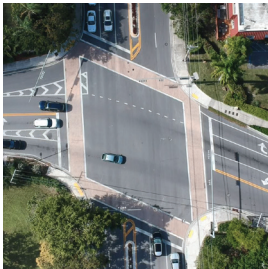




2018-2019



VILLAGE OF PINECREST
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



VILLAGE OF PINECREST, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

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VILLAGE OF PINECREST, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2019

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VILLAGE OF PINECREST, FLORIDA

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INTRODUCTORY SECTION

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Yocelyn Galiano, ICMA-CM
Village Manager
manager@pinecrest-fl.gov

VILLAGE OF PINECREST
Office of the Village Manager

March 9, 2020

To the Honorable Mayor Joseph Corradino
Members of the Village Council and
Citizens of the Village of Pinecrest:

The Government Finance Officers' Association recommends that local governments publish within 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, 2019.

This report is consistent with management's representation of the Village of Pinecrest's finances. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the Village of Pinecrest's management 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 Mauldin & Jenkins, 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 that ended September 30, 2019, 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 unmodified opinion that the Village of Pinecrest's financial statements for the fiscal year ended September 30, 2019, 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 the 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 18,510. 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. Policymaking and legislative authority are vested in a governing council consisting of the Mayor and four Council Members. The Council is responsible for adopting ordinances, adopting the budget, and 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 department heads.

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 other governmental entities such as the Miami-Dade Fire and Rescue Department, Miami-Dade Public School Board and Miami-Dade County.

The Village of Pinecrest has seven 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, Information Technology, 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 Village Council for review. The Village 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 type of fund and department. No department may expend in excess of the 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. The real estate sales have continued its recovery. 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 improvements at Pinecrest Gardens: roof repairs on the Hibiscus Room, the Concession structure, the Main Entrance, the Colonnade and the garage, audio and surge protection systems, Lower Garden Shelter renovations, splash and play features, birdcage renovations, parking lot resurfacing and a golf cart; transportation projects; Community Center expansion, soccer field sound barrier and exercise equipment; Suniland Park lighting, playground renovation, dog park establishment, shade structure and fencing; Greer Park lighting, ceiling repairs, and trucks; disaster recovery system for IT; Village Hall garage lighting and access control system; a truck for zoning, and Stormwater drainage improvements.

Financial policies. The Village of Pinecrest has the following financial policies: Operating Budget Policy, Capital Improvement Policy, Debt Management Policy, Revenue Policy, Investment Policy, Fund Balance Policy, Account, Auditing & Financial Reporting Policy, Audit Committee & Auditor Selection Policy, Capital Asset Policy, Travel Policy, Purchasing Policy, Retiree Health Care Policy, Fraud Policy, Construction Guarantee Policy and Credit Card Policy. The Revenue Policy establishes that all one-time revenues will be matched with expenditures to decrease the reliance on the 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). With the exception of sworn police personnel, full time employees contribute 7% of his or her pay to the plan, which is matched by a contribution by the Village of Pinecrest of 10% for general employees and 14.1% for department heads.

A defined benefit plan sponsored by the Florida Retirement System (FRS) was established for sworn police personnel. Sworn police personnel who were employed at the time the defined benefit plan by FRS was established had the option of remaining in the 401(a) plan sponsored by the ICMA RC at the time. The 401(a) is now managed by VOYA Financial. All newly hired sworn police personnel participate in the FRS.

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, 2018. This was the 23rd 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 2018 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 it will be submitted 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 must also 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,
ICMA-CM, LEED GA
Village Manager


Marie Arteaga-Nariño
Finance Director



Government Finance Officers Association

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

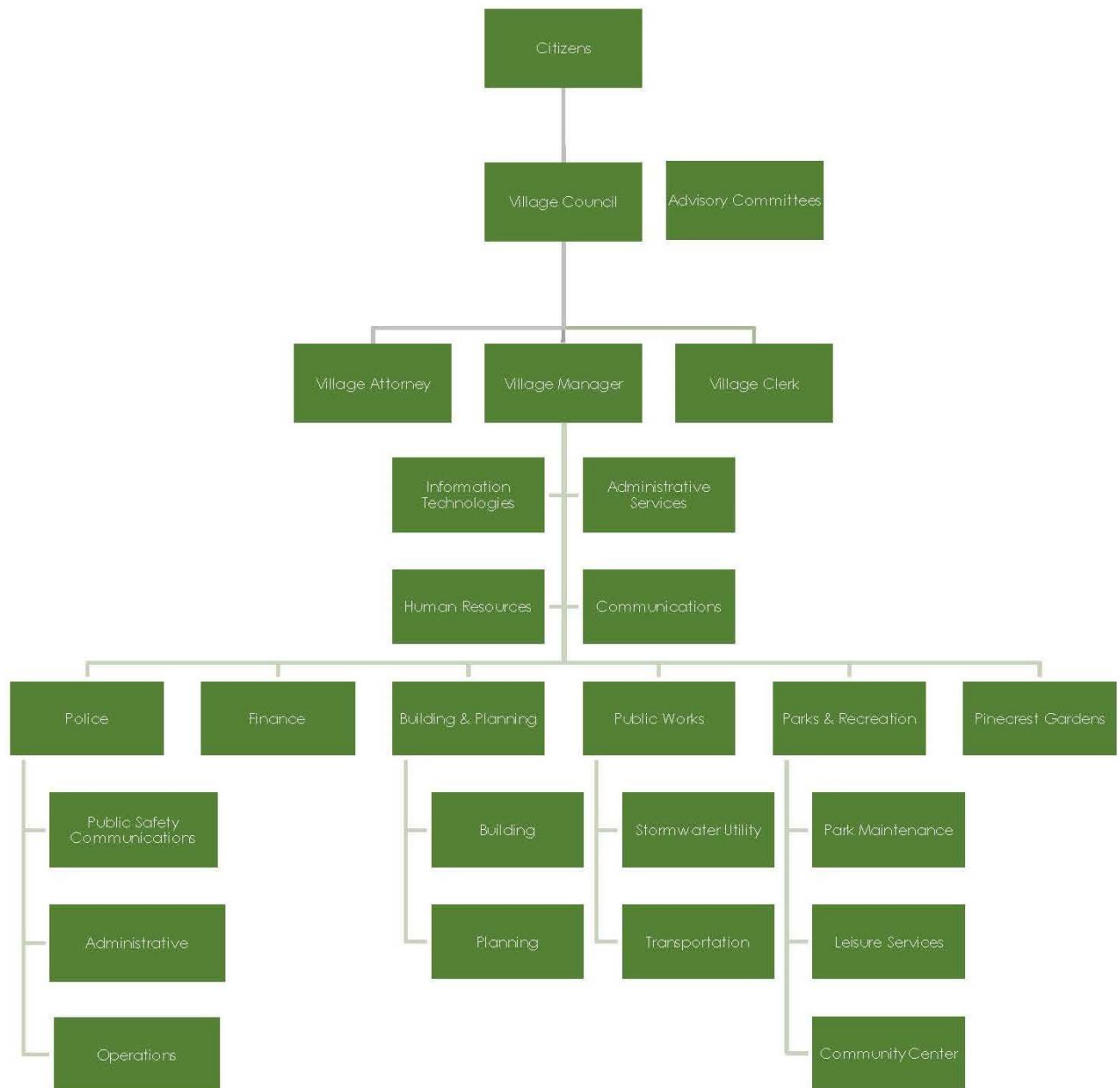
September 30, 2018

Christopher P. Morill

Executive Director/CEO

Organizational Chart

2019-2020





VILLAGE OF PINECREST

2018–2019 Village Council and Charter Officers



Joseph M. Corradino
Mayor
jcorradino@pinecrest-fl.gov



Anna Hochkammer
Vice Mayor - Seat 1
ahochkammer@pinecrest-fl.gov



Katie Abbott
Councilmember - At-Large
kabbott@pinecrest-fl.gov



Doug Kraft
Councilmember - Seat 2
dkraft@pinecrest-fl.gov



James E. McDonald
Councilmember - Seat 3
jmcDonald@pinecrest-fl.gov



Yocelyn Galiano, ICMA-CM
Village Manager
manager@pinecrest-fl.gov



Guido H. Inguanzo, Jr., CMC
Village Clerk
clerk@pinecrest-fl.gov



Mitchell Bierman
Village Attorney
attorney@pinecrest-fl.gov

12645 Pinecrest Parkway, Pinecrest, Florida 33156

T: 305.234.2121 | F: 305.234.2131

www.pinecrest-fl.gov



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13 and the Required Supplementary Information as listed in the table of contents on pages 50 through 59 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 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 or 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements of the City.

The combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Bradenton, Florida
March 9, 2020

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VILLAGE OF PINECREST, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2019

As management of the Village of Pinecrest, Florida (the "Village"), we offer the Village's financial statements in this narrative overview and analysis of the financial activities of the Village of Pinecrest for the fiscal year ending September 30, 2019. 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 exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$86,430,073 (net position).
- The Villages total net position increased by \$309,924. This increase was largely a result of recording Federal Emergency Management Agency obligated funds for Hurricane IRMA (\$1,759,020) offset by depreciation, capital activities, and debt activities.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$10,069,776, an increase of \$2,178,508 in comparison with the prior year. Approximately 50.4% of this total amount, \$5,071,656, is available for spending at the government's discretion (Unassigned Fund balance). The financial position of the Village has increased and the overall financial position continues to be excellent. The governmental funds increase was related to a debt issuance whereby the Village chose to invest in its infrastructure and community enhancements for the benefit of its citizens.
- At the end of the current fiscal year, the Unassigned Fund balance for the General Fund was \$5,071,656 or 21.5% of the total General Fund expenditures and transfers.
- The Village of Pinecrest total bonded debt decreased by \$1,334,800 or 15% during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Pinecrest's basic financial statements. The Village's 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 inflow/outflow 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.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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 flow. Thus, revenues and expenses are reported in this statement for some that will only result in cash flow in the future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village of Pinecrest that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government, police and public works (including highways, parks, and planning and building). The business-type activities of the Village include stormwater activities.

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 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 inflow and outflow 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 eleven individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for General, Capital Projects, eight Special Revenue funds and a Debt Service Fund. Only the General, Transportation, CITT Public Transit Fund 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 non-major governmental funds are provided in the form of combining statements elsewhere in this report.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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 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 non-major 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 and deferred inflows by \$86,430,073 at the close of the most recent fiscal year.

By far the largest portion of the Village's net position \$85,396,744 or 98.8% reflects its investment in capital assets (i.e. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Village 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 because the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Village of Pinecrest Net Position

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 9,950,460	\$ 13,527,475	\$ 1,189,668	\$ 1,479,883	\$ 11,140,128	\$ 15,007,358
Capital assets	87,060,543	85,315,968	7,265,566	7,733,676	94,326,109	93,049,644
Total assets	97,011,003	98,843,443	8,455,234	9,213,559	105,466,237	108,057,002
Total deferred outflows of resources	4,806,328	3,870,387	-	-	4,806,328	3,870,387
Other liabilities	2,085,500	1,719,121	321,987	314,571	2,407,487	2,033,692
Long-term liabilities	20,517,910	21,873,957	-	-	20,517,910	21,873,957
Total liabilities	22,603,410	23,593,078	321,987	314,571	22,925,397	23,907,649
Total deferred inflows of resources	1,227,019	1,589,667	-	-	1,227,019	1,589,667
Net position						
Net investment in capital assets	77,086,602	77,663,068	7,265,566	7,733,676	84,352,168	85,396,744
Restricted	3,767,387	4,014,196	-	-	3,767,387	4,014,196
Unrestricted	(2,867,087)	(4,146,179)	867,681	1,165,312	(1,999,406)	(2,980,867)
Total net position	\$ 77,986,902	\$ 77,531,085	\$ 8,133,247	\$ 8,898,988	\$ 86,120,149	\$ 86,430,073

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Governmental activities. Governmental activities decreased the Village's net position by \$455,817. Key elements in the changes in net position activity are as follows:

Village of Pinecrest Changes in Net Position

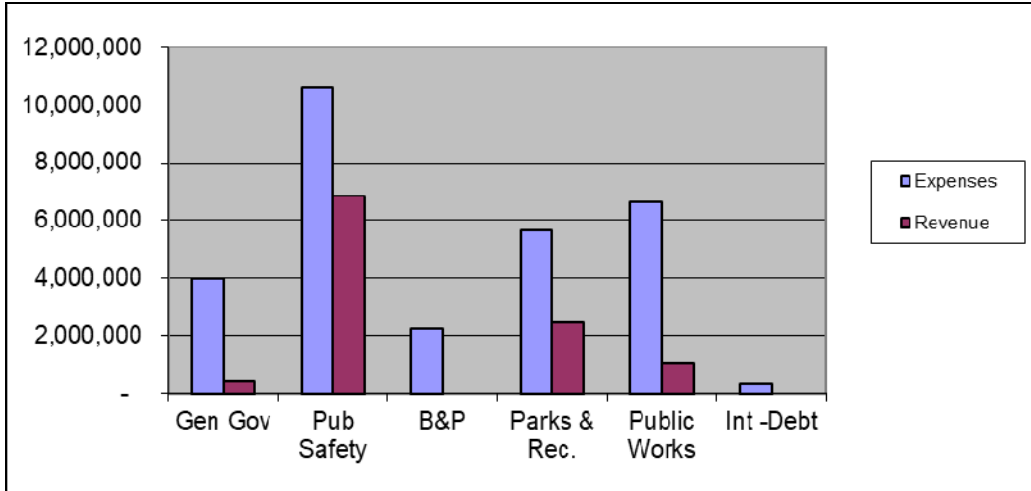
	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues:						
Charges for services	\$ 6,011,988	\$ 7,760,864	\$ 1,319,975	\$ 1,332,803	\$ 7,331,963	\$ 9,093,667
Operating grants and contributions	635,566	2,486,526	-	-	635,566	2,486,526
Capital grants and contributions	305,878	465,062	150,000	-	455,878	465,062
General revenues:						
Taxes	15,038,525	15,786,014	-	-	15,038,525	15,786,014
Other	2,909,461	2,482,781	7,290	35,600	2,916,751	2,518,381
Total revenues	<u>24,901,418</u>	<u>28,981,247</u>	<u>1,477,265</u>	<u>1,368,403</u>	<u>26,378,683</u>	<u>30,349,650</u>
Operating expenses:						
General government	3,779,281	3,983,332	-	-	3,779,281	3,983,332
Public safety	12,380,742	10,596,411	-	-	12,380,742	10,596,411
Building, planning and zoning	2,026,381	2,240,170	-	-	2,026,381	2,240,170
Parks and recreation	6,354,857	6,620,349	-	-	6,354,857	6,620,349
Public works	5,444,820	5,655,871	-	-	5,444,820	5,655,871
Interest	277,086	340,931	-	-	277,086	340,931
Stormwater	-	-	728,939	602,662	728,939	602,662
Total operating expenses	<u>30,263,167</u>	<u>29,437,064</u>	<u>728,939</u>	<u>602,662</u>	<u>30,992,106</u>	<u>30,039,726</u>
Change in net position	(5,361,749)	(455,817)	748,326	765,741	(4,613,423)	309,924
Net position, beginning (as restated)	<u>83,348,651</u>	<u>77,986,902</u>	<u>7,384,921</u>	<u>8,133,247</u>	<u>90,733,572</u>	<u>86,120,149</u>
Net position, ending	<u>\$ 77,986,902</u>	<u>\$ 77,531,085</u>	<u>\$ 8,133,247</u>	<u>\$ 8,898,988</u>	<u>\$ 86,120,149</u>	<u>\$ 86,430,073</u>

- Taxes of \$15,786,014 comprised 54.5% of the total governmental revenues, of \$28,981,247 during the fiscal year. Most of this category is property taxes of \$11,034,420.
- Charges for services accounted for \$7,760,864 or 26.8% of total governmental revenues.
- Operating and capital grants and contributions accounted for \$2,951,586 or 10.2% of total governmental revenues. This line includes the FEMA hurricane IRMA cost reimbursements of \$1,759,020.

