

VIVA FLORIDA 500



MIAMI SHORES VILLAGE

A FLORIDA MUNICIPALITY



Comprehensive Annual Financial Report

For the Fiscal Year ended September 30, 2013

**MIAMI SHORES VILLAGE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2013**

PREPARED BY THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION



Miami Shores Village

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June 6, 2014

The Mayor and Members of the Village Council
10050 Northeast Second Avenue
Miami Shores, Florida 33138-2382

**Subject: FY 2012-13
Financial Report (CAFR)**

To the Mayor and Members of the Village Council:

In compliance with Florida State Statute Chapter §11.45, Chapter §10.550 of the Rules of the Auditor General, and Chapter 34(3) of the Miami Shores Village Code of Ordinances, we are pleased to submit for your review and consideration the *Miami Shores Village Comprehensive Annual Financial Report (CAFR)* for the fiscal year ended September 30, 2013. The financial statements included in this report conform to generally accepted accounting principles in the United States of America (“GAAP”) as prescribed by the Governmental Accounting Standards Board (“GASB”). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Village.

This report consists of management’s representations concerning the financial condition of Miami Shores Village (“The Village”). Consequently, management assumes full responsibility for the complete presentation, reliability, and accuracy of all of the information presented in this report. To provide a reasonable basis for making these representations, the Village’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’s financial statements in conformance with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the Village’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 financial statements have been audited by Albarni, Caballero & Company, L.L.P. Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Village in conformity with GAAP. Their audit was conducted in accordance with auditing standards generally accepted in the United States, Government Auditing Standards issued by the Comptroller General of the United States and the Rules of the Auditor General, State of Florida. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended September 30, 2013 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts 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 financial statements of Miami Shores Village for the fiscal year ended September 30, 2013 are fairly presented in conformity with generally accepted accounting principles (GAAP).

The contents of the CAFR have been influenced by compliance with GASB pronouncements, including Statement 34 that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds as well as Management’s Discussion and Analysis (MD&A). The MD&A can be found immediately following the independent auditors’ report.

PROFILE OF THE GOVERNMENT

Miami Shores Village, a Florida municipal corporation incorporated in 1932, is located in Northeast Miami-Dade County. The Village has a year-round population estimated at 10,500 residents living within the 2.8 square mile jurisdiction. The Village begins at Biscayne Bay on the east and goes west to Northwest Second Avenue. The north and south boundaries are 115th Street and 91st Street respectively. The Village is a residential-based community with two (2) commercial districts located on Second Avenue and Biscayne Boulevard. With limited commercial presence, new growth will likely be limited to redevelopment. The Village is almost entirely built out, which is reflected in the decrease in property market value of 44%, during the downturn in the economy between 2008 and 2012; new construction of \$59 thousand for fiscal year 2013 valuation and population increasing only 2.6% from 2004-2013. Wealth levels in the Village are above average, with per capita income at \$33,635 or 83% of the state, and median family income at \$80,854 or 150% of the state.

Operating under a Council-Manager form of government, the Council consists of five members elected at large. The Mayor is chosen by each of the newly formed councils. Historically, the individual receiving the highest number of votes during the election is chosen as the Mayor and the Vice-Mayor has received the second highest. Both the Mayor and Vice-Mayor serve four (4) year terms, two as mayor/vice-mayor and two as regular council members. The Village Council is responsible for the selection and appointment of the Village Manager, Village Clerk and Village Attorney. The Village Manager is responsible for engaging all department heads and their subordinates.

Miami Shores Village provides a full range of municipal services including recreation and culture, public safety through the police, public works and general administrative services for its residents and businesses. For the fiscal year ended September 30, 2013, no legally separate authorities or agencies operated under the auspices of the Village; therefore, no additional financial information will be incorporated into these statements.

FACTORS AFFECTING FINANCIAL CONDITIONS

The information presented in the Village’s financial statements primarily focus on the financial position at the end of each fiscal year as measured by existing resources and claims against those resources. To better understand the Village’s financial condition, readers should focus on both existing and future resources and potential claims (or liabilities) against those resources. This broader concept is used to assess the financial condition of Miami Shores, reflecting the current financial position as well as the prospects that today’s financial condition will improve or deteriorate. To achieve this objective, the Village uses a wide-range of information including local economic conditions and outlook; long-term debt management; capital construction and investments; cash management / investments; and, of course, risk controls.

ECONOMIC CONDITION AND OUTLOOK

During the past few years, various State tax initiatives have been passed in order to lower property taxes throughout the State. This, coupled with the significant decrease in assessed values due to the downturn in the economy resulted in a reduction in the property taxes available to the Village. Property values began to increase during the 2013 fiscal year with an increase in assessed values of 2.2% for fiscal year 2014 and new construction of \$520 thousand. It is anticipated that property values will continue to increase due to the desirability of the area and the close proximity to Greater Downtown Miami. Although the Village anticipates increases in assessed valuation in future years, the impact of these increases will not be sufficient to make up for prior loss in values. As such, Management must still strive to control expenditures.

In order to continue to provide the high level of services which has become a hallmark of the community, Management has taken steps to control costs by closely monitoring purchasing procedures, purchasing only as required, and not filling vacant positions when possible. Revenues have been reviewed and monitored for collection. The collection of sanitation and storm water fees have been outsourced to the County via the property tax bills to maximize collection while continuing to actively collect the existing receivable. Through all of these efforts, the general fund unassigned fund

balance for fiscal year 2013 remained constant at \$7.9 million. This surplus will enable the Village to continue to provide the same level of services to the residents in the upcoming fiscal years, and to address capital improvement requirements that were suspended during the fiscal downturn.

In August of 2012, Moody's Investors Service upgraded to Aa3 from A1 the Village's General Obligation Bond Rating, which the Village continues to maintain. The Aa3 rating reflects the Village's strong financial position with healthy reserve levels, modest tax base with above average socioeconomic indices, and a manageable debt profile. The increasingly stable financial operations are a result of management's commitment to conservative budgeting.

FINANCIAL INFORMATION

Accounting Control

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Village maintains extensive budgetary controls. The objective of these controls is to ensure compliance with policy and implementation procedures embodied in the annual appropriated budget approved by Village Council. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is the department level within each fund. The Village also maintains an encumbrance accounting system.

The Village's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are generally determined by the Village Council, upon the recommendations of the Village Manager and the Finance Director, which are based upon established and accepted accounting policies and procedures as well as the number of funds required.

Budgetary Control

Florida State Statute §200.065 requires that all municipal governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound fiscal practices. In compliance with this Statute as well as other state regulatory items, the Village adopts an annual operating budget into which funds are either formally appropriated by resolution or non-appropriated in nature, depending upon the fund (i.e. – general, special revenue, debt service, enterprise, internal service or trust funds). However, in practice, all funds by those identified as fiduciary in nature, receive annual budgets and corresponding appropriations.

The annual budget serves as a foundation for the financial planning, guidance and control of the Village. Funds which require legal appropriations cannot exceed their original and amended budgets. All departments are required to annually submit requests for appropriations to the Village Manager by June 1st of each year. The Village Manager then uses those requests as the base from which the annual operating and capital budgets are developed. The budget is presented to the Village Council following the release of the tentatively assessed property values in early July of each year. A workshop is held in July during which council members are free to address department staff with general and specific issues proposed in the budget. Following the summer workshop, the Council adopts a resolution which sets the tentative millage rates which are subsequently sent to the County using Florida Form DR420 for inclusion on the *Proposed Tax Bills*. Two public hearings are held in September of each year during which members of the public are offered the opportunity to provide insight and solicit information regarding the operations of their municipality. After the second public hearing,

resolutions presenting the final operating and debt service millage rates along with corresponding budgets for the fiscal year and are subsequently adopted by the Village Council.

The annual budget is adopted at the fund and department level. Line-item transfers are permitted with the approval of the Finance Director and Village Manager; however, changes to the bottom line of department or fund totals require council approval and are executed by resolution. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. As shown by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

LONG-TERM FINANCIAL PLANNING

During fiscal year 2013, the Village refinanced the 1999 general obligation bonds and the note payable at significantly lower interest rates, saving the residents approximately \$682,000 over the next sixteen years. The Village will continue to look for every opportunity to reduce spending without sacrificing quality of staff and services.

The Village is maintaining financial stability with fiscal management controls by constantly reviewing and monitoring staff levels, and by comparing budget appropriations to actual expenditures, and estimated revenues to actual revenues. The Village maintains a level of revenue sufficient to meet operating expenditures. During the year, the Village also monitors all user fees to ensure that costs are being matched while at the same time remaining competitive in the marketplace.

AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Miami Shores Village for its comprehensive annual financial report for the fiscal year ended September 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Credit must also be given to the members of the Village Council for their unfailing support for maintaining the highest standards of professionalism in the financial and operational management of Miami Shores Village. And, finally, we would like to express our sincere thanks and appreciation to the management and staff of our auditing firm, Alberni, Caballero & Company, L.L.P. Their dedication to ensuring the accuracy of the data presented to you in this report was greatly evident during the past several weeks.

Respectfully submitted,
MIAMI SHORES VILLAGE



THOMAS J. BENTON
Village Manager



Holly Hugdahl, CPA, CGMA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Miami Shores Village
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

MIAMI SHORES VILLAGE, FLORIDA

LIST OF ELECTED OFFICIALS
SEPTEMBER 30, 2013



Mayor Herta Holly



Vice Mayor Jesse Walters



**Councilman
Hunt Davis**



**Councilwoman
Ivonne Ledesma**



**Councilman
Jim McCoy**

MIAMI SHORES VILLAGE, FLORIDA

LIST OF APPOINTED OFFICIALS

SEPTEMBER 30, 2013

APPOINTED OFFICIALS

Village Manager.....Thomas J. Benton
Village Clerk..... Barbara A. Estep, MMC
Village Attorney.....Richard Sarafan

DEPARTMENT HEADS

Building Director Ismael Naranjo
Finance Director..... Holly Hugdahl, CPA
Library Director Elizabeth Esper
Planning & Zoning DirectorDavid Dacquisto
Chief of Police Kevin Lystad
Public Works Director Scott Davis
Recreation DirectorJerry Estep

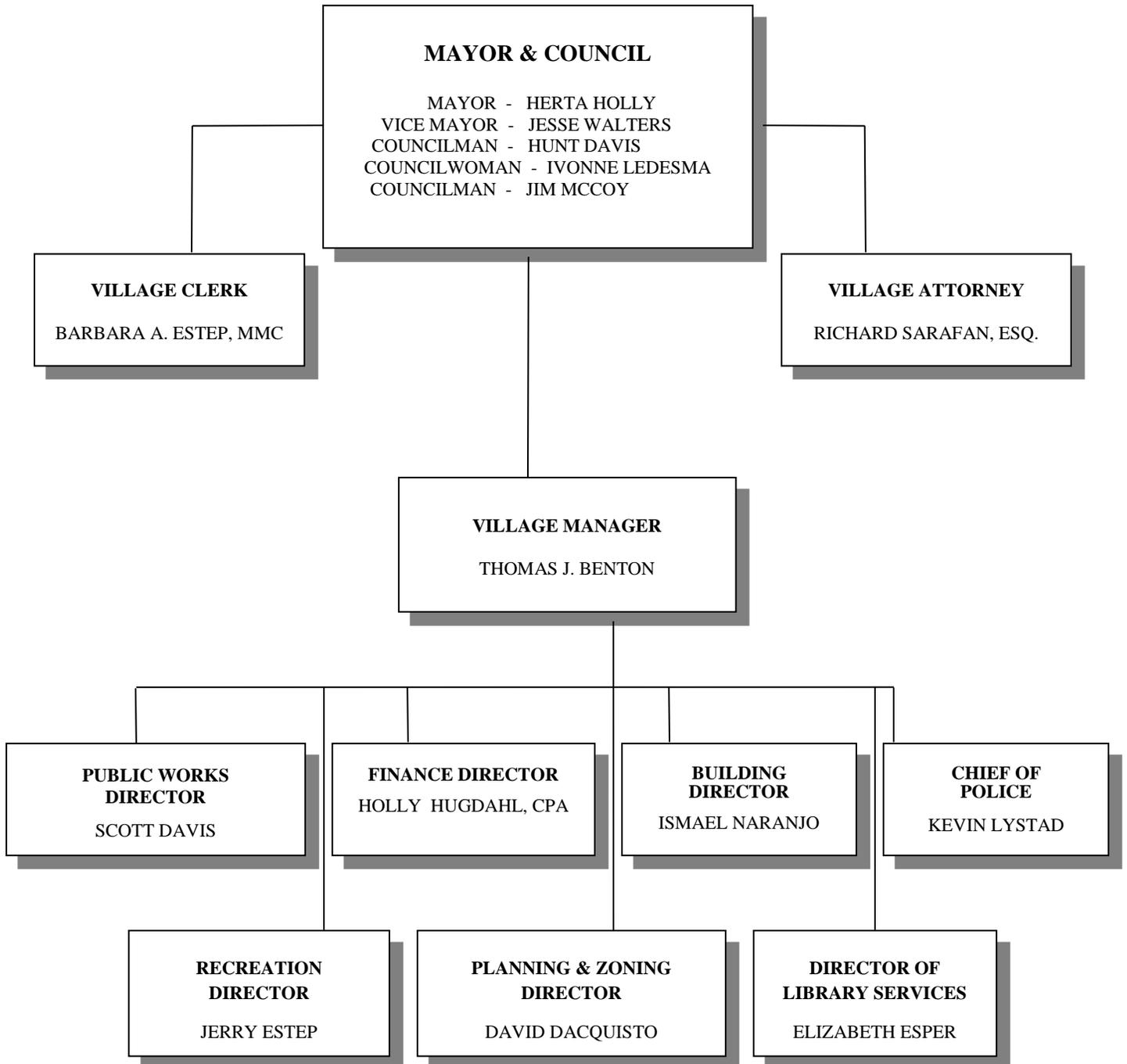
VILLAGE AUDITORS

Alberni Caballero & Company, LLP
Certified Public Accountants and Consultants

MIAMI SHORES VILLAGE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2013



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

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CORAL GABLES, FL 33146
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FAX: 305-662-4266
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Village Council
Miami Shores Village, 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 Miami Shores Village, Florida (the "Village") as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2013, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note I to the financial statements, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule, and Schedules of Funding Progress and Employer Contributions on pages 3-12 and 48-53, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 and 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 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 budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2014, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP
Coral Gables, Florida
June 6, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

Management's Discussion and Analysis

As management of **Miami Shores Village**, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of Miami Shores Village for the fiscal year ended September 30, 2013.

Financial Highlights for Fiscal Year 2013

At September 30, 2013, the Miami Shores Village assets exceeded its liabilities by \$33.8 million (net position). Of this amount, \$15.7 million was invested in capital assets. Additionally, \$6 million was restricted by law, agreements, and debt covenants or for capital projects. The Village had unrestricted net position of \$12 million at September 30, 2013 a decrease of \$251 thousand or 2.1% as compared with the prior year.

