



VILLAGE OF PINECREST
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2012

2011-2012



COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
VILLAGE OF PINECREST, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2012

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, 2012

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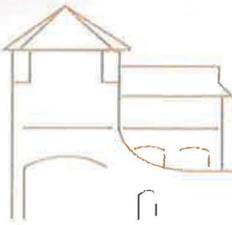
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INTRODUCTORY SECTION



VILLAGE OF PINECREST

DEPARTMENT OF FINANCE



Gary S. Clinton, CPA, CPFO
Finance Director

January 23, 2013

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, 2012.

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, 2012, 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, 2012, 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 approximately 8 square miles and serves a population of 18,447. 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, Village Clerk and Village Attorney. 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, Building and Planning, 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's 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 30th, 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 through a budget amendment process. 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 design of a Master Plan for Coral Pine Park; Banyan Bowl Seating; Improvements at Pinecrest Gardens and a drainage project at Pine Needle and Rock Gardens.

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 all 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 percent (7) % of his or her pay to the plan, which is matched by a contribution by the Village of Pinecrest of ten percent (10%).

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

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

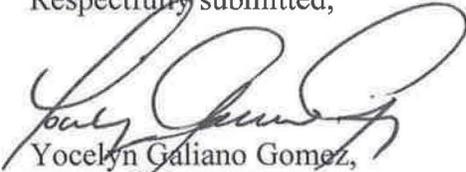
Awards and acknowledgements

The Government Finance Officers Association of the United State 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, 2011. This was the sixteenth year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report submitted for the Fiscal Year 2011 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 will be 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, LEED GA
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, 2011

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.



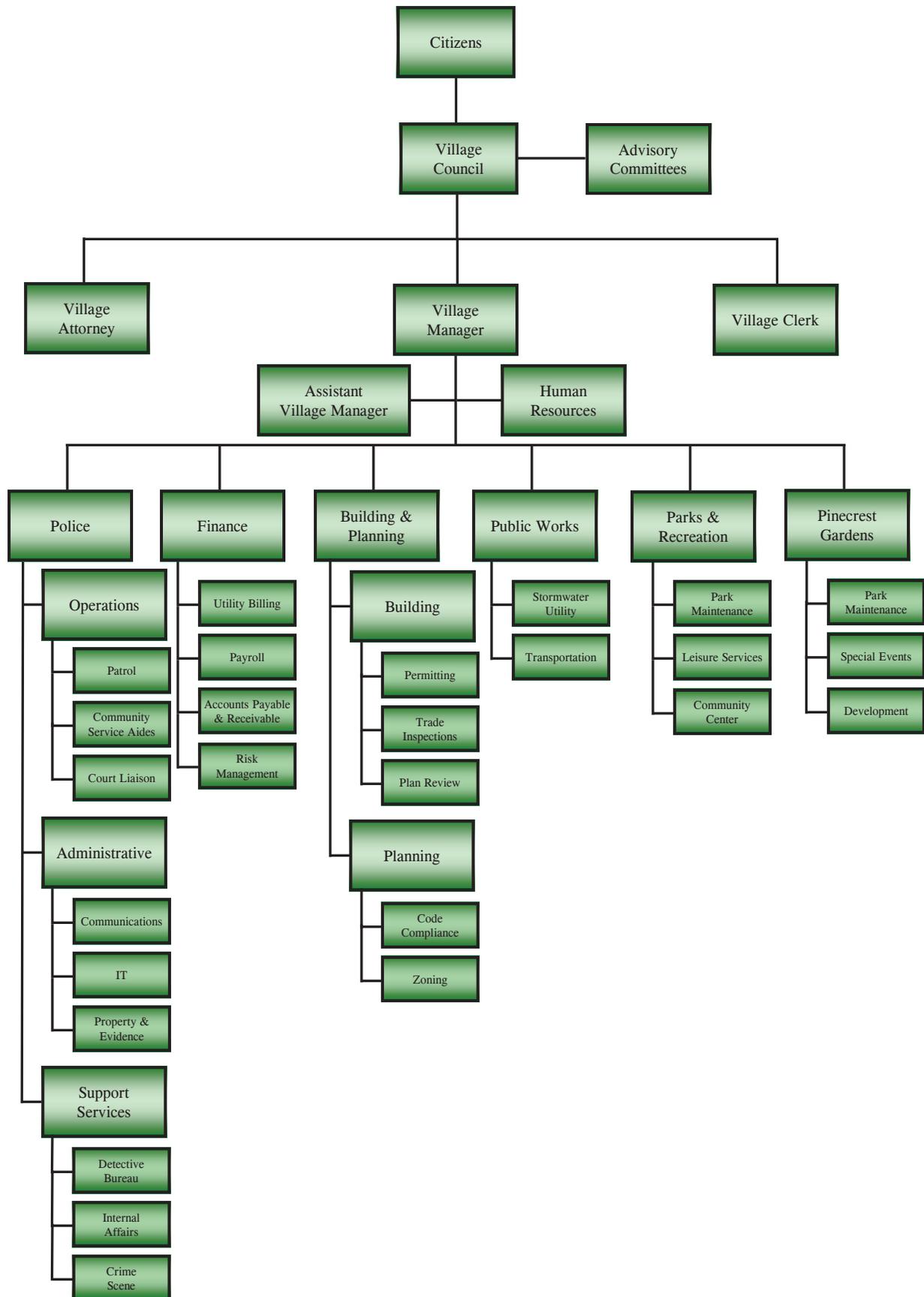
Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

Organizational Chart



Village of Pinecrest

Village Council



Cindy Lerner
Mayor



Nancy L. Harter
Vice Mayor



Joseph M. Corradino
Councilmember



Jeff Cutler
Councilmember



Bob Ross
Councilmember

Charter Officers



Jocelyn Galiano Gomez, ICMA-CM
Village Manager



Guido H. Inguanzo, Jr., CMC
Village Clerk



Cynthia A. Everett
Village Attorney

Administrative Personnel

Maria Alberro Menendez, Assistant Village Manager

Angela T. Gasca, Administrative Services 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

Samuel Ceballos, Jr., 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, 2012, 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, 2012, 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 23, 2013 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 40, 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 23, 2013

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

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, 2012. 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 and deferred outflows of resources of the Village of Pinecrest exceeded its liabilities at the close of the most recent fiscal year by \$ 105,506,588 (net position). Of this amount, \$ 9,978,664 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental total net position decreased by \$ 3,596,220. 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 \$ 14,638,555, an increase of \$ 1,256,082 in comparison with the prior year. Approximately 53.7% of this total amount, \$ 7,850,495 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 7,850,495 or 46.2% of total General Fund expenditures and transfers.
- The Village of Pinecrest total bonded debt decreased by \$ 935,000 (7.2%) during the current fiscal year.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some 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, 2012

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 position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Pinecrest, assets and deferred outflows of resources exceeded liabilities by \$ 112,348,190 at the close of the most recent fiscal year.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

By far the largest portion of the Village of Pinecrest's net position \$ 97,004,787 (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 Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 15,655,616	\$ 14,298,611	\$ 2,220,078	\$ 2,565,921	\$ 17,875,694	\$ 16,864,532
Capital assets	104,027,520	109,683,378	4,783,558	4,533,896	108,811,078	114,217,274
Total assets	<u>119,683,136</u>	<u>123,981,989</u>	<u>7,003,636</u>	<u>7,099,817</u>	<u>126,686,772</u>	<u>131,081,806</u>
Total deferred outflows of resources	<u>135,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,583</u>	<u>-</u>
Long-term bonded debt	12,225,820	13,067,149	-	-	12,225,820	13,067,149
Other liabilities	<u>2,086,311</u>	<u>1,812,032</u>	<u>162,034</u>	<u>143,811</u>	<u>2,248,345</u>	<u>1,955,843</u>
Total liabilities	<u>14,312,131</u>	<u>14,879,181</u>	<u>162,034</u>	<u>143,811</u>	<u>14,474,165</u>	<u>15,022,992</u>
Net position:						
Net investment in capital assets	92,221,229	97,386,359	4,783,558	4,533,896	97,004,787	101,920,255
Restricted	5,364,739	4,667,529	-	-	5,364,739	4,667,529
Unrestricted	<u>7,920,620</u>	<u>7,048,920</u>	<u>2,058,044</u>	<u>2,422,110</u>	<u>9,978,664</u>	<u>9,471,030</u>
Total net position	<u>\$ 105,506,588</u>	<u>\$ 109,102,808</u>	<u>\$ 6,841,602</u>	<u>\$ 6,956,006</u>	<u>\$ 112,348,190</u>	<u>\$ 116,058,814</u>

The balance of unrestricted net position \$ 9,978,664 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 position.

Governmental activities. Governmental activities decreased the Village of Pinecrest's net assets by \$ 3,596,220. Key elements in the changes in net position activity are as follows:

Village of Pinecrest's Changes in Net Position

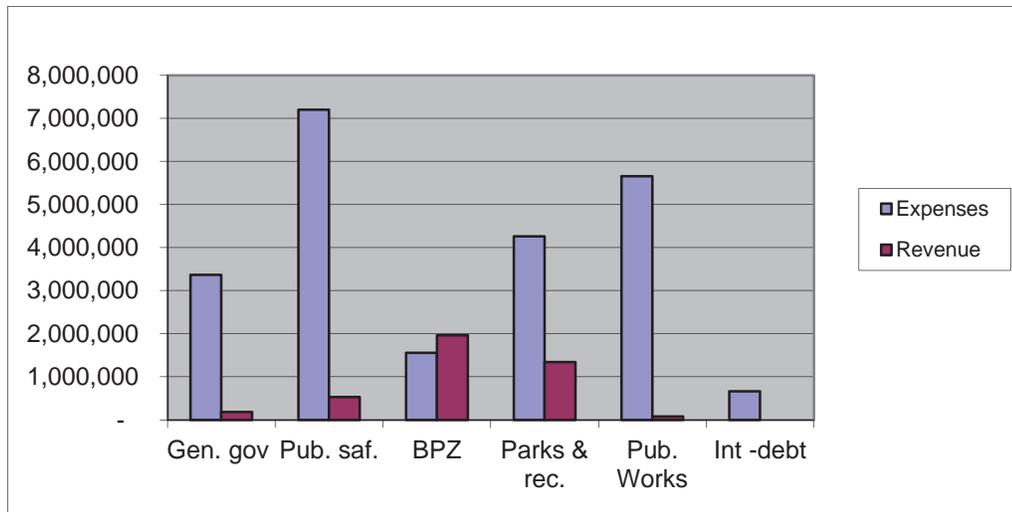
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
REVENUES:						
Program revenues:						
Charges for services	\$ 3,996,283	\$ 3,533,419	\$ 445,373	\$ 473,400	\$ 4,441,656	\$ 4,006,819
Operating grants and contributions	81,599	87,211	-	-	81,599	87,211
Capital grants and contributions	188,779	1,047,381	-	-	188,779	1,047,381
General revenues:						
Taxes	12,800,336	12,255,238	-	-	12,800,336	12,255,238
Other	<u>2,055,236</u>	<u>2,253,154</u>	<u>6,007</u>	<u>5,853</u>	<u>2,061,243</u>	<u>2,259,007</u>
Total revenues	<u>19,122,233</u>	<u>19,176,403</u>	<u>451,380</u>	<u>479,253</u>	<u>19,573,613</u>	<u>19,655,656</u>

