

# VILLAGE OF PINECREST 2019-2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT



**VILLAGE OF PINECREST, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

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# VILLAGE OF PINECREST, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT SEPTEMBER 30, 2020

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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

February 24, 2021

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 (6) 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, 2020.

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, 2020, 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, 2020, 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 18,619. The Village of Pinecrest receives tax levies on real and personal properties located within its boundaries.

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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.** Despite the challenges the Coronavirus pandemic has presented, the Village managed to maintain excellent 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: new roof at the Concession structure and the Main Entrance, Hibiscus duct work, parking lot resurfacing, Bridal Room renovations and Upper Garden design; Community Center soccer field benches and shade structure, gym equipment, playground equipment and security cameras; Suniland Park new roof, lighting, playground renovation, dog park establishment, landscaping, shade structure and fencing; Greer Park new roof, painting, garage improvements, exercise equipment, and multipurpose floor renovations; Coral Pine tennis court lighting; Village Hall first floor repurpose, new roof, and interior building improvements; 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 and Financial Reporting Policy, Audit Committee and 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 3E of the financial statements.

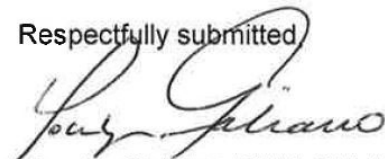
### **Awards and acknowledgements**

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, 2019. This was the 24th 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 2019 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 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

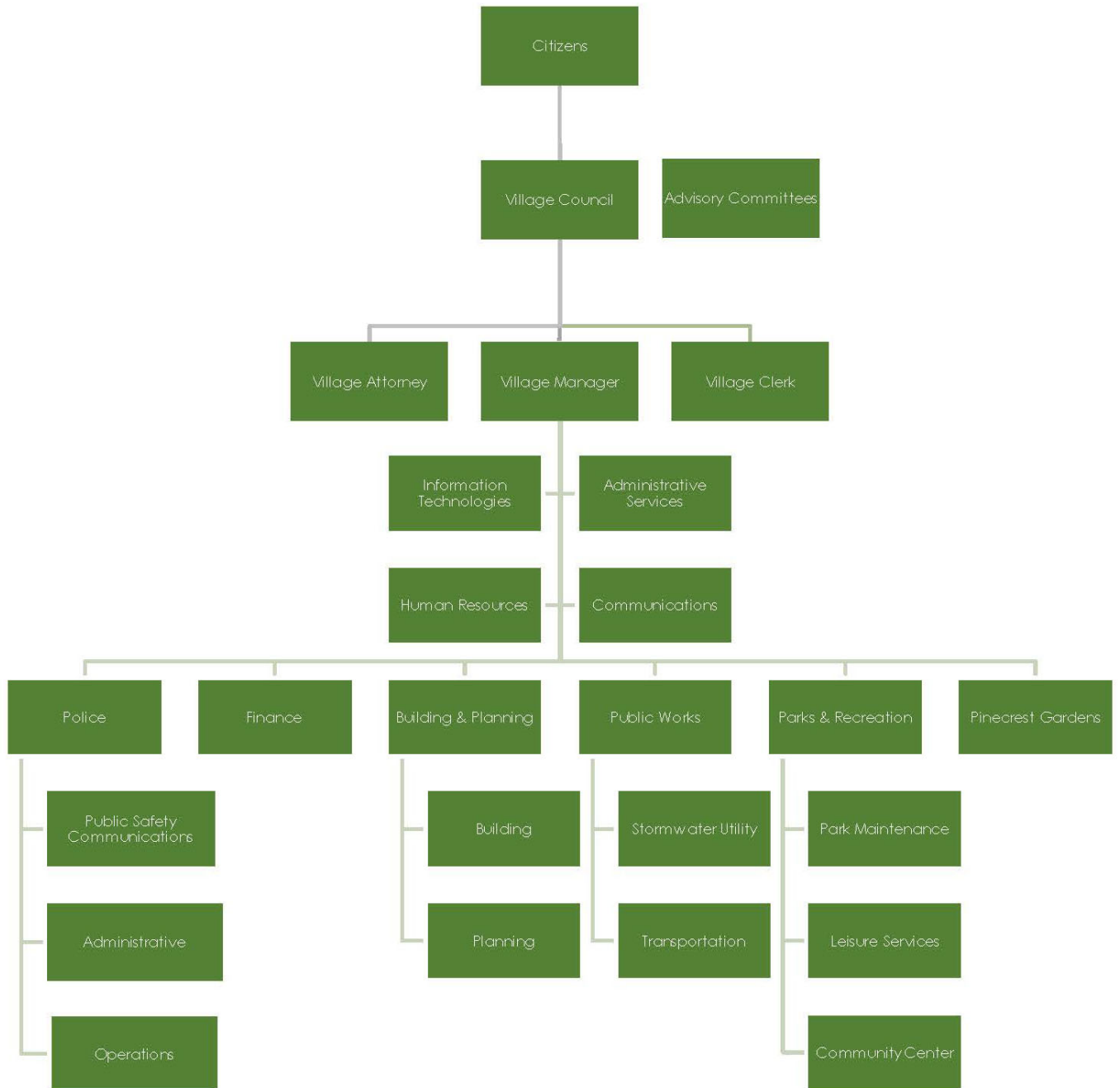
September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart

2020-2021





VILLAGE OF PINECREST

2019-2020 Village Council and Charter Officers



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



**James E. McDonald**  
Vice Mayor - Seat 3  
jmcDonald@pinecrest-fl.gov



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



**Anna Hochkammer**  
Councilmember - Seat 1  
ahochkammer@pinecrest-fl.gov



**Doug Kraft**  
Councilmember - Seat 2  
dkraft@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

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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

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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, 2020, 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.

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***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, 2020, 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 – 14 and the Required Supplementary Information as listed in the table of contents on pages 51 – 60 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 combining and individual nonmajor fund financial statements and the budgetary comparison schedules 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 and the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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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 February 24, 2021, 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  
February 24, 2021

*Mauldin & Jenkins, LLC*

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**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

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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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

It is important to note that that the Coronavirus (COVID-19) pandemic affected not only the Village, but the entire world in unprecedented ways. Business as usual ceased to exist as we adapted to the new reality. Programs and funding sources were reduced and while spending was cut in areas such as travel and office supplies, many vendor contracts could not be paused or cancelled. The Village also had to undertake many steps to protect lives from the threat of the virus, which resulted in unbudgeted expenditures. Despite the challenges the pandemic presented, the Village managed to maintain excellent stability.

**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 \$81,012,723 (net position).
- The government total net position decreased by \$5,417,350. Many funding sources were delayed and even decreased, such as in the CITT fund for example. Some intergovernmental funding sources were also delayed creating the current year revenue shortfalls.
- At the close of the current fiscal year, the Village of Pinecrest's government funds reported combined ending fund balances of \$8,141,218, a decrease of \$1,928,558 in comparison with the prior year. Approximately 62.3% of this total amount, \$5,069,463 is available for spending at the government's discretion (Unassigned Fund balance). While the financial position of the Village has decreased, the overall financial position continues to be excellent. While the cash and equivalent balances change is about \$2.2 million of this decrease, and the AR about \$1.3 million, the liabilities have remained relatively unchanged. 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 \$5,069,463 or 20.1% of the total General Fund expenditures and transfers.
- The Village of Pinecrest total bonded and bank debt decreased by \$1,148,500 or 11.2% during the current fiscal year.
- The Federal Emergency Management Agency (FEMA) receivable from damage due to Hurricane Irma of \$1,759,020 from last year is now at \$236,792 due to receipts of \$1,536,977 and adjustments of \$14,749.

**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.

# VILLAGE OF PINECREST, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

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**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.

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.

## VILLAGE OF PINECREST, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

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The Village of Pinecrest maintains 11 individual governmental funds (eight special revenue funds, one Debt Service Fund, one Capital Projects Fund, and the General Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Transportation Fund, CITT Public Transit Fund and Capital Projects funds as only these 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.

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 \$81,012,723 at the close of the most recent fiscal year.

By far the largest portion of the Village's net position \$81,864,330 or 101.1% reflects its net 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, 2020**

**Village of Pinecrest Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 13,527,475	\$ 10,001,851	\$1,479,883	\$2,191,680	\$ 15,007,358	\$ 12,193,531
Capital assets	85,315,968	83,151,654	7,733,676	7,794,676	93,049,644	90,946,330
Total assets	<u>98,843,443</u>	<u>93,153,505</u>	<u>9,213,559</u>	<u>9,986,356</u>	<u>108,057,002</u>	<u>103,139,861</u>
Total deferred outflows of resources	<u>3,870,387</u>	<u>4,146,560</u>	<u>-</u>	<u>-</u>	<u>3,870,387</u>	<u>4,146,560</u>
Other liabilities	1,719,121	1,638,364	314,571	328,076	2,033,692	1,966,440
Long-term liabilities	<u>21,873,957</u>	<u>23,431,317</u>	<u>-</u>	<u>-</u>	<u>21,873,957</u>	<u>23,431,317</u>
Total liabilities	<u>23,593,078</u>	<u>25,069,681</u>	<u>314,571</u>	<u>328,076</u>	<u>23,907,649</u>	<u>25,397,757</u>
Total deferred inflows of resources	<u>1,589,667</u>	<u>875,941</u>	<u>-</u>	<u>-</u>	<u>1,589,667</u>	<u>875,941</u>
Net position						
Net investment in capital assets	77,663,068	74,069,654	7,733,676	7,794,676	85,396,744	81,864,330
Restricted	4,014,196	1,055,112	-	-	4,014,196	1,055,112
Unrestricted	<u>(4,146,179)</u>	<u>(3,770,323)</u>	<u>1,165,312</u>	<u>1,863,604</u>	<u>(2,980,867)</u>	<u>(1,906,719)</u>
Total net position	<u>\$ 77,531,085</u>	<u>\$ 71,354,443</u>	<u>\$8,898,988</u>	<u>\$9,658,280</u>	<u>\$ 86,430,073</u>	<u>\$ 81,012,723</u>

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

**Governmental Activities.** Governmental activities decreased the Village’s net position by \$6,176,642. Key elements in the changes in net position activity are as follows:

**Village of Pinecrest Changes in Net Position**

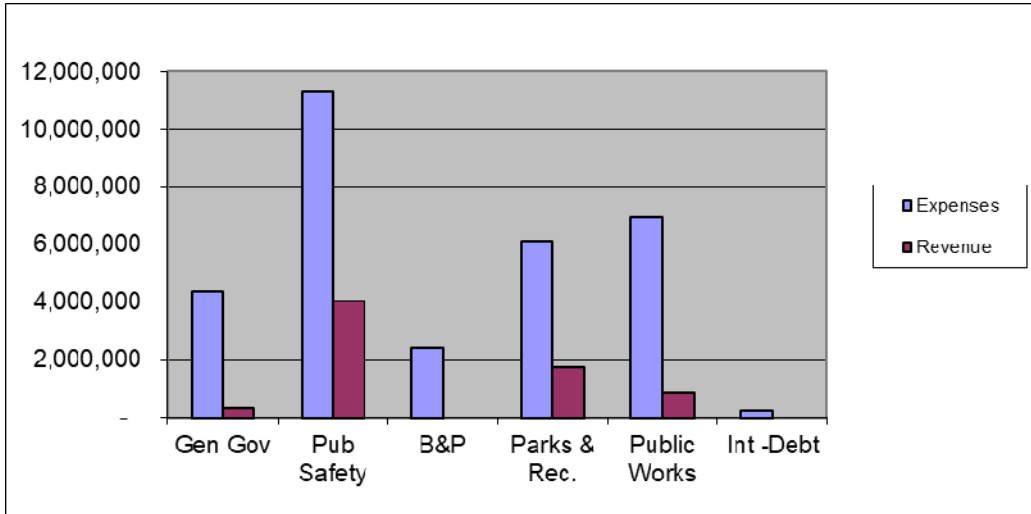
	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$ 7,760,864	\$ 5,698,783	\$ 1,332,803	\$ 1,202,069	\$ 9,093,667	\$ 6,900,852
Operating grants and contributions	2,486,526	633,533	-	-	2,486,526	633,533
Capital grants and contributions	465,062	542,584	-	-	465,062	542,584
General revenues:						
Taxes	15,786,014	16,268,368	-	-	15,786,014	16,268,368
Other	2,482,781	2,063,841	35,600	13,600	2,518,381	2,077,441
Total revenues	<u>28,981,247</u>	<u>25,207,109</u>	<u>1,368,403</u>	<u>1,215,669</u>	<u>30,349,650</u>	<u>26,422,778</u>
Operating expenses:						
General government	3,983,332	4,370,432	-	-	3,983,332	4,370,432
Public safety	10,596,411	11,310,631	-	-	10,596,411	11,310,631
Building, planning and zoning	2,240,170	2,430,228	-	-	2,240,170	2,430,228
Parks and recreation	6,620,349	6,920,148	-	-	6,620,349	6,920,148
Public works	5,655,871	6,102,130	-	-	5,655,871	6,102,130
Interest	340,931	250,182	-	-	340,931	250,182
Stormwater	-	-	602,662	456,377	602,662	456,377
Total operating expenses	<u>29,437,064</u>	<u>31,383,751</u>	<u>602,662</u>	<u>456,377</u>	<u>30,039,726</u>	<u>31,840,128</u>
Change in net position	(455,817)	(6,176,642)	765,741	759,292	309,924	(5,417,350)
Net position, beginning	<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>
Net position, ending	<u>\$ 77,531,085</u>	<u>\$ 71,354,443</u>	<u>\$ 8,898,988</u>	<u>\$ 9,658,280</u>	<u>\$ 86,430,073</u>	<u>\$ 81,012,723</u>

- Taxes of \$16,268,368 comprised 64.5% of the total governmental revenues, of \$25,207,109 during the fiscal year. Most of this category is property taxes of \$11,615,889.
- Charges for services accounted for \$5,698,783 or 22.6% of total governmental revenues.
- Operating and capital grants and contributions accounted for \$1,176,117 or 4.7% of total governmental revenues. This was a decrease from the prior year due to one-time revenues in 2019 from FEMA Hurricane Irma cost reimbursements of \$1,759,020.