During the fiscal year 2013 net position increased by \$571 thousand. Of this increase, \$330 thousand was in governmental activities and the remaining increase of \$241 thousand was in business-type activities.

At September 30, 2013, the Miami Shores Village's governmental funds had fund balances totaling \$14.6 million. Of the total fund balance, approximately \$7.9 million or 54% was unassigned and \$658 thousand or 4.5% was committed for future capital projects and encumbrances. The restricted fund balance of approximately \$6 million, or 41.3%, is related to funds restricted by the contributing agency. The nonspendable fund balance of approximately \$32 thousand, or 0.2%, is related to prepaid items. The net change in fund balances during the year was a decrease of \$155 thousand.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the financial activity of Miami Shores Village, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and deferred outflows and liabilities and deferred inflows of Miami Shores Village, with the difference 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 is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Miami Shores Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) as well as 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 Miami Shores Village include general government, public safety, public works, building, planning, zoning, code enforcement, parks and recreation. The business-type activities of the Village include Sanitation and Stormwater operations.

The government-wide financial statements may be found on pages 13-14 of this report.

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. Miami Shores Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Miami Shores Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

near-term cash flow and 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 and the impact on short term cash flow requirements to meet basic on-going operations. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Miami Shores Village maintains twelve (12) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for the general fund and the three major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements may be found on pages 15 to 18 of this report.

Proprietary funds. Miami Shores Village maintains two proprietary or enterprise funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Miami Shores uses enterprise funds to account for its Sanitation and Stormwater operations. *Internal service funds* provide for an accounting method whereby the organization can accumulate and allocate costs internally among the other user divisions. The Village uses internal service funds to account for its risk management costs as well as its' fleet operation. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 Village's Sanitation and Stormwater operations, the Sanitation Fund is considered to be a major fund of the Village. Additionally, the Village segregates the financial reporting of both internal service funds to better distinguish the costs of each function.

The basic proprietary fund financial statements may be found on pages 19 to 21 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements may be found on pages 22 to 23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 24 to 47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the progress in funding its obligations to provide pension benefits to the employees of Miami Shores Village.

Required supplementary information may be found on pages 49 to 54 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 55 to 67 of this report.

Government-wide Financial Analysis

The difference between a government's assets and deferred outflows and its liabilities and deferred inflows is its *net position*. The Village's net position is summarized below:

Table 1
Miami Shores Village
Summary of Net Position
(in thousands)

	Governmental activities		Business-type activities		Total primary government		Total percentage
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>Change</u> <u>2012-2013</u>
Current and other assets	\$ 17,911	\$ 17,780	\$ 3,518	\$ 3,602	\$ 21,429	\$ 21,382	0.2%
Capital assets	21,388	21,526	2,253	1,922	23,641	23,448	0.8%
Total assets	39,299	39,306	5,771	5,524	45,070	44,830	0.5%
Long-term liabilities outstanding	9,665	9,959	190	171	9,840	10,130	-2.9%
Other liabilities	716	759	744	743	1,460	1,502	-2.8%
Total liabilities	10,381	10,718	934	914	11,300	11,632	-2.8%
Net investment in capital assets,							
Restricted	13,445	13,160	2,253	1,922	15,698	15,082	4.0%
Unrestricted	6,042	5,835	-	-	6,042	5,835	3.5%
	9,430	9,593	2,584	2,688	12,014	12,281	-2.2%
Total net position	\$ 28,918	\$ 28,588	\$ 4,837	\$ 4,610	\$ 33,754	\$ 33,869	-0.3%

Net position may be used to assess the financial position of the Village. The Village's combined net position as of September 30, 2013 were \$33.8 million. Approximately 46.5%, or \$15.7 million, of the Village's net position represent net investment in capital assets. These assets include land, buildings, machinery and equipment, and infrastructure and are not available for future spending. Additionally, \$6 million are restricted net position and are subject to external restrictions on how they may be spent.

At September 30, 2013, Miami Shores Village had unrestricted net position of \$12 million. At the end of the current fiscal year, Miami Shores Village is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Continued on next page

Governmental activities. Financial activities for the fiscal year are reported below. Key indicators, including revenues and expenditures by category are presented herein for review:

Table 2
Miami Shores Village
Changes in Net Position
(in thousands)

	Governmental activities		Business-type activities		Total primary government		Total percentage Change
	2013	2012	2013	2012	2013	2012	2012-2013
Revenues:							
Program revenues:							
Charges for services	\$ 4,613	\$ 5,417	\$ 2,916	\$ 3,018	\$7,529	\$8,435	-10.7%
Operating grants & Contributions	87	170	-	-	87	170	-48.8%
Capital grants and Contributions	36	48	-	-	36	48	-25.0%
General Revenues:							
Property taxes	6,255	6,078	-	-	6,255	6,078	2.9%
Other taxes	2,046	2,098	-	-	2,046	2,098	-2.5%
Intergovernmental revenues, unrestricted	930	918	-	-	930	918	1.3%
Interest earnings - unrestricted	32	61	6	2	38	63	-39.7%
Miscellaneous	415	493	-	-	415	493	-15.8%
Total revenues	14,414	15,283	2,922	3,020	17,336	18,303	-5.3%
Expenses:							
General government	2,419	2,337	-	-	2,419	2,337	-4.0%
Public safety	6,425	5,509	-	-	6,425	5,509	17.0%
Highways Streets	2,385	2,347	-	-	2,385	2,347	1.6%
Sanitation / Stormwater	-	-	2,300	2,384	2,300	2,384	-3.5%
Culture & recreation	2,817	2,584	-	-	2,817	2,584	9.0%
Interest on Long-term Debt	433	425	-	-	433	425	1.9%
Total expenses	14,479	13,202	2,300	2,384	16,779	15,586	7.7%
Increase in net position before Transfers	(65)	2,081	622	636	557	2,717	-79.5%
Transfers	395	335	(395)	(335)	-	-	-
Increase in net position	330	2,416	227	301	557	2,717	-79.5%
Beginning net position	28,588	26,172	4,610	4,309	33,198	30,481	8.9%
Ending net position	\$ 28,917	\$ 28,588	\$ 4,837	\$ 4,610	\$ 33,754	\$ 33,198	10.7%

Ending net position increased 10.7% during FY2013. The increase in net position was approximately 80% less than FY2012. This was due to a reduction in revenues of approximately \$1 million and an increase in expenses of approximately \$1.7 million. The decrease in revenues was due to a decrease in building permits and Country Club rental income. The increase in expenses was attributable to additional recreation programs offset by recreation revenue and the completion of the Cops Grant program which increased public safety expenses.

Continued on next page

Figure A-1

**Expenses and Program Revenues – Governmental Activities
For the Fiscal Year Ended September 30, 2013**

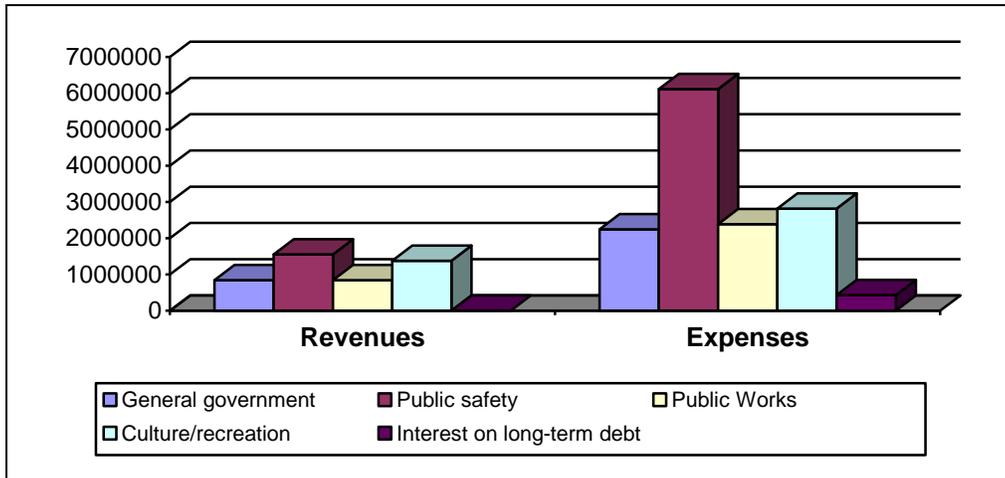
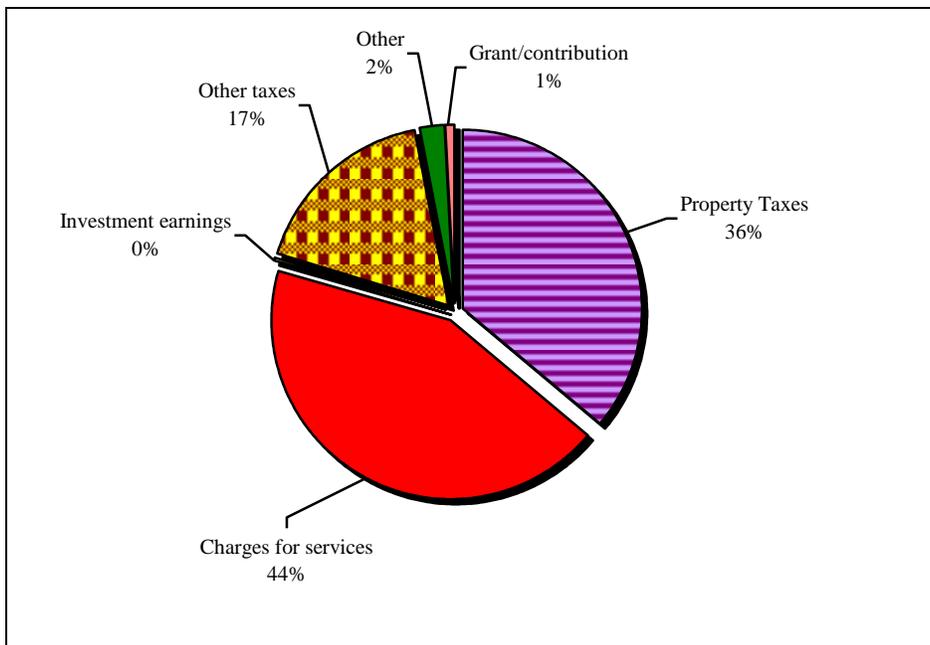


Figure A-2

**Revenues by Source – Governmental Activities
For the Fiscal Year Ended September 30, 2013**



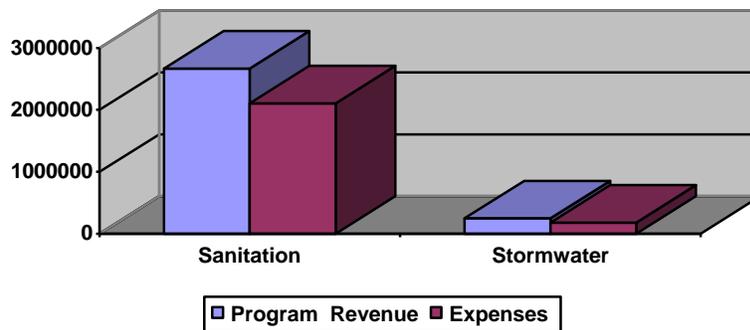
Business-type activities. The Miami Shores Village major business-type activities include the following enterprise funds:

- Sanitation Fund
- Stormwater Fund

Net position of business-type activities increased by approximately \$227 thousand, a \$74 thousand decrease compared to FY2012. The decrease was due to an increase in management fees. The bar graph below summarizes the expenses and program revenues of the business-type activities.

Figure A-3

**Expenses and Program Revenues – Business-type Activities
For the Fiscal Year ended September 30, 2013**



Financial Analysis of the Government’s Funds

As noted earlier, Miami Shores Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the governmental funds for Miami Shores Village reported combined ending fund balances of \$14.6 million, a \$155 thousand decrease compared to FY2012. Of this amount, \$7.9 million reflects *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is *committed or restricted* to indicate that it is **not** available for new spending as those dollars have already been 1) committed to liquidate contracts or encumbered fiscal obligations (outstanding purchase orders) valued at \$660 thousand, 2) restricted for funds which restrict how the funds may be spent of \$6 million and 3) nonspendable for funds used to account for amounts which cannot currently be spent, such as prepaid expenses of \$32 thousand.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$7.9 million as compared with \$7.9 million in the prior year. Committed fund balance decreased from \$78 thousand in the prior year to \$46 thousand for the current fiscal year. The decrease was due to a decrease in encumbrances relating to ongoing projects which had not been completed as of last year-end.

The Village's General Fund balance increased by \$5 thousand during the fiscal year. Although deficit spending had been anticipated, the Village was able to maintain the fund balance by increasing revenues associated with new programs in the recreation department, increased code enforcement collections, and by reducing expenditures due to tight spending policies and maintaining vacant positions wherever possible.

The Village has three other major funds, Excise Tax Fund, Police Forfeiture and General Trust Fund. The Excise Tax Fund collects public service taxes, per loan requirements, and transfers the taxes to the General Fund. The fund balance of \$588 thousand will be transferred to the general fund in future years.

The Police Forfeiture Fund accumulates proceeds which are received from forfeitures related to ongoing investigations. The Village has two officers assigned to the federal program. The expenditure of these funds is restricted by strict governmental rules and approval of the Village Council. The Police Forfeiture Fund balance increased by \$128 thousand during the fiscal year. These funds will be used for future projects for the police department.

The General Trust Fund accumulates funds that are restricted for specific purposes, i.e. recreation, building department, library, and charter school repairs. During fiscal year 2013, the fund balance decreased \$58 thousand dollars for a balance of \$1.2 million.

Proprietary funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net position of the Sanitation Fund at the end of the year totaled \$1.8 million, a \$187 thousand decrease in net position values. Unrestricted net position will continue to be used to fund future purchases of capital assets.
- Unrestricted net position of the Stormwater Fund at the end of the year totaled \$738 thousand, an \$83 thousand increase in net position values. Unrestricted net position are maintained to fund future maintenance projects for the existing stormwater system.

General Fund Budgetary Highlights

The Village adopts annual budgets by fund, department and line item in compliance with Florida State Statute Section 200.065 (commonly referred to as the Truth-in Millage Legislation). The law requires municipal organizations to prepare and adopt annual operating budgets for the General, Special Revenue and Debt Service Funds following uniform time frames related to property tax levies. The balanced budgets may be revised throughout the year. The Village's code allows for department level budget transfers without council approval; however, department and fund total changes require Council-approved budget amendments adopted by resolution.

The Village's policy is to adopt the budget following the second public hearing of each fiscal year, held in September for an October 1st year. The Village has also adopted a policy which provides for the reappropriation of committed fund balance for encumbrances. This amendment is usually adopted as the first budget amendment of each fiscal year and is normally presented at the first meeting in November of each fiscal year. Additional budget amendments may be presented to council at any time during the fiscal year.

Over the course of the year, the Village amended the General Fund budget three times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to prior year encumbrances; and (2) supplemental appropriations to provide appropriations for various other needs which have arisen since the adoption of the budget. With these adjustments, disbursements were approximately \$81 thousand below final budgeted amounts. Savings were realized in general government, \$20 thousand, public safety, \$32 thousand, and culture and recreation, \$27 thousand. These savings in general government costs and various departmental costs were due to staff vacancies and conservative spending.