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2012

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
EXPENSES:						
General government	3,363,087	3,414,571	-	-	3,363,087	3,414,571
Public safety	7,202,439	7,558,837	-	-	7,202,439	7,558,837
Building, planning and zoning	1,552,043	1,498,738	-	-	1,552,043	1,498,738
Parks and recreation	4,262,507	4,143,789	-	-	4,262,507	4,143,789
Public works	5,658,299	5,561,569	-	-	5,658,299	5,561,569
Interest and other debt service charges	680,078	521,621	-	-	680,078	521,621
Stormwater	-	-	565,784	380,396	565,784	380,396
Total expenses	22,718,453	22,699,125	565,784	380,396	23,284,237	23,079,521
Increase (decrease) in net position	(3,596,220)	(3,522,722)	(114,404)	98,857	(3,710,624)	(3,423,865)
NET POSITION, October 1	109,102,808	112,625,530	6,956,006	6,857,149	116,058,814	119,482,679
NET POSITION, September 30	\$ 105,506,588	\$ 109,102,808	\$ 6,841,602	\$ 6,956,006	\$ 112,348,190	\$ 116,058,814

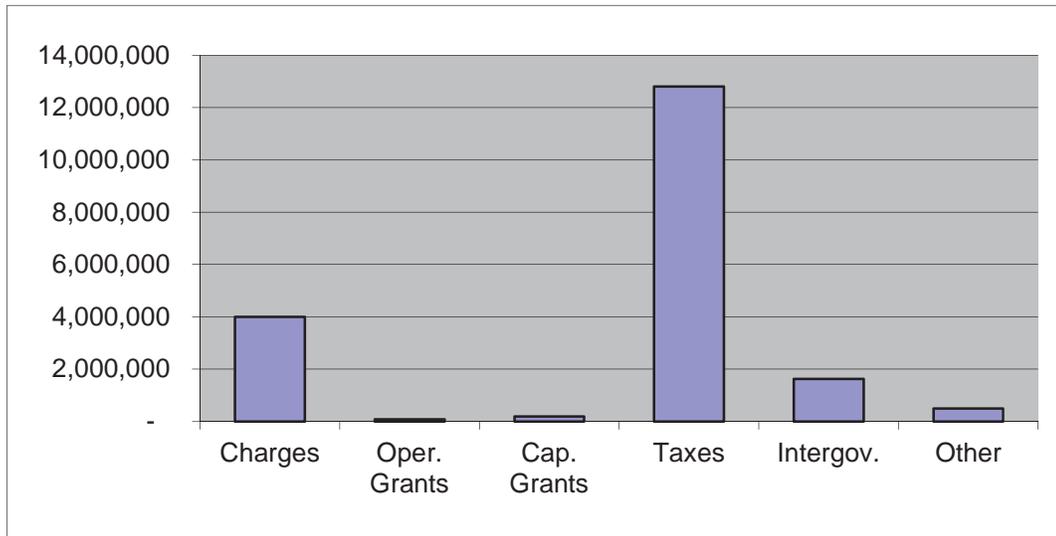
- Taxes, \$ 12,800,336 comprised (66.9 %) of the total governmental revenues, \$ 19,122,233 during the fiscal year. Most of this category is property taxes, \$ 7,410,475.
- Charges for services accounted for \$ 3,996,283 (20,.9%) of total governmental revenues.
- Operating and capital grants and contributions accounted for \$ 270,378 (1.4%) of total governmental revenues.

Expenses and Program Revenues – Governmental Activities



VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

Revenues by Source – Governmental Activities



For the most part, expenditures were level as the Village controlled the demand for services. The Village of Pinecrest's Park and Recreation Department continued to improve Pinecrest Gardens. Ad valorem taxes had a modest increase. There were fewer capital grants as federal, state and county resources were reduced.

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 \$ 14,638,555, an increase of \$ 1,256,082 in comparison with the prior year, \$ 13,382,473. Approximately 53.7% of this total amount - \$ 7,850,495 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 \$ 7,850,495. 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 46.2% of total General Fund expenditures including transfers, while total fund balance represents 48.2% of that same amount.

- The fund balance of the Village of Pinecrest's General Fund increased by \$ 1,239,249 during the current fiscal year.
- Charges for services increased by \$ 115,799 due to increases in revenues from the spin room at the Community Center and more events in Pinecrest Gardens.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

- The increase in expenses for Parks and Recreation including Pinecrest Gardens 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 \$ 1,020,000 was transferred into the fund for principal payments, a decrease of \$ 10,000. This year \$ 570,236 was transferred into the fund for interest payments, an increase of \$ 38,544.

The budget to actual variances in the General Fund were charges for services (\$ 211,929), due to increased programming at the Community Center and Pinecrest Gardens. Licenses and permits were \$ 151,195 over budget. General Government was \$ 319,240 under budget as a result of \$ 110,000 in savings in insurance costs derived from the bidding process and \$ 87,000 of savings in personnel costs in the Village Manager's and Finance Department. The Police Department tightly controlled personnel and overtime to reduce costs. In total, the Police Department was \$ 245,515 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 position went from \$ 2,422,110 to \$ 2,058,044, a decrease of \$ 364,066. This decrease reflects the fact that funds were used for capital improvements which are depreciated over many years.

General Fund Budget Highlights

During the year, budgetary revenues and transfers in were more than budgetary expenditures and transfers out increasing the fund balance by \$ 1,239,249.

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

- The electric franchise fees were \$ 138,000 higher because the Village relied on statements by the county that a state mandated refund on fuel adjustments was taken entirely during FY 2011 although we were told to expect that reduction over two years.
- New impact fees were levied in FY 2012 which yielded \$ 93,000.
- Additional revenues in Pinecrest Gardens and the Community Center from increased special events and the addition of spinning classes generated an additional \$ 256,000.
- There was the collection of a large fine totaling \$ 150,000 which is projected to result in a \$ 164,000 favorable budget variance.
- Police Department expenditures came in \$ 246,000 lower mainly due to many retirements in the management hierarchy and a reorganization of the department as a result of lower salaries and periods in which positions were vacant.
- General Government as \$ 319,000 lower than budgeted due to a lower bid on insurance resulting in \$ 111,000 in savings and lower personnel costs in both the Finance Department and the Village Manager's office due to changes in personnel and periods when positions were vacant.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

Capital Asset and Debt Administration

Capital assets. The Village of Pinecrest's investment in capital assets for its governmental activities as of September 30, 2012, amounts to \$ 104,027,520 (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 4.7%.

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	
	2012	2011	2012	2011	2012	2011
General government	\$ 5,487,663	\$ 6,125,293	\$ -	\$ -	\$ 5,487,663	\$ 6,125,293
Public safety	297,975	412,683	-	-	297,975	412,683
Building, planning and zoning	49,906	16,203	-	-	49,906	16,203
Parks	31,655,461	32,018,963	-	-	31,655,461	32,018,963
Public works	66,536,515	71,110,236	-	-	66,536,515	71,110,236
Stormwater	-	-	4,783,558	4,533,896	4,783,558	4,533,896
Total	\$ <u>104,027,520</u>	\$ <u>109,683,378</u>	\$ <u>4,783,558</u>	\$ <u>4,533,896</u>	\$ <u>108,811,078</u>	\$ <u>114,217,274</u>

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

Long-term debt. At the end of the fiscal year, the Village of Pinecrest had total bonded debt outstanding of \$ 12,140,000. 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	
	2012	2011
General Obligation Bonds	\$ 12,140,000	\$ 13,075,000

The Village of Pinecrest decreased its total debt by \$ 935,000 (7.2%) during the current fiscal year. There are four issues outstanding; Greer Park refinancing, \$ 3,730,000 which matures in FY 2019; Pinecrest Gardens refinancing (formerly known as the Parrot Jungle), \$ 4,860,000 which matures in FY2022, the Library/Community Center, \$ 2,130,000 which matures in FY2024, and Pinecrest Gardens Improvement \$ 1,420,000, which matures in FY2030.