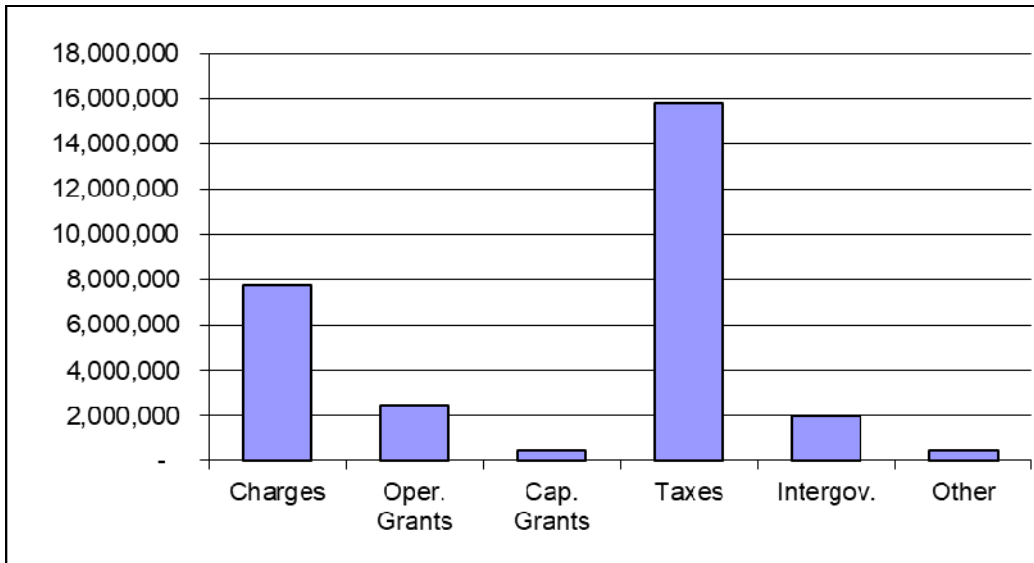
VILLAGE OF PINECREST, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



In fiscal year 2018, The Village spent \$2,856,446 (Public Safety expense category) in clean up and repairs due to Hurricane Irma and received \$714,093 from insurance (Other revenue category). The FEMA claim has not been reimbursed as of the close of the year, however, a partial amount of \$1,759,020 has been recorded as a receivable. Removing the impact of the hurricane, leaves a healthy growth in revenues of \$3,034,903 or 12.6%, while expenses grew \$1,740,435 or 6.4%. This was achieved through a growth in the Charges for Services revenue category of \$1,748,876 due to a growth in parks and recreation programming revenue and Taxes of \$747,489 due in part to the increase in the millage rate from 2.3 to 2.399. The capital and operating grants such as federal, state and county resources increased approximately \$2,010,144; \$1,759,020 was the FEMA obligated funds from Hurricane Irma.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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's governmental funds is to provide information on near term inflow, outflow and balances of spendable resources. Such information is useful in assessing the Village of Pinecrest's financing requirements. In particular, the 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's governmental funds (GAAP basis) reported combined ending fund balances of \$10,069,776, an increase of \$2,178,508 or 27.6% in comparison with the prior year, \$7,891,268. Approximately 50.3% of this total amount, \$5,071,656 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 major reasons for the increase is the growth in general fund revenues coupled with a drop in expenses and a new debt issued for capital improvements of \$2,617,100.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, the Unassigned Fund balance of the General Fund was \$5,071,656. 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 is 21.5% of total General Fund expenditures including transfers, while total fund balance represents 42.6% of that same amount.

- The unassigned fund balance of the Village's General Fund decreased by \$1,823,241 during the current fiscal year.
- The Police expenditures were under budget by \$551,267 due to unfilled open positions and various capital projects that were not completed, of which \$178,000 will be carried over for the license plate reader program and \$200,000 for various legal issues including union contract negotiations.
- General Government departments were under budget by \$113,461 of which \$46,430 will be carried over into the following year for an AC Chiller, \$25,000 for a compensation study for human resources, and \$22,310 for an impact study for building and planning.
- Public Works department was under budget by \$147,696 and \$117,915 will be carried over into the next fiscal year for a potable water study.
- Parks and Recreation department was under budget by \$194,880 and the majority will be carried over for various improvements at the parks, Community Center, and Pinecrest Gardens.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

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 \$1,283,100 was transferred into the fund for principal payments, an increase of \$176,300. The increase is due to the first payment on the new \$2.671 million loan issued in fiscal year 2019. This year \$293,251 was transferred for interest payments, a decrease of \$24,521.

Proprietary Fund. The Stormwater Fund accounts for revenues collected for the maintenance of the stormwater collection function in the Village. The Village maintains the canals and underground pipes and there are operational costs associated with treating the water. This year the unrestricted net position went from \$867,681 to \$1,165,312, an increase of \$297,631. This increase reflects the fact that more funds were received than were spent on capital improvements this year. Those excess funds will be used for future year capital improvements, which are depreciated over many years.

General Fund Budget Highlights

The budget to actual variances in the General Fund were:

- **Fines and Forfeitures, \$621,045.** \$621,045 was earned in excess of the budgeted revenues due to the increase in red light cameras and violations in the Village. In addition, collections were made on stagnant liens from code violations.
- **Licenses and Permits, \$575,084.** \$575,084 was earned in excess of the budgeted revenues due to the increased construction values in permits issued during the year.
- **Charges for Services, \$470,813.** \$470,813 was earned in excess of the budgeted revenues due to increased programming in the parks, Community Center, and Pinecrest Gardens.

During the year, budgetary revenues were more than budgetary expenditures, increasing the fund balance by \$4,268,937 or \$1,924,471 when including transfers out.

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

- Potable water distribution network plan, \$150,000
- Pinecrest Gardens parking lot resurface and storage garage roof funding by the increase in the bank loan amount, \$440,000.
- Personnel expenses for the Villages takeover of the gym management at the Community Center, \$55,000.
- Building and Planning personnel expenses for increase in permanent activity, \$99,435.
- Pinecrest Gardens Learning Garden funded by a grant from the MAS Foundation, \$10,000.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Capital Asset and Debt Administration

Capital assets. The Village of Pinecrest’s investment in capital assets for its governmental activities as of September 30th amounts to \$93,049,644 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, roads, sidewalks, infrastructure, stormwater system, and construction in progress. The total decrease in the Village’s investment in capital assets for the current fiscal year was 1%.

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

- Stormwater improvements
- Renovations and improvements at Pinecrest Gardens, the Community Center and various parks
- Village-wide road improvement
- Village Hall parking garage and security access improvements
- Construction in Progress
 - Pinecrest Gardens – Parking lot resurface

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
General government	\$ 4,826,211	\$ 4,801,473	\$ -	\$ -	\$ 4,826,211	\$ 4,801,473
Public safety	810,819	992,359	-	-	810,819	992,359
Building, planning and zoning	34,978	62,501	-	-	34,978	62,501
Parks	37,498,384	37,699,822	-	-	37,498,384	37,699,822
Public works	43,890,151	41,759,813	-	-	43,890,151	41,759,813
Stormwater	-	-	7,265,566	7,733,676	7,265,566	7,733,676
Total capital assets	\$ 87,060,543	\$ 85,315,968	\$ 7,265,566	\$ 7,733,676	\$ 94,326,109	\$ 93,049,644

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 had total bonded debt outstanding of \$10,230,500.

Village of Pinecrest’s Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
Revenue bonds	\$ 8,896,500	\$ 10,230,500	\$ -	\$ -	\$ 8,896,500	\$ 10,230,500
Total debt	\$ 8,896,500	\$ 10,230,500	\$ -	\$ -	\$ 8,896,500	\$ 10,230,500

The Village of Pinecrest increased its total debt by \$1,334,000 or 15% during the current fiscal year. There are five bond issues outstanding: Pinecrest Gardens refinancing (formerly known as Parrot Jungle), \$1,570,000, which matures in fiscal year 2022, the Library/Community Center, \$1,013,300, which matures in fiscal year 2024, Community Center/Coral Pines Park \$4,188,500, which matures in fiscal year 2029 and Pinecrest Gardens Improvements, \$995,000 which matures in fiscal year 2030. A new bank loan was issued this year for capital improvements with an outstanding balance of \$2,463,700, which matures in fiscal year 2028.

VILLAGE OF PINECREST, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

The Series 2011B bonds carry the following bond ratings:

- Standard & Poor's – AAA
- Fitch – AA+. The issuer default rating is AAA.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Miami-Dade County/Broward County/West Palm Beach is currently 3.0%, which is a decrease from the rate of 3.2%, 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.
- By the end of fiscal year 2019, FEMA obligated eight of our nine projects. One more was obligated in October of 2019. The obligated, or approved value to the Village is \$1,759,020. It is expected that these funds will be received in fiscal year 2020.

During the current fiscal year, the unassigned fund balance for governmental funds increased to \$5,071,656. The Village also has \$2,952,202 of fund balance in the Capital Projects Fund that is either restricted or assigned for various capital improvement projects.

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

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VILLAGE OF PINECREST, FLORIDA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 10,983,753	\$ 1,375,246	\$ 12,358,999
Accounts receivables, net	2,490,911	104,637	2,595,548
Prepaid items	52,811	-	52,811
Capital assets			
Non-depreciable	16,995,780	-	16,995,780
Depreciable, net	68,320,188	7,733,676	76,053,864
Total assets	98,843,443	9,213,559	108,057,002
Deferred outflows of resources			
Deferred outflows - pension	3,794,877	-	3,794,877
Deferred outflows - OPEB	61,153	-	61,153
Deferred charge on refunding	14,357	-	14,357
Total deferred outflows	3,870,387	-	3,870,387
Liabilities			
Accounts payable	1,119,518	24,913	1,144,431
Accrued liabilities	503,976	-	503,976
Unearned revenue	95,627	289,658	385,285
Noncurrent liabilities			
Due within one year	1,820,477	-	1,820,477
Due in more than one year	20,053,480	-	20,053,480
Total liabilities	23,593,078	314,571	23,907,649
Deferred inflows of resources			
Deferred inflows - pension	1,522,351	-	1,522,351
Deferred inflows - OPEB	54,226	-	54,226
Deferred gain on refunding	13,090	-	13,090
Total deferred inflows	1,589,667	-	1,589,667
Net position			
Net investment in capital assets	77,663,068	7,733,676	85,396,744
Restricted for			
Transportation	1,258,282	-	1,258,282
Public safety	134,736	-	134,736
General government	37,859	-	37,859
Parks	5,719	-	5,719
Capital projects	2,577,600	-	2,577,600
Unrestricted	(4,146,179)	1,165,312	(2,980,867)
Total net position	\$ 77,531,085	\$ 8,898,988	\$ 86,430,073

The accompanying notes to financial statements are an integral part of this statement.

VILLAGE OF PINECREST, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Functions/programs						
Primary government:						
Governmental activities:						
General government	\$ 3,983,332	\$ 358,885	\$ 37,860	\$ (3,586,587)	\$ -	\$ (3,586,587)
Public safety	10,596,411	4,974,565	94,811	(3,768,015)	-	(3,768,015)
Building, planning and zoning	2,240,170	-	-	(2,240,170)	-	(2,240,170)
Public works	6,620,349	7,876	295,819	(5,589,148)	-	(5,589,148)
Parks and recreation	5,655,871	2,419,538	36,572	(3,199,761)	-	(3,199,761)
Interest on long-term debt	340,931	-	-	(340,931)	-	(340,931)
Total governmental activities	29,437,064	7,760,864	465,062	(18,724,612)	-	(18,724,612)
Business-type activities:						
Stormwater	602,662	1,332,803	-	-	730,141	730,141
Total business-type activities	602,662	1,332,803	-	-	730,141	730,141
Total primary government	\$ 30,039,726	\$ 9,093,667	\$ 465,062	(18,724,612)	730,141	(17,994,471)
General revenues						
Property taxes				11,034,420	-	11,034,420
Franchise fees on gross receipts				903,637	-	903,637
Utilities taxes				2,413,794	-	2,413,794
Communication services tax				816,945	-	816,945
Transportation tax				484,273	-	484,273
Business tax				132,945	-	132,945
Intergovernmental, not restricted to specific programs				2,019,348	-	2,019,348
Investment earnings				264,994	35,600	300,594
Miscellaneous				198,439	-	198,439
Total general revenues				18,268,795	35,600	18,304,395
Change in net position				(455,817)	765,741	309,924
Net position, beginning of year				77,986,902	8,133,247	86,120,149
Net position, end of year				\$ 77,531,085	\$ 8,898,988	\$ 86,430,073

The accompanying notes to financial statements are an integral part of this statement.