The fiscal year 2013 final amended budget was \$12.8 million, an increase of 0.6 % over the original General Fund budget of \$12.7 million. Correspondingly, the Consumer Price Index (or inflation index) from the U.S. Bureau of Labor Statistics – All Urban Consumers for the past year was 1.2%. The final Adopted Budget is balanced with revenues of \$10 million and \$2.8 million in operating transfers from Excise Tax, Sanitation Fund and Stormwater Fund. The original Adopted Budget was balanced by an additional \$766 thousand from fund balance. However, unanticipated revenues of \$1million resulted in a decrease in the use of fund balance. Unanticipated revenues included \$100 thousand in additional building permit fees due to an increase in building, \$400 thousand in recreation fees due to the addition of programs, \$130 thousand in public safety due to Police off duty pay, and \$300 thousand in code enforcement due to increased collections. Differences between the original budget and the final amended budget increased appropriations by \$80 thousand in recreation due to the addition of new programs.

Capital Asset and Debt Administration

Capital Assets. Miami Shores Village's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$23.6 million (net of accumulated depreciation). This investment in capital assets includes Village-owned buildings, equipment and other infrastructure (streets, sidewalks, easements, right-of-ways). The value of capital investments includes the cost of the Doctors' Charter School of Miami Shores. The following table summarizes the components of the Villages' investments in capital assets.

**Miami Shores Village
Capital Assets as of September 30, 2013 and 2012
(net of depreciation, in thousands)**

Classification	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,358,437	\$ 2,358,437	\$ -	\$ -	\$ 2,358,437	\$ 2,358,437
Construction in progress	552,096	-	-	-	552,096	-
Building	9,342,630	9,567,542	-	-	9,342,630	9,567,542
Land Improvement	1,479,862	1,654,231	-	-	1,479,862	1,654,231
Infrastructure	6,323,626	6,725,496	1,414,321	1,473,266	7,737,947	8,198,762
Machinery and equipment	<u>1,331,426</u>	<u>1,220,019</u>	<u>838,390</u>	<u>448,349</u>	<u>2,169,816</u>	<u>1,668,368</u>
Totals	<u>\$21,388,077</u>	<u>\$21,525,725</u>	<u>\$2,252,711</u>	<u>\$1,921,615</u>	<u>\$23,640,788</u>	<u>\$23,447,340</u>

Additional information on Miami Shores' capital assets may be found in Note V on Pages 34 to 35 of this report.

Long-term Liabilities. At September 30, 2013, Miami Shores Village had \$9.9 million in long-term liabilities, which are summarized in the schedule below. During FY2013, the Village refinanced the 1999 General Obligation Bond and the Note Payable at significantly reduced interest rates. Additional information on the Village's long-term debt may be found in Note VI on Pages 35 to 37 of this report.

**Miami Shores Village
Outstanding Long-term Liabilities as of September 30, 2013 and 2012**

	Governmental Activities		Business-type activities		Total Primary Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 6,298,000	\$ 6,460,000	\$ -	\$ -	\$ 6,298,000	\$ 6,460,000
Other(issuance discount)	-	(71,050)	-	-	-	(71,050)
Other debt	<u>1,645,000</u>	<u>1,976,591</u>	-	-	<u>1,645,000</u>	<u>1,976,591</u>
	7,943,000	8,365,541	-	-	7,943,000	8,365,541
OPEB liability	449,563	354,474	79,824	62,940	529,387	417,414
Estimated insurance claims payable	464,136	464,136	-	-	464,136	464,136
Compensated absences	<u>807,939</u>	<u>774,628</u>	<u>109,951</u>	<u>108,201</u>	<u>917,890</u>	<u>882,829</u>
Total	<u>\$ 9,664,638</u>	<u>\$ 9,958,779</u>	<u>\$189,775</u>	<u>\$171,141</u>	<u>9,854,413</u>	<u>10,129,920</u>

Economic Factors and Next Year's Budgets and Rates

Miami Shores Village is a residential, single-family community. As such, standard economic indicators used to determine the overall health of a community are slightly different for Miami Shores. Since the Village's "business community" is restricted to a four-block area on Second Avenue and isolated pockets of business entities on Biscayne Boulevard, the Village must monitor property values and other residentially-related trends to determine the health and vitality of the community. Quality recreational activities, including the Village's first-class aquatics facility, support the residents' requirement for high standards and outstanding recreation and leisure activities. This, along with its own public safety department, provides a higher standard of living than that which is found in surrounding municipalities.

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely upon property taxes and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, occupational licenses, etc.) for funding of their governmental activities. In addition, there are a number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the \$25,000 homestead exemption by another \$25,000 for the portion of assessed property value exceeding \$50,000, except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

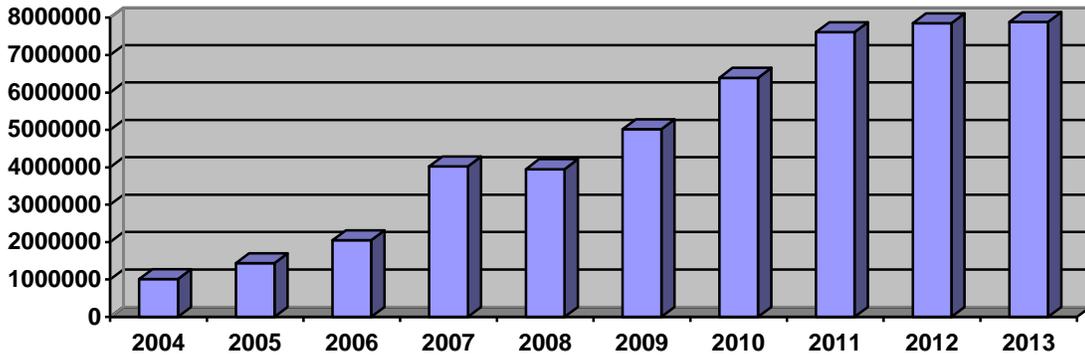
With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008 with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009. Additional tax relief bills, which could further limit the extent to which municipalities can levy taxes, continue to be introduced by the state legislature.

Actual taxes levied by the Village in 2014 reflected an increase of \$117 thousand, precipitated by an increase in property values of \$27 million or 3% in property values as compared with 2013. Based on the current real estate market within the Village, it is anticipated that assessed values will continue to increase due to the desirability of the area and the close location to Greater Downtown Miami.

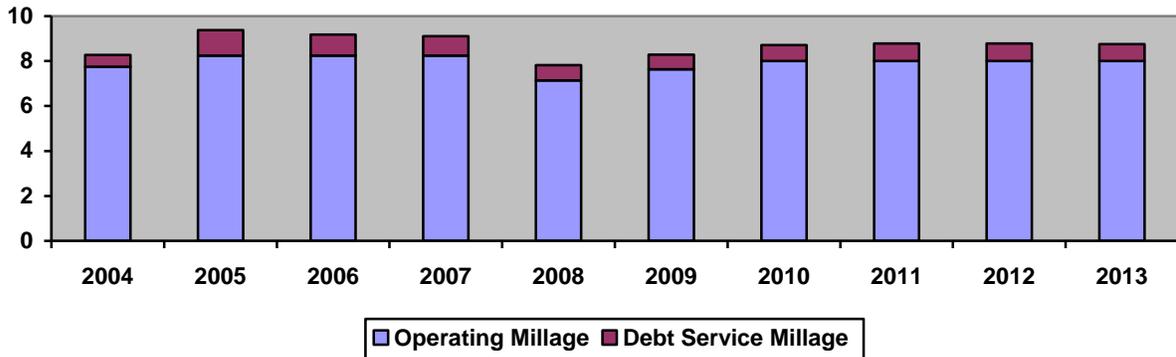
Property values for fiscal year 2014 showed an increase of \$27 million, increasing property tax revenues by \$117 thousand. Even though property values appear to be increasing, prior year reductions in property values resulted in budgeting \$532 thousand of fund balance surplus in 2014 to make up the loss of revenues. During the current fiscal year, unassigned fund balance in the General Fund was \$7.9 million, the same as the unreserved fund balance in 2013 of \$7.9 million. This \$7.9 million is approximately equal to 7 months of General Fund operating expenditures. Even though fair market property values are expected to increase, assessed property values are limited by the "Save Our Homes" benefits. This limits the increase in property tax revenue even when property values are increasing. Expenditures such as payroll and personnel benefits will continue to increase. The Village, as can be shown in the following graph, is maintaining its unassigned fund balance so that a portion of unassigned fund balance will be available to preclude or moderate additional increases in operational expenditures, or be available to fund capital improvements.

**General Fund Unrestricted and Unassigned Surplus
For the Fiscal Years ended September 30, 2004-2013**



In 1995, the state of Florida limited all local governments' ability to increase property assessments of homestead property in any given year to 3 percent or cost of living, whichever is lower. The graph below shows the millage rates over the past ten years. For many years, the Village, just like many cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect.

**Miami Shores Village
Total Village Millage
For the Fiscal Years ended September 30, 2004-2013**



Fiscal year 2014 budgeted expenditures and transfers are expected to increase \$807 thousand compared with fiscal year 2013. This increase in expenditures is required to meet the ongoing needs of the Village and to fund capital improvement projects.

Requests for Information

This financial report is designed to provide a general overview of Miami Shores Villages' finances to our citizens, taxpayers, customers, investors, creditors, and others with an interest in the Villages' finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Holly Hugdahl, CPA, CGMA.

MIAMI SHORES VILLAGE
Finance Department
10050 Northeast Second Avenue
Miami Shores, Florida 33138-2382

BASIC FINANCIAL STATEMENTS

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 15,862,653	\$ 2,764,308	\$ 18,626,961
Investments	294,098	-	294,098
Accounts receivable - net	1,193,522	680,970	1,874,492
Prepaid items	184,947	-	184,947
Inventories	34,907	72,862	107,769
Net pension asset	340,650	-	340,650
Capital assets not being depreciated	2,910,533	-	2,910,533
Capital assets being depreciated, net	<u>18,477,544</u>	<u>2,252,711</u>	<u>20,730,255</u>
Total assets	<u>39,298,854</u>	<u>5,770,851</u>	<u>45,069,705</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	543,387	17,057	560,444
Unearned revenues	141,233	727,479	868,712
Accrued interest payable	31,916	-	31,916
Noncurrent liabilities:			
The amount due in one year	613,584	27,488	641,072
The amount due in more than one year	<u>9,051,054</u>	<u>162,286</u>	<u>9,213,340</u>
Total liabilities	<u>10,381,174</u>	<u>934,310</u>	<u>11,315,484</u>
<u>NET POSITION</u>			
Net investment in capital assets	13,445,077	2,252,711	15,697,788
Restricted for:			
Public safety	1,931,721	-	1,931,721
Transportation	1,799,811	-	1,799,811
Debt service	1,083,261	-	1,083,261
Charter school	956,986	-	956,986
Recreation	270,303	-	270,303
Unrestricted	<u>9,430,521</u>	<u>2,583,830</u>	<u>12,014,351</u>
Total net position	<u>\$ 28,917,680</u>	<u>\$ 4,836,541</u>	<u>\$ 33,754,221</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Functions/programs</u>							
Governmental activities:							
General government	\$ 2,418,939	\$ 841,572	\$ -	\$ -	\$ (1,577,367)	\$ -	\$ (1,577,367)
Public safety	6,425,432	1,553,168	87,368		(4,784,896)	-	(4,784,896)
Public works	2,385,338	843,218	-	35,564	(1,506,556)	-	(1,506,556)
Culture and recreation	2,816,882	1,375,506	-	-	(1,441,376)	-	(1,441,376)
Interest on long-term debt	432,997	-	-	-	(432,997)	-	(432,997)
Total governmental activities	<u>14,479,587</u>	<u>4,613,464</u>	<u>87,368</u>	<u>35,564</u>	<u>(9,743,191)</u>	<u>-</u>	<u>(9,743,191)</u>
Business-type activities:							
Sanitation	2,119,723	2,667,843	-	-	-	548,120	548,120
Stormwater	180,702	248,132	-	-	-	67,430	67,430
Total business activities	<u>2,300,425</u>	<u>2,915,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>615,550</u>	<u>615,550</u>
Total	<u>\$ 16,780,012</u>	<u>\$ 7,529,439</u>	<u>\$ 87,368</u>	<u>\$ 35,564</u>	<u>\$ (9,743,191)</u>	<u>\$ 615,550</u>	<u>\$ (9,127,641)</u>
General revenues:							
Property taxes, levied for general purpose					\$ 6,255,087	\$ -	\$ 6,255,087
Public service taxes					2,045,767	-	2,045,767
Intergovernmental (unrestricted)					929,762	-	929,762
Investment income (unrestricted)					32,015	5,994	38,009
Miscellaneous					415,330	-	415,330
Transfers					395,000	(395,000)	-
Total general revenues					<u>10,072,961</u>	<u>(389,006)</u>	<u>9,683,955</u>
Change in net position					<u>329,770</u>	<u>226,544</u>	<u>556,314</u>
Net position, beginning					<u>28,587,910</u>	<u>4,609,997</u>	<u>33,197,907</u>
Net position, ending					<u>\$ 28,917,680</u>	<u>\$ 4,836,541</u>	<u>\$ 33,754,221</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Major Funds					
	<u>General</u>	<u>Excise Tax</u>	<u>Police Forfeiture</u>	<u>General Trust</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 7,749,344	\$ 262,865	\$ 1,879,646	\$ 1,342,401	\$ 2,816,695	\$ 14,050,951
Investments	294,098	-	-	-	-	294,098
Accounts receivable - net	417,056	325,241	21,424	-	157,302	921,023
Due from other funds	35,564	-	-	-	-	35,564
Prepaid items	32,305	-	-	-	-	32,305
Total assets	8,528,367	588,106	1,901,070	1,342,401	2,973,997	15,333,941
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	423,921	-	-	115,112	1,050	540,083
Due to other funds	-	-	-	-	35,564	35,564
Unearned revenues	141,233	-	-	-	-	141,233
Total liabilities	565,154	-	-	115,112	36,614	716,880
<u>FUND BALANCES</u>						
Nonspendable	32,305	-	-	-	-	32,305
Restricted	-	588,106	1,901,070	1,227,289	2,325,617	6,042,082
Committed	45,947	-	-	-	611,766	657,713
Unassigned	7,884,961	-	-	-	-	7,884,961
Total fund balances	7,963,213	588,106	1,901,070	1,227,289	2,937,383	14,617,061
Total liabilities and fund balances	\$ 8,528,367	\$ 588,106	\$ 1,901,070	\$ 1,342,401	\$ 2,973,997	\$ 15,333,941