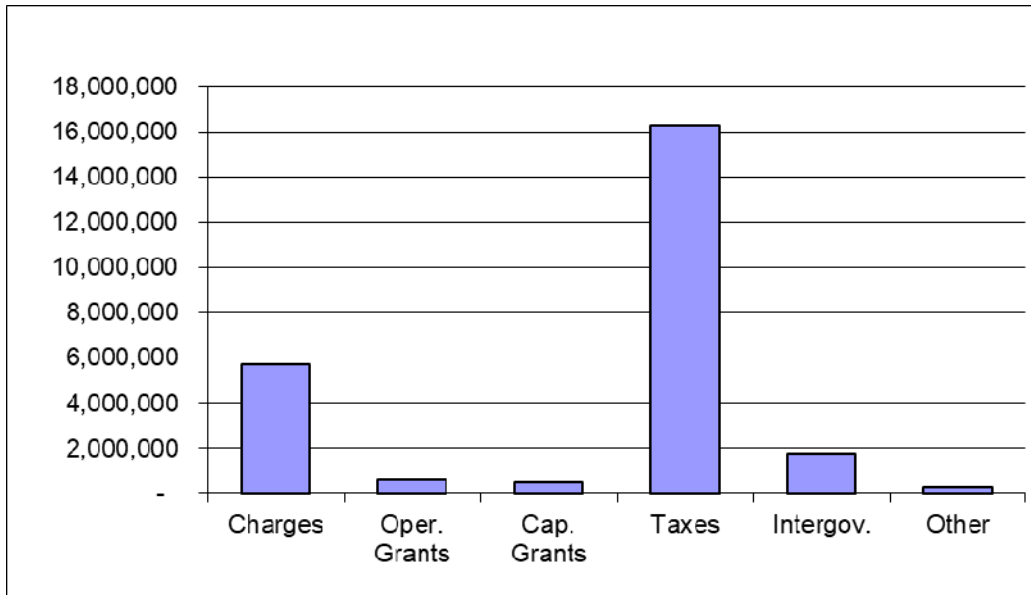
VILLAGE OF PINECREST, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS  
 SEPTEMBER 30, 2020

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



In fiscal year 2020, The Village spent \$383,149 (Public Safety expense category) for emergency protective services such as cleaning supplies and personal protective equipment for the safety of the employees and residents, and facilitating work from home. The Village has submitted claims to both the CARES Act and FEMA, as appropriate. Revenues decreased by \$3,926,872 or 12.9%, while expenses increased by \$1,800,402 or 6.0%. As mentioned previously, due to COVID-19, many funding sources did not meet budgeted figures. The Village also chose to continue to invest in roads, infrastructure and other capital assets. Programming was cut due to stay at home and social distance requirements, but many expenses could not be reduced enough to meet the revenue shortfall.

## VILLAGE OF PINECREST, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

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The prior year also included \$1,759,020 of FEMA obligated funds from Hurricane Irma, part of the operating grants and contributions line, which was a onetime event. The charges for services revenue category was less by \$2,192,815 due to a reduction in parks and recreation programming revenue due to the pandemic. While the millage rate did not change from 2.399, the tax base or property values increased the ad valorem revenues increased. Taxes on a whole increased by \$482,354. The capital and operating grants such as federal, state and county resources increased approximately \$77,522.

#### **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 of Pinecrest's governmental funds (GAAP basis) reported combined ending fund balances of \$8,141,218 a decrease of \$1,928,558 or 19.2% in comparison with the prior year, \$10,069,776. Approximately 62.3% of this total amount, \$5,069,463, 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 reason for the decrease is the drop in revenues related to the COVID-19 pandemic coupled with a managed growth in expenses to continue the investment in infrastructure and the community.

The General Fund had a minor increase of \$49,137. This was accomplished during the pandemic by the receipt of the FEMA Hurricane Irma Funds of over \$1.5 million (which were recorded as unavailable revenues in 2019) that met the shortfalls due to COVID-19 in areas such as Charges for Services, Licenses and Permits and Fines and Forfeitures, coupled with a reduction in relevant costs. The Transportation Fund decreased by \$638,916 as the Village continued road projects as planned above and beyond planned revenues and used reserve funds. The CITT Fund decreased by \$41,846 due to the loss of a transit grant that was lost due to the pandemic. The vendor that was paid with the grant continued until the advance notice to pause the service was met. Those months were paid out reserves instead of the budgeted grant not received. The Capital Fund decreased \$1,596,211 as capital improvements were made using the note proceeds funded in the prior fiscal year. The Nonmajor governmental funds increased by \$299,278 mostly in the impact fee funds, as projects for their expenditure are in development.

The General Fund is the chief operating fund of the Village of Pinecrest. At the end of the current fiscal year, the Unassigned Fund balance of the General Fund was \$5,069,463. 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 20.1% of total General Fund expenditures including transfers, while total fund balance represents 32.3% of that same amount.

## VILLAGE OF PINECREST, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

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- The unassigned fund balance of the Village of Pinecrest's General Fund decreased by a marginal amount of \$2,193 during the current fiscal year.
- The Police expenditures were under budget by \$953,946 due to unfilled open positions and various capital projects that were not completed, of which \$190,100 will be carried over for the purchase of police vehicles, a radar trailer and subpoena software.
- General Government departments combined were under budget by \$250,658 due to cancelled conferences, travel and many office related expenses due to the work at home shift. Some of this excess will be carried over into the next fiscal year: \$27,500 for a Compensation Study and employee appreciation events for Human Resources, and \$10,000 for liquidated damages for contract cancellation and \$10,000 for a security audit for the Finance department.
- Public Works was under by \$63,350 caused mainly by a change in the Director position which brought about savings in wages and fringes.
- Parks and Recreation was under \$623,184 due to the need to end or alter programs and operations offered due to the COVID-19 pandemic. \$33,695 will be carried over in 2021 for improvements to the parks, Community Center, and Pinecrest Gardens.

The Debt Service Fund traditionally has no fund balance. The government transfers the exact amount needed for both principal and interest payments each year. This year, due to the timing of a lost and reissued check, the transfers in exceeded the payments made in the year. This year \$1,395,700 was transferred into the fund for principal payments, an increase of \$112,600. This year \$285,753 was transferred for interest payments, a decrease of \$7,498. The total transfers in was \$1,681,453 while the payments made were \$1,403,087, leaving a fund balance of \$278,366 for a 2020 payment that as voided and reissued in fiscal year 2021.

**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 \$1,165,312 to \$1,863,604, an increase of \$698,292. 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, \$(380,487).** \$380,487 was short of the budgeted revenues due to the decrease in red light camera violations in the Village. This was caused by the COVID-19 pandemic where many people were home and not on the road. In addition, collections were made on stagnant liens from code violations.
- **Licenses and Permits, \$(486,823).** \$486,823 was short of the budgeted revenues due to the decrease construction value in permits, due to the COVID-19 pandemic. Much construction was halted and/or delayed temporarily due to local orders.

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

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- **Charges for Services, \$(755,685).** \$ 755,685 was short of the budgeted amount due to the stay at home orders and decrease in social interactions, which required a halt and or modification to the programming in the parks and Community Center and Pinecrest Gardens.
- **Intergovernmental Revenue, \$1,350,204.** \$1,350,204 was earned in excess of the budgeted revenues. While many other line items in this category were short, the receipt of the FEMA Hurricane Irma funds incurred in fiscal year 18 was \$1,536,977. This income, was not budgeted and provided for the overage in this category.

During the year, budgetary revenues in were more than budgetary expenditures, increasing the fund balance by \$3,263,115 or \$ 49,137 when including the transfers in and out.

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

- COVID-19 Emergency Protective Measures, \$383,149, reimbursable by both the CARES Act and FEMA.
- Village Hall roof repairs, \$222,160, funded from FEMA Hurricane Irma grant.
- Building, plumbing and electrical inspection contractor services, \$19,853.
- CITT fund shortage due to the loss of the FDOT grant for on demand transport. Eligibility was lost due to COVID-19 when the service was halted but the vendor agreement was still in effect, \$27,000.

### **Capital Asset and Debt Administration**

**Capital assets.** The Village of Pinecrest's investment in capital assets for its governmental activities as of September 30<sup>th</sup> amounts to \$83,151,654 (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 2.5%.

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 roof and various building improvements, as well as a 1<sup>st</sup> floor repurpose.
- Police, building, and planning vehicle additions.
- Construction in Progress
  - Evelyn Greer Park: New roof.
  - Suniland Park: Dog park perimeter fencing.

**VILLAGE OF PINECREST, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2020**

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
General government	\$ 4,801,473	\$ 5,357,717	\$ -	\$ -	\$ 4,801,473	\$ 5,357,717
Public safety	992,359	1,049,587	-	-	992,359	1,049,587
Building, planning and zoning	62,501	85,174	-	-	62,501	85,174
Parks	37,699,822	37,699,941	-	-	37,699,822	37,699,941
Public works	41,759,813	38,959,235	-	-	41,759,813	38,959,235
Stormwater	-	-	7,733,676	7,794,676	7,733,676	7,794,676
Total capital assets	<u>\$ 85,315,968</u>	<u>\$ 83,151,654</u>	<u>\$7,733,676</u>	<u>\$7,794,676</u>	<u>\$ 93,049,644</u>	<u>\$ 90,946,330</u>

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

**Long-term debt.** At the end of the fiscal year, the Village had total bonded debt outstanding of \$9,082,000.

**Village of Pinecrest’s Outstanding Debt**

	Governmental Activities		Business-type Activities		Totals	
	2019	2020	2019	2020	2019	2020
Revenue bonds	\$ 10,230,500	\$ 9,082,000	\$ -	\$ -	\$ 10,230,500	\$ 9,082,000
Total debt	<u>\$ 10,230,500</u>	<u>\$ 9,082,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,230,500</u>	<u>\$ 9,082,000</u>

The Village of Pinecrest increased its total debt by \$1,148,500 or 11.2% during the current fiscal year. There are five bond issues outstanding: Pinecrest Gardens refinancing (formerly known as Parrot Jungle), \$1,060,000, which matures in fiscal year 2022, the Library/Community Center, \$820,400, which matures in fiscal year 2024, Community Center/Coral Pines Park \$3,812,900, which matures in fiscal year 2029, Pinecrest Gardens Improvements, \$925,000 which matures in fiscal year 2030, and a Capital Improvements loan with an outstanding balance of \$2,463,700, which matures in fiscal year 2028.

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 COVID-19 pandemic continues to be of concern. While the budget for next year was prepared with this in mind, the uncertainty of when we can return to “normal” lingers.
- Property values in the Village continue to grow and have allowed for a minor reduction in the millage rate from 2.399 to 2.35, while not affecting the tax revenues for the 2021 year.

**VILLAGE OF PINECREST, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2020**

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During the current fiscal year, the unassigned fund balance for governmental funds decreased to \$5,069,463, a minor drop which still allows the Village financial flexibility. The Village also has \$1,355,991 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](mailto:finance@pinecrest-fl.gov).