VILLAGE OF PINECREST, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Transportation Fund	CITT Public Transit Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,524,044	\$ 1,234,649	\$ 102,621	\$ 2,976,295	\$ 146,144	\$ 10,983,753
Accounts receivable, net	2,258,219	70	199,512	-	33,110	2,490,911
Prepaid items	52,811	-	-	-	-	52,811
Total assets	<u>\$ 8,835,074</u>	<u>\$ 1,234,719</u>	<u>\$ 302,133</u>	<u>\$ 2,976,295</u>	<u>\$ 179,254</u>	<u>\$ 13,527,475</u>
Liabilities, deferred inflows, and fund balances						
Liabilities						
Accounts payable	\$ 815,915	\$ 151,114	\$ 127,456	\$ 24,093	\$ 940	\$ 1,119,518
Accrued liabilities	483,534	-	-	-	-	483,534
Unearned revenue	95,627	-	-	-	-	95,627
Total liabilities	<u>1,395,076</u>	<u>151,114</u>	<u>127,456</u>	<u>24,093</u>	<u>940</u>	<u>1,698,679</u>
Deferred inflows of resources						
Unavailable revenue	1,759,020	-	-	-	-	1,759,020
Fund balances						
Nonspendable	52,811	-	-	-	-	52,811
Restricted						
Transportation	-	1,083,605	174,677	-	-	1,258,282
Public safety	-	-	-	-	134,736	134,736
General government	-	-	-	-	37,859	37,859
Parks	-	-	-	-	5,719	5,719
Capital projects	-	-	-	2,577,600	-	2,577,600
Committed						
Sidewalk improvements	556,511	-	-	-	-	556,511
Assigned						
Capital improvements	-	-	-	374,602	-	374,602
Unassigned						
	5,071,656	-	-	-	-	5,071,656
Total fund balances	<u>5,680,978</u>	<u>1,083,605</u>	<u>174,677</u>	<u>2,952,202</u>	<u>178,314</u>	<u>10,069,776</u>
Total liabilities and fund balances	<u>\$ 8,835,074</u>	<u>\$ 1,234,719</u>	<u>\$ 302,133</u>	<u>\$ 2,976,295</u>	<u>\$ 179,254</u>	
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 funds.						
Governmental capital assets					\$ 221,092,673	
Accumulated depreciation					(135,776,705)	85,315,968
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.						
						1,759,020
Deferred outflows, deferred inflows, and the net pension liability and total OPEB liability related to the Village's pension and OPEB plans and bonds are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.						
Deferred outflows - pension					3,794,877	
Deferred inflows - pension					(1,522,351)	
Deferred outflows - OPEB					61,153	
Deferred inflows - OPEB					(54,226)	
Deferred charge on refunding					14,357	
Deferred gain on refunding					(13,090)	
Total OPEB liability					(230,053)	
Bonds payable					(10,230,500)	
Net pension liability					(10,914,607)	(19,094,440)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.						
Accrued interest payable					(20,442)	
Compensated absences					(498,797)	(519,239)
Net position of governmental activities						<u>\$ 77,531,085</u>

The accompanying notes to financial statements are an integral part of this statement.

VILLAGE OF PINECREST, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Transportation Fund	CITT Public Transit Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 15,301,741	\$ 484,273	\$ -	\$ -	\$ -	\$ 15,786,014
Licenses and permits	3,200,334	-	-	-	-	3,200,334
Intergovernmental revenues	2,237,053	39,300	856,858	34,658	54,651	3,222,520
Charges for services	2,834,013	-	-	-	-	2,834,013
Fines and forfeitures	1,591,045	-	-	-	80,821	1,671,866
Impact fees	-	-	-	-	44,047	44,047
Investment earnings	189,544	43,460	6,291	23,403	2,296	264,994
Miscellaneous revenues	196,939	-	1,500	-	-	198,439
Total revenues	<u>25,550,669</u>	<u>567,033</u>	<u>864,649</u>	<u>58,061</u>	<u>181,815</u>	<u>27,222,227</u>
Expenditures						
Current						
General government	3,837,144	-	-	-	-	3,837,144
Public safety	9,226,618	-	-	-	132,222	9,358,840
Emergency and disaster relief	289,908	-	-	-	-	289,908
Building, planning and zoning	2,237,093	-	-	-	-	2,237,093
Public works	776,179	2,484,431	1,287,645	-	-	4,548,255
Parks and recreation	4,914,790	-	-	-	-	4,914,790
Capital outlay	-	-	-	858,938	-	858,938
Debt service						
Principal retirement	-	-	-	-	1,283,100	1,283,100
Debt issuance costs	-	-	-	39,500	-	39,500
Interest	-	-	-	-	293,251	293,251
Total expenditures	<u>21,281,732</u>	<u>2,484,431</u>	<u>1,287,645</u>	<u>898,438</u>	<u>1,708,573</u>	<u>27,660,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,268,937</u>	<u>(1,917,398)</u>	<u>(422,996)</u>	<u>(840,377)</u>	<u>(1,526,758)</u>	<u>(438,592)</u>
Other financing sources (uses)						
Issuance of revenue bonds	-	-	-	2,617,100	-	2,617,100
Transfers in	15,000	-	-	808,105	1,577,351	2,400,456
Transfers out	(2,359,466)	(25,990)	-	-	(15,000)	(2,400,456)
Total other financing sources (uses)	<u>(2,344,466)</u>	<u>(25,990)</u>	<u>-</u>	<u>3,425,205</u>	<u>1,562,351</u>	<u>2,617,100</u>
Change in fund balances	<u>1,924,471</u>	<u>(1,943,388)</u>	<u>(422,996)</u>	<u>2,584,828</u>	<u>35,593</u>	<u>2,178,508</u>
Fund balances, beginning of year	<u>3,756,507</u>	<u>3,026,993</u>	<u>597,673</u>	<u>367,374</u>	<u>142,721</u>	<u>7,891,268</u>
Fund balances, end of year	<u>\$ 5,680,978</u>	<u>\$ 1,083,605</u>	<u>\$ 174,677</u>	<u>\$ 2,952,202</u>	<u>\$ 178,314</u>	<u>\$ 10,069,776</u>

The accompanying notes to financial statements are an integral part of this statement.

VILLAGE OF PINECREST, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net Change in Fund Balances – Total Governmental Funds		\$ 2,178,508
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 4,529,405	
Less current year depreciation	<u>(6,240,800)</u>	(1,711,395)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and sales) is to decrease net position.</p>		
		(33,180)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds.</p>		
Unavailable intergovernmental revenue		1,759,020
<p>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.</p>		
Change in compensated absences	(35,805)	
Change in accrued interest	5,866	
Amortization of deferred charge and gain on refunding	(14,046)	
OPEB expense	(12,473)	
Pension expense	<u>(1,258,312)</u>	(1,314,770)
<p>The issuance of long-term debt 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 position.</p>		
General obligation bond principal repayments	1,283,100	
Issuance of revenue bonds	<u>(2,617,100)</u>	<u>(1,334,000)</u>
Change in net position of governmental activities		<u>\$ (455,817)</u>

The accompanying notes to financial statements are an integral part of this statement.

VILLAGE OF PINECREST, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	<u>Stormwater Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 1,375,246
Accounts receivable	104,637
Total current assets	<u>1,479,883</u>
Noncurrent assets	
Capital assets, depreciable, net	7,733,676
Total noncurrent assets	<u>7,733,676</u>
Total assets	<u><u>\$ 9,213,559</u></u>
Liabilities	
Current liabilities	
Accounts payable	\$ 24,913
Unearned revenue	289,658
Total liabilities	<u>314,571</u>
Net position	
Investment in capital assets	7,733,676
Unrestricted	1,165,312
Total net position	<u><u>\$ 8,898,988</u></u>

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

VILLAGE OF PINECREST, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Stormwater Fund</u>
Operating revenues	
Charges for services	\$ 1,262,088
Miscellaneous	70,715
Total operating revenues	<u>1,332,803</u>
Operating expenses	
Cost of sales	420,599
Depreciation	182,063
Total operating expenses	<u>602,662</u>
Operating income	<u>730,141</u>
Nonoperating revenue	
Investment earnings	35,600
Total nonoperating revenue	<u>35,600</u>
Change in net position	765,741
Total net position, beginning of year	8,133,247
Total net position, end of year	<u>\$ 8,898,988</u>

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

VILLAGE OF PINECREST, FLORIDA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Stormwater Fund
Cash flows from operating activities	
Cash received from customers	\$ 1,550,685
Cash paid to suppliers for goods and services	(530,503)
Net cash provided by operating activities	1,020,182
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(650,173)
Net cash used in capital and related financing activities	(650,173)
Cash flows from investing activities	
Interest received	35,600
Net cash provided by investing activities	35,600
Net change in cash and cash equivalents	405,609
Cash and cash equivalents, beginning of year	969,637
Cash and cash equivalents, end of year	\$ 1,375,246
 Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 730,141
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	182,063
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	115,394
Increase (decrease) in liabilities:	
Accounts payable	(109,904)
Unearned revenues	102,488
Net cash provided by operating activities	\$ 1,020,182

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

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The Village of Pinecrest (the “Village”) was incorporated March 12, 1996, pursuant to Ordinance 95-207 adopted by the Miami-Dade Board of County Commissioners November 12, 1995. The Village occupies a land area of eight square miles and serves a population of 18,467. The Village 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 have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units, which are generally accepted in the United States. 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 the GASB, the reporting entity, 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, organizations for which the Village is financially accountable and other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity’s financials statements to be misleading or incomplete. The Village 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. 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 position and the statement of changes in net position) report information on all activities of the Village of Pinecrest. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. 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, 2019

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 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 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 the improvement of the Village's roadway system. The primary sources of revenue are intergovernmental grants from a portion of the gasoline sales tax and a Miami-Dade County share of a ½ cent sales tax to be used for non-public transportation.
- The **CITT Public Transit Fund** reports on the public transit funds received from a portion of the transportation sales tax.
- 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.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the Village reports other special revenue funds and a debt service fund.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the governments various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

D. Assets, liabilities 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, a repurchase agreement and investments with the State Board of Administration Investment Pool. Investments are reported at fair value.

2. Capital assets

Capital assets, which include property, land, rights of way, equipment, and infrastructure assets (i.e. 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, liabilities deferred outflows/inflows of resources and net position/fund balance
(continued)**

2. Capital assets (continued)

The costs of 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
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 three items that qualify for reporting in this category. One is the deferred charge on refunding resulting from the difference in the carrying value of a refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items are the deferred outflows relating to the pension plan (discussed in Note 3E) and the deferred outflows relating to the OPEB plan (discussed in Note 2G).

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 has three items that qualify for reporting in this category. One is a deferred gain on refunding that results from the difference in the carrying value of refunded debt and its reacquisition price.

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, liabilities deferred outflows/inflows of resources and net position/fund balance
(continued)**

3. Deferred outflows/inflows of resources (continued)

This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred inflows relating to the pension plans and the OPEB plan. These are discussed in further detail in Note 3E and Note 2G. The Village also has one other type of these items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from certain charges for services and fines and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

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 net of the applicable bond premium or discount.

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.

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, liabilities deferred outflows/inflows of resources and net position/fund balance (continued)

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 assessed by the Village for the year ended September 30, 2019, was 2.399 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 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 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, 2019.

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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, liabilities deferred outflows/inflows of resources and net position/fund balance
(continued)**

8. Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances may be re-appropriated and become part of the subsequent year's budget pursuant to state regulations. There were no outstanding encumbrances at year-end.

9. Date of management review

Subsequent events were evaluated by management through March 9, 2020, which is the date the financial statements were available to be issued.

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

The Florida Prime has adopted operating procedures consistent with the requirement for 2a-7 like fund. The Village'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 Village had the following investments as of September 30, 2019:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida Prime	37 days weighted average days to maturity	\$ 6,781,668

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and investments (continued)

Credit risk

The Village 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 - Nationally Recognized Statistical Rating Organization (NRSRO) and Standard and Poor’s and Moody’s Investment Services. The Florida PRIME is rated AAAM by Standard and Poor’s.

Concentration credit risk

GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. External investment pools are exempt from Concentration and Interest Rate Risk disclosures.

Interest rate risk

In accordance with our investment policy, the Village 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 September 30, 2019, for the Village’s individual major and nonmajor funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>CITT Public Transit Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Stormwater Fund</u>	<u>Total</u>
Receivables						
Intergovernmental	\$ 1,938,029	\$ 70	\$ 199,512	\$ 32,622	\$ -	\$ 2,170,233
Franchise and utility	278,853	-	-	-	-	278,853
Ad valorem taxes	1,889	-	-	-	-	1,889
Fines	19,070	-	-	488	-	19,558
Accounts	2,000	-	-	-	104,637	106,637
Other	18,378	-	-	-	-	18,378
Less allowance for uncollectible	-	-	-	-	-	-
	<u>\$ 2,258,219</u>	<u>\$ 70</u>	<u>\$ 199,512</u>	<u>\$ 33,110</u>	<u>\$ 104,637</u>	<u>\$ 2,595,548</u>

VILLAGE OF PINECREST, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (continued)

Total unearned revenues as of September 30, 2019, are as follows:

Occupational taxes collected in advance	\$ 95,627
Stormwater utility charges collected in advance	289,658
	\$ 385,285

C. Capital assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 16,959,440	\$ -	\$ -	\$ 16,959,440
Construction in progress	5,962,692	36,340	(5,962,692)	36,340
Total assets not being depreciated	22,922,132	36,340	(5,962,692)	16,995,780
Capital assets being depreciated				
Buildings	20,638,872	6,437,511	-	27,076,383
Improvements other than buildings	9,047,502	567,519	-	9,615,021
Machinery and equipment	4,563,217	756,028	(72,228)	5,247,017
Computer software	274,711	-	-	274,711
Infrastructure	159,189,062	2,694,699	-	161,883,761
Total assets being depreciated	193,713,364	10,455,757	(72,228)	204,096,893
Less accumulated depreciation				
Buildings	(5,588,819)	(475,185)	-	(6,064,004)
Improvements other than buildings	(4,857,056)	(470,510)	-	(5,327,566)
Machinery and equipment	(3,368,627)	(395,768)	39,048	(3,725,347)
Computer software	(211,442)	(24,142)	-	(235,584)
Infrastructure	(115,549,009)	(4,875,195)	-	(120,424,204)
Total accumulated depreciation	(129,574,953)	(6,240,800)	39,048	(135,776,705)
Total assets depreciated, net	64,138,411	4,214,957	(33,180)	68,320,188
Governmental activities, net	\$ 87,060,543	\$ 4,251,297	\$ (5,995,872)	\$ 85,315,968

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets being depreciated				
Infrastructure	\$ 9,686,439	\$ 650,173	\$ -	\$ 10,336,612
Total assets being depreciated	<u>9,686,439</u>	<u>650,173</u>	<u>-</u>	<u>10,336,612</u>
Less accumulated depreciation				
Infrastructure	(2,420,873)	(182,063)	-	(2,602,936)
Total accumulated depreciation	<u>(2,420,873)</u>	<u>(182,063)</u>	<u>-</u>	<u>(2,602,936)</u>
Business-type activities, net	<u>\$ 7,265,566</u>	<u>\$ 468,110</u>	<u>\$ -</u>	<u>\$ 7,733,676</u>

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

Governmental activities:	
General government	\$ 155,137
Public safety	315,269
Building, planning and zoning	10,874
Public works	4,909,703
Parks and recreation	849,817
	<u>\$ 6,240,800</u>
Business-type activities:	
Stormwater	\$ 182,063
	<u>\$ 182,063</u>

D. Transfers

The composition of interfund transfers as of September 30, 2019, is as follows:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 1,550,361	To provide debt service funds
General Fund	Capital Projects Fund	808,105	To provide capital funds
General Fund	Hardwire Fund	1,000	To provide operational funds
Total General Fund		<u>\$ 2,359,466</u>	
Wireless Fund	General Fund	<u>\$ 15,000</u>	To provide operational funds
Transportation Fund	Debt Service Fund	<u>\$ 25,990</u>	To provide debt service funds

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-term debt

The Village has five debt issues outstanding at September 30, 2019, all of which are considered direct borrowings. Series 2011-2 was for capital improvements at Pinecrest Gardens and the Community Center. The 2011 series bonds bear interest rates from 2.0–5.0 %. Series 2012 was for the refunding of bonds for purchasing and developing Pinecrest Gardens and has a 3.25% interest rate. Series 2014 is for refunding the construction costs of the Library/Community Center at Pinecrest Gardens, \$3,075,000 and bears interest at 2.1%. Series 2015 is for the expansion of the Community Center and improvements at Coral Pines Park. The Series 2019 was issued in the current year in the amount of \$2,617,100 to provide funding for various capital projects including improvement of the Community Center, the Municipal Center/Library, Pinecrest Gardens, and other parks within the Village. The principal and interest on these bonds are payable from a covenant to budget and appropriate legally available non-ad valorem revenues.