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

Fund balances - total government funds (Page 15)		\$ 14,617,061
<p>Amounts reported for governmental activities in the statement of net position are different as a result of:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets		37,545,899
Less accumulated depreciation		(18,088,648)
Net pension asset		340,650
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds and notes payable	\$ (7,943,000)	
OPEB liability	(449,563)	
Claims payable	(124,136)	
Accrued interest payable	(31,916)	
Compensated absences	<u>(792,095)</u>	(9,340,710)
Net position of internal service funds are not reported with governmental funds		<u>3,843,428</u>
Net position of governmental activities (Page 13)		<u>\$ 28,917,680</u>

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Funds					
	General	Excise Tax	Police Forfeiture	General Trust	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 5,719,016	\$ -	\$ -	\$ -	\$ 536,071	\$ 6,255,087
Public service taxes	-	2,045,767	-	-	-	2,045,767
Other taxes	-	-	-	-	753,870	753,870
Licenses and permits	841,572	-	-	-	-	841,572
Intergovernmental revenues	964,755	-	-	-	87,939	1,052,694
Charges for services	1,941,090	-	-	-	-	1,941,090
Fines and forfeitures	609,029	-	245,235	-	4,489	858,753
Miscellaneous	276,811	-	61,498	77,021	-	415,330
Interest income	18,746	-	3,849	3,258	6,162	32,015
Total revenues	<u>10,371,019</u>	<u>2,045,767</u>	<u>310,582</u>	<u>80,279</u>	<u>1,388,531</u>	<u>14,196,178</u>
Expenditures:						
Current:						
General government	2,321,715	-	-	21,685	156,874	2,500,274
Public safety	6,027,279	-	84,663	-	-	6,111,942
Public Works	1,348,918	-	-	-	313,171	1,662,089
Culture and recreation	2,412,610	-	-	16,179	-	2,428,789
Capital outlay	8,176	-	97,984	17,027	992,444	1,115,631
Debt service:						
Principal	-	-	-	-	4,362,580	4,362,580
Interest	-	-	-	-	432,997	432,997
Total expenditures	<u>12,118,698</u>	<u>-</u>	<u>182,647</u>	<u>54,891</u>	<u>6,258,066</u>	<u>18,614,302</u>
(Deficiency) excess of revenues over expenditures before other financing sources (uses)	<u>(1,747,679)</u>	<u>2,045,767</u>	<u>127,935</u>	<u>25,388</u>	<u>(4,869,535)</u>	<u>(4,418,124)</u>
Other financing sources (uses):						
Bond proceeds	-	-	-	-	3,923,000	3,923,000
Transfers (out)	(617,398)	(1,745,605)	-	(85,377)	(239,800)	(2,688,180)
Transfers in	2,370,374	-	-	1,706	656,400	3,028,480
Total other financing sources (uses)	<u>1,752,976</u>	<u>(1,745,605)</u>	<u>-</u>	<u>(83,671)</u>	<u>4,339,600</u>	<u>4,263,300</u>
Net change in fund balances	5,297	300,162	127,935	(58,283)	(529,935)	(154,824)
Fund balances - beginning	<u>7,957,916</u>	<u>287,944</u>	<u>1,773,135</u>	<u>1,285,572</u>	<u>3,467,318</u>	<u>14,771,885</u>
Fund balances - ending	<u>\$ 7,963,213</u>	<u>\$ 588,106</u>	<u>\$ 1,901,070</u>	<u>\$ 1,227,289</u>	<u>\$ 2,937,383</u>	<u>\$ 14,617,061</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - total government funds (Page 17)	\$	(154,824)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital outlays	\$ 1,115,631	
Less current year depreciation	<u>(1,278,006)</u>	
Net adjustment		(162,375)
<p>The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.</p>		
Capital outlays not meeting threshold for capitalization	10,492	
Other	<u>28,593</u>	
Net adjustments		39,085
<p>The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Bond proceeds	(3,923,000)	
Principal payments	4,362,580	
Amortization of issuance costs, premiums and discounts	<u>71,050</u>	
		510,630
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>		
Change of net pension asset	(120,146)	
Change in compensated absences	(33,311)	
Change in OPEB liability	(95,089)	
Change in accrued interest payable	72,921	
Allocation of internal service funds' net income	<u>272,879</u>	<u>97,254</u>
Change in net position of governmental activities (Page 14)	\$	<u>329,770</u>

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>	
Operating revenues:				
Charges for services	\$ 2,667,843	\$ 248,132	\$ 2,915,975	\$ 1,939,778
Operating expenses:				
Administrative and general	743,824	21,993	765,817	720,945
Personnel expenses	786,952	81,110	868,062	156,271
Depreciation	59,756	58,945	118,701	255,831
Contractual services	529,191	18,654	547,845	-
Insurance premiums and claims	-	-	-	662,331
Total operating expenses	<u>2,119,723</u>	<u>180,702</u>	<u>2,300,425</u>	<u>1,795,378</u>
Operating income	<u>548,120</u>	<u>67,430</u>	<u>615,550</u>	<u>144,400</u>
Non-operating revenues (expenses):				
Interest income	4,817	1,177	5,994	2,654
Interest expense	-	-	-	(616)
Total non-operating revenues (expenses)	<u>4,817</u>	<u>1,177</u>	<u>5,994</u>	<u>2,038</u>
Income before transfers and contributions	<u>552,937</u>	<u>68,607</u>	<u>621,544</u>	<u>146,438</u>
Transfers in (out)	<u>(350,000)</u>	<u>(45,000)</u>	<u>(395,000)</u>	<u>54,700</u>
Contributions	-	-	-	71,741
Change in net position	202,937	23,607	226,544	272,879
Total net position, beginning	<u>2,481,700</u>	<u>2,128,297</u>	<u>4,609,997</u>	<u>3,570,549</u>
Total net position, ending	<u>\$ 2,684,637</u>	<u>\$ 2,151,904</u>	<u>\$ 4,836,541</u>	<u>\$ 3,843,428</u>

See notes to basic financial statements.

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>	
Cash flows from operating activities:				
Cash received from customers, governments and other funds	\$ 2,770,209	\$ 259,551	\$ 3,029,760	\$ 1,813,918
Cash paid to suppliers	(1,371,213)	(53,003)	(1,424,216)	(1,410,689)
Cash paid for employees	(655,868)	(65,590)	(721,458)	(129,197)
Net cash provided by operating activities	<u>743,128</u>	<u>140,958</u>	<u>884,086</u>	<u>274,032</u>
Cash flows from non-capital financing activities:				
Transfers in	-	-	-	54,700
Transfers out	(350,000)	(45,000)	(395,000)	-
Net cash (used in) non-capital financing activities	<u>(350,000)</u>	<u>(45,000)</u>	<u>(395,000)</u>	<u>54,700</u>
Cash flows from capital related financing activities:				
Acquisition and construction of fixed assets	(449,797)	-	(449,797)	(25,269)
Principal retirements of capital debt	-	-	-	(54,010)
Interest paid on capital debt	-	-	-	(616)
Net cash (used in) capital and related financing activities	<u>(449,797)</u>	<u>-</u>	<u>(449,797)</u>	<u>(79,895)</u>
Cash flows from investing activities:				
Interest and other income	4,817	1,177	5,994	2,654
Net cash provided by investing activities	<u>4,817</u>	<u>1,177</u>	<u>5,994</u>	<u>2,654</u>
Net increase (decrease) in cash and cash equivalents	(51,852)	97,135	45,283	251,491
Cash and cash equivalents, October 1	2,039,602	679,423	2,719,025	1,560,211
Cash and cash equivalents, September 30	<u>\$ 1,987,750</u>	<u>\$ 776,558</u>	<u>\$ 2,764,308</u>	<u>\$ 1,811,702</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 548,120	\$ 67,430	\$ 615,550	\$ 144,400
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	59,756	58,945	118,701	255,831
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	102,366	11,419	113,785	(125,860)
Inventories	15,816	-	15,816	7,229
Prepaid items	-	-	-	(6,145)
Increase (decrease) in:				
Accounts payable and accrued liabilities	2,159	189	2,348	935
Claims payable	-	-	-	-
Compensated absences	1,021	727	1,748	(2,358)
OPEB liability	15,008	1,876	16,884	-
Unearned revenues	(1,118)	372	(746)	-
Total adjustments	<u>195,008</u>	<u>73,528</u>	<u>268,536</u>	<u>129,632</u>
Net cash provided by operating activities	<u>\$ 743,128</u>	<u>\$ 140,958</u>	<u>\$ 884,086</u>	<u>\$ 274,032</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Pension Trust <u>Funds</u>	Private Purpose <u>Trust</u>	<u>Agency</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,026,462	\$ 1,665,603	\$ 167,431
Receivables:			
Accrued interest and dividends	<u>54,142</u>	-	-
Total receivables	<u>54,142</u>	-	-
Investments, at fair value			
U.S. Government securities	1,599,529	-	-
Municipal bonds	321,703		
Corporate bonds	5,715,352	-	-
Mutual funds - equity	7,710,790	-	-
Common stocks	<u>9,712,142</u>	-	-
Total investments	<u>25,059,516</u>	-	-
Total assets	<u>28,140,120</u>	<u>1,665,603</u>	<u>167,431</u>
<u>LIABILITIES</u>			
DROP liability	775,806	-	-
Other liabilities	-	-	<u>167,431</u>
Total liabilities	<u>775,806</u>	-	-
<u>NET POSITION</u>			
Net position restricted for pension benefits	<u>\$ 27,364,314</u>	<u>\$ 1,665,603</u>	<u>\$ 167,431</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Pension Trust <u>Funds</u>	Private Purpose <u>Trust</u>
ADDITIONS		
Contributions:		
Employer	\$ 1,475,000	\$ -
Employees	<u>400,652</u>	<u>-</u>
Total contributions	<u>1,875,652</u>	<u>-</u>
Investment income:		
Unrealized gains	2,866,381	-
Realized gains	227,661	-
Interest and dividend income	<u>524,932</u>	<u>4,487</u>
Total investment income	3,618,974	4,487
Less investment expenses	<u>254,022</u>	<u>-</u>
Net investment income	<u>3,364,952</u>	<u>4,487</u>
Total additions	<u>5,240,604</u>	<u>4,487</u>
DEDUCTIONS		
Benefits paid	1,379,972	-
Distribution to charter school	<u>-</u>	<u>50,000</u>
Total deductions	<u>1,379,972</u>	<u>50,000</u>
Net increase (decrease)	<u>3,860,632</u>	<u>(45,513)</u>
Net position		
Beginning of year	<u>23,503,682</u>	<u>1,711,116</u>
End of year	<u>\$ 27,364,314</u>	<u>\$ 1,665,603</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

**MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Financial Reporting Entity*

Miami Shores Village, Florida, (the Village) was incorporated in 1931 and is a political subdivision of the State of Florida located in northeastern Miami-Dade County. The Village operates under a Council-Manager form of government, with its legislative function being vested in a five-member council. The Village Council is governed by the Village Charter and by state and local laws and regulations. The Village Council is responsible for the establishment and adoption of policy. The Village provides the following full range of municipal services as authorized by its charter: public safety, streets, sanitation, stormwater, culture and recreational activities, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the Village. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The more significant of the Village's accounting policies are described below:

B. *Government-wide and fund financial statements*

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as other governmental or other proprietary funds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. 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. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. 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:

General Fund – This 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.

Excise Tax Fund – This fund records revenues received by the Village for contractually-adopted franchise fee agreements and corresponding public service or utility taxes. The receipts of these funds are used to subordinate the Village’s General Obligation Bond Series 1999 should insufficient debt service revenues be received from ad valorem levies. Surplus proceeds are then transferred out of this fund and into the General Fund for operating purposes.

Police Forfeiture – This fund accounts for proceeds obtained through the sale of confiscated and unclaimed property turned over to the Village through court judgments. Proceeds are to be used solely for law enforcement purposes.

General Trust Fund – This fund accumulates assets for its employees, other governmental entities and/or funds, primarily for the recreation, library and police departments, as well as the charter school.

The Village reports the following major proprietary fund:

Sanitation Fund - This fund accounts for the operations and maintenance of the Village’s sanitation system.

Stormwater Fund - This fund accounts for the operations and maintenance of the Village’s stormwater system.

Additionally, the Village reports the following fund types:

Internal Service Funds – The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Village, on a cost reimbursement basis. The Village has two internal service funds, the Risk Management Fund and the Fleet Maintenance Fund.

Pension Trust Funds - The pension trust funds account for the activities of the Police Pension and General Employees’ Retirement Plans, which accumulate resources for pension benefits to qualified employees.

Private Purpose Trust Fund – This fund accounts for a donation from a foundation to be held by the Village on behalf of the Doctors Charter School to assist with meeting the operating needs of the school.

Agency Fund – The agency fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Village holds for others in an agency capacity.

The financial statements of the Village have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the Village follow the guidance of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements for both the government wide and proprietary fund financial statements. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The Village has elected not to follow subsequent FASB guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's enterprise fund functions and various other functions of the Village. 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, and 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proceeds from local option gas tax and Transportation Surtax are used to fund transportation related expenditures and therefore are reported as program revenues under the function "Public Works".

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 sanitation, and stormwater fund and internal service funds are charges to customers or other funds for services. Operating expenses for the enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is Village policy to use restricted resources first, and then unrestricted resources as needed.

Implementation of Governmental Accounting Standards Board Statements

During the fiscal year ended September 30, 2013, the Village implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of net position.

D. Deposits and Investments

The Village's cash and cash equivalents, for purpose of the statement of cash flows, include cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Village maintains a cash pool that is available for use by all funds. Interest earned on pooled cash is allocated to each of the funds, based on the fund's average equity balance on a monthly basis.

All of the Village's investments are reported at fair value, which is based on quoted market prices. The Village's investment in the State Board of Administration Investment Pool is divided into the Local Government Surplus Funds Trust Fund Investment Pool ("LGIP") and the Fund B Surplus Funds Trust Funds ("Fund B"). The LGIP is considered a SEC 2A-7-like fund, thus reported at its fair value of its position in the pool, which is the same as its value of the pool shares. The Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2012 was 0.94896811. The account balance in Fund B should be multiplied by the factor in order to calculate the fair value of the Village's investment in Fund B.

The Plan's investments are carried at fair value using quoted market prices to value investments. Differences between cost and market value are recorded as net unrealized gains or losses. Net realized gains or losses for securities which are sold are combined with the unrealized gains and losses and shown as "net appreciation

(depreciation) in fair value of investments” in plan net position. Dividends and interest are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis. Investments in the Village’s local government surplus funds are governed by the provisions of Florida Statutes Section 218.415. Investments in the Village’s retirement plans are governed by the Plan’s investment policies.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method). In the governmental funds, reported inventories are offset by fund balance reserve which indicates that they do not constitute available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded – in both, the government-wide and fund financial statements – as prepaid items by recording an asset for the prepaid amount and recognizing the expenditure in the year such item is consumed (consumption method). Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

G. Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on the property. Tax bills are mailed for the Village by Miami Dade County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Miami-Dade County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters, which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Village.

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 tax levy of the Village is established by the Village Council and the Miami-Dade County Property Appraiser incorporates the Village’s millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Village for the year ended September 30, 2013 was 8.7500 mills (\$8.7500 per \$1,000 of taxable assessed valuation).

