<u>Amount Applicable to Pinecrest</u>	<u>Amount Per Capita Pinecrest (1)</u>
Direct				
Village of Pinecrest	\$ <u>13,075,000</u>	100.00%	\$ <u>13,075,000</u>	\$ <u>716</u>
Overlapping				
School Board (2)	\$ 216,005,000	0.78%	\$ 1,615,173	\$ 83
County (3)	<u>1,062,146,000</u>	0.78%	<u>7,942,177</u>	<u>409</u>
	<u>\$ 1,278,151,000</u>		<u>\$ 9,557,350</u>	<u>\$ 492</u>

Notes:

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

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

Table 14

Fiscal Year	Population (1)	Median Household Income (1)	Household Units (1)	School Enrollment (2)	Unemployment Rate (3)
2002	19,078	107,507	6,261	6,788	7.4%
2003	19,268	107,507	6,261	6,788	7.3%
2004	19,317	107,507	6,261	6,796	6.1%
2005	19,460	107,507	6,261	6,814	4.0%
2006	19,530	107,507	6,261	6,877	3.1%
2007	19,382	107,507	6,261	6,345	4.2%
2008	19,454	107,507	6,261	6,095	6.6%
2009	19,491	107,507	6,261	5,904	10.9%
2010	19,411	107,507	6,261	5,821	12.1%
2011	18,255	146,157	6,619	5,843	10.3%

Notes:

- (1) Fiscal years 2002 through 2011 the population as estimated by the Bureau of Economic and Business Research, University of Florida as of April 1 each year.
- (2) The Miami Dade School system is the source of this data
- (3) The Department of Labor is the source of this data.

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

Table 15

Employer	2011			2002		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Miami Dade School System	449	1	NA	426	1	NA
Kendall Imports, LLC	365	2	NA	365	2	NA
Home Depot	245	3	NA	NA		
Village of Pinecrest	163	4	NA	141	3	NA
Whole Food Market	137	5	NA	NA		
Best Buy	100	6	NA	NA		
12425 Inc.	65	7	NA	NA		
Captain's Tavern	65	8	NA	NA		
McDonalds Restaurants of FL	55	9	NA	NA		
Gardeners Market	50	10	NA	NA		
Gulliver Preparatory School				110	4	NA
Hallet Pontiac - GMC Truck, Inc.				80	5	NA
Parrott Jungle				69	6	NA
Berenfeld, Spritzer, Shechter & Sheep				35	7	NA
Churchill Hair Designers				34	8	NA
School Management Systems				33	9	NA
Young Management Systems				33	10	NA
Total	1,694			1,326		

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

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

Table 16

Function:	Full time Equivalent Employees as of September 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government	13.0	12.0	11.0	11.0	12.0	11.0	12.0	11.5	12.0	12.0
Public safety										
Sworn	50.0	50.0	50.0	54.0	54.0	54.0	54.0	54.0	58.0	57.0
Civilians	23.0	23.0	23.0	23.0	25.0	25.0	26.0	26.0	27.0	27.0
Building, planning and zoning	15.0	15.0	14.0	19.0	18.0	15.0	15.0	14.0	16.0	16.0
Public works	6.0	7.0	6.0	6.0	6.0	7.0	7.0	7.0	6.0	6.0
Parks and recreation	32.0	31.0	49.0	49.0	53.0	34.0	31.0	29.0	29.0	23.0
Pincrest Gardens	24.0	21.0	-	-	-	-	-	-	-	-
Total	163.0	159.0	153.0	162.0	168.0	146.0	145.0	141.5	148.0	141.0

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

Table 17

Function:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Population	18,255	19,411	19,491	19,454	19,382	19,530	19,460	19,317	19,268	19,078
Police:										
Part 1 crimes*	702	584	723	792	837	586	849	753	751	795
Traffic citations and warnings	15,801	17,089	18,168	11,290	11,743	14,562	13,989	13,144	16,892	13,232
False alarms	1,961	2,177	2,118	2,343	2,509	2,633	2,440	2,807	2,950	3,018
Crashes	800	793	787	749	918	882	878	856	798	917
Other	577	635	642	740	1,250	1,023	3,444	7,799	4,789	4,838
Total	19,841	21,278	22,438	15,914	17,257	19,686	21,600	25,359	26,180	22,800
* Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.										
Expenditures (thousands)	\$ 7,107	\$ 7,123	\$ 6,909	\$ 6,588	\$ 6,729	\$ 6,736	\$ 6,334	\$ 6,311	\$ 6,303	\$ 6,238
Revenue (thousands)	396	584	423	487	594	469	275	363	255	96
Net expenses	\$ 6,711	\$ 6,539	\$ 6,486	\$ 6,101	\$ 6,135	\$ 6,267	\$ 6,059	\$ 5,948	\$ 6,048	\$ 6,142
Cost per resident	\$ 367.63	\$ 336.87	\$ 332.77	\$ 313.61	\$ 316.53	\$ 320.89	\$ 311.36	\$ 307.92	\$ 313.89	\$ 321.94
911 calls	8,100	7,975	8,811	-	-	-	-	-	-	-
Service calls (911 and nonemergency dispatch calls)	19,100	19,074	19,528	-	-	-	-	-	-	-
Building, planning and zoning:										
Building permits:										
Building	1,582	1,363	1,421	1,568	2,251	2,414	1,989	1,765	2,161	2,018
Electrical	619	466	448	654	855	873	823	720	769	844
Mechanical	319	339	245	321	378	448	440	477	467	377
Plumbing	572	510	402	498	662	716	742	676	800	818
Gas	9	46	37	72	143	233	52	25	53	40
Total	3,101	2,724	2,553	3,113	4,289	4,684	4,046	3,663	4,250	4,097