Maturities of these direct borrowings are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 1,396,500	\$ 268,349	\$ 1,664,849
2021	1,431,600	238,650	1,670,250
2022	1,466,800	202,853	1,669,653
2023	956,800	166,070	1,122,870
2024	982,000	135,840	1,117,840
2025 - 2029	3,881,800	324,497	4,206,297
2030	115,000	6,325	121,325
	<u>\$ 10,230,500</u>	<u>\$ 1,342,584</u>	<u>\$ 11,573,084</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Direct borrowings:					
Bonds payable	\$ 8,896,500	\$ 2,617,100	\$ (1,283,100)	\$ 10,230,500	\$ 1,396,500
Total OPEB liability	218,353	65,926	(54,226)	230,053	-
Net pension liability	10,940,065	5,028,713	(5,054,171)	10,914,607	-
Compensated absences	462,992	627,232	(591,427)	498,797	423,977
Total governmental activities	<u>\$ 20,517,910</u>	<u>\$ 8,338,971</u>	<u>\$ (6,982,924)</u>	<u>\$ 21,873,957</u>	<u>\$ 1,820,477</u>

Compensated absences are paid from the General Fund in the form of vacation pay. The total OPEB liability and the net pension liability are generally liquidated by the General Fund.

VILLAGE OF PINECREST, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Accounts payable and other accrued liabilities:

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

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>CITT Public Transit Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Stormwater Fund</u>	<u>Totals</u>
Payables:							
Payroll	\$ 537,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 537,248
Vendors	476,353	151,114	127,456	24,093	940	24,913	804,869
Security deposits	212,580	-	-	-	-	-	212,580
Other	73,268	-	-	-	-	-	73,268
Total payables	<u>\$1,299,449</u>	<u>\$ 151,114</u>	<u>\$ 127,456</u>	<u>\$ 24,093</u>	<u>\$ 940</u>	<u>\$ 24,913</u>	<u>\$1,627,965</u>

G. Other Post-Employment Benefits (OPEB)

1. Description

The Village administers a single-employer OPEB plan. The purpose of this plan is to account for the implicit rate subsidy the Village provides to its retirees. Florida Statutes require that municipalities provide their retirees access to the same health insurance programs as their current employees at the same rates. Since the inclusion of the retirees results in higher overall health insurance costs to the municipality which cannot be passed on to the retirees, it in effect results in what is called the implicit rate subsidy. This is the only post-employment benefit the Village provides to its retirees other than its pension plan.

Membership in the plan consisted of the following at September 30, 2019:

Retirees and beneficiaries currently receiving benefits	2
Active employees	<u>122</u>
Total	<u><u>124</u></u>

Separate financial statements for the Village’s OPEB plan are not available. Funds from the General Fund are used to liquidate the total OPEB liability.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Post-Employment Benefits (OPEB) (continued)

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Benefits Provided:

Retirees and their dependents can continue participating in the group insurance plans offered by the Village, but they are required to contribute 100% of the active premiums.

Total OPEB liability of the Village

The Village's total OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions: The total OPEB liability in the October 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	Same as Healthcare Cost Trend Rates
Salary Increase:	3.00%
Discount Rate:	3.64%
Initial Trend Rate:	7.50%
Ultimate Trend Rate:	5.00% by 2022/2023
Participation Rate:	10%

For general employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 50% white collar table, 50% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disabled mortality tables with female lives set forward two years, male lives set back four years. Disabled mortality has not been adjusted for mortality improvements.

Discount Rate:

Given the Village's decision not to fund the program, all future benefit payments were discounted using a municipal bond rate of 3.64%.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Post-Employment Benefits (OPEB) (continued)

Changes in the total OPEB liability for the Village for the year ended September 30, 2019, were as follows:

	Total OPEB Liability
Balances at September 31, 2018	\$ 218,353
Changes for the year:	
Service cost	17,496
Interest	8,400
Differences between expected and actual experience	55,678
Changes of assumptions	(59,606)
Changes of benefit terms	-
Benefit payments	(10,268)
Other changes	-
Balances at September 31, 2019	\$ 230,053

There were no significant changes in assumptions since the prior measurement date.

The required schedule of changes in the Village’s total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current discount rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB liability	\$ 252,077	\$ 230,053	\$ 210,611

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates (7.5% down to 5%)	1% Increase
	\$ 204,013	\$ 230,053	\$ 261,370

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Other Post-Employment Benefits (OPEB) (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019, and the current sharing pattern of costs between employer and inactive employees.

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2019, the Village recognized OPEB expense of \$15,273. At September 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,653	\$ -
Change of assumptions	-	54,226
Village contributions subsequent to the measurement date	10,500	-
	<u>\$ 61,153</u>	<u>\$ 54,226</u>

The deferred outflows of resources related to the OPEB Plan, totaling \$10,500 resulting from Village contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB Plan will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30:	<u>Amount</u>
2020	\$ (715)
2021	(715)
2022	(715)
2023	(715)
2024	(713)
Thereafter	-

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Equity classification and policies

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. It is equally difficult to remove the constraint provide by an ordinance or a resolution.

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

Unassigned – all other spendable amounts. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental founds it is not appropriate to report a positive unassigned fund balance amount. However, in government funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Equity Classification and policies (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 Council during the budget process.

As of September 30, 2019, fund balances are composed of the following:

	<u>General Fund</u>	<u>Transportation Fund</u>	<u>CITT Public Transit Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Nonexpendable						
Prepays	\$ 52,811	\$ -	\$ -	\$ -	\$ -	\$ 52,811
Restricted						
Transportation	-	1,083,605	174,677	-	-	1,258,282
Public safety	-	-	-	-	134,736	134,736
General government	-	-	-	-	37,859	37,859
Parks	-	-	-	-	5,719	5,719
Committed						
Sidewalk improvements	556,511	-	-	-	-	556,511
Assigned						
Capital projects	-	-	-	2,952,202	-	2,952,202
Unassigned	<u>5,071,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,071,656</u>
Total fund balances	<u>\$ 5,680,978</u>	<u>\$ 1,083,605</u>	<u>\$ 174,677</u>	<u>\$ 2,952,202</u>	<u>\$ 178,314</u>	<u>\$ 10,069,776</u>

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 position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors or laws or regulation of other governments, or (2) law through constitutional provisions or enabling legislation.
- C. Unrestricted – consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Equity classification and policies (continued)

Net position flow assumption:

Sometimes the Village will fund outlays for a particular purpose from both restricted (i.e. 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.

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 \$759,202 to the Village for the fiscal year ending September 30, 2019. 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, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. Interlocal agreement (continued)

On July 17, 2003, the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, the County remitted \$793,746 to the Village for the fiscal year ending September 30, 2019, 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 plans

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 Voya Financial. The Village does not exercise any control over the Plan assets. Village contributions to the Plan were \$594,913. Employee contributions were \$357,640 for the year ended September 30, 2019.

The Village also offers its employees a deferred compensation plan. The Plan, available to all Village employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Benefit provisions and contributions are established and may be amended by the Village Council. During the year ended September 30, 2019, the Village made no contributions and employees contributed \$362,529. Pursuant to the Statement No. 32 of the GASB, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the Village does not have a fiduciary relationship with the Plan. Accordingly, the balances and transactions of the Village's Plan are not reported in the Village's financial statements.

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 Department of Management Services, Division of Retirement. The sworn police personnel are eligible to participate in the FRS.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

General Information – As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature. The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, by calling (877) 377-1737, or by visiting:

www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS PENSION PLAN

Plan Description:

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided:

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For Special Risk and Special Risk Administrative Support class members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 60 or 30 years of service regardless of age. Also, the final average compensation for these members will be based on the eight highest years of salary.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions:

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019, and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular Class – 8.26% and 8.47%; Senior Management – 24.06% and 25.41%; and DROP participants – 14.03% and 14.60%. These employer contribution rates do not include the 1.66% HIS Plan subsidy for the periods October 1, 2018 through June 30, 2019, and from July 1, 2019 through September 30, 2019, respectively.

The Village's contributions, including employee contributions, to the Pension Plan totaled \$862,250 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2019, the Village reported a liability of \$9,576,699 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Village's proportion of the net pension liability was based on a projection of the Village's 2018-2019 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the Village's proportion was 0.0278%, which was a decrease of 0.0039 percentage points from its proportion measured as of June 30, 2018.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

For the fiscal year ended September 30, 2019, the Village recognized pension expense of \$2,128,700. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 568,021	\$ 5,943
Change of assumptions	2,459,708	-
Net difference between projected and actual earnings on Pension Plan investments	-	529,833
Changes in proportion and differences between Village Pension Plan contributions and proportionate share of contributions	245,167	770,309
Village Pension Plan contributions subsequent to the measurement date	264,215	-
Total	<u>\$ 3,537,111</u>	<u>\$ 1,306,085</u>

The deferred outflows of resources related to the Pension Plan, totaling \$264,215 resulting from Village contributions to FRS subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	<u>Amount</u>
2020	\$ 713,283
2021	215,175
2022	519,884
2023	392,181
2024	101,142
Thereafter	25,146

Actuarial Assumptions:

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation:	2.60%
Salary increases:	3.25%, average, including inflation
Investment rate of return:	6.90%, net of pension plan investment expense, including inflation

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate	11.0%	6.7%	6.1%	11.7%
Private equity	10.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.6%		1.7%

⁽¹⁾ As outlined in the Pension Plan's investment policy

Discount Rate:

The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

Sensitivity of the Village’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the Village’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(5.90%)</u>	<u>(6.90%)</u>	<u>(7.90%)</u>
Village's proportionate share of the net pension liability	\$ 16,554,924	\$ 9,576,699	\$ 3,748,701

Pension Plan Fiduciary Net Position:

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan:

At September 30, 2019, the Village reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2019.

HIS PLAN

Plan Description:

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided:

For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

Contributions:

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2018 through September 30, 2019, was 1.66%. The Village contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Village’s contributions to the HIS Plan totaled \$66,398 for the current year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At September 30, 2019, the Village reported a liability of \$1,337,908 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Village’s proportionate share of the net pension liability was based on the Village’s 2018-2019 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members. At June 30, 2019, the Village's proportionate share was 0.0119%, which was an increase of 0.0012% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the Village recognized pension expense of \$102,499. In addition the Village reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,250	\$ 1,638
Change of assumptions	154,917	109,350
Net difference between projected and actual earnings on HIS Plan investments	863	-
Changes in proportion and differences between Village HIS Plan contributions and proportionate share of contributions	66,519	105,278
Village HIS Plan contributions subsequent to the measurement date	19,217	-
Total	\$ 257,766	\$ 216,266

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

The deferred outflows of resources related to the HIS Plan, totaling \$19,217 resulting from Village contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2020	\$ 9,496
2021	7,600
2022	4,160
2023	(3,021)
2024	549
Thereafter	3,499

Actuarial Assumptions:

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.60%
Salary increases:	3.25%, average, including inflation
Investment rate of return:	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

Discount Rate:

The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

VILLAGE OF PINECREST, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Pension plans (continued)

Defined benefit plan (continued)

Sensitivity of the Village's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the Village's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Village's proportionate share of the net pension liability	\$ 1,527,291	\$ 1,337,908	\$ 1,180,141

Pension Plan Fiduciary Net Position:

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan:

At September 30, 2019, the Village reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2019.

Applicable totals for all of the Village's defined benefit pension plans are reflected below:

	FRS	HIS	Total
Village's net pension liability	\$ 9,576,699	\$ 1,337,908	\$ 10,914,607
Deferred outflows of resources	3,537,111	257,766	3,794,877
Deferred inflows of resources	1,306,085	216,266	1,522,351
Pension expense/expenditure	2,128,700	102,499	2,231,199

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

F. Construction commitments and budget carryovers

There are several ongoing projects and equipment purchases in the various funds of the Village at year-end. The outstanding commitments and budget carryovers are as follows:

General Fund:

A/C Chiller, Village Hall	\$ 46,430
Public Art, Village Hall	10,000
Union Negotiations, Police	200,000
License Plate Reader, Police	178,000
Radar Trailer, Police	9,440
Dispatch & Roll Car Flooring, Police	5,600
Alert Systems, Police	10,000
Administrative Furniture, Police	4,200
Cones & Barricades	2,990
Compensation Study, HR	25,000
Interview Software, HR	2,540
Outside Contractor, Finance	9,000
Telephone System, IT	7,000
Cyber Security, IT	3,125
Impact Fees Study, Building and Planning	22,310
Training, Communications	15,000
Potable Water Study, Public Works	117,915
Various Improvements, Parks	24,620
Various Improvements, Community Center	7,910
Gnomes Exhibit, Pinecrest Gardens	70,000
Art Bazel, Pinecrest Gardens	35,000
Cypress Hall Kitchen, Pinecrest Gardens	30,000
Upper Garden Design, Pinecrest Gardens	318,756
Terrazzo & Windows, Pinecrest Gardens	57,943
Total General Fund	<u>\$ 1,212,779</u>

Capital Projects Fund:

Village Hall	\$ 691,101
Disaster Recovery	4,584
Monument Sign	96,558
Suniland Park Improvements	489,232
Community Center	394,975
Greer Park Improvements	207,012
Coral Pine Park Improvements	233,875
Flagler Grove Park Improvements	79,875
Pinecrest Gardens, Improvements	1,246,132
Total Capital Projects Fund	<u>\$ 3,443,344</u>

REQUIRED SUPPLEMENTARY INFORMATION

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VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem taxes	\$ 11,163,335	\$ 11,163,335	\$ 11,034,420	\$ (128,915)
Franchise fees	884,500	884,500	903,637	19,137
Utility taxes	2,330,000	2,330,000	2,413,794	83,794
Communications services tax	855,700	855,700	816,945	(38,755)
Business tax	130,000	130,000	132,945	2,945
Total taxes	<u>15,363,535</u>	<u>15,363,535</u>	<u>15,301,741</u>	<u>(61,794)</u>
Licenses and permits	2,625,250	2,625,250	3,200,334	575,084
Intergovernmental revenue	2,280,770	2,280,770	2,237,053	(43,717)
Charges for services	2,363,200	2,363,200	2,834,013	470,813
Fines and forfeitures	970,000	970,000	1,591,045	621,045
Investment earnings	80,000	80,000	189,544	109,544
Miscellaneous revenues	170,000	170,000	196,939	26,939
Total revenues	<u>23,852,755</u>	<u>23,852,755</u>	<u>25,550,669</u>	<u>1,697,914</u>
Expenditures				
Current				
General government				
Village Council	181,825	181,825	167,113	14,712
Village Manager	697,475	697,475	700,208	(2,733)
Village Clerk	368,525	368,525	375,102	(6,577)
Finance Department	355,090	360,090	334,770	25,320
Village Attorney	490,000	550,745	550,745	-
General government	1,302,400	1,316,850	1,278,217	38,633
Information technology	420,095	475,095	430,989	44,106
Total general government	<u>3,815,410</u>	<u>3,950,605</u>	<u>3,837,144</u>	<u>113,461</u>
Public safety - police	9,463,690	9,777,885	9,226,618	551,267
Emergency and disaster relief	-	289,910	289,908	2
Building, planning and zoning	2,113,605	2,260,040	2,237,093	22,947
Public works	773,875	923,875	776,179	147,696
Parks and recreation	4,945,160	5,109,670	4,914,790	194,880
Total expenditures	<u>21,111,740</u>	<u>22,311,985</u>	<u>21,281,732</u>	<u>1,030,253</u>
Excess of revenues over expenditures	<u>2,741,015</u>	<u>1,540,770</u>	<u>4,268,937</u>	<u>2,728,167</u>

(continued)

The accompanying notes to the RSI are an integral part of this schedule.

**VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses				
Transfers in	\$ -	\$ -	\$ 15,000	\$ 15,000
Transfers out	(2,427,051)	(2,367,051)	(2,359,466)	7,585
Total other financing uses	<u>(2,427,051)</u>	<u>(2,367,051)</u>	<u>(2,344,466)</u>	<u>22,585</u>
Change in fund balance	313,964	(826,281)	1,924,471	2,750,752
Fund balance, beginning of year	<u>3,756,507</u>	<u>3,756,507</u>	<u>3,756,507</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,070,471</u>	<u>\$ 2,930,226</u>	<u>\$ 5,680,978</u>	<u>\$ 2,750,752</u>

The accompanying notes to the RSI are an integral part of this schedule.

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Transportation taxes	\$ 452,689	\$ 452,689	\$ 484,273	\$ 31,584
Intergovernmental revenues	-	-	39,300	39,300
Investment earnings	10,000	10,000	43,460	33,460
Total revenues	<u>462,689</u>	<u>462,689</u>	<u>567,033</u>	<u>104,344</u>
Expenditures				
Current				
Public works	1,613,185	2,473,945	2,484,431	(10,486)
Total expenditures	<u>1,613,185</u>	<u>2,473,945</u>	<u>2,484,431</u>	<u>(10,486)</u>
Deficiency of revenues under expenditures	<u>(1,150,496)</u>	<u>(2,011,256)</u>	<u>(1,917,398)</u>	<u>93,858</u>
Other financing uses				
Transfers out	(25,990)	(25,990)	(25,990)	-
Total other financing uses	<u>(25,990)</u>	<u>(25,990)</u>	<u>(25,990)</u>	<u>-</u>
Change in fund balance	(1,176,486)	(2,037,246)	(1,943,388)	93,858
Fund balance, beginning of year	<u>3,026,993</u>	<u>3,026,993</u>	<u>3,026,993</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,850,507</u>	<u>\$ 989,747</u>	<u>\$ 1,083,605</u>	<u>\$ 93,858</u>

The accompanying notes to the RSI are an integral part of this schedule.

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
CITT PUBLIC TRANSIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 734,556	\$ 897,696	\$ 856,858	\$ (40,838)
Investment earnings	100	100	6,291	6,191
Miscellaneous revenues	-	-	1,500	1,500
Total revenues	<u>734,656</u>	<u>897,796</u>	<u>864,649</u>	<u>(33,147)</u>
Expenditures				
Current				
Public works	<u>830,160</u>	<u>1,287,645</u>	<u>1,287,645</u>	-
Total expenditures	<u>830,160</u>	<u>1,287,645</u>	<u>1,287,645</u>	-
Change in fund balance	(95,504)	(389,849)	(422,996)	(33,147)
Fund balance, beginning of year	<u>597,673</u>	<u>597,673</u>	<u>597,673</u>	-
Fund balance, end of year	<u>\$ 502,169</u>	<u>\$ 207,824</u>	<u>\$ 174,677</u>	<u>\$ (33,147)</u>

The accompanying notes to the RSI are an integral part of this schedule.

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

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

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 \$1,200,245 during the fiscal year ended September 30, 2019.
- 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 re-appropriated 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.

VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting Period Ending Measurement Date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015	9/30/2014 6/30/2014
Village's proportion of the FRS net pension liability	0.027808%	0.031705%	0.032074%	0.031173%	0.027937%	0.028332%
Village's proportionate share of the FRS net pension liability	\$ 9,576,699	\$ 9,549,770	\$ 9,487,370	\$ 7,871,188	\$ 3,608,378	\$ 1,728,668
Village's covered payroll	\$ 4,011,802	\$ 3,977,497	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429	\$ 3,648,836
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	238.71%	240.09%	229.60%	178.11%	96.81%	47.38%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting Period Ending Measurement Date	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Contractually required FRS contribution	\$ 862,250	\$ 903,573	\$ 834,974	\$ 834,553	\$ 703,668	\$ 656,121
FRS Contributions in relation to the contractually required FRS contribution	<u>862,250</u>	<u>903,573</u>	<u>834,974</u>	<u>834,553</u>	<u>703,668</u>	<u>656,121</u>
FRS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,888,592	\$ 3,863,023	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429	\$ 3,648,836
FRS Contributions as a percentage of covered payroll	22.17%	23.39%	20.21%	18.88%	18.88%	17.98%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting Period Ending Measurement Date	9/30/2019 6/30/2019	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015	9/30/2014 6/30/2014
Village's proportion of the HIS net pension liability	0.011957%	0.013136%	0.012697%	0.012216%	0.012164%	0.012125%
Village's proportionate share of the HIS net pension liability	\$ 1,337,908	\$ 1,390,295	\$ 1,357,598	\$ 1,423,708	\$ 1,240,524	\$ 1,133,680
Village's covered payroll	\$ 4,011,802	\$ 3,977,497	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429	\$ 3,648,836
Village's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.35%	34.95%	32.85%	32.22%	33.28%	31.07%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

VILLAGE OF PINECREST, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting Period Ending Measurement Date	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Contractually required HIS contribution	\$ 66,398	\$ 71,235	\$ 67,195	\$ 48,773	\$ 43,532	\$ 37,882
HIS Contributions in relation to the contractually required HIS contribution	<u>66,398</u>	<u>71,235</u>	<u>67,195</u>	<u>48,773</u>	<u>43,532</u>	<u>37,882</u>
HIS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,888,592	\$ 3,863,023	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429	\$ 3,648,836
HIS Contributions as a percentage of covered payroll	1.71%	1.84%	1.63%	1.10%	1.17%	1.04%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

VILLAGE OF PINECREST, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

Reporting Period Ending Measurement Date	<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2019</u> <u>9/30/2018</u>
Service cost	\$ 24,009	\$ 17,496
Interest	6,051	8,400
Changes of benefit terms	-	55,678
Differences between expected and actual experience	-	-
Changes of assumptions	-	(59,606)
Benefit payments	<u>(7,548)</u>	<u>(10,268)</u>
Net change in total OPEB liability	22,512	11,700
Total OPEB liability - beginning	<u>195,841</u>	<u>218,353</u>
Total OPEB liability - ending	<u>\$ 218,353</u>	<u>\$ 230,053</u>
Covered employee payroll (projected)	\$ 6,991,252	\$ 7,885,136
Village's total OPEB liability as a percentage of covered employee payroll	3.12%	2.92%

Notes to the Schedule:

Covered employee payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2018.

The schedule will present 10 years of information once it is accumulated.

OTHER SUPPLEMENTARY INFORMATION

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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 judgements, donations and grants to be used to provide training to police department personnel.

Police Forfeiture Fund – This fund is used to account for revenues received from federal, state and local law enforcement forfeitures and seizures which are restricted for law enforcement purposes.

Hardwire Fund – This fund receives funds 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.

Prepaid 911 Fund – This fund receives funds collected by the state for the emergency telephone number 911 which are restricted for the purchase of systems, training, communications and related capital asset purchases.

Impact Fees Fund – This fund receives impact fees charged against new development to provide for capital related costs made necessary by the new growth.

Debt Service Fund

The debt service fund is used to accumulate resources and distribute principal, interest and bond related issuance costs on long-term debt.

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VILLAGE OF PINECREST, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds						Debt Service Fund	Total Non-Major Governmental Funds
	Police Education Fund	Police Forfeiture Fund	Hardwire Fund	Wireless Fund	Prepaid 911 Fund	Impact Fees Fund		
Assets								
Cash and cash equivalents	\$ 18,584	\$ 56,904	\$ 2,427	\$ 15,686	\$ 8,496	\$ 44,047	\$ -	\$ 146,144
Accounts receivable, net	488	-	16,128	12,743	3,751	-	-	33,110
Total assets	<u>\$ 19,072</u>	<u>\$ 56,904</u>	<u>\$ 18,555</u>	<u>\$ 28,429</u>	<u>\$ 12,247</u>	<u>\$ 44,047</u>	<u>\$ -</u>	<u>\$ 179,254</u>
Liabilities and fund balances								
Liabilities								
Accounts payable	\$ 134	\$ -	\$ 596	\$ 146	\$ 64	\$ -	\$ -	\$ 940
Total liabilities	<u>134</u>	<u>-</u>	<u>596</u>	<u>146</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>940</u>
Fund balances								
Restricted for								
Public safety	18,938	56,904	17,959	28,283	12,183	469	-	134,736
General government	-	-	-	-	-	37,859	-	37,859
Parks	-	-	-	-	-	5,719	-	5,719
Total fund balances	<u>18,938</u>	<u>56,904</u>	<u>17,959</u>	<u>28,283</u>	<u>12,183</u>	<u>44,047</u>	<u>-</u>	<u>178,314</u>
Total liabilities and fund balances	<u>\$ 19,072</u>	<u>\$ 56,904</u>	<u>\$ 18,555</u>	<u>\$ 28,429</u>	<u>\$ 12,247</u>	<u>\$ 44,047</u>	<u>\$ -</u>	<u>\$ 179,254</u>

VILLAGE OF PINECREST, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds						Debt Service Fund	Total Non-Major Governmental Funds
	Police Education Fund	Police Forfeiture Fund	Hardwire Fund	Wireless Fund	Prepaid 911 Fund	Impact Fees Fund		
Revenues								
Intergovernmental revenues	\$ -	\$ -	\$ 27,418	\$ 21,270	\$ 5,963	\$ -	\$ -	\$ 54,651
Fines and forfeitures	11,666	69,155	-	-	-	-	-	80,821
Impact fees	-	-	-	-	-	44,047	-	44,047
Investment earnings	342	1,208	72	522	152	-	-	2,296
Total revenues	<u>12,008</u>	<u>70,363</u>	<u>27,490</u>	<u>21,792</u>	<u>6,115</u>	<u>44,047</u>	<u>-</u>	<u>181,815</u>
Expenditures								
Current								
Public safety	921	88,907	31,663	7,528	3,203	-	-	132,222
Debt service								
Principal retirement	-	-	-	-	-	-	1,283,100	1,283,100
Interest	-	-	-	-	-	-	293,251	293,251
Total expenditures	<u>921</u>	<u>88,907</u>	<u>31,663</u>	<u>7,528</u>	<u>3,203</u>	<u>-</u>	<u>1,576,351</u>	<u>1,708,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,087</u>	<u>(18,544)</u>	<u>(4,173)</u>	<u>14,264</u>	<u>2,912</u>	<u>44,047</u>	<u>(1,576,351)</u>	<u>(1,526,758)</u>
Other financing sources								
Transfers in	-	-	1,000	-	-	-	1,576,351	1,577,351
Transfers out	-	-	-	(15,000)	-	-	-	(15,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>	<u>1,576,351</u>	<u>1,562,351</u>
Change in fund balances	11,087	(18,544)	(3,173)	(736)	2,912	44,047	-	35,593
Fund balances, beginning of year	7,851	75,448	21,132	29,019	9,271	-	-	142,721
Fund balances, end of year	<u>\$ 18,938</u>	<u>\$ 56,904</u>	<u>\$ 17,959</u>	<u>\$ 28,283</u>	<u>\$ 12,183</u>	<u>\$ 44,047</u>	<u>\$ -</u>	<u>\$ 178,314</u>

**VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 3,120	\$ 3,120	\$ 11,666	\$ 8,546
Investment earnings	-	-	342	342
Total revenues	<u>3,120</u>	<u>3,120</u>	<u>12,008</u>	<u>8,888</u>
Expenditures				
Public safety	<u>3,180</u>	<u>3,180</u>	<u>921</u>	<u>2,259</u>
Total expenditures	<u>3,180</u>	<u>3,180</u>	<u>921</u>	<u>2,259</u>
Change in fund balance	(60)	(60)	11,087	11,147
Fund balance, beginning of year	<u>7,851</u>	<u>7,851</u>	<u>7,851</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,791</u>	<u>\$ 7,791</u>	<u>\$ 18,938</u>	<u>\$ 11,147</u>

**VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
POLICE FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 20,000	\$ 70,360	\$ 69,155	\$ (1,205)
Investment earnings	-	-	1,208	1,208
Total revenues	<u>20,000</u>	<u>70,360</u>	<u>70,363</u>	<u>3</u>
Expenditures				
Current				
Public safety	<u>50,000</u>	<u>88,907</u>	<u>88,907</u>	-
Total expenditures	<u>50,000</u>	<u>88,907</u>	<u>88,907</u>	-
Change in fund balance	(30,000)	(18,547)	(18,544)	3
Fund balance, beginning of year	<u>75,448</u>	<u>75,448</u>	<u>75,448</u>	-
Fund balance, end of year	<u><u>\$ 45,448</u></u>	<u><u>\$ 56,901</u></u>	<u><u>\$ 56,904</u></u>	<u><u>\$ 3</u></u>