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## **BASIC FINANCIAL STATEMENTS**

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VILLAGE OF PINECREST, FLORIDA

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 8,770,314	\$ 2,125,628	\$ 10,895,942
Receivables, net	1,208,224	66,052	1,274,276
Prepaid items	23,313	-	23,313
Capital assets			
Non-depreciable	17,019,954	-	17,019,954
Depreciable, net	66,131,700	7,794,676	73,926,376
<b>Total assets</b>	<b>93,153,505</b>	<b>9,986,356</b>	<b>103,139,861</b>
<b>Deferred outflows of resources</b>			
Deferred outflows - pension	4,017,811	-	4,017,811
Deferred outflows - OPEB	119,178	-	119,178
Deferred charge on refunding	9,571	-	9,571
<b>Total deferred outflows</b>	<b>4,146,560</b>	<b>-</b>	<b>4,146,560</b>
<b>Liabilities</b>			
Accounts payable	1,259,669	22,818	1,282,487
Accrued liabilities	296,821	-	296,821
Unearned revenue	81,874	305,258	387,132
Noncurrent liabilities			
Due within one year	2,749,839	-	2,749,839
Due in more than one year	20,681,478	-	20,681,478
<b>Total liabilities</b>	<b>25,069,681</b>	<b>328,076</b>	<b>25,397,757</b>
<b>Deferred inflows of resources</b>			
Deferred inflows - pension	809,474	-	809,474
Deferred inflows - OPEB	56,649	-	56,649
Deferred gain on refunding	9,818	-	9,818
<b>Total deferred inflows</b>	<b>875,941</b>	<b>-</b>	<b>875,941</b>
<b>Net position</b>			
Net investment in capital assets	74,069,654	7,794,676	81,864,330
Restricted for			
Transportation	577,520	-	577,520
Public safety	99,041	-	99,041
General government	69,324	-	69,324
Parks	30,861	-	30,861
Debt service	278,366	-	278,366
Unrestricted	(3,770,323)	1,863,604	(1,906,719)
<b>Total net position</b>	<b>\$ 71,354,443</b>	<b>\$ 9,658,280</b>	<b>\$ 81,012,723</b>

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, 2020**

	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
<b>Functions/programs</b>						
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 4,370,432	\$ 208,910	\$ 92,630	\$ (4,068,892)	\$ -	\$ (4,068,892)
Public safety	11,310,631	3,839,879	159,364	(7,294,929)	-	(7,294,929)
Building, planning and zoning	2,430,228	-	-	(2,430,228)	-	(2,430,228)
Public works	6,920,148	7,876	216,026	(6,079,172)	-	(6,079,172)
Parks and recreation	6,102,130	1,642,118	74,564	(4,385,448)	-	(4,385,448)
Interest on long-term debt	250,182	-	-	(250,182)	-	(250,182)
Total governmental activities	31,383,751	5,698,783	542,584	(24,508,851)	-	(24,508,851)
<b>Business-type activities:</b>						
Stormwater	456,377	1,202,069	-	-	745,692	745,692
Total business-type activities	456,377	1,202,069	-	-	745,692	745,692
Total primary government	\$ 31,840,128	\$ 6,900,852	\$ 542,584	(24,508,851)	745,692	(23,763,159)
General revenues						
Property taxes				11,615,889	-	11,615,889
Franchise fees on gross receipts				797,153	-	797,153
Utilities taxes				2,507,170	-	2,507,170
Communication services tax				781,557	-	781,557
Transportation tax				433,557	-	433,557
Business tax				133,042	-	133,042
Intergovernmental, not restricted to specific programs				1,769,174	-	1,769,174
Investment earnings				115,240	13,600	128,840
Miscellaneous				179,427	-	179,427
Total general revenues				18,332,209	13,600	18,345,809
Change in net position				(6,176,642)	759,292	(5,417,350)
Net position, beginning of year				77,531,085	8,898,988	86,430,073
Net position, end of year				\$ 71,354,443	\$ 9,658,280	\$ 81,012,723

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

VILLAGE OF PINECREST, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020

	General Fund	Transportation Fund	CITT Public Transit Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 6,304,808	\$ 490,748	\$ 413	\$ 1,515,580	\$ 458,765	\$ 8,770,314
Receivables, net	1,056,979	-	132,418	-	18,827	1,208,224
Prepaid items	23,313	-	-	-	-	23,313
Total assets	<u>\$ 7,385,100</u>	<u>\$ 490,748</u>	<u>\$ 132,831</u>	<u>\$ 1,515,580</u>	<u>\$ 477,592</u>	<u>\$ 10,001,851</u>
<b>Liabilities, deferred inflows, and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,054,021	\$ 46,059	\$ -	\$ 159,589	\$ -	\$ 1,259,669
Accrued liabilities	282,298	-	-	-	-	282,298
Unearned revenue	81,874	-	-	-	-	81,874
Total liabilities	<u>1,418,193</u>	<u>46,059</u>	<u>-</u>	<u>159,589</u>	<u>-</u>	<u>1,623,841</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue	236,792	-	-	-	-	236,792
<b>Fund balances</b>						
Nonspendable	23,313	-	-	-	-	23,313
<b>Restricted</b>						
Transportation	-	444,689	132,831	-	-	577,520
Public safety	-	-	-	-	99,041	99,041
General government	-	-	-	-	69,324	69,324
Parks	-	-	-	-	30,861	30,861
Debt service	-	-	-	-	278,366	278,366
<b>Committed</b>						
Sidewalk improvements	28,739	-	-	-	-	28,739
<b>Assigned</b>						
Subsequent year's budget	290,795	-	-	-	-	290,795
Health Care	317,805	-	-	-	-	317,805
Capital improvements	-	-	-	1,355,991	-	1,355,991
Unassigned	5,069,463	-	-	-	-	5,069,463
Total fund balances	<u>5,730,115</u>	<u>444,689</u>	<u>132,831</u>	<u>1,355,991</u>	<u>477,592</u>	<u>8,141,218</u>
Total liabilities and fund balances	<u>\$ 7,385,100</u>	<u>\$ 490,748</u>	<u>\$ 132,831</u>	<u>\$ 1,515,580</u>	<u>\$ 477,592</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					\$ 225,677,814	
Accumulated depreciation					<u>(142,526,160)</u>	83,151,654
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					4,017,811	
Deferred inflows - pension					(809,474)	
Deferred outflows - OPEB					119,178	
Deferred inflows - OPEB					(56,649)	
Deferred charge on refunding					9,571	
Deferred gain on refunding					(9,818)	
Total OPEB liability					(305,958)	
Bonds payable					(9,082,000)	
Net pension liability					<u>(13,413,667)</u>	(19,531,006)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.						
Accrued interest payable					(14,523)	
Compensated absences					<u>(629,692)</u>	(644,215)
Net position of governmental activities						<u>\$ 71,354,443</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, 2020

	General Fund	Transportation Fund	CITT Public Transit Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 15,834,811	\$ 433,557	\$ -	\$ -	\$ -	\$ 16,268,368
Licenses and permits	2,228,177	-	-	-	-	2,228,177
Intergovernmental revenues	3,617,409	-	732,946	24,534	58,114	4,433,003
Charges for services	1,919,255	-	-	-	-	1,919,255
Fines and forfeitures	1,482,313	-	-	-	10,924	1,493,237
Impact fees	-	-	-	-	92,630	92,630
Investment earnings	88,073	12,148	-	14,482	537	115,240
Miscellaneous revenues	117,430	50,000	11,997	-	-	179,427
Total revenues	<u>25,287,468</u>	<u>495,705</u>	<u>744,943</u>	<u>39,016</u>	<u>162,205</u>	<u>26,729,337</u>
<b>Expenditures</b>						
Current						
General government	4,040,272	-	-	-	-	4,040,272
Public safety	9,400,704	-	-	-	107,475	9,508,179
Emergency and disaster relief	383,149	-	-	-	-	383,149
Building, planning and zoning	2,408,787	-	-	-	-	2,408,787
Public works	863,820	1,108,631	813,789	-	-	2,786,240
Parks and recreation	4,927,621	-	-	180,703	-	5,108,324
Capital outlay	-	-	-	2,986,039	33,818	3,019,857
Debt service						
Principal retirement	-	-	-	-	1,148,500	1,148,500
Interest	-	-	-	-	254,587	254,587
Total expenditures	<u>22,024,353</u>	<u>1,108,631</u>	<u>813,789</u>	<u>3,166,742</u>	<u>1,544,380</u>	<u>28,657,895</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,263,115</u>	<u>(612,926)</u>	<u>(68,846)</u>	<u>(3,127,726)</u>	<u>(1,382,175)</u>	<u>(1,928,558)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	27,000	1,531,515	1,681,453	3,239,968
Transfers out	(3,213,978)	(25,990)	-	-	-	(3,239,968)
Total other financing sources (uses)	<u>(3,213,978)</u>	<u>(25,990)</u>	<u>27,000</u>	<u>1,531,515</u>	<u>1,681,453</u>	<u>-</u>
<b>Change in fund balances</b>	49,137	(638,916)	(41,846)	(1,596,211)	299,278	(1,928,558)
<b>Fund balances, beginning of year</b>	<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>
<b>Fund balances, end of year</b>	<u>\$ 5,730,115</u>	<u>\$ 444,689</u>	<u>\$ 132,831</u>	<u>\$ 1,355,991</u>	<u>\$ 477,592</u>	<u>\$ 8,141,218</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, 2020**

**Net Change in Fund Balances – Total Governmental Funds** \$ (1,928,558)

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

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.

Capital outlay	\$ 4,585,141	
Less current year depreciation	<u>(6,749,455)</u>	(2,164,314)

Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.

Unavailable intergovernmental revenue		(1,522,228)
---------------------------------------	--	-------------

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.

Change in compensated absences	(130,895)	
Change in accrued interest	5,919	
Amortization of deferred charge and gain on refunding	(1,514)	
OPEB expense	(20,303)	
Pension expense	<u>(1,563,249)</u>	(1,710,042)

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.

General obligation bond principal repayments		<u>1,148,500</u>
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**Change in net position of governmental activities** \$ (6,176,642)

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



VILLAGE OF PINECREST, FLORIDA

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2020

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	<b>Stormwater Fund</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 2,125,628
Accounts receivable	66,052
Total current assets	<u>2,191,680</u>
Noncurrent assets	
Capital assets, depreciable, net	7,794,676
Total noncurrent assets	<u>7,794,676</u>
<b>Total assets</b>	<u><u>\$ 9,986,356</u></u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 22,818
Unearned revenue	305,258
Total liabilities	<u>328,076</u>
<b>Net position</b>	
Investment in capital assets	7,794,676
Unrestricted	1,863,604
Total net position	<u><u>\$ 9,658,280</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 FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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	<u>Stormwater Fund</u>
<b>Operating revenues</b>	
Charges for services	\$ 1,202,069
Total operating revenues	<u>1,202,069</u>
<b>Operating expenses</b>	
Cost of sales	260,511
Depreciation	195,866
Total operating expenses	<u>456,377</u>
<b>Operating income</b>	<u>745,692</u>
<b>Nonoperating revenue</b>	
Investment earnings	13,600
Total nonoperating revenue	<u>13,600</u>
<b>Change in net position</b>	759,292
<b>Total net position, beginning of year</b>	<u>8,898,988</u>
<b>Total net position, end of year</b>	<u><u>\$ 9,658,280</u></u>

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

**VILLAGE OF PINECREST, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u><b>Stormwater Fund</b></u>
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 1,256,254
Cash paid to suppliers for goods and services	<u>(262,606)</u>
Net cash provided by operating activities	<u>993,648</u>
 <b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	<u>(256,866)</u>
Net cash used in capital and related financing activities	<u>(256,866)</u>
 <b>Cash flows from investing activities</b>	
Interest received	<u>13,600</u>
Net cash provided by investing activities	<u>13,600</u>
 <b>Net change in cash and cash equivalents</b>	 750,382
 <b>Cash and cash equivalents, beginning of year</b>	 <u>1,375,246</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 2,125,628</u></u>
 <b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 745,692
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	195,866
Change in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	38,585
Increase (decrease) in liabilities:	
Accounts payable	(2,095)
Unearned revenues	15,600
Net cash provided by operating activities	<u><u>\$ 993,648</u></u>

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

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020

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**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, 2020

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**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, 2020**

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**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, 2020

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**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, 2020

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**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, 2020

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**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, 2020, 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, 2020.