The last Village of Pinecrest issue, \$ 4,860,000, was made in conjunction with the Florida Municipal Loan Council on May 1, 2012. These bonds carried the following bond ratings:

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

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2012

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 8.5%, which is a decrease from a rate of 10.3% a year ago. The Village of Pinecrest residents will have a lower unemployment rate than is reported for the county.
- Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, unassigned fund balance increased to \$ 7,850,495. The Village of Pinecrest has assigned \$ 197,980 of fund balance for spending in the 2013 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 POSITION
September 30, 2012

	Governmental Activities	Business- Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 14,909,120	\$ 2,085,202	\$ 16,994,322
Receivables, net	599,209	134,876	734,085
Prepays	147,287	-	147,287
Total current assets	15,655,616	2,220,078	17,875,694
Non-current assets:			
Capital assets, not depreciated:			
Land	16,959,440	-	16,959,440
Capital assets, net of accumulated depreciation:			
Buildings	16,334,330	-	16,334,330
Improvements	4,062,670	-	4,062,670
Equipment	542,811	-	542,811
Computer software	115,470	-	115,470
Infrastructure	66,012,799	4,783,558	70,796,357
Total non-current assets	104,027,520	4,783,558	108,811,078
Total assets	119,683,136	7,003,636	126,686,772
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	135,583	-	135,583
Total deferred outflows of resources	135,583	-	135,583

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF NET POSITION
(continued)
September 30, 2012

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
LIABILITIES:			
Current:			
Accounts payable and other accrued liabilities	946,010	29,494	975,504
Accrued interest payable	189,213	-	189,213
Revenues collected in advance	-	132,540	132,540
Compensated absences, due in one year	368,082	-	368,082
Bonds payable, due in one year	<u>1,125,000</u>	<u>-</u>	<u>1,125,000</u>
Total current liabilities	<u>2,628,305</u>	<u>162,034</u>	<u>2,790,339</u>
Non-current:			
Unearned revenues	71,051	-	71,051
OPEB liability	447,000	-	447,000
Compensated absences, due in more than one year	64,955	-	64,955
Bonds payable, due in more than one year	<u>11,100,820</u>	<u>-</u>	<u>11,100,820</u>
Total non-current liabilities	<u>11,683,826</u>	<u>-</u>	<u>11,683,826</u>
Total liabilities	<u>14,312,131</u>	<u>162,034</u>	<u>14,474,165</u>
NET POSITION			
Net investment in capital assets	92,221,229	4,783,558	97,004,787
Restricted for:			
Transportation	5,306,853	-	5,306,853
Public Safety	57,886	-	57,886
Unrestricted net assets	<u>7,920,620</u>	<u>2,058,044</u>	<u>9,978,664</u>
Total net position	<u>\$ 105,506,588</u>	<u>\$ 6,841,602</u>	<u>\$ 112,348,190</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, 2012

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	\$ 3,363,087	\$ 184,720	\$ -	\$ -	\$ (3,178,367)	\$ -	\$ (3,178,367)
Public safety	7,202,439	425,930	81,599	20,919	(6,673,991)	-	(6,673,991)
Building, planning and zoning	1,552,043	1,964,275	-	-	412,232	-	412,232
Parks and recreation	4,262,507	1,344,216	-	9,259	(2,909,032)	-	(2,909,032)
Public works	5,658,299	77,142	-	158,601	(5,422,556)	-	(5,422,556)
Interest and other debt service costs	680,078	-	-	-	(680,078)	-	(680,078)
Total governmental activities	22,718,453	3,996,283	81,599	188,779	(18,451,792)	-	(18,451,792)
Business-type activities:							
Stormwater	565,784	445,373	-	-	-	(120,411)	(120,411)
Total business-type activities	565,784	445,373	-	-	-	(120,411)	(120,411)
Total primary government	\$ 23,284,237	\$ 4,441,656	\$ 81,599	\$ 188,779	(18,451,792)	(120,411)	(18,572,203)
General revenues:							
Ad valorem taxes					7,410,475	-	7,410,475
Franchise fees					1,216,632	-	1,216,632
Utilities taxes					1,981,967	-	1,981,967
Communications services tax					1,108,040	-	1,108,040
Transportation tax					956,060	-	956,060
Business tax					127,162	-	127,162
Intergovernmental, not restricted to specific programs					1,623,019	-	1,623,019
Interest earnings					79,518	6,007	85,525
Miscellaneous					352,699	-	352,699
Total general revenues					14,855,572	6,007	14,861,579
Change in net position					(3,596,220)	(114,404)	(3,710,624)
Net position - beginning of year, as restated (Note 2H)					109,102,808	6,956,006	116,058,814
Net position - end of year					\$ 105,506,588	\$ 6,841,602	\$ 112,348,190

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

VILLAGE OF PINECREST, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012

	General Fund	Transportation Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 8,605,430	\$ 4,849,818	\$ 1,088,010	\$ 365,862	\$ 14,909,120
Receivables, net	404,492	142,854	-	51,863	599,209
Prepays	147,287	-	-	-	147,287
	<u>\$ 9,157,209</u>	<u>\$ 4,992,672</u>	<u>\$ 1,088,010</u>	<u>\$ 417,725</u>	<u>\$ 15,655,616</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable and other accrued liabilities	\$ 890,396	\$ 3,361	\$ 9,956	\$ 42,297	\$ 946,010
Deferred revenue	71,051	-	-	-	71,051
	<u>961,447</u>	<u>3,361</u>	<u>9,956</u>	<u>42,297</u>	<u>1,017,061</u>
Fund balances:					
Nonspendable:					
Prepays	147,287	-	-	-	147,287
Restricted for:					
Transportation	-	4,989,311	-	317,542	5,306,853
Public safety	-	-	-	57,886	57,886
Assigned to:					
Capital projects	-	-	1,078,054	-	1,078,054
Subsequent year's budget	197,980	-	-	-	197,980
Unassigned	7,850,495	-	-	-	7,850,495
	<u>8,195,762</u>	<u>4,989,311</u>	<u>1,078,054</u>	<u>375,428</u>	<u>14,638,555</u>
Total liabilities and fund balances	<u>\$ 9,157,209</u>	<u>\$ 4,992,672</u>	<u>\$ 1,088,010</u>	<u>\$ 417,725</u>	<u>\$ 15,655,616</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 POSITION
For the Year Ended September 30, 2012

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 14 \$ 14,638,555

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

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

Governmental capital assets	\$ 198,519,739	
Less accumulated depreciation	<u>(94,492,219)</u>	104,027,520

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Deferred charge on refunding	135,583	
OPEB liability	(447,000)	
Accrued interest payable	(189,213)	
Compensated absences	(433,037)	
Governmental bonds payable	<u>(12,225,820)</u>	<u>(13,159,487)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 12 \$ 105,506,588

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, 2012

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 11,844,276	\$ 956,060	\$ -	\$ -	\$ 12,800,336
Licenses and permits	1,750,720	-	-	-	1,750,720
Intergovernmental	1,643,938	34,800	9,259	205,400	1,893,397
Charges for services	1,670,789	-	-	-	1,670,789
Fines and forfeitures	539,992	-	-	34,782	574,774
Interest	27,554	50,712	810	442	79,518
Miscellaneous	352,567	-	132	-	352,699
	<u>17,829,836</u>	<u>1,041,572</u>	<u>10,201</u>	<u>240,624</u>	<u>19,122,233</u>
Total revenues					
Expenditures:					
Current:					
General government	2,708,966	-	-	-	2,708,966
Public safety	6,875,375	-	-	118,719	6,994,094
Building, planning and zoning	1,573,039	-	-	-	1,573,039
Parks and recreation	3,556,168	-	339,006	-	3,895,174
Public works	634,493	220,060	-	230,217	1,084,770
Debt service:					
Principal	-	-	-	1,020,000	1,020,000
Interest	-	-	19,872	570,236	590,108
Bond issue costs	-	-	32,360	-	32,360
	<u>15,348,041</u>	<u>220,060</u>	<u>391,238</u>	<u>1,939,172</u>	<u>17,898,511</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>2,481,795</u>	<u>821,512</u>	<u>(381,037)</u>	<u>(1,698,548)</u>	<u>1,223,722</u>
Other financing sources (uses):					
Bond proceeds	-	-	4,860,000	-	4,860,000
Payment to refunding escrow agent	-	-	(4,827,640)	-	(4,827,640)
Transfers in	400,000	-	68,300	1,600,236	2,068,536
Transfers out	(1,642,546)	(25,990)	(400,000)	-	(2,068,536)
	<u>(1,242,546)</u>	<u>(25,990)</u>	<u>(299,340)</u>	<u>1,600,236</u>	<u>32,360</u>
Total other financing sources (uses)					
Net change in fund balances	1,239,249	795,522	(680,377)	(98,312)	1,256,082
Fund balances, beginning	<u>6,956,513</u>	<u>4,193,789</u>	<u>1,758,431</u>	<u>473,740</u>	<u>13,382,473</u>
Fund balances, ending	<u>\$ 8,195,762</u>	<u>\$ 4,989,311</u>	<u>\$ 1,078,054</u>	<u>\$ 375,428</u>	<u>\$ 14,638,555</u>

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

VILLAGE OF PINECREST, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2012

NET CHANGE IN FUND BALANCES - TOTAL
GOVERNMENTAL FUNDS (Page 16) \$ 1,256,082

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	\$	603,601	
Depreciation		(5,760,671)	
Disposal of capital assets		(498,788)	
Net adjustment		(5,655,858)	(5,655,858)

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		(4,860,000)	
Bond payments		5,795,000	
Deferred loss on refunding		52,640	
Net adjustment		987,640	987,640

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		(66,000)	
Amortization of bond premium/discount		6,589	
Amortization of deferred charge on refunding		(17,317)	
Accrued interest		(46,882)	
Compensated absences		(60,474)	
		(184,084)	

CHANGE IN NET POSITION OF GOVERNMENTAL
ACTIVITIES (Page 13) \$ (3,596,220)

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2012

	<u>Stormwater Fund</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 2,085,202
Receivables	<u>134,876</u>
Total current assets	<u>2,220,078</u>
Non-current assets:	
Capital assets, net	<u>4,783,558</u>
Total non-current assets	<u>4,783,558</u>
Total assets	<u>7,003,636</u>
 LIABILITIES AND NET POSITION:	
Current liabilities:	
Accounts payable	29,494
Revenues collected in advance	<u>132,540</u>
Total liabilities	<u>162,034</u>
Net position:	
Net investment in capital assets	4,783,558
Unrestricted	<u>2,058,044</u>
Total net position	<u>\$ 6,841,602</u>

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

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
 For the Year Ended September, 30, 2012

	Stormwater Fund
OPERATING REVENUES:	
Utility fees	\$ 444,147
Miscellaneous income	1,226
Total operating revenues	445,373
OPERATING EXPENSES:	
Cost of sales	457,327
Depreciation	108,457
Total operating expenses	565,784
Operating income	(120,411)
NONOPERATING REVENUES:	
Interest earnings	6,007
Change in net position	(114,404)
NET POSITION, beginning, as restated (Note 2H)	6,956,006
NET POSITION, ending	\$ 6,841,602

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, 2012

	<u>Stormwater Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 483,918
Payments to suppliers	(441,429)
Miscellaneous receipts	<u>1,226</u>
Cash flows provided by operating activities	<u>43,715</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	<u>(358,119)</u>
Cash flows used in capital and related financing activities	<u>(358,119)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>6,007</u>
Cash flows provided by investing activities	<u>6,007</u>
Net increase in cash and cash equivalents	(308,397)
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,393,599</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>2,085,202</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ (120,411)
Depreciation	108,457
Change in operating assets and liabilities:	
(Increase) decrease in accounts receivable	37,446
Increase (decrease) in accounts payable	15,898
Increase (decrease) in revenues collected in advance	<u>2,325</u>
Total adjustments	<u>55,669</u>
Net cash provided by operating activities	\$ <u><u>43,715</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, 2012

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 18,447. 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, 2012

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, 2012

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 deferred outflows/inflows of resources, and net position/fund balance

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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Village only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Village does not currently have any items that qualify for reporting in this category.