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
HARDWIRE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 35,000	\$ 35,000	\$ 27,418	\$ (7,582)
Investment earnings	-	-	72	72
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>27,490</u>	<u>(7,510)</u>
Expenditures				
Current				
Public safety	40,555	46,315	31,663	14,652
Total expenditures	<u>40,555</u>	<u>46,315</u>	<u>31,663</u>	<u>14,652</u>
Deficiency of revenues under expenditures	<u>(5,555)</u>	<u>(11,315)</u>	<u>(4,173)</u>	<u>7,142</u>
Other financing sources				
Transfers in	1,000	1,000	1,000	-
Total other financing sources	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Change in fund balance	(4,555)	(10,315)	(3,173)	7,142
Fund balance, beginning of year	<u>21,132</u>	<u>21,132</u>	<u>21,132</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,577</u>	<u>\$ 10,817</u>	<u>\$ 17,959</u>	<u>\$ 7,142</u>

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
WIRELESS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 8,000	\$ 8,000	\$ 21,270	\$ 13,270
Investment earnings	-	-	522	522
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>21,792</u>	<u>13,792</u>
Expenditures				
Current				
Public safety	9,780	10,300	7,528	2,772
Total expenditures	<u>9,780</u>	<u>10,300</u>	<u>7,528</u>	<u>2,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,780)</u>	<u>(2,300)</u>	<u>14,264</u>	<u>16,564</u>
Other financing uses				
Transfers out	-	-	(15,000)	(15,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
Change in fund balance	(1,780)	(2,300)	(736)	1,564
Fund balance, beginning of year	<u>29,019</u>	<u>29,019</u>	<u>29,019</u>	<u>-</u>
Fund balance, end of year	<u>\$ 27,239</u>	<u>\$ 26,719</u>	<u>\$ 28,283</u>	<u>\$ 1,564</u>

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
PREPAID 911 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 3,000	\$ 3,000	\$ 5,963	\$ 2,963
Investment earnings	-	-	152	152
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>6,115</u>	<u>3,115</u>
Expenditures				
Current				
Public safety	3,885	4,080	3,203	877
Total expenditures	<u>3,885</u>	<u>4,080</u>	<u>3,203</u>	<u>877</u>
Change in fund balance	(885)	(1,080)	2,912	3,992
Fund balance, beginning of year	<u>9,271</u>	<u>9,271</u>	<u>9,271</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 8,386</u></u>	<u><u>\$ 8,191</u></u>	<u><u>\$ 12,183</u></u>	<u><u>\$ 3,992</u></u>

**VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Principal	\$ 1,385,596	\$ 1,385,596	\$ 1,283,100	\$ 102,496
Interest	258,340	258,340	293,251	(34,911)
Total expenditures	<u>1,643,936</u>	<u>1,643,936</u>	<u>1,576,351</u>	<u>67,585</u>
Deficiency of revenues under expenditures	<u>(1,643,936)</u>	<u>(1,643,936)</u>	<u>(1,576,351)</u>	<u>67,585</u>
Other financing sources				
Transfers in	<u>1,643,936</u>	<u>1,643,936</u>	<u>1,576,351</u>	<u>(67,585)</u>
Total other financing sources	<u>1,643,936</u>	<u>1,643,936</u>	<u>1,576,351</u>	<u>(67,585)</u>
Change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF PINECREST, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 139,677	\$ 139,677	\$ 34,658	\$ (105,019)
Investment earnings	20,000	20,000	23,403	3,403
Total revenues	<u>159,677</u>	<u>159,677</u>	<u>58,061</u>	<u>(101,616)</u>
Expenditures				
Capital outlays	2,945,705	4,356,095	858,938	3,497,157
Debt service				
Debt issuance costs	-	-	39,500	(39,500)
Total expenditures	<u>2,945,705</u>	<u>4,356,095</u>	<u>898,438</u>	<u>3,457,657</u>
Deficiency of revenues under expenditures	<u>(2,786,028)</u>	<u>(4,196,418)</u>	<u>(840,377)</u>	<u>3,356,041</u>
Other financing sources				
Issuance of revenue bonds	2,137,600	2,137,600	2,617,100	479,500
Transfers in	808,105	808,105	808,105	-
Total other financing sources	<u>2,945,705</u>	<u>2,945,705</u>	<u>3,425,205</u>	<u>479,500</u>
Change in fund balance	159,677	(1,250,713)	2,584,828	3,835,541
Fund balance, beginning of year	<u>367,374</u>	<u>367,374</u>	<u>367,374</u>	<u>-</u>
Fund balance, end of year	<u>\$ 527,051</u>	<u>\$ (883,339)</u>	<u>\$ 2,952,202</u>	<u>\$ 3,835,541</u>

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STATISTICAL SECTION

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STATISTICAL SECTION
(Unaudited)

This section of the Village of Pinecrest, Florida’s 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 Village’s overall financial health.

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

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VILLAGE OF PINECREST, FLORIDA

NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Table 1) (Amounts expressed in thousands)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$101,247	\$ 97,386	\$ 92,221	\$ 88,373	\$ 84,461	\$ 82,757	\$ 80,888	\$ 78,157	\$ 77,087	\$ 77,663
Restricted	4,099	4,668	5,365	6,505	6,739	5,597	5,787	4,892	3,767	4,014
Unrestricted	7,510	7,049	7,921	7,425	7,696	1,933	244	(293)	(2,867)	(4,146)
Total governmental activities net position	<u>\$112,856</u>	<u>\$109,103</u>	<u>\$105,507</u>	<u>\$102,303</u>	<u>\$ 98,896</u>	<u>\$ 90,287</u>	<u>\$ 86,919</u>	<u>\$ 82,756</u>	<u>\$ 77,987</u>	<u>\$ 77,531</u>
Business-type activities										
Net investment in capital assets	\$ 4,626	\$ 4,534	\$ 4,783	\$ 5,456	\$ 6,140	\$ 5,842	\$ 6,335	\$ 6,782	\$ 7,266	\$ 7,734
Unrestricted	2,231	2,422	2,058	1,317	410	543	355	603	867	1,165
Total business-type activities net position	<u>\$ 6,857</u>	<u>\$ 6,956</u>	<u>\$ 6,841</u>	<u>\$ 6,773</u>	<u>\$ 6,550</u>	<u>\$ 6,385</u>	<u>\$ 6,690</u>	<u>\$ 7,385</u>	<u>\$ 8,133</u>	<u>\$ 8,899</u>
Primary government										
Net investment in capital assets	\$105,873	\$101,920	\$ 97,004	\$ 93,829	\$ 90,601	\$ 88,599	\$ 87,223	\$ 84,939	\$ 84,353	\$ 85,397
Restricted	4,099	4,668	5,365	6,505	6,739	5,597	5,787	4,892	3,767	4,014
Unrestricted	9,741	9,471	9,979	8,742	8,106	2,476	599	310	(2,000)	(2,981)
Total primary government net position	<u>\$119,713</u>	<u>\$116,059</u>	<u>\$112,348</u>	<u>\$109,076</u>	<u>\$105,446</u>	<u>\$ 96,672</u>	<u>\$ 93,609</u>	<u>\$ 90,141</u>	<u>\$ 86,120</u>	<u>\$ 86,430</u>

VILLAGE OF PINECREST, FLORIDA

CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Table 2) (Amounts expressed in thousands)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 4,868	\$ 3,415	\$ 3,363	\$ 3,857	\$ 3,736	\$ 3,593	\$ 3,659	\$ 3,755	\$ 3,779	\$ 3,983
Public safety	7,294	7,559	7,203	7,259	7,361	7,310	9,090	10,306	12,381	10,597
Building, planning and zoning	1,459	1,499	1,552	1,604	1,728	1,918	2,019	2,040	2,026	2,240
Parks and recreation	3,823	4,144	4,263	4,652	4,705	4,950	5,015	6,147	6,355	6,620
Public works	5,656	5,561	5,658	5,889	6,157	5,919	6,099	5,300	5,445	5,656
Interest on long-term debt	660	521	680	281	377	419	396	397	277	341
Total governmental activities expenses	23,760	22,699	22,719	23,542	24,064	24,109	26,278	27,945	30,263	29,437
Business-type activities:										
Stormwater utility	295	380	566	587	761	841	666	566	729	603
Total business-type activities expenses	295	380	566	587	761	841	666	566	729	603
Total primary government expenses	\$ 24,055	\$ 23,079	\$ 23,285	\$ 24,129	\$ 24,825	\$ 24,950	\$ 26,944	\$ 28,511	\$ 30,992	\$ 30,040
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 68	\$ 114	\$ 185	\$ 246	\$ 616	\$ 122	\$ 142	\$ 186	\$ 287	\$ 359
Public safety	527	460	426	375	350	444	662	3,946	3,822	4,974
Building, planning and zoning	1,580	1,779	1,964	2,172	2,245	2,854	2,960	-	-	-
Parks and recreation	782	1,181	1,344	1,492	1,669	1,707	1,886	8	8	8
Public works	-	-	77	111	131	261	286	1,700	1,895	2,420
Operating grants and contributions	99	87	82	71	196	279	274	620	636	2,487
Capital grants and contributions	1,746	1,047	189	1,293	603	690	774	934	306	465
Total governmental activities program revenues	4,802	4,668	4,267	5,760	5,810	6,357	6,984	7,394	6,954	10,713
Business type activities										
Charges for services:										
Stormwater utility	449	473	445	514	538	676	969	1,257	1,320	1,333
Capital grants and contributions	143	-	-	-	-	-	-	-	150	-
Total business-type activities program revenues	592	473	445	514	538	676	969	1,257	1,470	1,333
Total primary government program revenues	\$ 5,394	\$ 5,141	\$ 4,712	\$ 6,274	\$ 6,348	\$ 7,033	\$ 7,953	\$ 8,651	\$ 8,424	\$ 12,046

VILLAGE OF PINECREST, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

(Table 2)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	\$ (18,958)	\$ (18,031)	\$ (18,452)	\$ (17,782)	\$ (18,254)	\$ (17,752)	\$ (19,294)	\$ (20,551)	\$ (23,309)	\$ (18,724)
Business-type activities	297	93	(121)	(73)	(223)	(165)	303	691	741	730
Total primary government net expense	<u>\$ (18,661)</u>	<u>\$ (17,938)</u>	<u>\$ (18,573)</u>	<u>\$ (17,855)</u>	<u>\$ (18,477)</u>	<u>\$ (17,917)</u>	<u>\$ (18,991)</u>	<u>\$ (19,860)</u>	<u>\$ (22,568)</u>	<u>\$ (17,994)</u>
General Revenues and Other Changes										
In Net Position										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 7,441	\$ 6,992	\$ 7,410	\$ 7,441	\$ 7,818	\$ 8,598	\$ 9,037	\$ 9,629	\$ 10,231	\$ 11,034
Franchise fees on gross receipts	1,432	1,074	1,217	1,166	894	914	945	772	978	904
Utility taxes	1,933	1,937	1,982	2,067	2,227	2,193	2,227	2,342	2,351	2,414
Communications services tax	1,198	1,147	1,108	1,084	1,019	977	885	776	869	817
Transportation tax	907	983	956	518	471	481	481	494	484	484
Business tax	98	122	127	114	116	114	123	131	126	133
Intergovernmental, not restricted to specific programs	1,581	1,755	1,623	1,743	1,847	1,876	1,914	1,933	1,987	2,019
Income on Investments	138	61	80	49	12	56	96	154	143	265
Miscellaneous	363	437	353	398	442	149	218	159	779	198
Net Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>15,091</u>	<u>14,508</u>	<u>14,856</u>	<u>14,580</u>	<u>14,846</u>	<u>15,358</u>	<u>15,926</u>	<u>16,390</u>	<u>17,948</u>	<u>18,268</u>
Business-type activities:										
Income on Investments	7	6	6	4	1	1	2	3	7	36
Net Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>7</u>	<u>6</u>	<u>6</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>7</u>	<u>36</u>
Total primary government	<u>15,098</u>	<u>14,514</u>	<u>14,862</u>	<u>14,584</u>	<u>14,847</u>	<u>15,359</u>	<u>15,928</u>	<u>16,393</u>	<u>17,955</u>	<u>18,304</u>
Change in Net Position										
Governmental activities	\$ (3,867)	\$ (3,523)	\$ (3,596)	\$ (3,202)	\$ (3,408)	\$ (2,394)	\$ (3,368)	\$ (4,161)	\$ (5,361)	\$ (456)
Business-type activities	304	99	(115)	(69)	(222)	(164)	305	694	748	766
Total primary government	<u>\$ (3,563)</u>	<u>\$ (3,424)</u>	<u>\$ (3,711)</u>	<u>\$ (3,271)</u>	<u>\$ (3,630)</u>	<u>\$ (2,558)</u>	<u>\$ (3,063)</u>	<u>\$ (3,467)</u>	<u>\$ (4,613)</u>	<u>\$ 310</u>

VILLAGE OF PINECREST, FLORIDA

**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 3) (Amounts expressed in thousands)**

Fiscal Year	Ad Valorem Tax	Franchise Fees on Services	Utility Tax	Communications Services Tax	Transportation Tax	Business Tax	Total
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
2013	7,441	1,166	2,067	1,084	1,063	114	12,935
2014	7,818	894	2,227	1,019	471	116	12,545
2015	8,598	914	2,193	977	481	114	13,277
2016	9,037	945	2,227	885	481	123	13,698
2017	9,629	772	2,342	776	494	131	14,144
2018	10,231	978	2,351	869	484	126	15,039
2019	11,034	904	2,414	817	484	133	15,786

VILLAGE OF PINECREST, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (Table 4) (Amounts expressed in thousands)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ 2	\$ 1	\$ 147	\$ 160	\$ 182	\$ 107	\$ 108	\$ 145	\$ 55	\$ 53
Committed	-	-	-	-	-	-	-	378	453	556
Assigned	1,540	80	198	141	556	1,358	1,131	473	-	-
Unassigned	6,050	6,875	7,851	7,791	7,420	6,404	6,222	3,968	3,248	5,072
Total general fund	<u>\$ 7,592</u>	<u>\$ 6,956</u>	<u>\$ 8,196</u>	<u>\$ 8,092</u>	<u>\$ 8,158</u>	<u>\$ 7,869</u>	<u>\$ 7,461</u>	<u>\$ 4,964</u>	<u>\$ 3,756</u>	<u>\$ 5,681</u>
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue Funds	\$ 4,098	\$ 4,668	\$ 5,365	\$ 6,505	\$ 6,739	\$ 5,597	\$ 4,771	\$ 4,892	\$ 3,767	\$ 1,437
Capital Project Funds	-	-	-	-	-	5,803	4,928	-	-	2,577
Committed	-	-	-	-	-	-	-	-	-	-
Assigned, reported in:										
Capital Projects Funds	540	1,758	1,078	634	502	807	1,016	2,687	368	375
Total all other governmental funds	<u>\$ 4,638</u>	<u>\$ 6,426</u>	<u>\$ 6,443</u>	<u>\$ 7,139</u>	<u>\$ 7,241</u>	<u>\$ 12,207</u>	<u>\$ 10,715</u>	<u>\$ 7,579</u>	<u>\$ 4,135</u>	<u>\$ 4,389</u>
Fund balances all governmental funds	<u>\$ 12,230</u>	<u>\$ 13,382</u>	<u>\$ 14,639</u>	<u>\$ 15,231</u>	<u>\$ 15,399</u>	<u>\$ 20,076</u>	<u>\$ 18,176</u>	<u>\$ 12,543</u>	<u>\$ 7,891</u>	<u>\$ 10,070</u>

Note: GASB 54 was implemented during fiscal year 2011.