**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, 2020

---

**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 February 24, 2021, 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. These investments are exempt from fair value hierarchy level disclosure. The Village had the following investments as of September 30, 2020:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida Prime	48 days weighted average days to maturity	\$ 6,361,131

**VILLAGE OF PINECREST, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**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, 2020, for the Village’s individual major and nonmajor funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>CITT Public Transit Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Stormwater Fund</b>	<b>Total</b>
Receivables					
Intergovernmental	\$ 376,766	\$ 132,418	\$ 18,709	\$ -	\$ 527,893
Franchise and utility	641,256	-	-	-	641,256
Ad valorem taxes	29,220	-	-	-	29,220
Fines	6,529	-	118	-	6,647
Accounts	1,342	-	-	66,052	67,394
Other	1,866	-	-	-	1,866
Less allowance for uncollectible	-	-	-	-	-
	<u>\$1,056,979</u>	<u>\$ 132,418</u>	<u>\$ 18,827</u>	<u>\$ 66,052</u>	<u>\$1,274,276</u>

VILLAGE OF PINECREST, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020

NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

**B. Receivables (continued)**

Total unearned revenues as of September 30, 2020, are as follows:

Occupational taxes collected in advance	\$ 81,874
Stormwater utility charges collected in advance	305,258
	<u>\$ 387,132</u>

**C. Capital assets**

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 16,959,440	\$ -	\$ -	\$ 16,959,440
Construction in progress	36,340	60,514	(36,340)	60,514
Total assets not being depreciated	<u>16,995,780</u>	<u>60,514</u>	<u>(36,340)</u>	<u>17,019,954</u>
Capital assets being depreciated				
Buildings	27,076,383	1,180,136	-	28,256,519
Improvements other than buildings	9,615,021	1,944,279	-	11,559,300
Machinery and equipment	5,247,017	471,469	-	5,718,486
Computer software	274,711	-	-	274,711
Infrastructure	161,883,761	965,083	-	162,848,844
Total assets being depreciated	<u>204,096,893</u>	<u>4,560,967</u>	<u>-</u>	<u>208,657,860</u>
Less accumulated depreciation				
Buildings	(6,064,004)	(801,923)	-	(6,865,927)
Improvements other than buildings	(5,327,566)	(471,377)	-	(5,798,943)
Machinery and equipment	(3,725,347)	(474,301)	-	(4,199,648)
Computer software	(235,584)	(15,426)	-	(251,010)
Infrastructure	(120,424,204)	(4,986,428)	-	(125,410,632)
Total accumulated depreciation	<u>(135,776,705)</u>	<u>(6,749,455)</u>	<u>-</u>	<u>(142,526,160)</u>
Total assets depreciated, net	<u>68,320,188</u>	<u>(2,188,488)</u>	<u>-</u>	<u>66,131,700</u>
Governmental activities, net	<u>\$ 85,315,968</u>	<u>\$ (2,127,974)</u>	<u>\$ (36,340)</u>	<u>\$ 83,151,654</u>

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital assets (continued)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets being depreciated				
Infrastructure	\$ 10,336,612	\$ 256,866	\$ -	\$ 10,593,478
Total assets being depreciated	<u>10,336,612</u>	<u>256,866</u>	<u>-</u>	<u>10,593,478</u>
Less accumulated depreciation				
Infrastructure	(2,602,936)	(195,866)	-	(2,798,802)
Total accumulated depreciation	<u>(2,602,936)</u>	<u>(195,866)</u>	<u>-</u>	<u>(2,798,802)</u>
Business-type activities, net	<u>\$ 7,733,676</u>	<u>\$ 61,000</u>	<u>\$ -</u>	<u>\$ 7,794,676</u>

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

Governmental activities:	
General government	\$ 347,340
Public safety	346,588
Building, planning and zoning	15,952
Public works	5,024,952
Parks and recreation	1,014,623
	<u>\$ 6,749,455</u>
Business-type activities:	
Stormwater	<u>\$ 195,866</u>

**D. Transfers**

The composition of interfund transfers as of September 30, 2020, is as follows:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 1,655,463	To provide debt service funds
General Fund	Capital Projects Fund	1,531,515	To provide capital funds
General Fund	CITT Public Transit Fund	27,000	To provide operational funds
Total General Fund		<u>\$ 3,213,978</u>	
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, 2020**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-term debt**

The Village has five debt issues outstanding at September 30, 2020, 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 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:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 2,214,600	\$ 269,508	\$ 2,484,108
2022	931,800	190,548	1,122,348
2023	956,800	166,070	1,122,870
2024	982,000	135,840	1,117,840
2025	793,000	110,126	903,126
2026 - 2030	3,203,800	220,696	3,424,496
	<u>\$ 9,082,000</u>	<u>\$ 1,092,788</u>	<u>\$ 10,174,788</u>

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Governmental activities					
Direct borrowings:					
Bonds payable	\$ 10,230,500	\$ -	\$ (1,148,500)	\$ 9,082,000	\$ 2,214,600
Total OPEB liability	230,053	99,094	(23,189)	305,958	-
Net pension liability	10,914,607	5,256,010	(2,756,950)	13,413,667	-
Compensated absences	498,797	750,797	(619,902)	629,692	535,239
Total governmental activities	<u>\$ 21,873,957</u>	<u>\$ 6,105,901</u>	<u>\$ (4,548,541)</u>	<u>\$ 23,431,317</u>	<u>\$ 2,749,839</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, 2020**

**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:

	<b>General Fund</b>	<b>Transportation Fund</b>	<b>Capital Projects Fund</b>	<b>Stormwater Fund</b>	<b>Totals</b>
Payables:					
Payroll	\$ 552,703	\$ -	\$ -	\$ -	\$ 552,703
Vendors	527,909	46,059	159,589	22,818	756,375
Security deposits	223,129	-	-	-	223,129
Other	32,578	-	-	-	32,578
Total payables	\$ 1,336,319	\$ 46,059	\$ 159,589	\$ 22,818	\$ 1,564,785

**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, 2020:

Retirees and beneficiaries currently receiving benefits	2
Active employees	143
Total	145

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, 2020

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**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, 2019, and was determined by an actuarial valuation as of October 1, 2018, 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, 2018, 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:	3.58%
Initial Trend Rate:	7.00%
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 3.58%.



**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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, 2020, were as follows:

	<b>Total OPEB Liability</b>
Balances at September 31, 2019	\$ 230,053
Changes for the year:	
Service cost	25,752
Interest	8,898
Differences between expected and actual experience	(8,545)
Changes of assumptions	64,444
Changes of benefit terms	-
Benefit payments	(14,644)
Other changes	-
Balances at September 31, 2020	\$ 305,958

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 (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ 335,068	\$ 305,958	\$ 280,272

**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% down to 5%)	1% Increase
Total OPEB liability	\$ 271,331	\$ 305,958	\$ 347,713

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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, 2020, 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, 2020, the Village recognized OPEB expense of \$24,503. At September 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 45,628	\$ 7,803
Change of assumptions	58,850	48,846
Village contributions subsequent to the measurement date	14,700	-
	<u>\$ 119,178</u>	<u>\$ 56,649</u>

The deferred outflows of resources related to the OPEB Plan, totaling \$14,700 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, 2021. 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>
2021	\$ 4,497
2022	4,497
2023	4,497
2024	4,497
2025	4,497
Thereafter	25,344

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

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**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, 2020

**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, 2020, 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	\$ 23,313	\$ -	\$ -	\$ -	\$ -	\$ 23,313
Restricted						
Transportation	-	444,689	132,831	-	-	577,520
Public safety	-	-	-	-	99,041	99,041
General government	-	-	-	-	69,324	69,324
Parks	-	-	-	-	30,861	30,861
Debt service	-	-	-	-	278,366	278,366
Committed						
Sidewalk improvements	28,739	-	-	-	-	28,739
Assigned						
Capital projects	-	-	-	1,355,991	-	1,355,991
Health Care	317,805	-	-	-	-	317,805
Subsequent year appropriations	290,795	-	-	-	-	290,795
Unassigned	5,069,463	-	-	-	-	5,069,463
Total fund balances	<u>\$ 5,730,115</u>	<u>\$ 444,689</u>	<u>\$ 132,831</u>	<u>\$ 1,355,991</u>	<u>\$ 477,592</u>	<u>\$ 8,141,218</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, 2020**

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**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.

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the local economies. The ultimate impact of the pandemic on the Village’s results of operations, financial position, and liquidity cannot be reasonably estimated at this time.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

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**NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**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 \$656,497 to the Village for the fiscal year ending September 30, 2020. This agreement will be in effect as long as the ordinance establishing the collection of these fees is in place.

On July 17, 2003, the Village entered into another interlocal agreement with Miami-Dade County. Under this agreement, the County remitted \$676,817 to the Village for the fiscal year ending September 30, 2020, 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 \$688,327. Employee contributions were \$363,779 for the year ended September 30, 2020.

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, 2020, the Village made no contributions and employees contributed \$404,345. 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.

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

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**NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**E. Pension plans (continued)**

**Defined benefit plan**

The Village participates in the Florida Retirement System (FRS), a statewide cost-sharing multiple-employer public employee retirement system (PERS), available to governmental units within the state and administered by the State of Florida Department of Management Services, Division of Retirement. The sworn police personnel are eligible to participate in the FRS.

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](http://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, 2020**

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**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, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular Class – 8.47% and 10.00%; Senior Management – 25.41% and 27.29%; and DROP participants – 14.60% and 16.98%. These employer contribution rates do not include the 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2020, respectively.

The Village's contributions, including employee contributions, to the Pension Plan totaled \$919,820 for the fiscal year ended September 30, 2020.

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

At September 30, 2020, the Village reported a liability of \$11,998,695 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Village's proportion of the net pension liability was based on a projection of the Village's 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2020, the Village's proportion was 0.0277%, which was a decrease from its proportion measured as of June 30, 2019, of 0.0278%.



**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 3 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**E. Pension plans (continued)**

**Defined benefit plan (continued)**

For the fiscal year ended September 30, 2020, the Village recognized pension expense of \$2,414,925. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 459,214	\$ -
Change of assumptions	2,172,146	-
Net difference between projected and actual earnings on Pension Plan investments	714,414	-
Changes in proportion and differences between Village Pension Plan contributions and proportionate share of contributions	152,109	603,919
Village Pension Plan contributions subsequent to the measurement date	240,847	-
Total	\$ 3,738,730	\$ 603,919

The deferred outflows of resources related to the Pension Plan, totaling \$240,847 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, 2021. 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>
2021	\$ 596,376
2022	928,820
2023	789,494
2024	471,963
2025	107,311
Thereafter	-

*Actuarial Assumptions:*

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation:	2.40%
Salary increases:	3.25%, average, including inflation
Investment rate of return:	6.80%, net of pension plan investment expense, including inflation

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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, 2020, 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 <sup>(1)</sup></u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.4%		1.7%

<sup>(1)</sup> As outlined in the Pension Plan's investment policy

*Discount Rate:*

The discount rate used to measure the total pension liability was 6.80%. 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, 2020**

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**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 6.80%, 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 (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Village's proportionate share of the net pension liability	\$ 16,554,924	\$ 11,998,695	\$ 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, 2020, 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, 2020.

**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, 2020, 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, 2020**

**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, 2020, the HIS contribution for the period October 1, 2018 through September 30, 2020, 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 \$66,781 for the current year.

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

At September 30, 2020, the Village reported a liability of \$1,414,972 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Village’s proportionate share of the net pension liability was based on the Village’s 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2020, the Village's proportionate share was 0.0116%, which was an decrease from its proportionate share measured as of June 30, 2019, of 0.0120%.

For the fiscal year ended September 30, 2020, the Village recognized pension expense of \$110,871. In addition the Village reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 57,881	\$ 1,092
Change of assumptions	152,150	82,275
Net difference between projected and actual earnings on HIS Plan investments	1,130	-
Changes in proportion and differences between Village HIS Plan contributions and proportionate share of contributions	49,652	122,188
Village HIS Plan contributions subsequent to the measurement date	18,268	-
Total	<u>\$ 279,081</u>	<u>\$ 205,555</u>

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

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**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 \$18,268 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, 2021. 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
2021	\$ 15,293
2022	11,344
2023	3,100
2024	7,198
2025	9,801
Thereafter	8,522

*Actuarial Assumptions:*

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.40%
Salary increases:	3.25%, average, including inflation
Investment rate of return:	2.21%

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

The actuarial assumptions used in the July 1, 2020, 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 2.21%. 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, 2020**

**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 2.21%, 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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Village's proportionate share of the net pension liability	\$ 1,527,291	\$ 1,414,972	\$ 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, 2020, 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, 2020.