4. 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.

5. 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 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.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

6. 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, 2012 was 2.2000 mills.

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

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State 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, 2012.

7. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although 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.

VILLAGE OF PINECREST, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2012

NOTE 2. - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments.

Deposits

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

Investments

The Village of Pinecrest invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. 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, 2012:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida PRIME	Weighted average days to maturity is 39 days	\$ 13,391,168
Fund B	Weighted average life is 5.73 years	\$ 172,430

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.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

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.

B. Receivables

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

	<u>General</u>	<u>Transportation</u>	<u>Other Non-Major Governmental Funds</u>	<u>Stormwater</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 172,447	\$ 142,854	\$ 51,863	\$ -	\$ 367,164
Franchise and utility	165,505	-	-	-	165,505
Ad valorem taxes	33,339	-	-	-	33,339
Other	<u>33,201</u>	<u>-</u>	<u>-</u>	<u>134,876</u>	<u>168,077</u>
Gross receivables	404,492	142,854	51,863	134,876	734,085
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receivables	<u>\$ 404,492</u>	<u>\$ 142,854</u>	<u>\$ 51,863</u>	<u>\$ 134,876</u>	<u>\$ 734,085</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2012, 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	\$ <u>17,437,190</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(477,750)</u>	\$ <u>16,959,440</u>
Total capital assets, not being depreciated	<u>17,437,190</u>	<u>-</u>	<u>-</u>	<u>(477,750)</u>	<u>16,959,440</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:					
Buildings	19,085,979	-	-	-	19,085,979
Improvements	6,141,982	312,789	-	(75,143)	6,379,628
Equipment	2,748,510	182,457	-	(93,090)	2,837,877
Computer software	134,549	16,314	-	-	150,863
Infrastructure	<u>153,013,911</u>	<u>92,041</u>	<u>-</u>	<u>-</u>	<u>153,105,952</u>
 Total capital assets, being depreciated	 <u>181,124,931</u>	 <u>603,601</u>	 <u>-</u>	 <u>(168,233)</u>	 <u>181,560,299</u>
Less accumulated depreciation for:					
Buildings	(2,265,840)	(485,809)	-	-	(2,751,649)
Improvements	(2,000,667)	(371,396)	-	55,105	(2,316,958)
Equipment	(2,176,983)	(210,173)	-	92,090	(2,295,066)
Computer software	(16,314)	(19,079)	-	-	(35,393)
Infrastructure	<u>(82,418,939)</u>	<u>(4,674,214)</u>	<u>-</u>	<u>-</u>	<u>(87,093,153)</u>
 Total accumulated depreciation	 <u>(88,878,743)</u>	 <u>(5,760,671)</u>	 <u>-</u>	 <u>147,195</u>	 <u>(94,492,219)</u>
 Total capital assets, being depreciated, net	 <u>92,246,188</u>	 <u>(5,157,070)</u>	 <u>-</u>	 <u>(21,038)</u>	 <u>87,068,080</u>
 Governmental activities capital assets, net	 <u>\$ 109,683,378</u>	 <u>\$ (5,157,070)</u>	 <u>\$ -</u>	 <u>\$ (498,788)</u>	 <u>\$ 104,027,520</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 7,954,376	\$ 311,053	\$ -	\$ 8,265,429
Equipment	<u>-</u>	<u>47,066</u>	<u>-</u>	<u>47,066</u>
 Total capital assets, being depreciated	 <u>7,954,376</u>	 <u>358,119</u>	 <u>-</u>	 <u>8,312,495</u>
Less accumulated depreciation for:				
Infrastructure	<u>(3,420,480)</u>	<u>(108,457)</u>	<u>-</u>	<u>(3,528,937)</u>
 Total accumulated depreciation	 <u>(3,420,480)</u>	 <u>(108,457)</u>	 <u>-</u>	 <u>(3,528,937)</u>
 Total capital assets, being depreciated, net	 <u>4,533,896</u>	 <u>249,662</u>	 <u>-</u>	 <u>4,783,558</u>
 Business-type activities capital assets, net	 <u>\$ 4,533,896</u>	 <u>\$ 249,662</u>	 <u>\$ -</u>	 <u>\$ 4,783,558</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

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

Governmental activities:	
General government	\$ 139,842
Public safety	154,510
Public works	4,752,824
Building, planning and zoning	2,526
Parks and recreation	<u>710,969</u>
Total depreciation expense, governmental activities	<u>\$ 5,760,671</u>
Business type activities:	
Stormwater	<u>\$ 108,457</u>
Total depreciation expense business type activities	<u>\$ 108,457</u>

D. Transfers

The composition of interfund operating transfers as of September 30, 2012, is as follows:

	Transfers In	Transfer Out	Transfer Purpose
General Fund	\$ -	\$ 1,564,246	Debt Service Fund
General Fund	-	4,000	Hardwire Fund
General Fund	-	6,000	Wireless Fund
General Fund	-	68,300	Capital Projects Fund
Transportation Fund	-	25,990	Debt Service Fund
Capital Projects Fund	-	400,000	General Fund
Capital Projects Fund	68,300	-	Provide supplemental appropriations
Hardwire Fund	4,000	-	Provide operational funds
Wireless Fund	6,000	-	Provide operational funds
Debt Service Fund	25,990	-	Provide debt service funds
Debt Service Fund	1,564,246	-	Provide debt service funds
General Fund	<u>400,000</u>	-	Budget transfer
	<u>\$ 2,068,536</u>	<u>\$ 2,068,536</u>	

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

E. Long-term debt

Florida Municipal Loan Revenue Bonds, Series 2004, Series 2011-B-1, Series 2011-B-2 and Series 2012. The Village of Pinecrest has four bond issues outstanding at September 30, 2012. Series 2004, for \$ 3,075,000 bearing interest at 5.5%, is for the construction costs of the Library/Community Center at Pinecrest Gardens. Series 2011-1 for \$ 4,320,000 refunded the Series 1999 bonds that paid for the development of Pinecrest Gardens. Series 2011-2, for \$ 1,505,000 was for capital improvements at Pinecrest Gardens and the Community Center. The 2011 series bonds bear interest at rates from 2.0% to 5.0%. Series 2012 for \$ 4,860,000 bearing interest at 2.3% refunded the Series 2002 bonds that paid for the development of Pinecrest Gardens. 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>
2013	\$ 1,125,000	\$ 399,291	\$ 1,524,291
2014	1,155,000	366,716	1,521,716
2015	1,185,000	333,051	1,518,051
2016	1,215,000	300,580	1,515,580
2017	1,250,000	265,585	1,515,585
2018-2022	4,990,000	761,757	5,751,757
2023-2027	890,000	193,905	1,083,905
2028-2030	330,000	36,114	366,114
Totals	\$ <u>12,140,000</u>	\$ <u>2,656,999</u>	\$ <u>14,796,999</u>

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

	<u>Balance September 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2012</u>	<u>Due Within One Year</u>
Bonds payable	\$ 13,075,000	\$ 4,860,000	\$ 5,795,000	\$ 12,140,000	\$ 1,125,000
Unamortized premium/ discount	92,409	-	6,589	85,820	-
Compensated absences	372,563	494,732	434,258	433,037	368,082
Totals	\$ <u>13,539,972</u>	\$ <u>5,354,732</u>	\$ <u>6,235,847</u>	\$ <u>12,658,857</u>	\$ <u>1,493,082</u>

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

The Village of Pinecrest refinanced the Series 2002 and replaced it with the Series 2012 at favorable rates. The defeasement resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$ 684,113.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

Analysis of debt service streams is as follows:

Refunded debt:

Series 2002 Florida Municipal Loan

Revenue Bonds:

Principal payments	\$ 4,775,000
Interest payments and fees	<u>1,516,402</u>

Debt stream on refunded debt 6,291,402

Refunding debt:

Series 2012 Florida Municipal Loan

Revenue Bonds:

Principal payments	\$ 4,860,000
Interest payments and fees	<u>655,132</u>

Debt stream on refunding debt 5,515,132

Aggregate savings in debt services \$ 776,270

F. Accounts Payable and Other Accrued Liabilities:

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

	General Fund	Transportation Fund	Capital Projects Fund	Other Non-Major Governmental Funds	Stormwater	Total
Payables:						
Payroll	\$ 505,434	\$ -	\$ -	\$ -	\$ -	\$ 505,434
Vendors	187,199	3,361	9,956	42,297	29,494	272,307
Other	<u>197,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,763</u>
Total payables	<u>\$ 890,396</u>	<u>\$ 3,361</u>	<u>\$ 9,956</u>	<u>\$ 42,297</u>	<u>\$ 29,494</u>	<u>\$ 975,504</u>

G. Other Post-Employment Benefits (OPEBs)

1. Description

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

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

Under Florida State law, the Village of Pinecrest is required to offer a continuation of health insurance coverage to retirees at the same premium that is charged by the insurance carrier with respect to active employees. Currently, the Village does not have any retirees who are receiving post-employment benefits, 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 \$ 400 higher on average for the HMO plan if the subsidy were not in place. Therefore, the actuary treated \$400 per month as the implied subsidy at age 65 for purposes of GASB 45 and the subsidy is decreased for younger ages based on the assumption that healthcare costs increase at the rate of 3.00% for each year of age. 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. It is the Village’s current policy to fund the plan on a “pay-as-you-go” basis from the General Fund.

2. Annual OPEB cost and net OPEB obligation

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

The following table shows the components of the Village’s annual OPEB cost for the year, the amount actually contributed to the plan, and the Village’s net OPEB obligation at September 30, 2012:

Annual required contribution	\$	109,000
Interest on net OPEB obligation		15,000
Adjustment to annual required contribution		<u>(33,000)</u>
Annual OPEB cost		91,000
Contributions made		<u>(25,000)</u>
Increase in net OPEB obligation		66,000
Net OPEB obligation, October 1, 2011		<u>381,000</u>
Net OPEB obligation, September 30, 2012	\$	<u><u>447,000</u></u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2012 and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 132,000	3.0%	\$ 252,000
9/30/2011	\$ 135,000	4.4%	\$ 381,000
9/30/2012	\$ 91,000	23.0%	\$ 447,000

3. Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2012 was as follows:

Actuarial accrued liability	\$ 529,000
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 529,000
Funded ratio	-
Covered payroll	\$ 5,104,000
UAAL as a percentage of covered payroll	10.4%

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.