VILLAGE OF PINECREST, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Table 5) (Amounts expressed in thousands)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 13,008	\$ 12,255	\$ 12,800	\$ 12,389	\$ 12,545	\$ 13,277	\$ 13,698	\$ 14,144	\$ 15,039	\$ 15,786
Licenses and permits	1,443	1,779	1,751	2,143	2,415	2,767	2,816	2,644	2,561	3,200
Intergovernmental revenues	3,426	2,890	1,893	3,108	2,646	2,845	2,962	3,535	2,982	3,223
Charges for services	1,139	1,555	1,671	1,868	2,020	2,065	2,267	1,981	2,252	2,834
Fines and forfeitures	376	199	575	384	576	555	853	1,168	1,146	1,672
Impact fees	-	-	-	-	-	-	-	-	-	44
Investment earnings	124	61	79	49	12	57	96	154	143	265
Miscellaneous revenues	363	460	353	398	443	149	218	160	779	198
Total revenues	19,879	19,199	19,122	20,339	20,657	21,715	22,910	23,786	24,902	27,222
Expenditures										
Current										
General government	4,829	3,277	2,709	3,440	4,003	3,560	3,510	3,572	3,549	3,837
Public safety	7,281	7,280	6,994	7,287	7,384	7,994	8,792	9,287	8,901	9,358
Emergency and disaster relief	-	-	-	-	-	-	-	425	2,856	290
Building, planning & zoning	1,434	1,501	1,573	1,656	1,695	1,905	1,987	2,030	2,044	2,237
Public works	3,270	4,308	3,895	4,615	4,352	4,523	5,769	1,916	3,153	4,548
Parks and recreation	2,048	1,559	1,085	1,230	1,560	3,039	2,787	4,543	4,703	4,915
Capital outlay	-	-	-	-	-	-	-	4,497	2,973	859
Debt service										
Principal	845	1,030	1,020	1,125	1,164	1,545	1,580	2,758	1,107	1,283
Interest	657	531	590	394	331	371	387	389	269	293
Issuance costs	-	113	32	-	48	39	-	-	-	40
Total expenditures	20,364	19,599	17,898	19,747	20,537	22,976	24,812	29,417	29,555	27,660
Excess (deficiency) of revenues over (under) expenditures	(485)	(400)	1,224	592	120	(1,261)	(1,902)	(5,631)	(4,653)	(438)

VILLAGE OF PINECREST, FLORIDA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Table 5) (Amounts expressed in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Other Financing Sources (uses)										
Bond proceeds	-	5,825	4,860	-	2,085	5,939	-	-	-	2,617
Bond discount	-	(52)	-	-	-	-	-	-	-	-
Payment to escrow agent	-	(4,220)	(4,828)	-	(2,037)	-	-	-	-	-
Transfers in	1,528	1,528	2,069	1,790	1,719	3,434	2,883	3,844	2,026	2,400
Transfers out	(1,528)	(1,528)	(2,069)	(1,790)	(1,719)	(3,434)	(2,883)	(3,844)	(2,026)	(2,400)
Capital lease	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	1,553	32	-	48	5,939	-	-	-	2,617
Net change in fund balances	<u>\$ (485)</u>	<u>\$ 1,153</u>	<u>\$ 1,256</u>	<u>\$ 592</u>	<u>\$ 168</u>	<u>\$ 4,678</u>	<u>\$ (1,902)</u>	<u>\$ (5,631)</u>	<u>\$ (4,653)</u>	<u>\$ 2,179</u>
Debt service as a percentage of noncapital expenditures	7.99%	8.68%	9.31%	8.19%	7.53%	9.45%	9.19%	13.19%	5.64%	6.99%

VILLAGE OF PINECREST, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY FUNCTION
LAST TEN FISCAL YEARS

(Table 6)

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Impact Fees	Interest	Miscellaneous	Total
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
2013	12,389,593	2,143,544	3,107,725	1,868,168	383,799	-	48,762	397,874	20,339,465
2014	12,544,802	2,414,989	2,645,832	2,020,361	576,038	-	11,831	442,429	20,656,282
2015	13,276,963	2,766,534	2,845,419	2,065,121	555,660	-	56,558	149,229	21,715,484
2016	13,698,351	2,815,703	2,962,397	2,267,048	853,098	-	95,591	218,171	22,910,359
2017	14,143,886	2,644,085	3,534,882	1,980,518	1,168,025	-	154,293	159,330	23,785,019
2018	15,038,525	2,560,558	2,981,998	2,251,685	1,146,496	-	143,464	778,692	24,901,418
2019	15,786,014	3,200,334	3,222,520	2,834,013	1,671,866	44,047	264,994	198,439	27,222,227

Source: All governmental funds for fiscal years.

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

VILLAGE OF PINECREST, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)
 (Table 7)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Property Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	\$ 3,901,885,281	\$ 36,488,013	\$ 3,938,373,294	1.980	\$ 4,145,656,099	95.00%
2011	3,682,575,484	39,424,119	3,721,999,603	2.100	3,917,894,319	95.00%
2012	3,510,207,226	41,237,888	3,551,445,114	2.104	3,738,363,278	95.00%
2013	3,601,059,193	38,903,907	3,639,963,100	2.200	3,831,540,105	95.00%
2014	3,692,062,025	45,043,568	3,737,105,593	2.200	3,933,795,361	95.00%
2015	3,867,702,788	45,842,524	3,913,545,312	2.300	4,119,521,381	95.00%
2016	4,336,413,371	44,457,478	4,380,870,849	2.300	4,611,442,999	95.00%
2017	4,550,031,863	45,295,995	4,595,327,858	2.300	4,837,187,219	95.00%
2018	4,760,533,992	49,951,503	4,810,485,495	2.399	5,063,668,942	95.00%
2019	4,973,553,690	51,513,471	5,025,067,161	2.399	5,289,544,380	95.00%

Source: 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

(rate per \$1,000 of assessed value)

(Table 8)

Fiscal Year	Village	School		State				County			Special Districts			Total Direct & Overlapping Rates
	Direct Operating Millage	Operating Millage	Debt Service	Everglades Project	South Florida Water Management District	Okeechobee Basin	Florida Inland Navigation District	Operating Millage	Debt Service	Children's Trust	Fire Rescue	Fire Debt	Library	
2010	1.9809	7.5330	0.2640	0.0894	0.5346		0.0345	4.8379	0.2850	0.4212	2.1851	0.0420	0.3822	18.5898
2011	2.1040	7.6980	0.2970	0.0890	0.5350		0.0345	4.8379	1.2850	0.5000	2.1850	0.0420	0.3820	19.9894
2012	2.1040	7.8640	0.3850	0.0894	0.5346		0.0345	5.4275	0.4450	0.5000	2.5750	0.0200	0.2840	20.2630
2013	2.2000	7.7650	0.2400	0.0624	0.3739		0.0345	4.8055	0.2850	0.5000	2.4496	0.0130	0.1795	18.9084
2014	2.2000	7.7650	0.2330	0.0613	0.3676		0.0345	4.7035	0.2850	0.5000	2.4496	0.0130	0.1725	18.7850
2015	2.3000	7.7750	0.1990	0.0548	0.1577	0.1717	0.0345	4.6669	0.4500	0.5000	2.4207	0.0114	0.2840	19.0257
2016	2.3000	7.1380	0.1840	0.0471	0.1359	0.1477	0.0320	4.6669	0.4000	0.5000	2.4207	0.0075	0.2840	18.2638
2017	2.3000	6.7740	0.2200	0.0441	0.1275	0.1384	0.0320	4.6669	0.4000	0.4670	2.4207	0.0075	0.2840	17.8821
2018	2.3990	6.5040	0.2290	0.0417	0.1209	0.1310	0.0320	4.6669	0.4640	0.4420	2.4207		0.2840	17.7352
2019	2.3990	7.0250	0.1230	0.0397	0.1152	0.1246	0.0320	4.6669	0.4780	0.4680	2.4207		0.2840	18.1761

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

VILLAGE OF PINECREST, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Table 9)

Fiscal Year	Taxes Levied ⁽¹⁾	Year of the Levy		Collection in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount Collected ⁽²⁾	Percentage of Levy		Collected ⁽²⁾	Percentage of Levy
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%
2013	8,007,919	7,440,742	92.9%	-	7,440,742	92.9%
2014	8,017,274	7,817,494	97.5%	-	7,817,494	97.5%
2015	9,001,154	8,597,762	95.5%	-	8,597,762	95.5%
2016	9,468,937	9,036,615	95.4%	-	9,036,615	95.4%
2017	10,076,003	9,628,691	95.6%	-	9,628,691	95.6%
2018	10,569,254	10,230,554	96.8%	-	10,230,554	96.8%
2019	11,540,355	11,101,282	96.2%	-	11,101,282	96.2%

Notes:

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

⁽²⁾ Information provided by the Village of Pinecrest.

⁽³⁾ Information is not available.

VILLAGE OF PINECREST, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Table 10)

Taxpayer	Type of Use	2019			2010		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Spector & Sons	Shopping Center	\$ 41,933,927	1	0.73%	31,182,004	1	0.84%
DPF Suniland LLC	Shopping Center	36,751,599	2	0.64%			
Gator Dadeland Partners, LTD	Shopping Center	25,200,000	3	0.44%	17,500,000	3	0.47%
Cofe Shopping Center	Shopping Center	22,839,887	4	0.40%			
Florida Power	Utility	22,545,738	5	0.39%	11,657,225	9	0.31%
Kendall Plaza, LTD	Shopping Center	20,680,000	6	0.36%	18,800,000	2	0.51%
Kendall Imports LLC	Shopping Center	19,610,755	7	0.34%	17,000,000	4	0.46%
G F B Enterprises	Automotive	17,071,105	8	0.30%	13,005,546	7	0.35%
Publix	Supermarket	16,063,022	9	0.28%			
Baptist	Professional Office	14,259,930	10	0.25%			
Burdines	Shopping Center				11,208,342	10	0.30%
Comcast	Utility				14,536,827	5	0.39%
Pinecrest Realty Associates	Shopping Center				14,400,000	6	0.39%
Kendall House Apartments	Apartments				11,590,215	9	0.31%
Total		<u>\$ 236,955,963</u>		<u>4.12%</u>	<u>\$ 160,880,159</u>		<u>4.32%</u>

Source: Miami-Dade County Tax Assessor's Office 2019 Tax Roll (Real/Personal Property taxable value - \$5,748,878,103).
Miami-Dade County Tax Assessor's Office 2010 Tax Roll (Real/Personal Property taxable value - \$3,721,999,603).

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

VILLAGE OF PINECREST, FLORIDA

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Table 11)

Fiscal Year	Governmental Activities	Business-Type Activities	Total		Per Capita Income ⁽⁴⁾	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds ⁽¹⁾⁽³⁾	Outstanding Bonds	Primary Government	Population ⁽²⁾			
2010	\$ 12,400	\$ -	\$ 12,400	18,223	\$ 56,723	1.20%	\$ 680
2011	13,075	-	13,075	18,255	57,702	1.25%	716
2012	12,140	-	12,140	18,477	72,069	1.14%	657
2013	11,015	-	11,015	18,496	72,069	1.04%	596
2014	9,947	-	9,947	18,403	72,069	0.86%	541
2015	14,341	-	14,341	18,408	72,069	1.20%	779
2016	12,761	-	12,761	18,382	72,069	0.99%	694
2017	10,003	-	10,003	18,467	72,069	0.75%	542
2018	8,897	-	8,897	18,490	72,069	0.67%	481
2019	10,231	-	10,231	18,510	72,069	0.77%	553

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Amount is in thousands.

⁽²⁾ Fiscal year 2010 U.S. 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.

⁽³⁾ The Village of Pinecrest Finance Department is the source for this data.

⁽⁴⁾ For fiscal year 2010, U.S. Census. Other years used the U.S. Census Bureau, American Community Survey, 5 year estimates.

VILLAGE OF PINECREST, FLORIDA

**RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Table 12)**

Fiscal Year	General Obligation Bonds⁽¹⁾⁽³⁾	Assessed Value of Taxable Property⁽⁴⁾	Ratio of Bonded Debt to Assessed Value	Population⁽²⁾	Debt Per Capita
2010	\$ 12,400	\$ 3,938,373	0.31%	19,411	639
2011	13,075	3,722,000	0.35%	18,255	716
2012	12,140	3,551,445	0.34%	18,447	658
2013	11,015	3,639,963	0.30%	18,496	596
2014	9,947	3,737,106	0.27%	18,403	541
2015	14,341	3,913,545	0.37%	18,408	779
2016	12,761	4,380,871	0.29%	18,382	694
2017	10,003	4,595,328	0.22%	18,467	542
2018	8,897	4,810,485	0.18%	18,490	481
2019	10,231	5,025,067	0.20%	18,510	553

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Amount is in thousands.

⁽²⁾ Fiscal year 2010 U.S. 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.

⁽³⁾ The Village of Pinecrest Finance Department is the source for this data.

⁽⁴⁾ Data is provided by the Miami-Dade County's Property Appraiser.