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

	FRS	HIS	Total
Village's net pension liability	\$ 11,998,695	\$ 1,414,972	\$ 13,413,667
Deferred outflows of resources	3,738,730	279,081	4,017,811
Deferred inflows of resources	603,919	205,555	809,474
Pension expense/expenditure	2,414,925	110,871	2,525,796

**VILLAGE OF PINECREST, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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:

<b>General Fund:</b>	
Radar Trailer, Police	\$ 15,900
Equipped Vehicles, Police	168,700
Enotify, Police	5,500
Compensation Study, HR	17,500
Employee Appreciation, HR	10,000
Outside Contractor, Finance	9,000
Liquidated Damages Utilities, General Government	10,000
Platform Analytics, VM	20,500
Various Improvements, Parks	25,455
Computer Hardware, Community Center	2,190
Hibiscus Gallery Repair, Pinecrest Gardens	6,050
Total General Fund	<u>\$ 290,795</u>
<b>Transportation Fund:</b>	
Monument Design	<u>\$ 9,950</u>
<b>Capital Projects Fund:</b>	
Village Hall	\$ 26,867
Monument Sign	120,000
Suniland Park Improvements	77,744
Community Center	81,133
Greer Park Improvements	281,625
Coral Pine Park Improvements	82,240
Flagler Grove Park Improvements	69,553
Pinecrest Gardens, Improvements	1,598,983
Total Capital Projects Fund	<u>\$ 2,338,145</u>

**G. Subsequent Events**

The Village issued a 20 year \$7,921,446 note from Sterling Bank with an interest rate of 2.22% for various capital improvement in February 2021. The Village has also entered into an agreement to purchase property to be used as an open space for recreational purposes.

**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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Ad valorem taxes	\$ 11,702,380	\$ 11,702,380	\$ 11,615,889	\$ (86,491)
Franchise fees	693,285	693,285	797,153	103,868
Utility taxes	2,335,000	2,335,000	2,507,170	172,170
Communications services tax	781,270	781,270	781,557	287
Business tax	130,000	130,000	133,042	3,042
Total taxes	<u>15,641,935</u>	<u>15,641,935</u>	<u>15,834,811</u>	<u>192,876</u>
Licenses and permits	2,715,000	2,715,000	2,228,177	(486,823)
Intergovernmental revenue	2,267,205	2,267,205	3,617,409	1,350,204
Charges for services	2,674,940	2,674,940	1,919,255	(755,685)
Fines and forfeitures	1,862,800	1,862,800	1,482,313	(380,487)
Investment earnings	130,000	130,000	88,073	(41,927)
Miscellaneous revenues	165,000	165,000	117,430	(47,570)
Total revenues	<u>25,456,880</u>	<u>25,456,880</u>	<u>25,287,468</u>	<u>(169,412)</u>
<b>Expenditures</b>				
Current				
General government				
Village Council	193,980	193,980	153,114	40,866
Village Manager	754,250	754,250	772,964	(18,714)
Village Clerk	360,910	360,910	347,157	13,753
Finance Department	381,350	390,350	370,665	19,685
Village Attorney	505,000	505,000	399,335	105,665
General government	1,550,600	1,639,570	1,554,588	84,982
Information technology	443,745	446,870	442,449	4,421
Total general government	<u>4,189,835</u>	<u>4,290,930</u>	<u>4,040,272</u>	<u>250,658</u>
Public safety - police	9,937,420	10,354,650	9,400,704	953,946
Emergency and disaster relief	-	383,149	383,149	-
Building, planning and zoning	2,366,440	2,408,603	2,408,787	(184)
Public works	809,255	927,170	863,820	63,350
Parks and recreation	5,398,275	5,550,805	4,927,621	623,184
Total expenditures	<u>22,701,225</u>	<u>23,915,307</u>	<u>22,024,353</u>	<u>1,890,954</u>
<b>Excess of revenues over expenditures</b>	<u>2,755,655</u>	<u>1,541,573</u>	<u>3,263,115</u>	<u>1,721,542</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing uses</b>				
Transfers out	\$ (2,437,850)	\$ (3,235,840)	\$ (3,213,978)	\$ 21,862
Total other financing uses	<u>(2,437,850)</u>	<u>(3,235,840)</u>	<u>(3,213,978)</u>	<u>21,862</u>
<b>Change in fund balance</b>	317,805	(1,694,267)	49,137	1,743,404
<b>Fund balance, beginning of year</b>	<u>5,680,978</u>	<u>5,680,978</u>	<u>5,680,978</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 5,998,783</u>	<u>\$ 3,986,711</u>	<u>\$ 5,730,115</u>	<u>\$ 1,743,404</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Transportation taxes	\$ 466,360	\$ 466,360	\$ 433,557	\$ (32,803)
Investment earnings	10,000	10,000	12,148	2,148
Miscellaneous revenues	-	-	50,000	50,000
Total revenues	<u>476,360</u>	<u>476,360</u>	<u>495,705</u>	<u>19,345</u>
<b>Expenditures</b>				
Current				
Public works	1,474,130	1,474,130	1,108,631	365,499
Total expenditures	<u>1,474,130</u>	<u>1,474,130</u>	<u>1,108,631</u>	<u>365,499</u>
<b>Deficiency of revenues under expenditures</b>	<u>(997,770)</u>	<u>(997,770)</u>	<u>(612,926)</u>	<u>384,844</u>
<b>Other financing uses</b>				
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>
<b>Change in fund balance</b>	(1,023,760)	(1,023,760)	(638,916)	384,844
<b>Fund balance, beginning of year</b>	<u>1,083,605</u>	<u>1,083,605</u>	<u>1,083,605</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 59,845</u>	<u>\$ 59,845</u>	<u>\$ 444,689</u>	<u>\$ 384,844</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 787,494	\$ 787,494	\$ 732,946	\$ (54,548)
Investment earnings	1,000	1,000	-	(1,000)
Miscellaneous revenues	-	-	11,997	11,997
<b>Total revenues</b>	<u>788,494</u>	<u>788,494</u>	<u>744,943</u>	<u>(43,551)</u>
<b>Expenditures</b>				
Current				
Public works	953,680	953,680	813,789	139,891
<b>Total expenditures</b>	<u>953,680</u>	<u>953,680</u>	<u>813,789</u>	<u>139,891</u>
<b>Deficiency of revenues under expenditures</b>	<u>(165,186)</u>	<u>(165,186)</u>	<u>(68,846)</u>	<u>96,340</u>
<b>Other financing sources</b>				
Transfers in	-	27,000	27,000	-
<b>Total other financing sources</b>	<u>-</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
<b>Change in fund balance</b>	(165,186)	(138,186)	(41,846)	96,340
<b>Fund balance, beginning of year</b>	<u>174,677</u>	<u>174,677</u>	<u>174,677</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 9,491</u>	<u>\$ 36,491</u>	<u>\$ 132,831</u>	<u>\$ 96,340</u>

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

## VILLAGE OF PINECREST, FLORIDA

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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#### **NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING**

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

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 \$1,214,082 during the fiscal year ended September 30, 2020.
- 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	9/30/2020 6/30/2020	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
Village's proportion of the FRS net pension liability	0.027684%	0.027808%	0.031705%	0.032074%	0.031173%	0.027937%
Village's proportionate share of the FRS net pension liability	\$ 11,998,695	\$ 9,576,699	\$ 9,549,770	\$ 9,487,370	\$ 7,871,188	\$ 3,608,378
Village's covered payroll	\$ 3,963,213	\$ 4,011,802	\$ 3,977,497	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	302.75%	238.71%	240.09%	229.60%	178.11%	96.81%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Reporting Period Ending Measurement Date	9/30/2014 6/30/2014					
Village's proportion of the FRS net pension liability	0.028332%					
Village's proportionate share of the FRS net pension liability	\$ 1,728,668					
Village's covered payroll	\$ 3,648,836					
Village's proportionate share of the FRS net pension liability as a percentage of its covered payroll	47.38%					
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	96.09%					

**Note 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>9/30/2020</u> <u>6/30/2020</u>	<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>
Contractually required FRS contribution	\$ 919,820	\$ 862,250	\$ 903,573	\$ 834,974	\$ 834,553	\$ 703,668
FRS Contributions in relation to the contractually required FRS contribution	<u>919,820</u>	<u>862,250</u>	<u>903,573</u>	<u>834,974</u>	<u>834,553</u>	<u>703,668</u>
FRS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,920,088	\$ 3,888,592	\$ 3,863,023	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429
FRS Contributions as a percentage of covered payroll	23.46%	22.17%	23.39%	20.21%	18.88%	18.88%
Reporting Period Ending Measurement Date	<u>9/30/2014</u> <u>6/30/2014</u>					
Contractually required FRS contribution	\$ 656,121					
FRS Contributions in relation to the contractually required FRS contribution	<u>656,121</u>					
FRS Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 3,648,836					
FRS Contributions as a percentage of covered payroll	17.98%					

**Note 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	9/30/2020 6/30/2020	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
Village's proportion of the HIS net pension liability	0.011589%	0.011957%	0.013136%	0.012697%	0.012216%	0.012164%
Village's proportionate share of the HIS net pension liability	\$ 1,414,972	\$ 1,337,908	\$ 1,390,295	\$ 1,357,598	\$ 1,423,708	\$ 1,240,524
Village's covered payroll	\$ 3,963,213	\$ 4,011,802	\$ 3,977,497	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429
Village's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.70%	33.35%	34.95%	32.85%	32.22%	33.28%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%
Reporting Period Ending Measurement Date	9/30/2014 6/30/2014					
Village's proportion of the HIS net pension liability	0.012125%					
Village's proportionate share of the HIS net pension liability	\$ 1,133,680					
Village's covered payroll	\$ 3,648,836					
Village's proportionate share of the HIS net pension liability as a percentage of its covered payroll	31.07%					
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	0.99%					

**Note 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	9/30/2020 6/30/2020	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
Contractually required HIS contribution	\$ 66,781	\$ 66,398	\$ 71,235	\$ 67,195	\$ 48,773	\$ 43,532
HIS Contributions in relation to the contractually required HIS contribution	66,781	66,398	71,235	67,195	48,773	43,532
HIS Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,920,088	\$ 3,888,592	\$ 3,863,023	\$ 4,132,168	\$ 4,419,337	\$ 3,727,429
HIS Contributions as a percentage of covered payroll	1.70%	1.71%	1.84%	1.63%	1.10%	1.17%
Reporting Period Ending Measurement Date	9/30/2014 6/30/2014					
Contractually required HIS contribution	\$ 37,882					
HIS Contributions in relation to the contractually required HIS contribution	37,882					
HIS Contribution deficiency (excess)	\$ -					
Covered payroll	\$ 3,648,836					
HIS Contributions as a percentage of covered payroll	1.04%					

**Note 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>	<u>9/30/2020</u> <u>9/30/2019</u>
Service cost	\$ 24,009	\$ 17,496	\$ 25,752
Interest	6,051	8,400	8,898
Changes of benefit terms	-	55,678	-
Differences between expected and actual experience	-	-	(8,545)
Changes of assumptions	-	(59,606)	64,444
Benefit payments	<u>(7,548)</u>	<u>(10,268)</u>	<u>(14,644)</u>
Net change in total OPEB liability	22,512	11,700	75,905
Total OPEB liability - beginning	<u>195,841</u>	<u>218,353</u>	<u>230,053</u>
Total OPEB liability - ending	<u>\$ 218,353</u>	<u>\$ 230,053</u>	<u>\$ 305,958</u>
Covered employee payroll (projected)	\$ 6,991,252	\$ 7,885,136	\$ 9,205,450
Village's total OPEB liability as a percentage of covered employee payroll	3.12%	2.92%	3.32%

**Notes to the Schedule:**

Covered employee payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2019.