H. Restricted Assets

Assets of the debt service fund have been classified as restricted because their use is restricted by a bond indenture agreement for the Village’s debt service requirements. Proceeds from forfeiture funds are classified as restricted in the Law Enforcement Training and Police Forfeiture Special Revenue Funds since these resources are specifically earmarked for law enforcement purposes only. Additionally, proceeds from the People’s Transportation Tax and Local Option Gas Tax are classified as restricted since these resources may only be used for road and transportation related expenditures.

Assets held in the General Trust Fund are restricted primarily for recreation, library and police departments, as well as the charter school.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-40
Land improvements	40
Infrastructure	30
Sanitation equipment	10
Vehicles	5
Other equipment, machinery, furniture and fixtures	3-10

J. Deferred Charges

Deferred charges in the government-wide financial statements represent unamortized portion of bond issuance costs. These costs are being amortized over the term of the related bond issue.

K. Compensated Absences

Village employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee serves. The Village's vacation policy allows all regular non-temporary employees to accrue vacation leave on a monthly basis. Vacation leave accrued in previous year must be used prior to the next year's anniversary date (unless authorized by the Village Manager). Upon separation from Village employment in good standing, employees shall receive a lump sum payment for any unused accrued vacation leave up to a maximum allotted for the employee's length of service.

The Village's sick leave policy provides for the accumulation of one work day per month up to a maximum of 720 hours for a general employee. A general employee shall receive payment for one hundred percent (100% to a maximum of 720 hours) of accrued sick leave upon retirement and fifty (50%) upon separation in good standing.

For both vacation and sick leave, there is no payout for an employee who is discharged for misconduct, termination or is not in good standing with the Village.

All vacation and sick leave is accrued and reported as a fund liability when it is probable that the Village will compensate the employee with expendable available financial resources. Vacation and sick leave is accrued when incurred in proprietary funds and reported as a fund liability. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental funds, compensated absences are generally liquidated by the General Fund.

L. Unearned Revenues

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The unearned items consist primarily of license and permit revenues. Unearned revenues in the proprietary funds are related to billings for the 13-14 fiscal year.

M. Employee Benefit Plan and Net Pension Asset

The Village provides a separate defined benefit pension plan for its police officers and general employees. At September 30, 2013, the Village recorded a net pension asset related to both plans in its government-wide statement of net position. The net pension asset is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers contributions made to the Plan. For governmental funds, the net pension asset or obligation are generally liquidated by the General Fund. Please refer to Note VIII for further information.

N. Post Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the Village is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The Village currently provides these benefits in accordance with the vesting and retirement requirements of the Village.

The Village is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the Village records a net OPEB obligation in its government-wide and proprietary financial statements related to the implicit subsidy. For governmental funds, the OPEB obligation is generally liquidated by the General Fund. The OPEB plan does not issue separate financial statements.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs are amortized over the term of the related debt. For proprietary fund types, bonds payable are reported net of the applicable bond premium, discount, and issuance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

P. Net Position

Total equity as of September 30, 2013, is classified into three components of net position:

- **Net investment in capital assets** — This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- **Restricted net position** — This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
- **Unrestricted net position** — This category includes all of the remaining net position that do not meet the definition of the other two categories.

Q. Fund Balance

As of September 30, 2013, 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 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 the Village Council. The 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 the Village Council. Both ordinances are equally binding. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- **Assigned** — Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Village Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delegated to the Village Manager by the Council. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type, Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Village itself.
- **Unassigned** — All other spendable amounts.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit this, such as grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

	<u>General</u>	<u>Excise Tax</u>	<u>Police Forfeiture</u>	<u>General Trust</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:						
Nonspendable:						
Prepays	\$ 32,305	\$ -	\$ -	\$ -	\$ -	\$ 32,305
Restricted:						
Transportation	-	588,106	-	-	1,211,705	1,799,811
Library	-	-	-	98,425	-	98,425
Recreation	-	-	-	92,237	13,456	105,693
Buildings	-	-	-	79,641	-	79,641
Charter School	-	-	-	956,986	-	956,986
Public Safety	-	-	1,901,070	-	17,195	1,918,265
Debt service	-	-	-	-	1,083,261	1,083,261
Committed:						
Encumbrances	45,947	-	-	-	102,302	148,249
Assigned:						
	-	-	-	-	509,464	509,464
Unassigned:						
	<u>7,884,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,884,961</u>
Total Fund Balances	<u>\$ 7,963,213</u>	<u>\$ 588,106</u>	<u>\$ 1,901,070</u>	<u>\$ 1,227,289</u>	<u>\$ 2,937,383</u>	<u>\$ 14,617,061</u>
Fund Balances:						
Nonspendable	\$ 32,305	-	-	-	-	\$ 32,305
Restricted	-	588,106	1,901,070	1,227,289	2,325,617	6,042,082
Committed	45,947	-	-	-	102,302	148,249
Assigned	-	-	-	-	509,464	509,464
Unassigned	<u>7,884,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,884,961</u>
Total Fund Balances	<u>\$ 7,963,213</u>	<u>\$ 588,106</u>	<u>\$ 1,901,070</u>	<u>\$ 1,227,289</u>	<u>\$ 2,937,383</u>	<u>\$ 14,617,061</u>

R. Net Position Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which 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.

S. Capital Contributions

Capital contributions in proprietary fund financial statements arise from grants or outside contributions of resources restricted to capital acquisition and construction.

T. Utility Billings

Utility customers are billed monthly on a cycle basis. Unbilled revenue is recognized in the accompanying financial statements based upon estimates of revenues for services rendered between billing cycle dates and fiscal year end.

U. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectibility of receivables, the realization of pension obligations and the useful lives of capital assets. Although these estimates as well as all 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Village is subject to various federal, state, and local laws and contractual regulations. The Village has no material violations of finance-related legal and contractual obligations.

1. Fund Accounting Requirements

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, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

2. Revenue Restrictions

The Village has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Transportation Surtax	Transportation and roads
Police Forfeitures	Law Enforcement
Federal Emergency Management Agency	Disaster mitigation

For the fiscal year ended September 30, 2013, the Village complied, in all material respects, with these revenue restrictions.

3. Excesses of expenditures over appropriations

For the year ended September 30, 2013 expenditures exceeded appropriations in the Transportation Surtax Fund by \$95,780, on the Grants Fund by \$36,646, and on the Debt Service Fund by \$41,755. These over-expenditures were funded by greater than anticipated revenues or available fund balance.

III. 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 another 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. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

The Village is authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

Investments – Village

As of September 30, 2013, the Village had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Weighted Average Maturity (Years)</u>
SBA- LGIP	241,077	44	n/a
SBA- Fund B	<u>53,021</u>	n/a	4.04
Total	<u>\$294,098</u>		

Interest Rate Risk - Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Village does not have a written policy on interest rate risk; however, the Village manages its exposure to declines in fair values by limiting the weighted average monthly maturity of its investment portfolio to less than 180 days.

Credit Risk - State law limits investments in bonds, U.S. Treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States. The LGIP is rated AAAM by Standard and Poor's and Fund B is not rated by nationally recognized statistical rating agencies.

Concentration of Credit Risk - The Village's investment policy does not stipulate any limit on the percentage that can be invested in any one issuer. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. As of September 30, 2013, the value of each position held in the Village's portfolio comprised of less than 5% of the Village's investment assets.

Investments – Pension Plans

As of September 30, 2013, the Plans had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Investment Maturities (in Years)</u>		
			<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
U.S. Government Securities	\$ 2,921,774	\$ 20,855	\$ 997,030	\$ 607,687	\$ 1,296,202
Corporate bonds	<u>4,714,810</u>	<u>34,388</u>	<u>1,675,557</u>	<u>1,015,894</u>	<u>1,988,971</u>
Total fixed income securities	<u>\$ 7,636,584</u>	<u>\$ 55,242</u>	<u>\$ 2,672,588</u>	<u>\$ 1,623,581</u>	<u>\$ 3,285,173</u>

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Credit Risk – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk. The Plan's investment policies limit investments in fixed income securities to a rating of investment grade or higher.

The following table discloses credit ratings by investment type, at September 30, 2013:

Standard & Poor's Quality Ratings of Credit	<u>Fair Value</u>	Percentage of Fixed Income <u>Portfolio</u>
<u>Risk Debt Securities</u>		
AAA	\$ 506,670	6.63%
AA+	455,062	5.96%
AA	231,612	3.03%
AA-	107,823	1.41%
A+	227,401	2.98%
A	484,162	6.34%
A-	662,550	8.68%
BBB+	497,660	6.52%
BBB	282,151	3.69%
BBB-	190,350	2.49%
BB+	31,425	0.41%
N/R	<u>3,959,720</u>	<u>51.85%</u>
	<u>\$ 7,636,584</u>	<u>100.00%</u>

Concentration of Credit Risk –The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. As of September 30, 2013, no investment by any one issuer was above the 5% threshold required for disclosure.

Custodial of Credit Risk –This is the risk that in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

Risks and uncertainties - The Plan has investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plan, through its investment advisors, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

The Village does not participate in any securities lending transactions nor has it used, held or written derivative financial instruments.

IV. RECEIVABLES

Receivables at year-end are as follows:

	General	Excise Tax Fund	Police Forfeiture	Sanitation Fund	Stormwater Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Receivables:								
Accounts	\$ -	\$ -	\$ -	\$ 592,132	\$ 39,969	\$ -	\$ 272,499	\$ 904,600
Taxes	186,098	325,241	-	46,936	1,933	113,389	-	673,597
Grants and other	230,958	-	21,424	-	-	43,913	-	296,295
Total receivables	\$ 417,056	\$ 325,241	\$ 21,424	\$ 639,068	\$ 41,902	\$ 157,302	\$ 272,499	\$ 1,874,492

Governmental funds report deferred revenues for revenues considered to be not yet available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition on revenues received but not yet earned.

V. CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2013 was as follows:

	Beginning	Additions	Deletions	Ending
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 2,358,437	\$ -	\$ -	\$ 2,358,437
Construction in progress	-	552,096	-	552,096
Total capital assets not being depreciated	2,358,437	552,096	-	2,910,533
Capital assets being depreciated:				
Building and improvements	12,614,923	30,794	-	12,645,717
Land improvements	4,259,899	19,173	-	4,279,072
Infrastructure	17,298,696	28,790	-	17,327,486
Machinery and equipment	4,631,238	495,270	(300,429)	4,826,079
Total capital assets being depreciated	38,804,756	574,027	(300,429)	39,078,354
Less accumulated depreciation for:				
Building and improvements	(3,047,381)	(255,706)	-	(3,303,087)
Land improvements	(2,605,668)	(193,542)	-	(2,799,210)
Infrastructure	(10,573,199)	(430,661)	-	(11,003,860)
Machinery and equipment	(3,411,220)	(398,097)	314,664	(3,494,653)
Total accumulated depreciation	(19,637,468)	(1,278,006)	314,664	(20,600,810)
Total capital assets being depreciated, net	19,167,288	(703,979)	14,235	18,477,544
Governmental activities capital assets, net	\$ 21,525,725	\$ (151,883)	\$ 14,235	\$ 21,388,077

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
<u>Business-type activities</u>				
Capital assets being depreciated:				
Machinery and equipment	\$ 2,283,353	\$ 449,797	\$ (612,305)	\$ 2,120,845
Drainage improvements	<u>2,006,589</u>	<u>-</u>	<u>-</u>	<u>2,006,589</u>
Total capital assets being depreciated	<u>4,289,942</u>	<u>449,797</u>	<u>(612,305)</u>	<u>4,127,434</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,835,004)	(116,932)	669,481	(1,282,455)
Drainage improvements	<u>(533,323)</u>	<u>(58,945)</u>	<u>-</u>	<u>(592,268)</u>
Total accumulated depreciation	<u>(2,368,327)</u>	<u>(175,877)</u>	<u>669,481</u>	<u>(1,874,723)</u>
Total capital assets being depreciated, net	<u>1,921,615</u>	<u>273,920</u>	<u>57,176</u>	<u>2,252,711</u>
Business-type activities capital assets, net	<u>\$ 1,921,615</u>	<u>\$ 273,920</u>	<u>\$ 57,176</u>	<u>\$ 2,252,711</u>

- Depreciation expense was charged to functions/programs of the Village as follows:

Governmental activities

General Government	\$58,461
Public Safety	129,561
Public Works	710,953
Culture and Recreation	<u>379,031</u>
Total depreciation expense – governmental activities	<u>\$ 1,278,006</u>

Business- type activities

Sanitation	\$ 116,932
Stormwater	<u>58,945</u>
Total depreciation expense – business- type activities	<u>\$ 175,877</u>

VI. LONG-TERM DEBT

1. Miami Shores Village, Florida Refunding General Obligation Bond (Series 2013)

In February 2013, the Village issued the Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013, in order to refund the cost of the Florida Municipal Loan Council Revenue Bonds, Series 1999. Principal is due annually (through 2029) at various amounts ranging from \$115,000 in 2014 to a final payment of \$169,000 in 2029. The bonds bear interest at variable rates ranging from 2.49 to 3.03%, payable semi-annually. The bonds are secured by ad-valorem revenues. This refunding resulted in an economic gain of approximately \$530,000.

Debt service requirements to maturity for the fiscal year ending September 30, 2013 are summarized as follows:

<u>September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 115,000	\$ 62,552	\$ 177,552
2015	123,000	54,607	177,607
2016	125,000	51,643	176,643
2017	128,000	48,346	176,346
2018	131,000	45,114	176,114
2019-2023	698,000	174,781	872,781
2024-2028	789,000	82,012	871,012
2029	<u>169,000</u>	<u>4,267</u>	<u>173,267</u>
	<u>\$ 2,278,000</u>	<u>\$ 523,322</u>	<u>\$ 2,801,322</u>

2. 2004 General Obligation Bonds (Charter School)

The 2004 General Obligation Bonds were issued by the Village of Miami Shores. Principal is due annually over 30 years at various amounts ranging from \$130,000 in 2013 to final payment of \$305,000 in 2033. The bonds bear interest at variable rates ranging from 3% to 5%, payable semi-annually. The bonds are secured by ad-valorem revenues.

Debt service requirements to maturity for the fiscal year ending September 30, 2013 are summarized as follows:

<u>September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 130,000	\$ 189,058	\$ 319,058
2015	135,000	183,920	318,920
2016	140,000	178,420	318,420
2017	145,000	172,648	317,648
2018	150,000	166,525	316,525
2019-2023	855,000	718,906	1,573,906
2024-2028	1,080,000	486,506	1,566,506
2029-2033	<u>1,385,000</u>	<u>179,875</u>	<u>1,564,875</u>
	<u>\$ 4,020,000</u>	<u>\$ 2,275,858</u>	<u>\$ 6,295,858</u>

3. Series 2013 Promissory Note

In September 2013, the Village issued \$1,645,000 Miami Shores Village, Florida, Promissory Note, Series 2013 to refinance the amount currently outstanding of the Village's \$3,500,000 Promissory Note, Series 2006. The note bears interest at a rate of 2.51% per annum. The Village pledge 25% of the local option fuel tax revenues and sanitation fund revenues to secure the note. The note matures in May 2018 and requires quarterly principal and interest payments throughout the life of the note. This refunding resulted in an economic gain of approximately \$91,000.