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, 2012
Actuarial cost method	Projected unit credit

VILLAGE OF PINECREST, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2012

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

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	9.00% for 2012 graded to 5.50% for 2019
Ultimate rate	5.0% per annum

H. Equity Classifications and Policies

1. Fund Statements

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.

Fund balance flow assumptions

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

Fund balance policy

The Village of Pinecrest will maintain a minimum unassigned fund balance in the General Fund of 10% of budgeted expenditures and transfers out. The Village shall strive to keep an additional unassigned fund balance for extraordinary expenditures and mitigation due to the Village being located in a hurricane zone. That amount is to be determined each year by Village Council during the budget process.

As of September 30, 2012, 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	\$ 147,287	\$ -	\$ -	\$ -	\$ 147,287
Restricted:					
Transportation	-	4,989,311	-	317,542	5,306,853
Public safety	-	-	-	57,886	57,886
Assigned:					
Capital projects	-	-	1,078,054	-	1,078,054
Subsequent year's budget	197,980	-	-	-	197,980
Unassigned Funds	<u>7,850,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,850,495</u>
Total fund balances	<u>\$ 8,195,762</u>	<u>\$ 4,989,311</u>	<u>\$ 1,078,054</u>	<u>\$ 375,428</u>	<u>\$ 14,638,555</u>

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

Carryovers (see footnote 3F)	\$ 141,340
Used to balance to 2013 budget	<u>56,640</u>
Total	<u>\$ 197,980</u>

2. Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets– consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted – consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – consists of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

Net position flow assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Restated beginning net position

The beginning net position in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position was decreased by \$ 79,142 due to recognition of revenue in the previous period.

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Risk Management

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

B. Litigation

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

C. Contingent Liabilities

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

D. Interlocal Agreement

On June 17, 1997 the Village entered into an interlocal agreement with Miami-Dade County to pass thru the Village’s share of the franchise fee on electricity collected by Florida Power and Light. Under this agreement, the County remitted \$ 1,119,946 to the Village for the fiscal year ended September 30, 2012. This agreement will be in effect as long as the Ordinance establishing the collection of these fees is in place.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

On July 17, 2003 the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, the County remitted \$ 619,003 to the Village for the fiscal year ended September 30, 2012 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.

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 10% 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 \$ 414,862. There are current year forfeitures of \$ 2,778 and a carryover from last year of \$ 6,124 totaling \$ 8,902 used in lieu of Village contributions in fiscal 2012. There are no unused funds at year end for use in fiscal year 2013. Employee contributions were \$ 290,403 for the year ended September 30, 2012.

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.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

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

Contributions to the FRS are made by the Village as a percentage of covered payroll. The Village contribution rate to the FRS plan during the year ended September 30, 2012 was 14.10% from October 1, 2011 through June 30, 2012 and 14.9% from July 1, 2012 through September 30, 2012. The employee is required to contribute 3%. At September 30, 2012, the Village had forty-five (45) sworn police personnel participating in the FRS.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2012 and the three preceding years were as follows:

	2012	2011	2010	2009
Employer contribution requirements	\$ 518,155	\$ 705,639	\$ 712,370	\$ 530,787
Employee contribution requirements	\$ 108,704	\$ 28,530	\$ N/A	\$ N/A
Contributions made (100%)	\$ 626,859	\$ 734,169	\$ 712,370	\$ 530,787
Total covered payroll	\$ 3,623,467	\$ 3,364,993	\$ 3,063,960	\$ 2,537,223
Percent of contributions to total covered payroll	17.30%	21.82%	23.25%	20.92%

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

F. Construction Commitments

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

Air conditioning, Village Hall	\$ 39,620
Lighting, Pinecrest Gardens	20,000
Software interface	2,400
Computer purchase	4,300
Police motorcycles	42,670
Police cruiser	25,300
Gym equipment, police	3,280
Cruiser computers	3,770
Total General Fund carryovers	\$ 141,340
Design Work, Stormwater Fund	\$ 107,190

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

NOTE 3. COMMITMENTS AND CONTINGENCIES (continued)

Bus shelter, CITT Fund	\$	<u>18,600</u>
Reptile House Building	\$	19,920
Banyan Bowl Improvement		<u>68,250</u>
Total Capital Projects Fund carryovers	\$	<u>88,170</u>

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>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>(b-a)/c UAAL as a Percentage of Covered Payroll</u>
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%
1/1/2012	\$ -	\$ 529,000	\$ (529,000)	0.00%	\$ 5,104,000	10.40%

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem taxes	\$ 7,477,520	\$ 7,477,520	\$ 7,410,475	\$ (67,045)
Franchise fees	1,078,450	1,078,450	1,216,632	138,182
Utility taxes	1,821,000	1,821,000	1,981,967	160,967
Communications services tax	1,197,000	1,197,000	1,108,040	(88,960)
Business tax	123,500	123,500	127,162	3,662
Total taxes	11,697,470	11,697,470	11,844,276	146,806
Licenses and permits	1,534,200	1,599,525	1,750,720	151,195
Intergovernmental revenue	1,604,770	1,604,770	1,643,938	39,168
Charges for services	1,386,860	1,458,860	1,670,789	211,929
Fines and forfeitures	357,090	357,090	539,992	182,902
Miscellaneous revenues:				
Interest earnings	25,000	25,000	27,554	2,554
PHS parking rent	22,890	22,890	15,226	(7,664)
Other miscellaneous revenues	196,000	215,750	337,341	121,591
Total miscellaneous revenues	243,890	263,640	380,121	116,481
Total revenues	16,824,280	16,981,355	17,829,836	848,481
Expenditures:				
General government	2,923,400	3,028,206	2,708,966	319,240
Public safety	7,104,640	7,120,890	6,875,375	245,515
Building, planning and zoning	1,462,510	1,574,335	1,573,039	1,296
Parks and recreation	3,447,280	3,569,256	3,556,168	13,088
Public works	668,140	716,186	634,493	81,693
Total expenditures	15,605,970	16,008,873	15,348,041	660,832
Other financing sources (uses):				
Appropriation of prior year's fund balance	(23,260)	290,868	-	(290,868)
Transfers in	400,000	400,000	400,000	-
Transfers out	(1,595,050)	(1,663,350)	(1,642,546)	20,804
Total other financing sources (uses)	(1,218,310)	(972,482)	(1,242,546)	(270,064)
Net change in fund balance	\$ -	\$ -	\$ 1,239,249	\$ 1,239,249

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Transportation taxes	\$ 902,030	\$ 902,030	\$ 956,060	\$ 54,030
Intergovernmental	-	5,218	34,800	29,582
Interest	10,630	10,630	50,712	40,082
Total revenues	912,660	917,878	1,041,572	123,694
 EXPENDITURES:				
Public works	612,890	612,890	220,060	392,830
Total expenditures	612,890	612,890	220,060	392,830
Excess (deficiency) of revenues over expenditures	299,770	304,988	821,512	516,524
 OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(273,780)	(278,998)	-	278,998
Transfers out	(25,990)	(25,990)	(25,990)	-
Total other financing sources (uses)	(299,770)	(304,988)	(25,990)	278,998
Net change in fund balance	\$ -	\$ -	\$ 795,522	\$ 795,522

See notes to budgetary comparison schedules

VILLAGE OF PINECREST, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Fiscal Year Ended September 30, 2012

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 \$ 402,903 during the fiscal year ended September 30, 2012.
- 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:

Capital Projects	\$	83,438
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**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, 2012

	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	\$ 4,735	\$ -	\$ 15,460	\$ 12,921	\$ 332,746	\$ 365,862	\$ -	\$ 365,862
Receivables	<u>812</u>	<u>-</u>	<u>19,700</u>	<u>4,258</u>	<u>27,093</u>	<u>51,863</u>	<u>-</u>	<u>51,863</u>
Total assets	<u>\$ 5,547</u>	<u>\$ -</u>	<u>\$ 35,160</u>	<u>\$ 17,179</u>	<u>\$ 359,839</u>	<u>\$ 417,725</u>	<u>\$ -</u>	<u>\$ 417,725</u>
LIABILITIES, EQUITY AND OTHER CREDITS:								
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,297</u>	<u>\$ 42,297</u>	<u>\$ -</u>	<u>\$ 42,297</u>
Fund balances:								
Restricted for:								
Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>317,542</u>	<u>317,542</u>	<u>-</u>	<u>317,542</u>
Public safety	<u>5,547</u>	<u>-</u>	<u>35,160</u>	<u>17,179</u>	<u>-</u>	<u>57,886</u>	<u>-</u>	<u>57,886</u>
Total fund balances	<u>5,547</u>	<u>-</u>	<u>35,160</u>	<u>17,179</u>	<u>317,542</u>	<u>375,428</u>	<u>-</u>	<u>375,428</u>
Total liabilities and fund balances	<u>\$ 5,547</u>	<u>\$ -</u>	<u>\$ 35,160</u>	<u>\$ 17,179</u>	<u>\$ 359,839</u>	<u>\$ 417,725</u>	<u>\$ -</u>	<u>\$ 417,725</u>

VILLAGE OF PINECREST, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENT FUNDS
Fiscal Year Ended September 30, 2012

	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
REVENUES:								
Intergovernmental	\$ -	\$ -	\$ 64,888	\$ 16,711	\$ 123,801	\$ 205,400	\$ -	\$ 205,400
Fines and forfeitures	5,341	29,441	-	-	-	34,782	-	34,782
Interest	2	-	3	3	434	442	-	442
Total revenues	5,343	29,441	64,891	16,714	124,235	240,624	-	240,624
EXPENDITURES:								
Current:								
Public safety	6,126	29,441	59,635	23,517	-	118,719	-	118,719
Public works	-	-	-	-	230,217	230,217	-	230,217
Debt service:								
Principal	-	-	-	-	-	-	1,020,000	1,020,000
Interest	-	-	-	-	-	-	570,236	570,236
Total expenditures	6,126	29,441	59,635	23,517	230,217	348,936	1,590,236	1,939,172
Excess (deficiency) of revenues over expenditures	(783)	-	5,256	(6,803)	(105,982)	(108,312)	(1,590,236)	(1,698,548)
OTHER FINANCING SOURCES:								
Transfers in	-	-	4,000	6,000	-	10,000	1,590,236	1,600,236
Total other financing sources	-	-	4,000	6,000	-	10,000	1,590,236	1,600,236
Net change in fund balances	(783)	-	9,256	(803)	(105,982)	(98,312)	-	(98,312)
Fund balances, beginning	6,330	-	25,904	17,982	423,524	473,740	-	473,740
Fund balances, ending	\$ 5,547	\$ -	\$ 35,160	\$ 17,179	\$ 317,542	\$ 375,428	\$ -	\$ 375,428