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

**OTHER SUPPLEMENTARY INFORMATION**

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## NONMAJOR GOVERNMENTAL FUNDS

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### 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, 2020

	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		
<b>Assets</b>								
Cash and cash equivalents	\$ 19,793	\$ 25,944	\$ 2,605	\$ 19,858	\$ 9,340	\$ 102,859	\$ 278,366	\$ 458,765
Accounts receivable, net	118	-	8,239	8,194	2,276	-	-	18,827
Total assets	<u>\$ 19,911</u>	<u>\$ 25,944</u>	<u>\$ 10,844</u>	<u>\$ 28,052</u>	<u>\$ 11,616</u>	<u>\$ 102,859</u>	<u>\$ 278,366</u>	<u>\$ 477,592</u>
<b>Liabilities and fund balances</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Restricted for								
Public safety	19,911	25,944	10,844	28,052	11,616	2,674	-	99,041
General government	-	-	-	-	-	69,324	-	69,324
Parks	-	-	-	-	-	30,861	-	30,861
Debt service	-	-	-	-	-	-	278,366	278,366
Total fund balances	<u>19,911</u>	<u>25,944</u>	<u>10,844</u>	<u>28,052</u>	<u>11,616</u>	<u>102,859</u>	<u>278,366</u>	<u>477,592</u>
Total liabilities and fund balances	<u>\$ 19,911</u>	<u>\$ 25,944</u>	<u>\$ 10,844</u>	<u>\$ 28,052</u>	<u>\$ 11,616</u>	<u>\$ 102,859</u>	<u>\$ 278,366</u>	<u>\$ 477,592</u>



**VILLAGE OF PINECREST, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	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		
<b>Revenues</b>								
Intergovernmental revenues	\$ -	\$ -	\$ 26,850	\$ 24,059	\$ 7,205	\$ -	\$ -	\$ 58,114
Fines and forfeitures	8,946	1,978	-	-	-	-	-	10,924
Impact fees	-	-	-	-	-	92,630	-	92,630
Investment earnings	87	262	28	107	53	-	-	537
Total revenues	<u>9,033</u>	<u>2,240</u>	<u>26,878</u>	<u>24,166</u>	<u>7,258</u>	<u>92,630</u>	<u>-</u>	<u>162,205</u>
<b>Expenditures</b>								
Current								
Public safety	8,060	33,200	33,993	24,397	7,825	-	-	107,475
Capital outlay	-	-	-	-	-	33,818	-	33,818
Debt service								
Principal retirement	-	-	-	-	-	-	1,148,500	1,148,500
Interest	-	-	-	-	-	-	254,587	254,587
Total expenditures	<u>8,060</u>	<u>33,200</u>	<u>33,993</u>	<u>24,397</u>	<u>7,825</u>	<u>33,818</u>	<u>1,403,087</u>	<u>1,544,380</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>973</u>	<u>(30,960)</u>	<u>(7,115)</u>	<u>(231)</u>	<u>(567)</u>	<u>58,812</u>	<u>(1,403,087)</u>	<u>(1,382,175)</u>
<b>Other financing sources</b>								
Transfers in	-	-	-	-	-	-	1,681,453	1,681,453
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681,453</u>	<u>1,681,453</u>
<b>Change in fund balances</b>	<u>973</u>	<u>(30,960)</u>	<u>(7,115)</u>	<u>(231)</u>	<u>(567)</u>	<u>58,812</u>	<u>278,366</u>	<u>299,278</u>
<b>Fund balances, beginning of year</b>	<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>
<b>Fund balances, end of year</b>	<u>\$ 19,911</u>	<u>\$ 25,944</u>	<u>\$ 10,844</u>	<u>\$ 28,052</u>	<u>\$ 11,616</u>	<u>\$ 102,859</u>	<u>\$ 278,366</u>	<u>\$ 477,592</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 3,180	\$ 3,180	\$ 8,946	\$ 5,766
Investment earnings	20	20	87	67
Total revenues	<u>3,200</u>	<u>3,200</u>	<u>9,033</u>	<u>5,833</u>
<b>Expenditures</b>				
Public safety	<u>10,980</u>	<u>10,980</u>	<u>8,060</u>	<u>2,920</u>
Total expenditures	<u>10,980</u>	<u>10,980</u>	<u>8,060</u>	<u>2,920</u>
<b>Change in fund balance</b>	(7,780)	(7,780)	973	8,753
<b>Fund balance, beginning of year</b>	<u>18,938</u>	<u>18,938</u>	<u>18,938</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 11,158</u>	<u>\$ 11,158</u>	<u>\$ 19,911</u>	<u>\$ 8,753</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 1,978	\$ (18,022)
Investment earnings	50	50	262	212
Total revenues	<u>20,050</u>	<u>20,050</u>	<u>2,240</u>	<u>(17,810)</u>
<b>Expenditures</b>				
Current				
Public safety	45,000	45,000	33,200	11,800
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>33,200</u>	<u>11,800</u>
<b>Change in fund balance</b>	(24,950)	(24,950)	(30,960)	(29,610)
<b>Fund balance, beginning of year</b>	<u>56,904</u>	<u>56,904</u>	<u>56,904</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 31,954</u>	<u>\$ 31,954</u>	<u>\$ 25,944</u>	<u>\$ (29,610)</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 28,200	\$ 28,200	\$ 26,850	\$ (1,350)
Investment earnings	-	-	28	28
<b>Total revenues</b>	<u>28,200</u>	<u>28,200</u>	<u>26,878</u>	<u>(1,322)</u>
<b>Expenditures</b>				
Current				
Public safety	41,285	41,285	33,993	7,292
<b>Total expenditures</b>	<u>41,285</u>	<u>41,285</u>	<u>33,993</u>	<u>7,292</u>
<b>Deficiency of revenues under expenditures</b>	<u>(13,085)</u>	<u>(13,085)</u>	<u>(7,115)</u>	<u>5,970</u>
<b>Other financing sources</b>				
Transfers in	11,500	11,500	-	(11,500)
<b>Total other financing sources</b>	<u>11,500</u>	<u>11,500</u>	<u>-</u>	<u>(11,500)</u>
<b>Change in fund balance</b>	(1,585)	(1,585)	(7,115)	(5,530)
<b>Fund balance, beginning of year</b>	<u>17,959</u>	<u>17,959</u>	<u>17,959</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 16,374</u>	<u>\$ 16,374</u>	<u>\$ 10,844</u>	<u>\$ (5,530)</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 20,160	\$ 20,160	\$ 24,059	\$ 3,899
Investment earnings	50	50	107	57
Total revenues	<u>20,210</u>	<u>20,210</u>	<u>24,166</u>	<u>3,956</u>
<b>Expenditures</b>				
Current				
Public safety	<u>29,510</u>	<u>29,510</u>	<u>24,397</u>	<u>5,113</u>
Total expenditures	<u>29,510</u>	<u>29,510</u>	<u>24,397</u>	<u>5,113</u>
<b>Change in fund balance</b>	(9,300)	(9,300)	(231)	9,069
<b>Fund balance, beginning of year</b>	<u>28,283</u>	<u>28,283</u>	<u>28,283</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 18,983</u>	<u>\$ 18,983</u>	<u>\$ 28,052</u>	<u>\$ 9,069</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 6,420	\$ 6,420	\$ 7,205	\$ 785
Investment earnings	-	-	53	53
Total revenues	<u>6,420</u>	<u>6,420</u>	<u>7,258</u>	<u>838</u>
<b>Expenditures</b>				
Current				
Public safety	<u>9,420</u>	<u>9,420</u>	<u>7,825</u>	<u>1,595</u>
Total expenditures	<u>9,420</u>	<u>9,420</u>	<u>7,825</u>	<u>1,595</u>
<b>Change in fund balance</b>	(3,000)	(3,000)	(567)	2,433
<b>Fund balance, beginning of year</b>	<u>12,183</u>	<u>12,183</u>	<u>12,183</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 9,183</u>	<u>\$ 9,183</u>	<u>\$ 11,616</u>	<u>\$ 2,433</u>

**VILLAGE OF PINECREST, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL  
IMPACT FEES FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Impact fees	\$ 55,000	\$ 55,000	\$ 92,630	\$ 37,630
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>92,630</u>	<u>37,630</u>
<b>Expenditures</b>				
Capital outlay	55,000	55,000	33,818	21,182
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>33,818</u>	<u>21,182</u>
<b>Change in fund balance</b>	-	-	58,812	58,812
<b>Fund balance, beginning of year</b>	<u>44,047</u>	<u>44,047</u>	<u>44,047</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 44,047</u>	<u>\$ 44,047</u>	<u>\$ 102,859</u>	<u>\$ 58,812</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Principal	\$ 1,396,500	\$ 1,396,500	\$ 1,148,500	\$ 248,000
Interest	295,315	295,315	254,587	40,728
Total expenditures	<u>1,691,815</u>	<u>1,691,815</u>	<u>1,403,087</u>	<u>288,728</u>
<b>Deficiency of revenues under expenditures</b>	<u>(1,691,815)</u>	<u>(1,691,815)</u>	<u>(1,403,087)</u>	<u>288,728</u>
<b>Other financing sources</b>				
Transfers in	1,691,815	1,691,815	1,681,453	(10,362)
Total other financing sources	<u>1,691,815</u>	<u>1,691,815</u>	<u>1,681,453</u>	<u>(10,362)</u>
<b>Change in fund balance</b>	-	-	278,366	278,366
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 278,366</u>	<u>\$ 278,366</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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 465,000	\$ 465,000	\$ 24,534	\$ (440,466)
Investment earnings	-	-	14,482	14,482
<b>Total revenues</b>	<u>465,000</u>	<u>465,000</u>	<u>39,016</u>	<u>(425,984)</u>
<b>Expenditures</b>				
<b>Current</b>				
Parks and recreation	100,000	332,000	180,703	151,297
Capital outlay	<u>1,180,555</u>	<u>4,401,901</u>	<u>2,986,039</u>	<u>1,415,862</u>
<b>Total expenditures</b>	<u>1,280,555</u>	<u>4,733,901</u>	<u>3,166,742</u>	<u>1,567,159</u>
<b>Deficiency of revenues under expenditures</b>	<u>(815,555)</u>	<u>(4,268,901)</u>	<u>(3,127,726)</u>	<u>1,141,175</u>
<b>Other financing sources</b>				
Transfers in	<u>760,525</u>	<u>1,531,515</u>	<u>1,531,515</u>	-
<b>Total other financing sources</b>	<u>760,525</u>	<u>1,531,515</u>	<u>1,531,515</u>	-
<b>Change in fund balance</b>	(55,030)	(2,737,386)	(1,596,211)	1,141,175
<b>Fund balance, beginning of year</b>	<u>2,952,202</u>	<u>2,952,202</u>	<u>2,952,202</u>	-
<b>Fund balance, end of year</b>	<u>\$ 2,897,172</u>	<u>\$ 214,816</u>	<u>\$ 1,355,991</u>	<u>\$ 1,141,175</u>

## **STATISTICAL SECTION**

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**STATISTICAL SECTION**  
(Unaudited)

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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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These schedules contain trend information to help the reader understand how the Village’s financial performance and well-being have changes over time.

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

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VILLAGE OF PINECREST, FLORIDA

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

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 97,386	\$ 92,221	\$ 88,373	\$ 84,461	\$ 82,757	\$ 80,888	\$ 78,157	\$ 77,087	\$ 77,663	\$ 74,069
Restricted	4,668	5,365	6,505	6,739	5,597	5,787	4,892	3,767	4,014	1,055
Unrestricted	7,049	7,921	7,425	7,696	1,933	244	(293)	(2,867)	(4,146)	(3,770)
Total governmental activities net position	\$109,103	\$105,507	\$102,303	\$ 98,896	\$ 90,287	\$ 86,919	\$ 82,756	\$ 77,987	\$ 77,531	\$ 71,354
<b>Business-type activities</b>										
Net investment in capital assets	\$ 4,534	\$ 4,783	\$ 5,456	\$ 6,140	\$ 5,842	\$ 6,335	\$ 6,782	\$ 7,266	\$ 7,734	\$ 7,795
Unrestricted	2,422	2,058	1,317	410	543	355	603	867	1,165	1,864
Total business-type activities net position	\$ 6,956	\$ 6,841	\$ 6,773	\$ 6,550	\$ 6,385	\$ 6,690	\$ 7,385	\$ 8,133	\$ 8,899	\$ 9,659
<b>Primary government</b>										
Net investment in capital assets	\$101,920	\$ 97,004	\$ 93,829	\$ 90,601	\$ 88,599	\$ 87,223	\$ 84,939	\$ 84,353	\$ 85,397	\$ 81,864
Restricted	4,668	5,365	6,505	6,739	5,597	5,787	4,892	3,767	4,014	1,055
Unrestricted	9,471	9,979	8,742	8,106	2,476	599	310	(2,000)	(2,981)	(1,906)
Total primary government net position	\$116,059	\$112,348	\$109,076	\$105,446	\$ 96,672	\$ 93,609	\$ 90,141	\$ 86,120	\$ 86,430	\$ 81,013