Debt service requirements to maturity for the fiscal year ending September 30, 2013 are summarized as follows:

<u>September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 344,346	\$ 35,981	\$ 380,327
2015	350,967	29,360	380,327
2016	359,860	20,468	380,328
2017	368,977	11,350	380,327
2018	<u>220,850</u>	<u>2,390</u>	<u>223,240</u>
	<u>\$ 1,645,000</u>	<u>\$ 99,549</u>	<u>\$ 1,744,549</u>

Long-term debt activity for the fiscal year ended September 30, 2013 was as follows:

	Beginning Balance <u>10/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>9/30/2013</u>	Due within <u>one year</u>
Governmental Activities					
Bonds and notes payable:					
Promissory Note, Series 2013	\$ -	\$ 1,645,000	\$ -	1,645,000	\$ 344,346
Refunding General Obligation Bond Series, 2013	-	2,278,000	-	2,278,000	115,000
General obligation bonds payable - 1999	2,315,000	-	(2,315,000)	-	-
General obligation bonds payable - 2004	4,145,000	-	(125,000)	4,020,000	130,000
Promissory note - 2006	1,922,581	-	(1,922,581)	-	-
Less deferred amounts - discounts	<u>(71,050)</u>	<u>-</u>	<u>71,050</u>	<u>-</u>	<u>-</u>
Total bonds and notes payable	<u>8,311,531</u>	<u>3,923,000</u>	<u>(4,291,531)</u>	<u>7,943,000</u>	<u>589,346</u>
Other liabilities:					
Capital lease	54,010	-	(54,010)	-	-
OPEB liability	354,474	95,089	-	449,563	-
Claims payable	464,136	-	-	464,136	-
Compensated absences	<u>774,628</u>	<u>558,811</u>	<u>(525,500)</u>	<u>807,939</u>	<u>24,238</u>
Total other liabilities	<u>1,647,248</u>	<u>653,900</u>	<u>(579,510)</u>	<u>1,721,638</u>	<u>24,238</u>
Governmental activity long-term liabilities	<u>\$ 9,958,779</u>	<u>\$ 4,576,900</u>	<u>\$ (4,871,041)</u>	<u>\$ 9,664,638</u>	<u>\$ 613,584</u>
Business-type activities					
Other liabilities:					
OPEB liability	\$ 62,940	\$ 16,884	\$ -	\$ 79,824	-
Compensated absences	<u>108,202</u>	<u>64,075</u>	<u>(62,326)</u>	<u>109,951</u>	<u>12,480</u>
Business-type activities long-term liabilities	<u>\$ 171,142</u>	<u>\$ 80,959</u>	<u>\$ (62,326)</u>	<u>\$ 189,775</u>	<u>\$ 12,480</u>

VII. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2013 are as follows:

	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
General Fund	\$ 35,564	\$ -
Non-Major Governmental Funds	<u>-</u>	<u>35,564</u>
Total	<u>\$ 35,564</u>	<u>\$ 35,564</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfer activity for the year ended September 30, 2013 was as follows:

	Transfers In	Transfers Out
General Fund	\$ 2,370,374	\$ 617,398
Excise Tax	-	1,745,605
General Trust Fund	1,706	85,377
Sanitation Fund	-	350,000
Stormwater Fund	-	45,000
Non-Major Governmental Funds	656,400	239,800
Internal Service Funds	54,700	-
Total	<u>\$ 3,083,180</u>	<u>\$ 3,083,180</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund the statute or budget requires to expend them and (b) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

VIII. EMPLOYEE RETIREMENT PLANS

The Village maintains two separate defined benefit single-employer pension plans, the General Employees' Retirement Plan and the Police Officers' Retirement Plan which cover substantially all of its full-time employees. The Village accounts for these pension plans as pension trust funds.

Basis of Accounting

The Village's pension plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

Membership

The membership in the Plans as of October 1, 2011 (General Employees) and October 1, 2011 (Police) consisted of:

	<u>General Employees</u>	<u>Police</u>
Inactive employees:		
Retirees and beneficiaries currently receiving benefits		
and terminated employees entitled to benefits but not yet receiving them	<u>48</u>	<u>22</u>
Active participants:	<u>63</u>	<u>32</u>

A. General Employees' Retirement Plan

Plan Description

The General Employees' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers all Village employees, except for police, and certain appointed employees. The Plan was established on January 1, 1957 by the Village Council. On December 31, 1999, the Plan was split between the general employees and the police officers. The Plan is governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective December 5, 2006, current employees may elect to participate in the deferred retirement option plan (DROP) the first day of the month coincident with or next following the date of normal retirement. Election into the DROP is voluntary. The employee may elect to participate in the plan for a maximum of 60 months. Once participation in the DROP commences, such participation constitutes an irrevocable election.

A member's continuous service and accrued benefit under the Plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the Plan shall not be accrued. No payments are made directly to the employee from the Plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the General Employees' Pension Plan will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

Upon termination of employment with the Village or 60 months of DROP participation, the balance of the DROP account will become payable in addition to the monthly normal retirement benefit (which is based on credited service and average monthly salary on the DROP election date). The DROP account is distributed to the member in a single lump sum payment or a direct rollover to another qualified retirement plan. If a member dies before the member's DROP account balance has been paid in full, distribution of the DROP account balance will be made according to the member's designation. DROP payments to a beneficiary will be in addition to any retirement benefits payable by the Plan. Under any option and in no event may the total benefit payments to the member or the beneficiary be less than the member's own accumulated contributions. At the end of September 30, 2013, total liabilities for the DROP were \$300,526.

Funding Policy

Plan members are required to contribute 6% of their annual covered salary. The employer contributions for the fiscal year ending September 30, 2013, determined using the actuarial valuation dated October 1, 2011, were 9.29% of covered payroll. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due.

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2011, the most recent actuarial valuation date, is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL As % of Covered Payroll (b-a)/c</u>
10/1/2011	9,427,893	10,739,131	1,311,238	87.8%	2,898,603	45.2%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets are increasing or decreasing over time relative to the AAL for benefits.

Annual Pension Cost and Net Pension Obligation (Asset)

The Village's 2013 contribution was determined through an actuarial valuation performed as of October 1, 2011. Significant actuarial assumptions used in the latest actuarial valuation are as follows:

Valuation date	10/1/11
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.9%
Projected salary increases	5.5%
Includes inflation and other general increases at	4.0%
Cost-of-living adjustments	Not applicable

The Village's annual pension cost and net pension asset for the Plan for the year ended September 30, 2013 was as follows:

Annual required contribution	\$ 269,360
Interest on net pension obligation	(6,233)
Adjustment to annual required contribution	<u>9,677</u>
Annual pension cost	<u>272,804</u>
Contributions made	<u>275,000</u>
(Decrease) in net pension asset	2,196
Net pension asset, beginning of year	<u>86,177</u>
Net pension asset, end of year	<u>\$ 88,373</u>

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	% of Annual Pension Cost Contribution (APC)	Net Pension Asset
9/30/2011	\$ 120,602	\$ 125,000	104%	\$ 78,902
9/30/2012	\$ 132,725	\$ 140,000	105%	\$ 86,177
9/30/2013	\$ 272,804	\$ 275,000	101%	\$ 88,373

Financial Information

The Plan does not issue separate stand-alone financial statements, therefore, included below is the Statement of Plan Net Position and the Statement of Changes in Plan Net Position as of and for the fiscal year ended September 30, 2013.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2013

<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,116,340
Investments, at fair value	9,781,507
Accrued interest receivable	<u>20,645</u>
Total assets	<u>10,918,492</u>

<u>LIABILITIES AND NET POSITION</u>	
DROP liability	<u>481,371</u>
Net position held in trust for pension benefits	<u>\$10,437,120</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2013

ADDITIONS	
Contributions	\$455,077
Net investment income	<u>1,449,514</u>
Total additions	<u>1,904,591</u>
DEDUCTIONS	
Pension benefits	<u>546,609</u>
Increase	1,357,981
Net position restricted for pension benefits:	
Beginning of year	<u>9,079,139</u>
End of year	<u>\$10,437,120</u>

B. Police Officers' Retirement Plan

Plan Description

The Police Officers' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the Village's certified police officers. The Plan was established as of the effective date of January 1, 1957 by the Village Council. It was amended on December 31, 1999, to split the Plan between General Employees and Police Officers. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective May 5, 1998, subsequent to the approval from the State of Florida, Division of Retirement, current employees with at least 25 but not more than 30 years of continuous service as a member of the plan may elect to participate in the deferred retirement option plan (DROP) for sworn police personnel. The employee may elect to participate in the plan for a maximum of 60 months before the employee attains 30 years of continuous service. A member's continuous service and accrued benefit under the plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the plan shall not be accrued, except for cost-of-living adjustments provided to retirees under the plan. No payments are made directly to the employee from the pension plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the police officers' retirement system will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

At the conclusion of the member's participation in the DROP, the member will receive a normal benefit calculated in accordance with the plan using an average monthly earnings and continuous service as of the effective date of the member's election to participate in the DROP. The DROP account is distributed to the member in a cash lump sum, unless the member alternatively elects to receive payments in approximately equal quarterly or annual installments over a period designated by the member. If a member dies before distribution of the member's DROP plan commences, the account balance is paid to the member's designated beneficiary in an immediate cash lump sum. Provisions of the plan do not allow for the distribution of a member's DROP account to begin later than April 1 following the later of the calendar year in which the member separates from service with the Village or attains age 70 1/4 years. At the end of September 30, 2013, total liabilities for the DROP were \$294,435.

Funding Policy

The Village's contribution rate is adjusted each year to an amount equal to the total pension cost for the year, as determined by the most recent actuarial valuation which is designed to accumulate sufficient assets to pay benefits when they are due. Members are required to contribute 9% of their annual covered earnings. The Village is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts. For the fiscal year ended September 30, 2013, the Village's contribution was 47.90% of annual covered earnings which was determined by the October 1, 2011 actuarial valuation.

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2011, the most recent actuarial valuation date, is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL As % of Covered Payroll (b-a)/c</u>
10/1/2011	13,516,192	20,341,716	6,825,524	66.4%	2,484,518	274.7%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets are increasing or decreasing over time relative to the AAL for benefits.

Annual Pension Cost and Net Pension Obligation (Asset)

The Village's 2013 contribution was determined through an actuarial valuation performed as of October 1, 2011. Significant actuarial assumptions used in the latest actuarial valuation are as follows:

Valuation date	10/1/11
Actuarial cost method	Aggregate
Amortization method	NA
Remaining amortization period	NA
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return *	7.9%
Projected salary increases*	6.5%
Includes inflation and other general increases at	4.0%
Cost-of-living adjustments	1.5%

The aggregate actuarial cost method is used to determine the annual required contribution of the employer for the Plan. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan.

The Village's annual pension cost and net pension asset to the Plan for the fiscal year ended September 30, 2013 was as follows:

Annual required contribution	\$ 1,220,259
Interest on net pension obligation	(22,894)
Adjustment to annual required contribution	<u>43,872</u>
Annual pension cost	<u>1,241,237</u>
Contributions made	<u>1,200,000</u>
(Decrease) in net pension asset	(41,237)
Net pension asset, beginning of year	<u>293,514</u>
Net pension asset, end of year	<u>\$ 252,277</u>

Three Year Trend Information

Fiscal Year	Annual Pension	Actual	% of Annual	Net
<u>Ended</u>	<u>Cost (APC)</u>	<u>Contribution</u>	<u>Pension Cost</u>	<u>Pension</u>
			<u>Contribution (APC)</u>	<u>Asset</u>
9/30/2011	\$ 846,109	\$ 1,012,036	120%	\$ 269,887
9/30/2012	\$ 976,759	\$ 1,000,386	102%	\$ 293,514
9/30/2013	\$ 1,241,237	\$ 1,200,000	97%	\$ 252,277

Financial Information

The Plan does not issue separate stand-alone financial statements, therefore, included on the next page is the Statement of Plan Net Position and the Statement of Changes in Plan Net Position as of and for the fiscal year ended September 30, 2013.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2013

ASSETS

Cash and cash equivalents	\$ 1,910,122
Investments, at fair value	15,278,010
Accrued interest receivable	<u>33,497</u>
Total assets	<u>17,221,628</u>

LIABILITIES AND NET POSITION

DROP liability	<u>294,435</u>
Net position held in trust for pension benefits	<u>\$16,927,192</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2013

ADDITIONS	
Contributions	\$1,420,575
Net investment income	<u>1,915,437</u>
Total additions	<u>3,336,012</u>
DEDUCTIONS	
Pension benefits	<u>833,363</u>
Increase	2,502,649
Net position restricted for pension benefits:	
Beginning of year	<u>14,424,543</u>
End of year	<u>\$16,927,192</u>

IX. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions and natural disasters for which it has purchased commercial insurance. Prior to October 1, 2005, the Village was self-insured for these claims up to certain limits.

As of September 30, 2013, there were three workers' compensation claims outstanding under the previous self-insurance program.

The amount of settlements for each of the past three fiscal years did not exceed insurance coverage.

Liabilities in the risk management internal service fund include amounts for claims that have been incurred but not reported (IBNR's) as well as known claims that existed prior to purchasing commercial insurance. Claim liabilities are calculated considering the recent claim settlement trends.

Changes in the balances of estimated claims for the past three years ended September 30, 2013 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Unpaid claims, beginning	\$464,113	\$508,411	\$543,707
Incurred claims (including IBNR's)	-	-	-
Claim payments and disbursements	<u>-</u>	<u>(44,275)</u>	<u>(35,296))</u>
Unpaid claims, ending	<u>\$464,113</u>	<u>\$464,136</u>	<u>\$508,411</u>

The claims liability on the preceding page includes the Village's commitment to Miami-Dade County for a prior workers' compensation claim for \$117,876. This is the final remaining claim from a program with the County that the Village participated in previously. The Village is required to pay \$2,200 per quarter as well as any medical expenses the claimant incurs related to the injury.

X. COMMITMENTS AND CONTINGENCIES

1. Litigation

Various suits and claims arising in the ordinary course of operations are pending against the Village. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the Village has sufficient insurance coverage to cover any claims and/or liabilities, which may arise from such action. The effect of such losses would not materially affect the financial position of the Village or the results of its operations.

2. Grants

Amounts received or receivable from grant 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.

XI. OTHER POST EMPLOYMENT BENEFITS

Plan Description and Provisions

Other Post-Employment Benefits (OPEB) are available to all employees eligible for Disability, Early or Normal Retirement, as above, after terminating employment with the Village. The OPEB benefits include access to coverage for the retiree and dependents under the Medical and Prescription Plans as well as participation in the Dental group plans sponsored by the Village for employees.