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 POLICE EDUCATION FUND
 Fiscal Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 5,220	\$ 5,220	\$ 5,341	\$ 121
Interest	70	70	2	(68)
Total revenues	5,290	5,290	5,343	53
 EXPENDITURES:				
Public safety	10,940	10,940	6,126	4,814
Total expenditures	10,940	10,940	6,126	4,814
Excess (deficiency) of revenues over expenditures	(5,650)	(5,650)	(783)	4,867
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	5,650	5,650	-	(5,650)
Total other financing sources	5,650	5,650	-	(5,650)
Net change in fund balance	\$ -	\$ -	\$ (783)	\$ (783)

VILLAGE OF PINECREST, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE FORFEITURE FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ 29,441	\$ 29,441	\$ -
Interest	<u>150</u>	<u>150</u>	<u>-</u>	<u>(150)</u>
Total revenues	<u>150</u>	<u>29,591</u>	<u>29,441</u>	<u>(150)</u>
EXPENDITURES:				
Current:				
Public safety	<u>15,000</u>	<u>44,441</u>	<u>29,441</u>	<u>15,000</u>
Total expenditures	<u>15,000</u>	<u>44,441</u>	<u>29,441</u>	<u>15,000</u>
Excess (deficiency) of revenues over expenditures	<u>(14,850)</u>	<u>(14,850)</u>	<u>-</u>	<u>14,850</u>
OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	<u>14,850</u>	<u>14,850</u>	<u>-</u>	<u>(14,850)</u>
Total other financing sources	<u>14,850</u>	<u>14,850</u>	<u>-</u>	<u>(14,850)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 HARDWARE FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 64,800	\$ 64,800	\$ 64,888	\$ 88
Interest	10	10	3	(7)
Total revenues	64,810	64,810	64,891	81
 EXPENDITURES:				
Public safety	61,690	61,690	59,635	2,055
Excess (deficiency) of revenues over expenditures	3,120	3,120	5,256	2,136
 OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(11,120)	(11,120)	-	11,120
Transfers in	8,000	8,000	4,000	(4,000)
Total other financing sources (uses)	(3,120)	(3,120)	4,000	7,120
Net change in fund balance	\$ -	\$ -	\$ 9,256	\$ 9,256

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 WIRELESS FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 24,840	\$ 24,840	\$ 16,711	\$ (8,129)
Interest	10	10	3	(7)
Total revenues	24,850	24,850	16,714	(8,136)
 EXPENDITURES:				
Public safety	23,650	23,650	23,517	133
Total expenditures	23,650	23,650	23,517	133
Excess (deficiency) of revenues over expenditures	1,200	1,200	(6,803)	(8,003)
 OTHER FINANCING SOURCES (USES):				
Appropriation of prior year's fund balance	(13,200)	(13,200)	-	13,200
Transfers in	12,000	12,000	6,000	(6,000)
Total other financing sources (uses)	(1,200)	(1,200)	6,000	7,200
Net change in fund balance	\$ -	\$ -	\$ (803)	\$ (803)

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 CITT PUBLIC TRANSIT FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 113,290	\$ 113,290	\$ 123,801	\$ 10,511
Interest	780	780	434	(346)
Total revenues	114,070	114,070	124,235	10,165
 EXPENDITURES:				
Public works	220,000	250,000	230,217	19,783
Total expenditures	220,000	250,000	230,217	19,783
Excess (deficiency) of revenues over expenditures	(105,930)	(135,930)	(105,982)	29,948
 OTHER FINANCING SOURCES:				
Appropriation of prior year's fund balance	105,930	135,930	-	(135,930)
Total other financing sources	105,930	135,930	-	(135,930)
Net change in fund balance	\$ -	\$ -	\$ (105,982)	\$ (105,982)

VILLAGE OF PINECREST, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Principal	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000	\$ -
Interest	581,040	581,040	570,236	10,804
Total expenditures	1,601,040	1,601,040	1,590,236	10,804
 OTHER FINANCING SOURCES:				
Transfers in	1,601,040	1,601,040	1,590,236	(10,804)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

VILLAGE OF PINECREST, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Fiscal Year Ended September, 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 9,259	\$ 9,259
Interest	1,200	1,200	810	(390)
Miscellaneous	-	-	132	132
	1,200	1,200	10,201	9,001
EXPENDITURES:				
Current:				
Parks and recreation	239,500	307,800	339,006	(31,206)
Debt service:				
Interest expense	-	-	19,872	(19,872)
Bond issue costs	-	-	32,360	(32,360)
	239,500	307,800	391,238	(83,438)
Total expenditures	239,500	307,800	391,238	(83,438)
Excess (deficiency) of revenues over expenditures	(238,300)	(306,600)	(381,037)	(74,437)
OTHER FINANCING SOURCES (USES):				
Bond proceeds	249,590	249,590	4,860,000	4,610,410
Payment to refunding escrow agent	-	(4,873,880)	(4,827,640)	46,240
Transfers from General Fund	-	68,300	68,300	-
Transfer to General Fund	(400,000)	(400,000)	(400,000)	-
Appropriation of prior year's fund balance	388,710	388,710	-	(388,710)
	388,710	388,710	-	(388,710)
Total other financing sources (uses)	238,300	(4,567,280)	(299,340)	4,267,940
Net change in fund balance	\$ -	\$ (4,873,880)	\$ (680,377)	\$ 4,193,503

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 Position by Component
- Table 2 - Changes in Net Position
- 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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
AMOUNTS EXPRESSED IN THOUSANDS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Net investment in capital assets	\$ 112,626	\$ 108,793	\$ 106,284	\$ 103,522	\$ 105,008	\$ 107,337	\$ 104,605	\$ 101,247	\$ 97,386	\$ 92,221
Restricted	1,092	3,308	2,589	5,058	8,403	5,171	4,167	4,099	4,668	5,365
Unrestricted	10,302	8,856	9,898	9,625	3,707	3,584	7,951	7,510	7,049	7,921
Total governmental activities net position	124,020	120,957	118,771	118,205	117,118	116,092	116,723	112,856	109,103	105,507
Business-type activities:										
Net investment in capital assets	2,127	2,313	4,286	4,763	4,696	4,654	4,590	4,626	4,534	4,783
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,120	1,234	1,350	1,324	1,587	1,817	1,963	2,231	2,422	2,058
Total business-type activities net position	3,247	3,547	5,636	6,087	6,283	6,471	6,553	6,857	6,956	6,841
Primary government:										
Net investment in capital assets	114,753	111,106	110,570	108,285	109,704	111,991	109,195	105,873	101,920	97,004
Restricted	1,092	3,308	2,589	5,058	8,403	5,171	4,167	4,099	4,668	5,365
Unrestricted	11,422	10,090	11,248	10,949	5,294	5,401	9,914	9,741	9,471	9,979
Total primary government net position	\$ 127,267	\$ 124,504	\$ 124,407	\$ 124,292	\$ 123,401	\$ 122,563	\$ 123,276	\$ 119,713	\$ 116,059	\$ 112,348

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

Table 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
General government	\$ 2,262	\$ 1,790	\$ 2,457	\$ 2,265	\$ 3,946	\$ 2,913	\$ 6,012	\$ 4,868	\$ 3,415	\$ 3,363
Public safety	6,354	6,394	6,441	6,768	6,807	6,658	7,043	7,294	7,559	7,203
Building, planning and zoning	1,298	1,394	1,573	1,641	1,801	1,740	1,491	1,459	1,499	1,552
Parks and recreation	1,544	2,318	2,503	2,706	2,647	2,476	3,583	3,823	4,144	4,263
Public works	4,608	5,948	5,239	5,482	5,236	6,054	5,480	5,656	5,561	5,658
Interest on long-term debt	707	701	842	782	747	825	684	660	521	680
Total governmental activities	16,773	18,545	19,055	19,644	21,184	20,666	24,293	23,760	22,699	22,719
Business-type activities										
Stormwater	140	184	213	306	287	241	312	295	380	566
Total business-type activities	140	184	213	306	287	241	312	295	380	566
Total primary government expenses	\$ 16,913	\$ 18,729	\$ 19,268	\$ 19,950	\$ 21,471	\$ 20,907	\$ 24,605	\$ 24,055	\$ 23,079	\$ 23,285

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

Table 2
(continued)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35	\$ 68	\$ 114	\$ 185
Public safety	255	363	275	469	594	487	362	527	460	426
Building, planning and zoning	1,481	1,657	1,822	2,122	1,677	1,604	1,377	1,580	1,779	1,964
Parks and recreation	868	399	463	567	553	636	799	782	1,181	1,344
Public works	-	-	-	-	-	-	-	-	-	77
Operating grants and contributions	155	33	1,106	1,177	1,252	1,062	99	99	87	82
Capital grants and contributions	7,100	644	30	-	72	1,201	6,838	1,746	1,047	189
Total governmental activities program revenues	<u>9,859</u>	<u>3,096</u>	<u>3,696</u>	<u>4,335</u>	<u>4,148</u>	<u>4,990</u>	<u>9,510</u>	<u>4,802</u>	<u>4,668</u>	<u>4,267</u>
Business type activities:										
Charges for services:										
Stormwater system	294	374	376	355	402	379	375	449	473	445
Capital grants and contributions	-	94	1,905	352	-	-	-	143	-	-
Total business-type activities program revenues	<u>294</u>	<u>468</u>	<u>2,281</u>	<u>707</u>	<u>402</u>	<u>379</u>	<u>375</u>	<u>592</u>	<u>473</u>	<u>445</u>
Total primary government program revenues	<u>\$ 10,153</u>	<u>\$ 3,564</u>	<u>\$ 5,977</u>	<u>\$ 5,042</u>	<u>\$ 4,550</u>	<u>\$ 5,369</u>	<u>\$ 9,885</u>	<u>\$ 5,394</u>	<u>\$ 5,141</u>	<u>\$ 4,712</u>
Net (expense)/revenue										
Governmental activities	\$ (6,914)	\$ (15,449)	\$ (15,359)	\$ (15,309)	\$ (17,036)	\$ (15,676)	\$ (14,783)	\$ (18,958)	\$ (18,031)	\$ (18,452)
Business-type activities	<u>154</u>	<u>284</u>	<u>2,068</u>	<u>401</u>	<u>115</u>	<u>138</u>	<u>63</u>	<u>297</u>	<u>172</u>	<u>(120)</u>
Total primary government net expense	<u>\$ (6,760)</u>	<u>\$ (15,165)</u>	<u>\$ (13,291)</u>	<u>\$ (14,908)</u>	<u>\$ (16,921)</u>	<u>\$ (15,538)</u>	<u>\$ (14,720)</u>	<u>\$ (18,661)</u>	<u>\$ (17,859)</u>	<u>\$ (18,572)</u>