VILLAGE OF PINECREST, FLORIDA

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

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,415	\$ 3,363	\$ 3,857	\$ 3,736	\$ 3,593	\$ 3,659	\$ 3,755	\$ 3,779	\$ 3,983	\$ 4,371
Public safety	7,559	7,203	7,259	7,361	7,310	9,090	10,306	12,381	10,597	11,311
Building, planning and zoning	1,499	1,552	1,604	1,728	1,918	2,019	2,040	2,026	2,240	2,430
Parks and recreation	4,144	4,263	4,652	4,705	4,950	5,015	6,147	6,355	6,620	6,920
Public works	5,561	5,658	5,889	6,157	5,919	6,099	5,300	5,445	5,656	6,102
Interest on long-term debt	521	680	281	377	419	396	397	277	341	250
Total governmental activities expenses	22,699	22,719	23,542	24,064	24,109	26,278	27,945	30,263	29,437	31,384
Business-type activities:										
Stormwater utility	380	566	587	761	841	666	566	729	603	456
Total business-type activities expenses	380	566	587	761	841	666	566	729	603	456
Total primary government expenses	\$ 23,079	\$ 23,285	\$ 24,129	\$ 24,825	\$ 24,950	\$ 26,944	\$ 28,511	\$ 30,992	\$ 30,040	\$ 31,840
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 114	\$ 185	\$ 246	\$ 616	\$ 122	\$ 142	\$ 186	\$ 287	\$ 359	\$ 209
Public safety	460	426	375	350	444	662	3,946	3,822	4,974	3,840
Building, planning and zoning	1,779	1,964	2,172	2,245	2,854	2,960	-	-	-	-
Parks and recreation	1,181	1,344	1,492	1,669	1,707	1,886	8	8	8	8
Public works	-	77	111	131	261	286	1,700	1,895	2,420	1,642
Operating grants and contributions	87	82	71	196	279	274	620	636	2,487	634
Capital grants and contributions	1,047	189	1,293	603	690	774	934	306	465	543
Total governmental activities program revenues	4,668	4,267	5,760	5,810	6,357	6,984	7,394	6,954	10,713	6,876
Business-type activities										
Charges for services:										
Stormwater utility	473	445	514	538	676	969	1,257	1,320	1,333	1,202
Total business-type activities program revenues	473	445	514	538	676	969	1,257	1,470	1,333	1,202
Total primary government program revenues	\$ 5,141	\$ 4,712	\$ 6,274	\$ 6,348	\$ 7,033	\$ 7,953	\$ 8,651	\$ 8,424	\$ 12,046	\$ 8,078

VILLAGE OF PINECREST, FLORIDA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)  
(Table 2)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense)/revenue										
Governmental activities	\$ (18,031)	\$ (18,452)	\$ (17,782)	\$ (18,254)	\$ (17,752)	\$ (19,294)	\$ (20,551)	\$ (23,309)	\$ (18,724)	\$ (24,508)
Business-type activities	93	(121)	(73)	(223)	(165)	303	691	741	730	746
Total primary government net expense	\$ (17,938)	\$ (18,573)	\$ (17,855)	\$ (18,477)	\$ (17,917)	\$ (18,991)	\$ (19,860)	\$ (22,568)	\$ (17,994)	\$ (23,762)
<b>General Revenues and Other Changes In Net Position</b>										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 6,992	\$ 7,410	\$ 7,441	\$ 7,818	\$ 8,598	\$ 9,037	\$ 9,629	\$ 10,231	\$ 11,034	\$ 11,616
Franchise fees on gross receipts	1,074	1,217	1,166	894	914	945	772	978	904	797
Utility taxes	1,937	1,982	2,067	2,227	2,193	2,227	2,342	2,351	2,414	2,507
Communications services tax	1,147	1,108	1,084	1,019	977	885	776	869	817	782
Transportation tax	983	956	518	471	481	481	494	484	484	433
Business tax	122	127	114	116	114	123	131	126	133	133
Intergovernmental, not restricted to specific programs	1,755	1,623	1,743	1,847	1,876	1,914	1,933	1,987	2,019	1,769
Income on investments	61	80	49	12	56	96	154	143	265	115
Miscellaneous	437	353	398	442	149	218	159	779	198	179
Total governmental activities	14,508	14,856	14,580	14,846	15,358	15,926	16,390	17,948	18,268	18,331
Business-type activities:										
Income on investments	6	6	4	1	1	2	3	7	36	14
Total business-type activities	6	6	4	1	1	2	3	7	36	14
Total primary government	14,514	14,862	14,584	14,847	15,359	15,928	16,393	17,955	18,304	18,345
<b>Change in Net Position</b>										
Governmental activities	\$ (3,523)	\$ (3,596)	\$ (3,202)	\$ (3,408)	\$ (2,394)	\$ (3,368)	\$ (4,161)	\$ (5,361)	\$ (456)	\$ (6,177)
Business-type activities	99	(115)	(69)	(222)	(164)	305	694	748	766	760
Total primary government	\$ (3,424)	\$ (3,711)	\$ (3,271)	\$ (3,630)	\$ (2,558)	\$ (3,063)	\$ (3,467)	\$ (4,613)	\$ 310	\$ (5,417)



VILLAGE OF PINECREST, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 (ACCURAL 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
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
2020	11,616	797	2,507	782	433	133	16,268

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 1	\$ 147	\$ 160	\$ 182	\$ 107	\$ 108	\$ 145	\$ 55	\$ 53	\$ 23
Committed	-	-	-	-	-	-	378	453	556	29
Assigned	80	198	141	556	1,358	1,131	473	-	-	609
Unassigned	6,875	7,851	7,791	7,420	6,404	6,222	3,968	3,248	5,072	5,069
Total General Fund	\$ 6,956	\$ 8,196	\$ 8,092	\$ 8,158	\$ 7,869	\$ 7,461	\$ 4,964	\$ 3,756	\$ 5,681	\$ 5,730
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue Funds	\$ 4,668	\$ 5,365	\$ 6,505	\$ 6,739	\$ 5,597	\$ 4,771	\$ 4,892	\$ 3,767	\$ 1,437	\$ 777
Debt Service Funds	-	-	-	-	-	-	-	-	-	278
Capital Project Funds	-	-	-	-	5,803	4,928	-	-	2,577	-
Assigned, reported in:										
Capital Projects Funds	1,758	1,078	634	502	807	1,016	2,687	368	375	1,356
Total all other governmental funds	\$ 6,426	\$ 6,443	\$ 7,139	\$ 7,241	\$ 12,207	\$ 10,715	\$ 7,579	\$ 4,135	\$ 4,389	\$ 2,411
Fund balances all governmental funds	\$ 13,382	\$ 14,639	\$ 15,231	\$ 15,399	\$ 20,076	\$ 18,176	\$ 12,543	\$ 7,891	\$ 10,070	\$ 8,141

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 12,255	\$ 12,800	\$ 12,389	\$ 12,545	\$ 13,277	\$ 13,698	\$ 14,144	\$ 15,039	\$ 15,786	\$ 16,269
Licenses and permits	1,779	1,751	2,143	2,415	2,767	2,816	2,644	2,561	3,200	2,228
Intergovernmental revenues	2,890	1,893	3,108	2,646	2,845	2,962	3,535	2,982	3,223	4,433
Charges for services	1,555	1,671	1,868	2,020	2,065	2,267	1,981	2,252	2,834	1,919
Fines and forfeitures	199	575	384	576	555	853	1,168	1,146	1,672	1,493
Impact fees	-	-	-	-	-	-	-	-	44	93
Investment earnings	61	79	49	12	57	96	154	143	265	115
Miscellaneous revenues	460	353	398	443	149	218	160	779	198	179
Total revenues	19,199	19,122	20,339	20,657	21,715	22,910	23,786	24,902	27,222	26,729
<b>Expenditures</b>										
Current										
General government	3,277	2,709	3,440	4,003	3,560	3,510	3,572	3,549	3,837	4,040
Public safety	7,280	6,994	7,287	7,384	7,994	8,792	9,287	8,901	9,358	9,508
Emergency and disaster relief	-	-	-	-	-	-	425	2,856	290	383
Building, planning and zoning	1,501	1,573	1,656	1,695	1,905	1,987	2,030	2,044	2,237	2,409
Public works	4,308	3,895	4,615	4,352	4,523	5,769	1,916	3,153	4,548	2,786
Parks and recreation	1,559	1,085	1,230	1,560	3,039	2,787	4,543	4,703	4,915	5,108
Capital outlay	-	-	-	-	-	-	4,497	2,973	859	3,020
Debt service										
Principal	1,030	1,020	1,125	1,164	1,545	1,580	2,758	1,107	1,283	1,149
Interest	531	590	394	331	371	387	389	269	293	255
Issuance costs	113	32	-	48	39	-	-	-	40	-
Total expenditures	19,599	17,898	19,747	20,537	22,976	24,812	29,417	29,555	27,660	28,658
Excess (deficiency) of revenues over (under) expenditures	(400)	1,224	592	120	(1,261)	(1,902)	(5,631)	(4,653)	(438)	(1,929)

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Other Financing Sources (uses)</b>										
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	2,069	1,790	1,719	3,434	2,883	3,844	2,026	2,400	3,240
Transfers out	(1,528)	(2,069)	(1,790)	(1,719)	(3,434)	(2,883)	(3,844)	(2,026)	(2,400)	(3,240)
Total other financing sources	1,553	32	-	48	5,939	-	-	-	2,617	-
Net change in fund balances	\$ 1,153	\$ 1,256	\$ 592	\$ 168	\$ 4,678	\$ (1,902)	\$ (5,631)	\$ (4,653)	\$ 2,179	\$ (1,929)
Debt service as a percentage of noncapital expenditures	8.68%	9.31%	8.19%	7.53%	9.45%	9.19%	13.19%	5.64%	6.99%	5.83%

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
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
2020	16,268,368	2,228,177	4,433,003	1,919,255	1,493,237	92,630	115,240	179,427	26,729,337

Source: All governmental funds for fiscal years.

Notes: 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
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%
2020	5,099,116,379	55,481,134	5,154,597,513	2.399	5,425,892,119	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 and Overlapping Rates
	Operating Millage	Direct Operating Millage	Operating Millage	Debt Service	Everglades Project	South Florida Water Management District	Okcechobee Basin	Florida Inland Navigation District	Operating Millage	Debt Service	Children's Trust	Fire Rescue	Fire Debt	Library		
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	0.0345	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	0.0320	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	0.0320	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	0.0320	4.6669	0.4640	-	2.4207	0.0075	0.2840	17.7352			
2019	2.3990	7.0250	0.1230	0.0397	0.1152	0.0320	4.6669	0.4780	-	2.4207	0.0075	0.2840	18.1761			
2020	2.3500	6.9360	0.1930	0.0380	0.1103	0.0320	4.6669	0.4780	-	2.4207	0.0075	0.2840	18.0788			

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)**

<b>Fiscal Year</b>	<b>Taxes Levied <sup>(1)</sup></b>	<b>Year of the Levy</b>		<b>Collection in Subsequent Years <sup>(3)</sup></b>	<b>Total Collections to Date</b>	
		<b>Amount Collected <sup>(2)</sup></b>	<b>Percentage of Levy</b>		<b>Collected <sup>(2)</sup></b>	<b>Percentage of Levy</b>
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%
2020	12,055,136	11,615,889	96.4%	-	11,615,889	96.4%

Notes:

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

<sup>(2)</sup> Information provided by the Village of Pinecrest.

<sup>(3)</sup> Information is not available.



**VILLAGE OF PINECREST, FLORIDA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(Table 10)**

	2020				2011			
	Taxpayer	Type of Use	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Spector & Sons		Shopping Center	\$ 46,090,791	1	0.83%	28,879,000	1	0.82%
DPF Suniland LLC		Shopping Center	37,136,758	2	0.67%			
Gator Dadeland Partners, LTD		Shopping Center	25,202,813	3	0.45%	17,416,485	3	0.50%
Cofe Shopping Center		Shopping Center	25,123,633	4	0.45%			
Florida Power		Utility	24,807,182	5	0.45%	12,506,170	6	0.36%
Kendall Imports LLC		Shopping Center	21,519,532	6	0.39%	16,100,000	4	0.46%
Pinecrest Plaza		Shopping Center	20,468,035	7	0.37%			
Kendall Plaza, LTD		Shopping Center	20,460,000	8	0.37%	18,400,000	2	0.52%
Publix		Supermarket	17,802,342	9	0.32%			
G F B Enterprises		Automotive	17,370,955	10	0.31%	13,000,000	5	0.37%
Pinecrest Realty Associates		Shopping Center				11,900,000	7	0.34%
Suniland Associatees		Shopping Center				10,400,000	8	0.30%
Kendall House Apartments		Apartments				9,760,000	9	0.28%
Burdines		Shopping Center				9,600,000	10	0.27%
Total			\$ 255,982,041		4.61%	\$ 147,961,655		4.21%

Sources: Miami-Dade County Tax Assessor's Office 2020 Tax Roll (Real/Personal Property taxable value - \$5,555,144,822).  
Miami-Dade County Tax Assessor's Office 2011 Tax Roll (Real/Personal Property taxable value - \$3,517,339,939).