HEALTH-RELATED BENEFITS

Eligible retirees may choose among the same Medical Plan options available for active employees of the Village. Dependents of retirees may be covered at the retiree's option the same as dependents of active employees. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees.

Retired Police Officers who are over age 65 are only eligible to enroll in Medicare Advantage Plan.

RETIREE CONTRIBUTIONS FOR MEDICAL/PRESCRIPTION

In order to begin and maintain retiree Medical/Prescription coverage, premium contributions are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the contributions required for retiree and dependent coverage may change from time to time.

MEDICAL INSURANCE SUPPLEMENT

Retired Police Officers are eligible for supplemental payments from the Village in the amount of \$100 per month to help paying for the costs of health insurance, even if retired officers have coverage through a different health plan. Eligibility is conditioned upon demonstration that the Officer has health insurance coverage. The benefit stops at age 65.

This benefit is partially funded during active employment with the Village – Police officers contribute \$4.05 per pay period towards future payments from the Village. In the event of termination prior to 10 years of service, the accumulated employee contributions are forfeited. In the event of termination after 10 years of service but prior to OPEB eligibility, the member may request a refund of the employee contribution and forfeit the right to future coverage. The employee contributions are not held in a qualifying trust or similar arrangement.

DISABLED RETIREES PREMIUM CONTRIBUTIONS

Members eligible for disability retirement are subject to premium payments the same as all regular retirees. An exception is made to Police Officers who had sustained catastrophic injuries in the line of duty. Premiums for health coverage of such officers, their spouses and any dependent children will be paid by the Village as prescribed by the Florida Statute Sections 112.19(2)(g)1 and 112.19(2)(h)1 respectively (first introduced as the Alu-O'Hara Public Safety Act).

Funding Policy

Benefits are funded on a pay-as-you-go basis.

Annual Required Contribution (ARC)

In accordance with GASB Statement No. 45, an actuarial study was prepared calculating the postemployment healthcare costs as of October 1, 2012. The actuarial valuation estimated the Unfunded Actuarial Accrued liability (UAAL) of \$1,273,964 and an Annual Required Contribution (ARC) of \$157,459.

The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liability amounts over a period not to exceed 30 years.

The Village's annual OPEB cost for the fiscal year ended 2013 is as follows:

Annual required contribution (ARC)	\$ 156,260
Interest on net OPEB obligation	17,740
Adjustment to annual required contribution	<u>(16,541)</u>
Annual pension cost (APC)	157,459
Contributions made	<u>45,486</u>
Increase in net OPEB obligation	111,973
Net OPEB obligation, beginning of year	<u>417,414</u>
Net OPEB obligation, end of year	<u>\$ 529,387</u>

Year Ended September 30	<u>Annual OPEB Costs</u>			Net OPEB Obligation
	Annual OPEB Cost	Actual Contribution	Percentage Contributed	
2011	\$ 186,086	\$ 79,418	42.68%	\$ 310,746
2012	186,086	79,418	42.68%	417,414
2013	157,459	45,486	28.89%	529,387

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b)-(a)]/(e)
10/1/2008	-	\$ 1,597,598	\$ 1,597,598	0%	\$ 4,767,200	33.51%
10/1/2012	-	1,273,964	1,273,964	0%	5,118,382	24.89%

The schedule of funding progress presented as required supplementary information (RSI) above, present multiyear trend information about whether the actuarial values of the plan assets are increasing or decreasing over time relative to the AALs for benefits.

The Village's annual contribution is based on the actuarial valuation.

Actuarial Cost Method:	Entry Age
Amortization Method:	Level % Closed
Remaining Amortization Period:	26 Years
Asset Valuation Method:	Unfunded

Actuarial Assumptions:	
Investment rate of return	4.25% (includes general price inflation at 3.0%)
Projected salary increases	5.2% - 13.0%
Payroll growth assumptions	4.0%
Initial per capital cost trend rate	9.0%

REQUIRED SUPPLEMENTARY INFORMATION

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 5,704,697	\$ 5,704,697	\$ 5,719,016	\$ 14,319
Licenses and permits:				
Business licenses - Village	70,000	70,000	62,072	(7,928)
Business licenses - County	18,000	18,000	22,684	4,684
Building permits	500,000	596,000	601,931	5,931
Certificate of reoccupancy	10,000	10,000	12,635	2,635
Other licenses and permits	<u>112,000</u>	<u>112,000</u>	<u>142,250</u>	<u>30,250</u>
Total licenses and permits	<u>710,000</u>	<u>806,000</u>	<u>841,572</u>	<u>35,572</u>
Intergovernmental revenues:				
State shared revenues:				
State revenue sharing	221,470	221,470	226,692	5,222
Local government half cent sales tax	721,721	721,721	727,084	5,363
Other	<u>1,100</u>	<u>11,100</u>	<u>10,979</u>	<u>(121)</u>
Total intergovernmental revenues	<u>944,291</u>	<u>954,291</u>	<u>964,755</u>	<u>10,464</u>
Charges for services:				
Physical environment	40,000	68,000	69,006	1,006
Police extra duty	285,253	285,253	415,182	129,929
Landscape maintenance	19,901	19,901	19,901	-
Culture/recreation	<u>1,078,953</u>	<u>1,306,385</u>	<u>1,437,001</u>	<u>130,616</u>
Total charges for services	<u>1,424,107</u>	<u>1,679,539</u>	<u>1,941,090</u>	<u>261,551</u>
Fines and forfeitures:				
Court fines and costs	75,000	75,000	78,594	3,594
School crossing guards	21,000	21,000	18,905	(2,095)
Other	<u>191,000</u>	<u>491,000</u>	<u>511,530</u>	<u>20,530</u>
Total fines and forfeitures	<u>287,000</u>	<u>587,000</u>	<u>609,029</u>	<u>22,029</u>
Miscellaneous:				
Rents	25,000	25,000	24,729	(271)
Other	<u>251,750</u>	<u>251,750</u>	<u>252,082</u>	<u>332</u>
Total miscellaneous	<u>276,750</u>	<u>276,750</u>	<u>276,811</u>	<u>61</u>
Interest	<u>15,000</u>	<u>15,000</u>	<u>18,746</u>	<u>3,746</u>
Total revenues	<u>\$ 9,361,845</u>	<u>\$ 10,023,277</u>	<u>\$ 10,371,019</u>	<u>\$ 347,742</u>

(Continued)

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government:				
Village council	\$ 5,969	\$ 7,069	\$ 6,968	\$ 101
Village attorney	121,325	149,325	146,705	2,620
Village manager	225,323	230,923	230,818	105
Village clerk	148,521	144,629	144,088	541
Code enforcement	162,020	164,394	162,992	1,402
Building department	357,598	406,192	405,638	554
Planning and zoning	152,308	154,731	146,216	8,515
Finance	466,957	447,884	447,315	569
Other general government	694,629	644,664	639,151	5,513
Total general government	<u>2,334,650</u>	<u>2,349,811</u>	<u>2,329,891</u>	<u>19,920</u>
Public safety:				
Law enforcement	6,145,160	6,018,361	5,988,767	29,594
School crossing guard	39,803	40,538	38,512	2,026
Total public safety	<u>6,184,963</u>	<u>6,058,899</u>	<u>6,027,279</u>	<u>31,620</u>
Public works:				
Parks	393,462	402,802	402,116	686
Street maintenance	427,002	458,527	457,782	745
Public works administration	352,875	348,073	347,357	716
Recreation maintenance	133,830	141,915	141,663	252
Total public services	<u>1,307,169</u>	<u>1,351,317</u>	<u>1,348,918</u>	<u>2,399</u>
Culture and recreation:				
Recreation	1,909,288	2,048,669	2,039,905	8,764
Library	386,082	390,968	372,705	18,263
Total culture and recreation	<u>2,295,370</u>	<u>2,439,637</u>	<u>2,412,610</u>	<u>27,027</u>
Total expenditures	<u>12,122,152</u>	<u>12,199,664</u>	<u>12,118,698</u>	<u>80,966</u>
Deficiency of revenues over expenditures	<u>(2,760,307)</u>	<u>(2,176,387)</u>	<u>(1,747,679)</u>	<u>428,708</u>
Other financing sources (uses)				
Transfers in	3,377,705	2,793,785	2,370,374	(423,411)
Transfers out	(617,398)	(617,398)	(617,398)	-
Appropriations from prior year fund balance	-	-	-	-
Total other financing sources (uses)	<u>2,760,307</u>	<u>2,176,387</u>	<u>1,752,976</u>	<u>(423,411)</u>
Net change in fund balance	-	-	5,297	5,297
Fund balance, beginning of year	-	-	<u>7,957,916</u>	<u>7,957,916</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,963,213</u>	<u>\$ 7,963,213</u>

See notes to budgetary comparison schedule

MIAMI SHORES VILLAGE, FLORIDA
BUDGETARY COMPARISON SCHEDULES
MAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Excise Tax			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Public service taxes	\$ 2,120,600	\$ 2,120,600	\$ 2,045,767	\$ (74,833)
Total revenues	<u>2,120,600</u>	<u>2,120,600</u>	<u>2,045,767</u>	<u>(74,833)</u>
Other financing uses				
Transfers out	<u>(2,120,600)</u>	<u>(2,120,600)</u>	<u>(1,745,605)</u>	<u>374,995</u>
Total other financing uses	<u>(2,120,600)</u>	<u>(2,120,600)</u>	<u>(1,745,605)</u>	<u>374,995</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>300,162</u>	<u>\$ 300,162</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>287,944</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,106</u>	

See notes to budgetary comparison schedules

MIAMI SHORES VILLAGE, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2013

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Village annually adopts operating budgets for the following governmental funds: General Fund, Excise Tax Fund, Grants Fund, Local Option Gas Tax Fund, Half Cent Surtax Fund, the Capital Improvements Fund and Debt Service Fund. Budgets are also adopted for the Stormwater fund, Sanitation fund, Risk Management and Fleet Maintenance Fund.

1. 35 days prior to the fiscal year end, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them by means of appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures for the General Fund is legally maintained at the departmental level. For all other funds it is legally maintained at the fund level.
2. Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (TRIM) legislation.
3. Prior to September 28th (unless preempted by TRIM) as stated in the Village's Charter, the budget is legally enacted through passage of a resolution.
4. The Village Manager may at any time transfer any unencumbered appropriated balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the Village Manager and within the last three months of the budget year, the Council may by resolution transfer any unencumbered appropriated balance or portion thereof, from one office, department or agency to another.
5. Budgeted amounts are as originally adopted or as amended. There were supplemental appropriations in the General Fund totaling \$77,512, during the fiscal year ended September 30, 2013 for funding outstanding obligations and unanticipated expenses.
6. Unencumbered appropriations lapse at year end.

Excesses of expenditures over appropriations

For the year ended September 30, 2013, expenditures exceeded appropriations in the Transportation Surtax Fund by \$95,780, on the Grants Fund by \$36,646, and on the Debt Service Fund by \$41,755. These over-expenditures were funded by greater than anticipated revenues or available fund balance.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
PENSION TRUST FUNDS

General Employees' Retirement System

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/1/2011	\$ 9,427,893	\$ 10,739,131	\$ 1,311,238	87.8%	\$ 2,898,603	45.2%
10/1/2009	9,335,036	9,258,119	(76,917)	100.8%	3,228,192	-2.4%
10/1/2007	8,989,754	8,474,105	(515,649)	106.1%	2,918,493	-17.7%
10/1/2006	8,297,232	7,995,304	(301,928)	103.8%	3,243,186	-9.3%
10/1/2005	8,173,688	7,680,175	(493,513)	106.4%	2,786,865	-17.7%
10/1/2003	7,458,449	6,533,561	(924,888)	114.2%	2,895,480	-31.9%

An actuarial valuation is performed every other year

Police Officer's Retirement System

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)*	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/1/2011	\$ 13,516,192	\$ 20,341,716	\$ 6,825,524	66.4%	\$ 2,484,518	274.7%
10/1/2010	12,907,994	18,239,319	5,331,325	70.8%	2,333,748	228.4%
10/1/2009	12,349,336	16,905,643	4,556,307	73.0%	1,989,749	229.0%
10/1/2008	11,728,021	16,032,250	4,304,229	73.2%	1,901,236	226.4%
10/1/2007	11,320,831	15,114,334	3,793,503	74.9%	1,683,969	225.3%
10/1/2006	10,332,878	14,573,821	4,240,943	70.9%	1,630,878	260.0%

*The annual required contribution (ARC) is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUNDS

General Employees' Retirement System

Fiscal Year Ended <u>September 30.</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2013	\$ 269,360	102%
2012	129,281	108%
2011	117,424	106%
2010	65,084	156%
2009	58,998	169%
2008	88,622	100%

Police Officers' Retirement System

Fiscal Year Ended <u>September 30.</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2013	\$ 1,220,259	98%
2012	957,779	98%
2011	838,984	113%
2010	800,787	99%
2009	702,853	107%
2008	700,455	96%

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Transportation Surtax – This fund accounts for the Village’s portion of the Miami-Dade County one-half percent transportation surtax approved by voters in November 2002.

Local Option Gas Tax – This fund accounts for the revenues from the six cents and additional three cents sales tax levied on all petroleum products sold in Miami-Dade County.

Building Better Communities – This fund accounts for the improvements to sidewalks and drainage systems which are being funded by granting agencies.

Grants – This fund accounts for the use of specific designated resources related to grant programs.

Law Enforcement Training – This fund accounts for proceeds obtained through fines designated specifically for training law enforcement officers.

Debt Service Fund

General Obligation Bonds – This fund accounts for the 1999 and 2004 General Obligation bonds issued to fund the design, developments and construction of the Miami Shores Aquatic Facility (1999) and for the charter school construction (2004) and other banking financing.

Capital Project Funds

Capital Improvement Fund – This fund accounts for major capital acquisitions and projects to improve the Village.

Charter High School Construction – This fund accounts for all costs associated with the construction of the Doctors Charter School of Miami Shores which was substantially completed in 2005.