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

Table 2
(continued)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets:										
Governmental activities:										
Ad valorem taxes	\$ 5,234	\$ 5,770	\$ 6,295	\$ 7,117	\$ 8,132	\$ 7,369	\$ 7,484	\$ 7,441	\$ 6,992	\$ 7,410
Franchise fees	914	978	1,029	1,464	1,852	1,807	1,407	1,432	1,074	1,217
on gross receipts	1,731	1,674	1,733	1,744	1,802	1,827	1,802	1,933	1,937	1,982
Communications	855	658	777	863	816	1,003	1,331	1,198	1,147	1,108
services tax	902	1,039	1,106	1,178	1,252	986	932	907	983	956
Transportation tax	-	-	-	-	122	156	155	98	122	127
Business tax										
Intergovernmental, not restricted to specific programs	418	1,602	1,327	1,268	762	904	1,799	1,581	1,755	1,623
Interest earnings	326	156	451	683	821	276	57	138	61	80
Miscellaneous	435	509	454	427	390	322	447	363	437	353
Total governmental activities	10,815	12,386	13,172	14,744	15,949	14,650	15,414	15,091	14,508	14,856
Business-type activities										
Interest earnings	16	16	22	48	81	51	19	7	6	6
Total business-type activities	16	16	22	48	81	51	19	7	6	6
Total primary government	10,831	12,402	13,194	14,792	16,030	14,701	15,433	15,098	14,514	14,862
Changes in net assets										
Government activities	\$ 3,901	\$ (3,063)	\$ (2,187)	\$ (565)	\$ (1,087)	\$ (1,026)	\$ 631	\$ (3,867)	\$ (3,523)	\$ (3,596)
Business-type activities	170	300	2,090	449	196	188	82	304	99	(114)
Total primary government	\$ 4,071	\$ (2,763)	\$ (97)	\$ (116)	\$ (891)	\$ (838)	\$ 713	\$ (3,563)	\$ (3,424)	\$ (3,710)

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			
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	
2012	7,410	1,217	1,982	1,108	956	127	12,800	

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 1	\$ 147
Committed	206	200	135	19	58	66	30	-	-	-
Assigned	-	-	-	-	-	583	1,048	1,540	80	198
Unassigned	6,671	4,383	5,008	6,185	7,268	3,464	6,862	6,050	6,875	7,851
Total General Fund	\$ 6,877	\$ 4,583	\$ 5,143	\$ 6,204	\$ 7,326	\$ 4,113	\$ 7,940	\$ 7,592	\$ 6,956	\$ 8,196
All Other Governmental Funds:										
Restricted:										
Special Revenue Funds	\$ 1,092	\$ 1,297	\$ 2,275	\$ 3,440	\$ 4,408	\$ 4,087	\$ 4,167	\$ 4,098	\$ 4,668	\$ 5,365
Committed	3,248	1,811	179	162	3,937	542	-	-	-	-
Assigned:										
Capital Project Funds	177	4,473	4,890	4,878	-	541	608	540	1,758	1,078
Unassigned:										
Capital Project Funds	-	-	-	-	(3,561)	-	-	-	-	-
Total all other governmental funds	\$ 4,517	\$ 7,581	\$ 7,344	\$ 8,480	\$ 4,784	\$ 5,170	\$ 4,775	\$ 4,638	\$ 6,426	\$ 6,443
Fund balances all governmental funds	\$ 11,394	\$ 12,164	\$ 12,487	\$ 14,684	\$ 12,110	\$ 9,283	\$ 12,715	\$ 12,230	\$ 13,382	\$ 14,639

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 8,734	\$ 9,080	\$ 9,835	\$ 11,188	\$ 12,724	\$ 12,162	\$ 13,111	\$ 13,008	\$ 12,255	\$ 12,800
Licenses and permits	1,417	1,657	1,822	2,122	1,677	1,604	1,128	1,443	1,779	1,751
Intergovernmental	8,575	3,318	3,570	3,623	3,338	4,153	8,736	3,426	2,890	1,893
Charges for services	545	481	463	619	606	780	1,227	1,139	1,555	1,671
Fines and forfeitures	215	281	275	416	541	343	218	376	199	575
Interest	313	156	437	670	807	263	44	124	61	79
Miscellaneous	863	509	454	427	390	323	447	363	460	353
Total revenues	20,662	15,482	16,856	19,065	20,083	19,628	24,911	19,879	19,199	19,122
Expenditures:										
Current:										
General government	1,926	877	2,338	2,129	3,807	2,730	5,908	4,829	3,277	2,709
Public safety	6,303	6,311	6,334	6,736	6,729	6,388	6,910	7,281	7,280	6,994
Building, planning & zoning	1,300	1,376	1,542	1,640	1,824	1,734	1,476	1,434	1,501	1,573
Parks and recreation	15,379	2,654	2,453	3,984	7,654	7,827	4,085	3,270	4,308	3,895
Public works	1,333	1,549	1,222	872	1,143	2,087	1,596	2,048	1,559	1,085
Non-departmental	904	3,674	1,145	-	-	-	-	-	-	-
Debt service:										
Principal	550	570	690	725	750	780	815	845	1,030	1,020
Interest	701	701	809	782	751	721	691	657	531	590
Issuance costs	-	-	-	-	-	-	-	-	113	32
Total expenditures	28,396	17,712	16,533	16,868	22,658	22,467	21,481	20,364	19,599	17,898
Excess (deficiency) of revenues over expenditures	(7,734)	(2,230)	323	2,197	(2,575)	(2,839)	3,430	(485)	(400)	1,224
Other financing sources (uses):										
Bond proceeds	-	3,000	-	-	-	-	-	-	5,825	4,860
Bond discount	-	-	-	-	-	-	-	-	(52)	-
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	(4,220)	(4,828)
Transfers in	1,632	3,671	1,499	2,696	3,001	7,025	5,508	1,528	1,528	2,069
Transfers out	(1,632)	(3,671)	(1,499)	(2,696)	(3,001)	(7,025)	(5,508)	(1,528)	(1,528)	(2,069)
Capital lease	-	-	-	-	-	14	-	-	-	-
Total other financing sources (uses)	-	3,000	-	-	-	14	-	-	1,553	32
Net change in fund balances	\$ (7,734)	\$ 770	\$ 323	\$ 2,197	\$ (2,575)	\$ (2,825)	\$ 3,430	\$ (485)	\$ 1,153	\$ 1,256
Debt service as a percentage of non-capital expenditures	4.41%	7.18%	9.07%	8.93%	6.62%	9.34%	7.75%	7.99%	8.68%	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>
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
2012	12,800,336	1,750,720	1,893,397	1,670,789	574,774	79,518	352,699	19,122,233

Source: All governmental funds for fiscal years commencing 2003.

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
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%
2012	3,601,059,193	38,903,907	3,639,963,100	2.2	3,831,540,105	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			
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	20.2630		
2012	2.2000	7.765	0.240	0.0624	0.3739	0.0345	4.8055	0.285	0.5000	2.4496	0.013	0.1795	0.013	18.9085		

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
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%
2012	7,813,179	7,410,475	94.8%	*	7,410,475	94.8%

(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, 2012

Table 10

Taxpayer	Type of Use	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Spector & Sons	Shopping Center	\$ 28,800,000	1	0.81%	\$ 22,557,677	1	0.90%
Kendall Plaza, LTD	Shopping Center	18,600,000	2	0.52%	13,907,613	3	0.56%
Gator Dadeland Partners, LTD	Shopping Center	18,480,000	3	0.52%	9,300,000	7	0.37%
Kendall Imports LLC	Shopping Center	16,310,000	4	0.46%	17,393,600	2	0.70%
Pinecrest Realty Associates	Shopping Center	13,090,000	5	0.37%			
Florida Power & Light	Utility	13,652,769	6	0.38%	7,425,320	8	0.30%
G F B Enterprises	Automotive	12,710,000	7	0.36%			
Suniland Associates	Shopping Center	11,440,000	8	0.32%	11,469,079	5	0.46%
Kendall House Apartments	Apartments	10,736,000	9	0.30%	6,500,000	9	0.26%
Burdines Real Estate	Shopping Center	10,560,000	10	0.30%			
Bell South Communications	Utility				12,862,481	4	0.51%
Kenneth L Shimm	Shopping Center				11,306,271	6	0.45%
Raymond F. Forgarty, TT	Shopping Center				6,360,012	10	0.25%

Source: Miami-Dade County Tax Assessor's Office 2012 Tax Roll
 Real/Personal Property taxable value - \$ 3,551,445,114
 Miami-Dade County Tax Assessor's Office 2003 Tax Roll
 Real/Personal Property taxable value - \$ 2,499,892,672

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
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
2012	12,140	-	12,140	18,447	1.29%	658

Notes: * In thousands

- (1) Fiscal year 2010 US Census and other years for the population as estimated by the Bureau of Economic and Business Research, University of Florida as of April 1 each year.
- (2) The Village of Pinecrest Finance Department is the source for this data.