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 Primary Government	Population <sup>(2)</sup>	Per Capita Income <sup>(4)</sup>	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds <sup>(1)(3)</sup>	Outstanding Bonds					
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
2020	9,082	-	9,082	18,619	77,459	0.63%	488

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

<sup>(1)</sup> Amount is in thousands.

<sup>(2)</sup> 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.

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

<sup>(4)</sup> 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)**

<b>Fiscal Year</b>	<b>General Obligation Bonds<sup>(1)(3)</sup></b>	<b>Assessed Value of Taxable Property<sup>(1)(4)</sup></b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Population<sup>(2)</sup></b>	<b>Debt Per Capita</b>
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
2020	9,082	5,154,598	0.18%	18,619	488

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

<sup>(1)</sup> Amount is in thousands.

<sup>(2)</sup> 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.

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

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

VILLAGE OF PINECREST, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 SEPTEMBER 30, 2020  
 (Table 13)

Governmental Unit	Bonded Debt Outstanding	Percentage Applicable to Pinecrest <sup>(1)</sup>	Amount Applicable to Pinecrest	Amount Per Capita Pinecrest
<b>Direct</b>				
Village of Pinecrest	\$ 9,082,000	100.00%	\$ 9,082,000	\$ 488
<b>Overlapping</b>				
School Board <sup>(2)</sup>	969,024,000	0.67%	6,523,641	\$ 350
County <sup>(3)</sup>	2,282,020,000	0.67%	15,362,962	825
	<u>\$ 3,251,044,000</u>		<u>\$ 21,886,603</u>	<u>\$ 1,175</u>
<b>Total direct and overlapping debt</b>			<u>\$ 30,968,603</u>	

Notes:

<sup>(1)</sup> Based upon population; Village of Pinecrest and Miami-Dade County.

<sup>(2)</sup> Amounts provided by School Board are as of June 30th.

<sup>(3)</sup> Amounts provided by the Miami-Dade County Finance Department.

**VILLAGE OF PINECREST, FLORIDA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Table 14)**

<b>Year</b>	<b>Population<sup>(1)</sup></b>	<b>Median Household Income<sup>(2)</sup></b>	<b>Household Units<sup>(2)</sup></b>	<b>School Enrollment<sup>(3)</sup></b>	<b>Unemployment Rate<sup>(4)</sup></b>
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%
2020	18,619	156,875	6,541	5,324	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	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Miami Dade Schools	419	1	N/A	449	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	163	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	65	8	N/A
Stir Crazy Lounge	65	9	N/A	65	7	N/A
Denny's Liquors	65	10	N/A			
Whole Foods				137	5	N/A
McDonalds				55	9	N/A
Gardners				50	10	N/A
<b>Total</b>	<b>1,772</b>			<b>1,694</b>		

Sources: 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	13	13	13	14	14	14	14	14	17	17
Public safety										
Sworn	50	50	51	51	51	56	51	51	54	54
Civilians	23	23	24	25	26	26	26	26	24	24
Building, planning and zoning	15	15	16	16	16	16	18	18	19	19
Public works	6	6	6	6	6	6	9	9	9	9
Parks and recreation	32	32	32	32	34	34	34	34	38	38
Pinecrest Gardens	24	24	29	32	32	32	32	32	31	31
Total	163	163	171	176	179	184	184	184	192	192
Population	18,255	18,447	18,496	18,403	18,408	18,382	18,467	18,490	18,510	18,619
Employees per capita (000)	8.93	8.84	9.25	9.56	9.72	10.01	9.96	9.95	10.37	10.31

Source: The Village of Pinecrest's various departments.

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

<b>Function:</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Population <sup>(1)</sup>	18,255	18,447	18,496	18,403	18,408	18,382	18,467	18,490	18,510	18,619
Consumer price index <sup>(2)</sup>	226.9	231.4	234.2	238.0	237.9	241.4	246.8	252.4	256.8	260.3
Plus/minus a year ago	3.9%	2.0%	1.2%	1.6%	0.0%	1.5%	3.7%	4.6%	1.7%	1.4%
Police <sup>(3)</sup>										
Part 1 crimes*	702	670	684	562	558	583	537	430	468	453
Traffic citations and warnings	15,801	14,483	12,211	8,347	6,618	6,297	7,453	10,025	11,121	4,245
False alarms	1,961	2,091	2,092	2,113	2,205	2,066	2,259	2,013	1,757	1,343
Crashes	800	842	893	956	1,017	1,553	1,206	1,093	1,073	810
Other**	577	552	497	424	420	414	357	400	375	125
Total	19,841	18,638	16,377	12,402	10,818	10,913	11,812	13,961	14,794	6,976
* 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, harassing or obscene phone calls, injured person, non-emergency medical, verbal threats, towing disabled vehicles and towing.										
Police <sup>(4)</sup>										
Expenditures (thousands)	7,107	7,201	7,259	7,289	7,878	8,419	9,146	8,794	9,227	9,401
Revenue (thousands)	396	528	475	332	524	623	597	927	1,242	1,134
Net expenses	6,711	6,673	6,784	6,957	7,354	7,796	8,549	7,867	7,985	8,267
Net cost per resident	367.63	361.74	366.78	378.04	399.50	424.11	462.93	425.47	431.39	444.01
911 calls	8,100	7,930	7,650	7,595	6,857	6,414	6,151	6,444	6,041	5,973
Service calls (911 and nonemergency dispatch calls)	19,100	19,865	20,011	18,620	17,550	16,937	13,971	13,291	12,772	13,852
Percentage of 911 calls to total calls	42.4%	39.9%	38.2%	40.8%	39.1%	37.9%	44.0%	48.5%	47.3%	43.1%
Building, planning and zoning <sup>(5)</sup>										
Building permits:										
Building	1,582	1,770	2,036	1,902	1,938	2,001	1,798	1,853	1,579	1,337
Electrical	619	525	644	464	534	615	508	565	586	507
Mechanical	319	307	285	335	314	328	307	323	301	279
Plumbing and gas	581	497	488	583	658	610	549	518	587	549
Total	3,101	3,099	3,453	3,284	3,444	3,554	3,162	3,259	3,053	2,672
Parks <sup>(4)</sup>										
Pinecrest Gardens										
Expenditures (thousands)	1,513	1,614	1,734	1,739	1,925	1,933	2,095	2,271	2,475	2,430
Revenue (thousands)	312	404	468	509	598	596	590	642	748	646
Net expenses	1,201	1,210	1,266	1,230	1,327	1,337	1,505	1,629	1,727	1,784
Net cost per resident	65.79	65.59	68.45	66.84	72.09	72.73	81.50	88.10	93.30	95.82



VILLAGE OF PINECREST, FLORIDA

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

Function:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Community Center:										
Expenditures (thousands)	792	834	1,005	1,048	1,027	1,044	1,004	1,036	1,089	1,089
Revenue (thousands)	612	652	693	808	804	994	884	927	1,181	761
Net expenses	180	182	312	240	223	50	120	109	(92)	328
Net cost per resident	9.86	9.87	16.87	13.04	12.11	2.72	6.50	5.90	(4.97)	17.62
All other parks:										
Expenditures (thousands)	1,177	1,108	1,191	1,208	1,214	1,289	1,389	1,352	1,351	1,409
Revenue (thousands)	201	278	309	256	287	284	232	1,461	1,207	310
Net expenses	976	830	882	952	927	1,005	1,157	(109)	144	1,099
Net cost per resident	53.46	44.99	47.69	51.73	50.36	54.67	62.65	(5.90)	7.78	59.03
General Fund <sup>(4)</sup>										
General Fund (GF) revenues	16,893	18,230	18,445	19,378	20,342	21,430	21,702	23,452	25,551	25,287
Per capita GF revenues	925.39	988.24	997.24	1,052.98	1,105.06	1,165.81	1,175.18	1,268.36	1,380.39	1,358.13
GF expenditures	17,529	16,991	18,549	19,311	20,631	21,848	24,198	24,660	23,641	25,238
Per capita GF expenditures	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	1,355.50
GF revenue as a percentage of GF expenditures	96.37%	107.29%	99.44%	100.35%	98.60%	98.09%	89.69%	95.10%	108.08%	100.19%
GF revenue as a percentage of amended budget	-	-	-	-	98.20%	98.30%	106.40%	104.30%	107.12%	99.33%
GF expenditures as a percentage of amended budget	-	-	-	-	96.47%	93.56%	96.53%	94.60%	95.79%	92.95%
Interest rates, maximum	0.32%	0.35%	0.30%	0.16%	0.23%	0.84%	1.38%	2.84%	2.67%	1.96%
Interest rates, minimum	0.15%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.10%	1.96%	0.16%
Stormwater Fund <sup>(4)</sup>										
Operating revenue	474	444	466	490	637	969	1,257	1,477	1,302	1,216
Operating revenue per capita	26	24	25	27	35	53	68	80	70	65
Accounts receivable	172	135	132	107	135	202	261	220	105	66
Unrestricted net position	2,422	2,058	1,317	410	543	356	603	159	1,165	1,863
Percentage of accounts receivable to unrestricted net position	7.10%	6.56%	10.02%	26.10%	24.86%	56.74%	43.28%	138.36%	9.01%	3.54%
Delinquent properties as of 7/1				1,261			1,574	689	210	112

VILLAGE OF PINECREST, FLORIDA

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

Function:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government <sup>(4)(6)</sup>										
Lien searches	459	522	616	587	548	563	499	555	547	611
Credit card transactions	-	11,048	14,217	15,999	19,250	20,274	16,131	15,246	28,023	23,571
Homestead properties	4,733	4,682	4,656	4,582	4,519	4,325	4,503	4,503	4,421	4,420
Total properties	6,466	6,443	6,444	6,454	6,481	6,426	6,488	6,489	6,420	6,430
Homestead as a percentage of total properties	73.2%	72.7%	72.3%	71.0%	69.7%	70.4%	69.4%	69.4%	68.9%	68.7%
Transportation <sup>(7)</sup>										
Circulator bus ridership	-	9,485	23,629	20,117	23,639	28,845	29,875	28,205	46,064	45,513
Circulator bus expenses	-	177	173	175	138	181	158	169	271	273
Cost per rider	-	18.66	7.32	8.70	5.84	6.27	5.29	5.99	5.88	6.00
* Amount in thousands										
Percentage of accounts payable <sup>(4)</sup>										
Payments made by:										
ACH	-	-	-	-	36.0%	75.0%	46.0%	76.1%	40.6%	76.0%
Dollar amount	-	-	-	-	76.5%	76.1%	76.0%	23.9%	51.0%	65.8%
Number of payroll checks issued by direct deposit	-	-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Miami unemployment rate <sup>(2)</sup>	9.6%	8.2%	7.2%	6.4%	5.6%	5.1%	2.4%	3.2%	3.0%	12.6%

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles	30	29	30	28	32	32	32	32	32	32
Number of motorcycles	-	-	2	2	2	2	2	2	2	2
Parks										
Parks	6	7	7	7	7	7	7	7	7	7
Park acreage	62	62	60	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	2	2	3	3	3	3	3	3
Public schools										
High schools	1	1	1	1	1	1	1	1	1	1
Middle schools	1	1	1	1	1	1	1	1	1	1
Elementary schools	3	3	3	3	3	3	3	3	3	3

Sources: The Village of Pinecrest's various departments.

## **OTHER REPORTS**

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

---

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, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated February 24, 2021.

**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) as a basis for designing 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.

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**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 financial statements. 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  
February 24, 2021

*Mauldin & Jenkins, LLC*

VILLAGE OF PINECREST, FLORIDA

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?  yes  no

Significant deficiencies identified not considered to be material weaknesses?

yes  no

Noncompliance material to financial statements noted?

yes  no

**Federal Programs and State Financial Assistance Projects**

There was not an audit of major federal award programs or state award programs as of September 30, 2020, due to the total amount expended being less than \$750,000.

SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

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, 2020**

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**STATUS OF PRIOR YEAR FINDINGS**

None noted.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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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, 2020, and have issued our report thereon dated February 24, 2021.

### **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; 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; 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 February 24, 2021, 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 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.

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**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 to identify 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 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  
February 24, 2021



## INDEPENDENT ACCOUNTANT'S REPORT

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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, 2020. Management of the Village 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 during the year ended September 30, 2020.

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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 24, 2021

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## Village Council

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

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

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#Pinecresting