VILLAGE OF PINECREST, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 SEPTEMBER 30, 2019
 (Table 13)

Governmental Unit	Bonded Debt Outstanding	Percentage Applicable to Pinecrest ⁽¹⁾	Amount Applicable to Pinecrest	Amount Per Capita Pinecrest
Direct				
Village of Pinecrest	\$ 10,230,500	100.00%	\$ 10,230,500	\$ 553
Overlapping				
School Board ⁽²⁾	969,024,000	0.67%	6,523,641	\$ 352
County ⁽³⁾	2,070,235,000	0.67%	13,937,188	753
	<u>\$ 3,039,259,000</u>		<u>\$ 20,460,829</u>	<u>\$ 1,105</u>
Total direct and overlapping debt			<u>\$ 30,691,329</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)

Year	Population⁽¹⁾	Median Household Income⁽²⁾	Household Units⁽²⁾	School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2010	18,223	\$ 105,557	6,454	5,821	12.1%
2011	18,255	108,403	6,572	5,843	10.3%
2012	18,447	110,530	6,610	5,591	8.5%
2013	18,496	112,659	6,468	5,473	8.5%
2014	18,403	122,235	6,614	5,388	6.1%
2015	18,408	128,966	6,574	5,300	5.6%
2016	18,382	130,900	6,575	5,221	5.1%
2017	18,467	152,643	6,492	5,274	2.4%
2018	18,490	152,643	6,492	5,396	3.2%
2019	18,510	152,643	6,492	5,395	3.0%

- Sources:
- (1) Fiscal year 2010 U.S. Census.
Other years are estimated by the Bureau of Economic and Business Research, University of Florida as of April 1, each year.
 - (2) U.S. Census Bureau.
 - (3) The Miami-Dade School System is the source of this data.
 - (4) 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	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Miami Dade Schools	424	1	N/A	463	1	N/A
Kendall Imports	365	2	N/A	365	2	N/A
The Home Depot	245	3	N/A	245	3	N/A
Village of Pinecrest	176	4	N/A	159	4	N/A
Publix Super Markets	162	5	N/A			
Gulliver Preparatory School	110	6	N/A			
Best Buy	100	7	N/A	100	6	N/A
Captain Taverns Restaurant	65	8	N/A			
Stir Crazy Lounge	65	9	N/A			
Denny's Liquors	65	10	N/A			
Whole Foods				137	5	N/A
Ross Dress for Less, Inc				49	7	N/A
Ethan Allen				40	8	N/A
Office Max				35	9	N/A
Macy's				31	10	N/A
Total	<u>1,777</u>			<u>1,624</u>		

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

VILLAGE OF PINECREST, FLORIDA

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Table 16)

Function:	Full-time Equivalent Employees as of September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	12	13	13	13	14	14	14	14	14	17
Public safety										
Sworn	50	50	50	51	51	51	56	51	51	54
Civilians	23	23	23	24	25	26	26	26	26	24
Building, planning and zoning	15	15	15	16	16	16	16	18	18	19
Public works	7	6	6	6	6	6	6	9	9	9
Parks and recreation	31	32	32	32	32	34	34	34	34	38
Pinecrest Gardens	21	24	24	29	32	32	32	32	32	31
Total	<u>159</u>	<u>163</u>	<u>163</u>	<u>171</u>	<u>176</u>	<u>179</u>	<u>184</u>	<u>184</u>	<u>184</u>	<u>192</u>
Population	19,411	18,255	18,447	18,496	18,403	18,408	18,382	18,467	18,490	18,510
Employees per capita (000)	8.19	8.93	8.84	9.25	9.56	9.72	10.01	9.96	9.95	10.37

Source: The Village of Pinecrest's various departments.

VILLAGE OF PINECREST, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 17)

Function:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population ⁽¹⁾	19,411	18,255	18,447	18,496	18,403	18,408	18,382	18,467	18,490	18,510
Consumer price index ⁽²⁾	218.4	226.9	231.4	234.2	238.0	237.9	241.4	246.8	252.4	256.8
Plus/ Minus a year ago	1.1%	3.9%	2.0%	1.2%	1.6%	0.0%	1.5%	3.7%	4.6%	1.7%
Police ⁽³⁾										
Part 1 crimes*	584	702	670	684	562	558	583	537	430	468
Traffic citations and warnings	17,089	15,801	14,483	12,211	8,347	6,618	6,297	7,453	10,025	11,121
False alarms	2,177	1,961	2,091	2,092	2,113	2,205	2,066	2,259	2,013	1,757
Crashes	793	800	842	893	956	1,017	1,553	1,206	1,093	1,073
Other**	635	577	552	497	424	420	414	357	400	375
Total	<u>21,278</u>	<u>19,841</u>	<u>18,638</u>	<u>16,377</u>	<u>12,402</u>	<u>10,818</u>	<u>10,913</u>	<u>11,812</u>	<u>13,961</u>	<u>14,794</u>
* Part 1 crimes include homicide, sex offenses, robbery, aggravated assault, burglary, larceny, arson and auto theft.										
** Other, animal at large, barking dog, noise violation, trespassing, child exploitation, fire calls, recovered stolen vehicle, serving court orders, harrasing or obscene phone calls, injured person, non-emergency medical, verbal threats, towing disabled vehicles and towing.										
Police ⁽⁴⁾										
Expenditures (thousands)	7,123	7,107	7,201	7,259	7,289	7,878	8,419	9,146	8,794	9,227
Revenue (thousands)	584	396	528	475	332	524	623	597	927	1,242
Net expenses	<u>6,539</u>	<u>6,711</u>	<u>6,673</u>	<u>6,784</u>	<u>6,957</u>	<u>7,354</u>	<u>7,796</u>	<u>8,549</u>	<u>7,867</u>	<u>7,985</u>
Net cost per resident	<u>336.87</u>	<u>367.63</u>	<u>361.74</u>	<u>366.78</u>	<u>378.04</u>	<u>399.50</u>	<u>424.11</u>	<u>462.93</u>	<u>425.47</u>	<u>431.39</u>
911 calls	7,975	8,100	7,930	7,650	7,595	6,857	6,414	6,151	6,444	6,041
Service calls (911 and nonemergency dispatch calls)	19,074	19,100	19,865	20,011	18,620	17,550	16,937	13,971	13,291	12,772
Percentage of 911 calls to total calls	41.8%	42.4%	39.9%	38.2%	40.8%	39.1%	37.9%	44.0%	48.5%	47.3%
Building, planning and zoning ⁽⁵⁾										
Building permits:										
Building	1,363	1,582	1,770	2,036	1,902	1,938	2,001	1,798	1,853	1,579
Electrical	466	619	525	644	464	534	615	508	565	586
Mechanical	339	319	307	285	335	314	328	307	323	301
Plumbing and gas	556	581	497	488	583	658	610	549	518	587
Total	<u>2,724</u>	<u>3,101</u>	<u>3,099</u>	<u>3,453</u>	<u>3,284</u>	<u>3,444</u>	<u>3,554</u>	<u>3,162</u>	<u>3,259</u>	<u>3,053</u>
Parks ⁽⁴⁾										
Pinecrest Gardens										
Expenditures (thousands)	1,357	1,513	1,614	1,734	1,739	1,925	1,933	2,095	2,271	2,475
Revenue (thousands)	125	312	404	468	509	598	596	590	642	748
Net expenses	<u>1,232</u>	<u>1,201</u>	<u>1,210</u>	<u>1,266</u>	<u>1,230</u>	<u>1,327</u>	<u>1,337</u>	<u>1,505</u>	<u>1,629</u>	<u>1,727</u>
Net cost per resident	<u>63.47</u>	<u>65.79</u>	<u>65.59</u>	<u>68.45</u>	<u>66.84</u>	<u>72.09</u>	<u>72.73</u>	<u>81.50</u>	<u>88.10</u>	<u>93.30</u>

VILLAGE OF PINECREST, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 17)

Function:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Community Center:										
Expenditures (thousands)	738	792	834	1,005	1,048	1,027	1,044	1,004	1,036	1,089
Revenue (thousands)	504	612	652	693	808	804	994	884	927	1,181
Net expenses	234	180	182	312	240	223	50	120	109	(92)
Net cost per resident	12.06	9.86	9.87	16.87	13.04	12.11	2.72	6.50	5.90	(4.97)
All other parks:										
Expenditures (thousands)	1,076	1,177	1,108	1,191	1,208	1,214	1,289	1,389	1,352	1,351
Revenue (thousands)	201	201	278	309	256	287	284	232	1,461	1,207
Net expenses	875	976	830	882	952	927	1,005	1,157	(109)	144
Net cost per resident	45.08	53.46	44.99	47.69	51.73	50.36	54.67	62.65	(5.90)	7.78
General Fund ⁽⁴⁾										
General Fund (GF) revenues	16,781	16,893	18,230	18,445	19,378	20,342	21,430	21,702	23,452	25,551
Per capita GF revenues	864.51	925.39	988.24	997.24	1,052.98	1,105.06	1,165.81	1,175.18	1,268.36	1,380.39
GF expenditures	17,129	17,529	16,991	18,549	19,311	20,631	21,848	24,198	24,660	23,641
Per capita GF expenditures	882.44	960.23	921.07	1,002.87	1,049.34	1,120.76	1,188.55	1,310.34	1,333.69	1,277.20
GF revenue as a percentage of GF expenditures	97.97%	96.37%	107.29%	99.44%	100.35%	98.60%	98.09%	89.69%	95.10%	108.08%
GF revenue as a percentage of amended budget	-	-	-	-	-	98.20%	98.30%	106.40%	104.30%	107.12%
GF expenditures as a percentage of amended budget	-	-	-	-	-	96.47%	93.56%	96.53%	94.60%	95.79%
Interest rates, maximum	0.40%	0.32%	0.35%	0.30%	0.16%	0.23%	0.84%	1.38%	2.84%	2.67%
Interest rates, minimum	0.10%	0.15%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.10%	1.96%
Stormwater Fund ⁽⁴⁾										
Operating revenue	449	474	444	466	490	637	969	1,257	1,477	1,302
Operating revenue per capita	23	26	24	25	27	35	53	68	80	70
Accounts receivable	151	172	135	132	107	135	202	261	220	105
Unrestricted net position	2,231	2,422	2,058	1,317	410	543	356	603	159	399
Percentage of accounts receivable to unrestricted net position	6.77%	7.10%	6.56%	10.02%	26.10%	24.86%	56.74%	43.28%	138.36%	26.32%
Delinquent properties as of 7/1							1,261	1,574	689	210

VILLAGE OF PINECREST, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 17)

Function:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government ^{(4),(6)}										
Lien searches	420	459	522	616	587	548	563	499	555	547
Credit card transactions	-	-	11,048	14,217	15,999	19,250	20,274	16,131	15,246	28,023
Homestead properties	4,807	4,733	4,682	4,656	4,582	4,519	4,525	4,503	4,503	4,421
Total properties	6,512	6,466	6,443	6,444	6,454	6,481	6,426	6,488	6,489	6,420
Homestead as a percentage of total properties	73.8%	73.2%	72.7%	72.3%	71.0%	69.7%	70.4%	69.4%	69.4%	68.9%
Transportation ⁽⁷⁾										
Circulator bus ridership	-	-	9,485	23,629	20,117	23,639	28,845	29,875	28,205	46,064
Circulator bus expenses	-	-	177	173	175	138	181	158	169	271
Cost per rider	-	-	18.66	7.32	8.70	5.84	6.27	5.29	5.99	5.88
* Amount in thousands										
Percentage of accounts payable ⁽⁴⁾										
Payments made by:										
ACH	-	-	-	-	-	36.0%	75.0%	46.0%	76.1%	40.6%
Dollar amount	-	-	-	-	-	76.5%	76.1%	76.0%	23.9%	51.0%
Number of payroll checks issued by direct deposit	-	-	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%
Miami unemployment rate ⁽²⁾	10.8%	9.6%	8.2%	7.2%	6.4%	5.6%	5.1%	2.4%	3.2%	3.0%

Source of non accounting data:

⁽¹⁾ Provided by the University of Florida, Bureau of Economic & Business Research

⁽²⁾ Bureau of Labor Statistics

⁽³⁾ Village of Pinecrest Police Department

⁽⁴⁾ Village of Pinecrest Finance Department

⁽⁵⁾ Village of Pinecrest Building, Zoning and Planning Department

⁽⁶⁾ Village of Pinecrest Village Clerk Department

⁽⁷⁾ Village of Pinecrest Office of the Village Manager

⁽⁸⁾ Miami-Dade Tax Rolls

VILLAGE OF PINECREST, FLORIDA

CAPITAL ASSETS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Table 18)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles	33	30	29	30	28	32	32	32	32	32
Number of motorcycles	-	-	-	2	2	2	2	2	2	2
Parks										
Parks	7	6	7	7	7	7	7	7	7	7
Park acreage	62	62	62	60	60	60	60	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	2	2	3	3	3	3	3
Public schools										
High schools	1	1	1	1	1	1	1	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
Elementary schools	3	3	3	3	3	3	3	3	3	3

Sources: The Village of Pinecrest's various departments.

OTHER REPORTS

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VILLAGE OF PINECREST, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>CFDA Number</u>	<u>Grant ID Number</u>	<u>Actual Expenditures</u>	<u>Passed through to Subrecipients</u>
Federal Awards				
U.S. Department of Homeland Security				
Passed through the Florida Department of Emergency				
Management Public Assistance Program - Hurricane Irma				
	97.036	Z0607	\$ 1,692,900	\$ -
Total U.S. Department of Homeland Security			<u>1,692,900</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,692,900</u>	<u>\$ -</u>

VILLAGE OF PINECREST, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Village of Pinecrest, Florida (the “Village”), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The Village chose not to use the ten percent de minimis cost rate for the year ended September 30, 2019.

NOTE 3 – NON-CASH AWARDS

The Village did not receive non-cash federal awards during the year ended September 30, 2019.

NOTE 4 – CONTINGENCIES

Grant monies received and disbursed by the Village are for specific purposes and are subject to review by the grantor agencies. Such audits may result in disallowed expenditures under the terms of the grants. Based upon prior experience, the Village does not believe that such disallowances, if any, would be material.



**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**

Honorable Mayor and Members of
the Village Council,
Village of Pinecrest, Florida

We have audited, 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, 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, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated March 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
March 9, 2020

Mauldin & Jenkins, LLC



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of
the Village Council,
Village of Pinecrest, Florida

Report on Compliance for Each Major Federal Program

We have audited the Village of Pinecrest, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended September 30, 2019. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on the Major Federal Program

In our opinion, the Village of Pinecrest, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the Village, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida
March 9, 2020

Mauldin & Jenkins, LLC

VILLAGE OF PINECREST, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? yes X no

Significant deficiencies identified not considered
to be material weaknesses? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Programs

Internal Control over major federal programs:
Material weaknesses identified? yes X no

Significant deficiencies identified not considered
to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for
major federal programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform Guidance? yes X no

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	U.S. Department of Homeland Security – Disaster Grants

Dollar threshold used to distinguish between
Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

VILLAGE OF PINECREST, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None noted.

**SECTION IV
STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

Not applicable.

VILLAGE OF PINECREST, FLORIDA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

STATUS OF PRIOR YEAR FINDINGS

None noted.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Village of Pinecrest, Florida (the "Village"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 9, 2020.

Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 9, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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 or recommendations in the preceding annual financial audit report requiring correction.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Village of Pinecrest, Florida was established by the Board of Miami-Dade County Commissioners with the adoption of Ordinance 97-7. The Village has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village 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*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Village. 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 the same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor and Members of the Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida
March 9, 2020



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Village of Pinecrest, Florida's (the "Village") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Village's compliance with specified requirements.

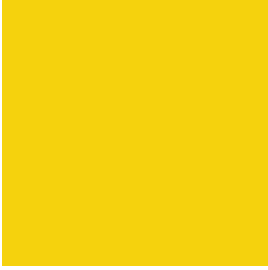
In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Bradenton, Florida
March 9, 2020

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Village Council
 Joseph M. Corradino, Mayor
 Anna Hochkammer, Vice Mayor
 James E. McDonald
 Katie Abbott
 Doug Kraft

Yocelyn Galiano, ICMA-CM, Village Manager
 Guido H. Inguanzo, Jr., CMC, Village Clerk
 Mitchell Bierman, Village Attorney

12645 Pinecrest Parkway
 Pinecrest, Florida 33156

T: 305.235.2121
 F: 305.234.2131
www.pinecrest-fl.gov



#Pinecresting