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

Table 12

<u>Fiscal Year</u>	<u>General Obligation Bonds* (2)</u>	<u>Assessed Value of Taxable Property* (3)</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Population (1)</u>	<u>Per Capita Debt</u>
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
2012	12,140	3,639,963	0.33%	18,447	658

Notes: * In thousands

- (1) Fiscal year 2010 US Census and other years for 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, 2012

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>12,140,000</u>	100.00%	\$ <u>12,140,000</u>	\$ <u>658</u>
Overlapping				
School Board (2)	\$ 222,945,000	0.73%	\$ 1,634,271	\$ 89
County (3)	<u>1,043,496,000</u>	0.73%	<u>7,649,218</u>	<u>415</u>
	<u>\$ 1,266,441,000</u>		<u>\$ 9,283,489</u>	<u>\$ 503</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)
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%
2012	18,447	146,157	6,619	5,591	8.5%

Notes:

- (1) Fiscal year 2010 US Census
 Other years are 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	2012			2003		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Miami Dade School System	476	1	NA	423	1	NA
Kendall Imports, LLC	365	2	NA	365	2	NA
Home Depot	245	3	NA			
Village of Pinecrest	163	4	NA	161	3	NA
Publix Supermarket	162	5	NA			
Whole Food Market	137	6	NA			
Gulliver Preparatory School	110	7	NA	110	4	NA
Best Buy	100	8	NA			
Rockwell Construction	100	9	NA			
Wild Oats	80	10	NA			
Autocity Pontiac, GMC of Pinecrest				53	5	NA
Berenfeld, Spritzer, Shechter & Sheep				35	6	NA
Churchill Hair Designers				34	7	NA
Young Management Systems				33	8	NA
Pinecrest Presbyterian Church Day School				25	9	NA
Florida Savings Bancorp Inc.				20	10	NA
Total	1,938			1,059		

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government	13.0	13.0	12.0	11.0	11.0	12.0	11.0	12.0	11.5	12.0
Public safety										
Sworn	50.0	50.0	50.0	50.0	54.0	54.0	54.0	54.0	54.0	58.0
Civilians	23.0	23.0	23.0	23.0	23.0	25.0	25.0	26.0	26.0	27.0
Building, planning and zoning	15.0	15.0	15.0	14.0	19.0	18.0	15.0	15.0	14.0	16.0
Public works	6.0	6.0	7.0	6.0	6.0	6.0	7.0	7.0	7.0	6.0
Parks and recreation	32.0	32.0	31.0	49.0	49.0	53.0	34.0	31.0	29.0	29.0
Pinecrest Gardens	24.0	24.0	21.0	-	-	-	-	-	-	-
Total	163.0	163.0	159.0	153.0	162.0	168.0	146.0	145.0	141.5	148.0

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

Table 17

Function:	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Population	18,447	18,255	19,411	19,491	19,454	19,382	19,530	19,460	19,317	19,268
Consumer Price Index	231.4	226.9	218.4	216	218.8	208.5	202.9	198.8	189.9	185.2
Plus/minus a year ago	2.5%	3.9%	1.1%	-1.3%	4.9%	2.8%	2.1%	4.7%	2.5%	2.3%
Police:										
Part 1 crimes*	670	702	584	723	792	837	586	849	753	751
Traffic citations and warnings	14,483	15,801	17,089	18,168	11,290	11,743	14,562	13,989	13,144	16,892
False alarms	2,091	1,961	2,177	2,118	2,343	2,509	2,633	2,440	2,807	2,950
Crashes	842	800	793	787	749	918	882	878	856	798
Other	552	577	635	642	740	1,250	1,023	3,444	7,799	4,789
Total	18,638	19,841	21,278	22,438	15,914	17,257	19,686	21,600	25,359	26,180

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

Expenditures (thousands)	\$ 7,201	7,107	7,123	\$ 6,909	\$ 6,588	\$ 6,729	\$ 6,736	\$ 6,334	\$ 6,311	\$ 6,303
Revenue (thousands)	528	396	584	423	487	594	469	275	363	255
Net expenses	\$ 6,673	6,711	6,539	\$ 6,486	\$ 6,101	\$ 6,135	\$ 6,267	\$ 6,059	\$ 5,948	\$ 6,048
Cost per resident	\$ 361.74	367.63	336.87	\$ 332.77	\$ 313.61	\$ 316.53	\$ 320.89	\$ 311.36	\$ 307.92	\$ 313.89
911 calls	7,930	8,100	7,975	8,811	-	-	-	-	-	-
Service calls (911 and nonemergency dispatch calls)	19,865	19,100	19,074	19,528	-	-	-	-	-	-
Building, planning and zoning:										
Building permits:										
Building	1,770	1,582	1,363	1,421	1,568	2,251	2,414	1,989	1,765	2,161
Electrical	525	619	466	448	654	855	873	823	720	769
Mechanical	307	319	339	245	321	378	448	440	477	467
Plumbing & Gas	497	581	556	439	570	805	949	794	701	853
Total	3,099	3,101	2,724	2,553	3,113	4,289	4,684	4,046	3,663	4,250

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

**Table 17
(continued)**

Function:	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Parks:										
Pinecrest Gardens:										
Expenditures (thousands)	\$ 1,614	\$ 1,513	\$ 1,357	\$ 1,193	\$ 1,108	\$ 1,109	\$ 1,262	\$ 1,198	\$ 1,092	\$ 790
Revenue (thousands)	<u>404</u>	<u>312</u>	<u>125</u>	<u>126</u>	<u>215</u>	<u>156</u>	<u>193</u>	<u>150</u>	<u>188</u>	<u>211</u>
Net expenses	<u>\$ 1,210</u>	<u>\$ 1,201</u>	<u>\$ 1,232</u>	<u>\$ 1,067</u>	<u>\$ 893</u>	<u>\$ 953</u>	<u>\$ 1,069</u>	<u>\$ 1,048</u>	<u>\$ 904</u>	<u>\$ 579</u>
Net cost per resident	<u>\$ 65.59</u>	<u>\$ 65.79</u>	<u>\$ 63.47</u>	<u>\$ 54.75</u>	<u>\$ 45.91</u>	<u>\$ 49.17</u>	<u>\$ 54.74</u>	<u>\$ 53.85</u>	<u>\$ 46.80</u>	<u>\$ 30.05</u>
Community Center:										
Expenditures (thousands)	\$ 834	\$ 792	\$ 738	\$ 367	\$ 245	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue (thousands)	<u>652</u>	<u>612</u>	<u>504</u>	<u>204</u>	<u>116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net expenses	<u>\$ 182</u>	<u>\$ 180</u>	<u>\$ 234</u>	<u>\$ 163</u>	<u>\$ 129</u>	<u>\$ -</u>				
Net cost per resident	<u>\$ 9.87</u>	<u>\$ 9.86</u>	<u>\$ 12.06</u>	<u>\$ 8.36</u>	<u>\$ 6.63</u>	<u>\$ -</u>				
All other parks:										
Expenditures (thousands)	\$ 1,108	\$ 1,177	\$ 1,076	\$ 1,346	\$ 1,158	\$ 1,173	\$ 1,208	\$ 1,143	\$ 893	\$ 895
Revenue (thousands)	<u>278</u>	<u>201</u>	<u>201</u>	<u>429</u>	<u>204</u>	<u>188</u>	<u>175</u>	<u>150</u>	<u>124</u>	<u>120</u>
Net expenses	<u>\$ 830</u>	<u>\$ 976</u>	<u>\$ 875</u>	<u>\$ 917</u>	<u>\$ 954</u>	<u>\$ 985</u>	<u>\$ 1,033</u>	<u>\$ 993</u>	<u>\$ 769</u>	<u>\$ 775</u>
Net cost per resident	<u>\$ 44.99</u>	<u>\$ 53.46</u>	<u>\$ 45.08</u>	<u>\$ 47.05</u>	<u>\$ 49.04</u>	<u>\$ 50.82</u>	<u>\$ 52.89</u>	<u>\$ 51.03</u>	<u>\$ 39.81</u>	<u>\$ 40.22</u>

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

Table 17
(continued)

Function:	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
General Fund (GF) revenues*	\$ 18,230	\$ 16,893	\$ 16,781	\$ 20,365	\$ 17,176	\$ 18,232	\$ 17,401	\$ 15,470	\$ 13,669	\$ 12,858
Per capital GF revenues	\$ 988.24	\$ 925.39	\$ 864.51	\$ 1,044.84	\$ 882.90	\$ 940.66	\$ 890.99	\$ 794.96	\$ 707.61	\$ 667.32
General Fund expenditures*	\$ 16,991	\$ 17,529	\$ 17,129	\$ 16,538	\$ 20,402	\$ 17,149	\$ 16,224	\$ 14,845	\$ 15,958	\$ 13,369
Per capita GF expenditures	\$ 921.07	\$ 960.23	\$ 882.44	\$ 848.49	\$ 1,048.73	\$ 884.79	\$ 830.72	\$ 762.85	\$ 826.11	\$ 693.84
GF revenue as a percentage of GF expenditures	107.29%	96.37%	98.14%	122.92%	84.49%	106.31%	107.25%	104.21%	85.66%	96.18%
Interest rates, maximum	0.35%	0.32%	0.40%	2.01%	5.62%	5.77%	5.39%	3.70%	1.70%	2.00%
Interest rates, minimum	0.02%	0.15%	0.10%	0.20%	1.60%	3.50%	2.50%	1.30%	1.15%	1.25%
Stormwater Fund:										
Operating revenue*	\$ 444	\$ 474	\$ 449	\$ 375	\$ 379	\$ 402	\$ 355	\$ 376	\$ 374	\$ 294
Operating revenue per capita	\$ 24	\$ 26	\$ 23	\$ 19	\$ 19	\$ 21	\$ 18	\$ 19	\$ 19	\$ 15
Accounts receivable*	\$ 135	\$ 172	\$ 151	\$ 120	\$ 110	\$ 74	\$ 71	\$ 1,023	\$ 31	\$ 26
Unrestricted net assets*	\$ 2,058	\$ 2,422	\$ 2,231	\$ 1,963	\$ 1,817	\$ 1,587	\$ 1,324	\$ 1,350	\$ 1,235	\$ 1,121
Percentage of accounts receivable to unrestricted net assets	6.56%	7.10%	6.77%	6.11%	6.05%	4.66%	5.36%	75.78%	2.51%	2.32%
General Government:										
Lien searches	522	459	420	393	304	496	535	641	661	890
Homestead properties	4,682	4,733	4,807							
Total properties	6,443	6,466	6,512							
Homestead as percentage of total properties	72.7%	73.2%	73.8%							

* Amounts in thousands

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

Table 18

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Police:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	29	30	33	31	32	32	31	33	33	33
Parks:										
Parks	7	6	7	7	7	7	7	7	7	7
Park Acreage	62	62	62	62	62	62	61	60	60	60
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	1	2	2	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, 2012, which collectively comprise the Village of Pinecrest, Florida's basic financial statements and have issued our report thereon dated January 23, 2013. 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

Management of the Village is responsible for establishing and maintaining effective 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 23, 2013



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, 2012, and have issued our report thereon dated January 23, 2013.

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 Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated January 23, 2013, 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, 2012, 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, 2012. 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 23, 2013