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

Table 17
(continued)

Function:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Parks:										
Pinecrest Gardens:										
Expenditures (thousands)	\$ 1,513	1,357	1,193	1,108	1,109	1,262	1,198	1,092	790	-
Revenue (thousands)	312	125	126	215	156	193	150	188	211	-
Net expenses	\$ 1,201	1,232	1,067	893	953	1,069	1,048	904	579	-
Net cost per resident	\$ 65.79	63.47	54.75	45.91	49.17	54.74	53.85	46.80	30.05	-
Community Center:										
Expenditures (thousands)	\$ 792	738	367	245	-	-	-	-	-	-
Revenue (thousands)	612	504	204	116	-	-	-	-	-	-
Net expenses	\$ 180	234	163	129	-	-	-	-	-	-
Net cost per resident	\$ 9.86	12.06	8.36	6.63	-	-	-	-	-	-
All other parks:										
Expenditures (thousands)	\$ 1,177	1,076	1,346	1,158	1,173	1,208	1,143	893	895	817
Revenue (thousands)	201	201	429	204	188	175	150	124	120	90
Net expenses	\$ 976	875	917	954	985	1,033	993	769	775	727
Net cost per resident	\$ 53.46	45.08	47.05	49.04	50.82	52.89	51.03	39.81	40.22	38.11

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

Table 17
(continued)

Function:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund:										
General Fund (GF) revenues*	\$ 16,893	16,781 \$	20,365 \$	17,176 \$	18,232 \$	17,401 \$	15,470 \$	13,669 \$	12,858 \$	11,221
Per capital GF revenues	\$ 925.39	864.51 \$	1,044.84 \$	882.90 \$	940.66 \$	890.99 \$	794.96 \$	707.61 \$	667.32 \$	588.16
General Fund expenditures*	\$ 17,529	17,129 \$	16,538 \$	20,402 \$	17,149 \$	16,224 \$	14,845 \$	15,958 \$	13,369 \$	11,156
Per capita GF expenditures	\$ 960.23	882.44 \$	848.49 \$	1,048.73 \$	884.79 \$	830.72 \$	762.85 \$	826.11 \$	693.84 \$	584.76
GF revenue as a percentage of GF expenditures	96.37%	98.14%	122.92%	84.49%	106.31%	107.25%	104.21%	85.66%	96.18%	100.59%
Interest rates, maximum	0.32%	0.40%	2.01%	5.62%	5.77%	5.39%	3.70%	1.70%	2.00%	2.86%
Interest rates, minimum	0.15%	0.10%	0.20%	1.60%	3.50%	2.50%	1.30%	1.15%	1.25%	1.90%
Stormwater Fund:										
Operating revenue*	\$ 553	449 \$	375 \$	379 \$	402 \$	355 \$	376 \$	374 \$	294 \$	229
Operating revenue per capita	\$ 31	23 \$	19 \$	19 \$	21 \$	18 \$	19 \$	19 \$	15 \$	12
Accounts receivable*	\$ 251	151 \$	120 \$	110 \$	74 \$	71 \$	1,023 \$	31 \$	26 \$	44
Unrestricted net assets*	\$ 2,501	2,231 \$	1,963 \$	1,817 \$	1,587 \$	1,324 \$	1,350 \$	1,235 \$	1,121 \$	906
Percentage of accounts receivable to unrestricted net assets	10.04%	6.77%	6.11%	6.05%	4.66%	5.36%	75.78%	2.51%	2.32%	4.86%
General Government:										
Lien searches	459	420	393	304	496	535	641	661	890	773
Homestead properties	4,733	4,807								
Total properties	6,466	6,512								
Homestead as percentage of total properties	73.2%	73.8%								

* Amounts in thousands

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

Table 18

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	30	33	31	32	32	31	33	33	33	33
Parks:										
Parks	6	7	7	7	7	7	7	7	7	7
Park Acreage	62	62	62	62	62	61	60	60	60	36
Tennis Courts	6	6	6	6	6	6	6	6	6	6
Public Works										
Miles of roads	108	108	108	108	108	108	108	108	108	108
Cable Television Systems	1	1	1	1	2	2	3	3	3	3
Public Schools:										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	3	3	3	3	3	3	3

COMPLIANCE SECTION



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Pinecrest, Florida (the "Village") as of and for the year ended September 30, 2011, which collectively comprise the Village of Pinecrest, Florida's basic financial statements and have issued our report thereon dated January 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Village of Pinecrest, Florida

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

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 10, 2012



INDEPENDENT AUDITORS' REPORT TO VILLAGE MANAGEMENT

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

We have audited the basic financial statements of Village of Pinecrest, Florida (the "Village"), as of and for the year ended September 30, 2011, and have issued our report thereon dated January 10, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which are dated January 10, 2012, should be considered in conjunction with this management letter.

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

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

Village of Pinecrest, Florida

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Village of Pinecrest, Florida was incorporated by Ordinance No. 95-207 adopted by the Miami-Dade Board of County Commissioners on November 12, 1995. The Village does not have any component units.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Village for the fiscal year ended September 30, 2011, 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, 2011. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 10, 2012