MIAMI SHORES VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue Funds					
	<u>Transportation Surtax</u>	<u>Local Option Gas Tax</u>	<u>Building Better Communities</u>	<u>Grants</u>	<u>Law Enforcement Training</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 529,893	\$ 603,518	\$ -	\$ 11,240	\$ 15,450	\$ 1,160,101
Accounts receivable - net	87,732	25,657	35,564	2,216	1,745	152,914
Due from other funds	-	-	-	-	-	-
Total assets	617,625	629,175	35,564	13,456	17,195	1,313,015
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	1,050	-	-	-	-	1,050
Due to other funds	-	-	35,564	-	-	35,564
Total liabilities	1,050	-	35,564	-	-	36,614
<u>FUND BALANCES</u>						
Restricted	614,293	597,412	-	13,456	17,195	1,242,356
Committed	2,282	31,763	-	-	-	34,045
Total fund balances	616,575	629,175	-	13,456	17,195	1,276,401
Total liabilities and fund balances	\$ 617,625	\$ 629,175	\$ 35,564	\$ 13,456	\$ 17,195	\$ 1,313,015

MIAMI SHORES VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Debt Service	Capital Projects			Total Nonmajor Governmental Funds
	<u>GO Bonds</u>	Capital Improvement Fund	Charter High School Construction	<u>Total</u>	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,078,873	\$ 511,281	\$ 66,440	\$ 577,721	\$ 2,816,695
Accounts receivable - net	4,388	-	-	-	157,302
Due from other funds	-	-	-	-	-
Total assets	<u>1,083,261</u>	<u>511,281</u>	<u>66,440</u>	<u>577,721</u>	<u>2,973,997</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	-	-	-	-	1,050
Due to other funds	-	-	-	-	35,564
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,614</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	1,083,261	-	-	-	2,325,617
Committed	-	511,281	66,440	577,721	611,766
Total fund balances	<u>1,083,261</u>	<u>511,281</u>	<u>66,440</u>	<u>577,721</u>	<u>2,937,383</u>
Total liabilities and fund balances	<u>\$ 1,083,261</u>	<u>\$ 511,281</u>	<u>\$ 66,440</u>	<u>\$ 577,721</u>	<u>\$ 2,973,997</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds					
	Transportation Surtax	Local Option Gas Tax	Building Better Communities	Grants	Law Enforcement Training	Total
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	368,810	349,496	35,564	-	-	753,870
Intergovernmental revenues	-	-	-	87,939	-	87,939
Fines and forfeitures	-	-	-	-	4,489	4,489
Interest income	1,125	1,386	-	-	31	2,542
Total revenues	<u>369,935</u>	<u>350,882</u>	<u>35,564</u>	<u>87,939</u>	<u>4,520</u>	<u>848,840</u>
Expenditures:						
Current:						
General government	-	-	-	83,511	3,375	86,886
Public safety	-	-	-	-	-	-
Public works	199,062	114,109	-	-	-	313,171
Capital outlay	245,348	88,670	35,564	4,428	-	374,010
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>444,410</u>	<u>202,779</u>	<u>35,564</u>	<u>87,939</u>	<u>3,375</u>	<u>774,067</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(74,475)</u>	<u>148,103</u>	<u>-</u>	<u>-</u>	<u>1,145</u>	<u>74,773</u>
Other financing sources:						
Bond proceeds	-	-	-	-	-	-
Transfers (out)	-	(93,702)	-	(1,706)	-	(95,408)
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(93,702)</u>	<u>-</u>	<u>(1,706)</u>	<u>-</u>	<u>(95,408)</u>
Net change in fund balance	<u>(74,475)</u>	<u>54,401</u>	<u>-</u>	<u>(1,706)</u>	<u>1,145</u>	<u>(20,635)</u>
Fund balances, beginning	<u>691,050</u>	<u>574,774</u>	<u>-</u>	<u>15,162</u>	<u>16,050</u>	<u>1,297,036</u>
Fund balances, ending	<u>\$ 616,575</u>	<u>\$ 629,175</u>	<u>\$ -</u>	<u>\$ 13,456</u>	<u>\$ 17,195</u>	<u>\$ 1,276,401</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Debt Service	Capital Projects			Total Nonmajor Governmental Funds
	<u>GO Bonds</u>	<u>Capital Improvement Fund</u>	<u>Charter High School Construction</u>	<u>Total</u>	
Revenues:					
Property taxes	\$ 536,071	\$ -	\$ -	\$ -	\$ 536,071
Other taxes	-	-	-	-	753,870
Intergovernmental revenues	-	-	-	-	87,939
Fines and forfeitures	-	-	-	-	4,489
Interest income	<u>3,244</u>	<u>376</u>	<u>-</u>	<u>376</u>	<u>6,162</u>
Total revenues	<u>539,315</u>	<u>376</u>	<u>-</u>	<u>376</u>	<u>1,388,531</u>
Expenditures:					
Current:					
General government	69,988	-	-	-	156,874
Public safety	-	-	-	-	-
Public works	-	-	-	-	313,171
Capital outlay	-	611,631	6,803	618,434	992,444
Debt service:					
Principal	4,362,580	-	-	-	4,362,580
Interest	<u>432,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,997</u>
Total expenditures	<u>4,865,565</u>	<u>611,631</u>	<u>6,803</u>	<u>618,434</u>	<u>6,258,066</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(4,326,250)</u>	<u>(611,255)</u>	<u>(6,803)</u>	<u>(618,058)</u>	<u>(4,869,535)</u>
Other financing sources:					
Bond proceeds	3,923,000	-	-	-	3,923,000
Transfers (out)	(144,392)	-	-	-	(239,800)
Transfers in	<u>380,330</u>	<u>276,070</u>	<u>-</u>	<u>276,070</u>	<u>656,400</u>
Total other financing sources (uses)	<u>4,158,938</u>	<u>276,070</u>	<u>-</u>	<u>276,070</u>	<u>4,339,600</u>
Net change in fund balance	<u>(167,312)</u>	<u>(335,185)</u>	<u>(6,803)</u>	<u>(341,988)</u>	<u>(529,935)</u>
Fund balances, beginning	<u>1,250,573</u>	<u>846,466</u>	<u>73,243</u>	<u>919,709</u>	<u>3,467,318</u>
Fund balances, ending	<u>\$ 1,083,261</u>	<u>\$ 511,281</u>	<u>\$ 66,440</u>	<u>\$ 577,721</u>	<u>\$ 2,937,383</u>

MIAMI SHORES VILLAGE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds							
	Local Option Gas Tax				Transporation Surtax			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Other taxes	\$ 357,955	\$ 357,955	\$ 349,496	\$ (8,459)	\$ 344,000	\$ 344,000	\$ 368,810	\$ 24,810
Interest income	1,468	1,468	1,386	(82)	630	630	1,125	495
Total revenues	<u>359,423</u>	<u>359,423</u>	<u>350,882</u>	<u>(8,541)</u>	<u>344,630</u>	<u>344,630</u>	<u>369,935</u>	<u>25,305</u>
Expenditures:								
Current:								
Public works	281,171	317,187	202,779	114,408	348,630	348,630	444,410	(95,780)
Total expenditures	<u>281,171</u>	<u>317,187</u>	<u>202,779</u>	<u>114,408</u>	<u>348,630</u>	<u>348,630</u>	<u>444,410</u>	<u>(95,780)</u>
Excess (deficiency) of revenues over expenditures	<u>78,252</u>	<u>42,236</u>	<u>148,103</u>	<u>105,867</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(74,475)</u>	<u>(70,475)</u>
Other financing sources (uses)								
Transfers out	(93,702)	(93,702)	(93,702)	-	-	-	-	-
Transfer from unappropriated fund balance	15,450	51,466	-	(51,466)	4,000	204,000	-	(204,000)
Total other financing sources (uses)	<u>(78,252)</u>	<u>(42,236)</u>	<u>(93,702)</u>	<u>(51,466)</u>	<u>4,000</u>	<u>204,000</u>	<u>-</u>	<u>(204,000)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>54,401</u>	<u>\$ 54,401</u>	<u>-</u>	<u>200,000</u>	<u>(74,475)</u>	<u>\$ (274,475)</u>
Fund balances, beginning	-	-	574,774		-	-	691,050	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,175</u>		<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 616,575</u>	

MIAMI SHORES VILLAGE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds			
	Grants Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 52,999	\$ 52,999	\$ 87,939	\$ 34,940
Total revenues	<u>52,999</u>	<u>52,999</u>	<u>87,939</u>	<u>34,940</u>
Expenditures:				
Current:				
General government	<u>52,999</u>	<u>52,999</u>	<u>89,645</u>	<u>(36,646)</u>
Total expenditures	<u>52,999</u>	<u>52,999</u>	<u>89,645</u>	<u>(36,646)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1,706)</u>	<u>\$ (1,706)</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>15,162</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,456</u>	

MIAMI SHORES VILLAGE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Debt Service Fund				Capital Improvement Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Property taxes	\$ 535,376	\$ 535,376	\$ 536,071	\$ 695	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	3,244	3,244	-	-	376	376
Total revenues	<u>535,376</u>	<u>535,376</u>	<u>539,315</u>	<u>3,939</u>	<u>-</u>	<u>-</u>	<u>376</u>	<u>376</u>
Expenditures:								
Current:								
General government	11,375	70,700	69,988	712	-	-	-	-
Capital outlay	-	-	-	-	276,070	664,637	611,631	53,006
Debt service:								
Principal	513,091	4,362,591	4,362,580	11	-	-	-	-
Interest	391,242	391,242	432,997	(41,755)	-	-	-	-
Total expenditures	<u>915,708</u>	<u>4,824,533</u>	<u>4,865,565</u>	<u>(41,032)</u>	<u>276,070</u>	<u>664,637</u>	<u>611,631</u>	<u>53,006</u>
(Deficiency) of revenues over expenditures before other financing sources	<u>(380,332)</u>	<u>(4,289,157)</u>	<u>(4,326,250)</u>	<u>(37,093)</u>	<u>(276,070)</u>	<u>(664,637)</u>	<u>(611,255)</u>	<u>53,382</u>
Other financing sources								
Bond proceeds	-	3,923,000	3,923,000	-	-	-	-	-
Transfers in	380,332	380,332	380,330	(2)	276,070	276,070	276,070	-
Transfers out	-	(182,000)	(144,392)	37,608	-	-	-	-
Appropriations from prior year fund balance	-	167,825	-	(167,825)	-	388,567	-	(388,567)
Total other financing sources	<u>380,332</u>	<u>4,289,157</u>	<u>4,158,938</u>	<u>(130,219)</u>	<u>276,070</u>	<u>664,637</u>	<u>276,070</u>	<u>(388,567)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(167,312)</u>	<u>\$ (167,312)</u>	<u>-</u>	<u>-</u>	<u>(335,185)</u>	<u>\$ (335,185)</u>
Fund balances, beginning	-	-	1,250,573		-	-	846,466	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,083,261</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,281</u>	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Village on a cost reimbursement basis.

Risk Management Fund – This fund accounts for the accumulation and allocation of costs associated with insurance.

Fleet Maintenance Fund – This fund accounts for all direct and indirect costs to maintain and operate the Village's vehicles and equipment fleet.

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2013

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 945,371	\$ 866,331	\$ 1,811,702
Accounts receivable - net	272,499	-	272,499
Inventories	-	34,907	34,907
Prepaid items	152,642	-	152,642
Total current assets	<u>1,370,512</u>	<u>901,238</u>	<u>2,271,750</u>
Capital assets:			
Capital assets not being depreciated	-	7,127	7,127
Capital assets being depreciated, net	-	1,923,699	1,923,699
Total noncurrent assets	<u>-</u>	<u>1,930,826</u>	<u>1,930,826</u>
Total assets	<u>1,370,512</u>	<u>2,832,064</u>	<u>4,202,576</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	-	3,304	3,304
Compensated absences	-	3,961	3,961
Total current liabilities	<u>-</u>	<u>7,265</u>	<u>7,265</u>
Noncurrent liabilities:			
Compensated absences	-	11,883	11,883
Claims payable	340,000	-	340,000
Total noncurrent liabilities	<u>340,000</u>	<u>11,883</u>	<u>351,883</u>
Total liabilities	<u>340,000</u>	<u>19,148</u>	<u>359,148</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	1,930,826	1,930,826
Unrestricted	1,030,512	882,090	1,912,602
Total net position	<u>\$ 1,030,512</u>	<u>\$ 2,812,916</u>	<u>\$ 3,843,428</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 802,136	\$ 1,137,642	\$ 1,939,778
Operating expenses:			
Administrative and general	17,950	702,995	720,945
Personnel expenses	-	156,271	156,271
Depreciation	-	255,831	255,831
Insurance premiums and claims	662,331	-	662,331
Total operating expenses	<u>680,281</u>	<u>1,115,097</u>	<u>1,795,378</u>
Operating income	<u>121,855</u>	<u>22,545</u>	<u>144,400</u>
Non-operating revenues (expenses):			
Interest income	1,610	1,044	2,654
Interest expense	-	(616)	(616)
Total non-operating revenues (expenses)	<u>1,610</u>	<u>428</u>	<u>2,038</u>
Income before transfers and contributions	<u>123,465</u>	<u>22,973</u>	<u>146,438</u>
Transfers in	<u>-</u>	<u>54,700</u>	<u>54,700</u>
Contributions	<u>-</u>	<u>71,741</u>	<u>71,741</u>
Change in net position	<u>123,465</u>	<u>149,414</u>	<u>272,879</u>
Net position, beginning	<u>907,047</u>	<u>2,663,502</u>	<u>3,570,549</u>
Net position, ending	<u>\$ 1,030,512</u>	<u>\$ 2,812,916</u>	<u>\$ 3,843,428</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Risk Management Fund	Fleet Maintenance Fund	Total
Cash flows from operating activities:			
Cash received from customers, governments and other funds	\$ 676,276	\$ 1,137,642	\$ 1,813,918
Cash paid to suppliers	(686,426)	(724,263)	(1,410,689)
Cash paid to employees	<u>-</u>	<u>(129,197)</u>	<u>(129,197)</u>
Net cash provided by (used in) operating activities	<u>(10,150)</u>	<u>284,182</u>	<u>274,032</u>
Cash flows from non-capital financing activities:			
Transfers in	<u>-</u>	<u>54,700</u>	<u>54,700</u>
Net cash provided by non-capital financing activities	<u>-</u>	<u>54,700</u>	<u>54,700</u>
Cash flows from capital related financing activities:			
Acquisition and construction of fixed assets	-	(25,269)	(25,269)
Principal retirements of capital debt	-	(54,010)	(54,010)
Interest paid on capital debt	<u>-</u>	<u>(616)</u>	<u>(616)</u>
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(79,895)</u>	<u>(79,895)</u>
Cash flows from investing activities:			
Interest and other income	<u>1,610</u>	<u>1,044</u>	<u>2,654</u>
Net cash provided by investing activities	<u>1,610</u>	<u>1,044</u>	<u>2,654</u>
Net increase (decrease) in cash and cash equivalents	(8,540)	260,031	251,491
Cash and cash equivalents, October 1	<u>953,912</u>	<u>606,299</u>	<u>1,560,211</u>
Cash and cash equivalents, September 30	<u>\$ 945,372</u>	<u>\$ 866,330</u>	<u>\$ 1,811,702</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	<u>\$ 121,855</u>	<u>\$ 22,545</u>	<u>\$ 144,400</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	255,831	255,831
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(125,860)	-	(125,860)
Inventories	-	7,229	7,229
Prepays	(6,145)	-	(6,145)
Increase (decrease) in:			
Accounts payable and accrued liabilities	-	935	935
Claims payable	-	-	-
Compensated absences	<u>-</u>	<u>(2,358)</u>	<u>(2,358)</u>
Total adjustments	<u>(132,005)</u>	<u>261,637</u>	<u>129,632</u>
Net cash provided by (used in) operating activities	<u>\$ (10,150)</u>	<u>\$ 284,182</u>	<u>\$ 274,032</u>

FIDUCIARY FUNDS

These funds account for assets held by the Village in a trustee capacity or as an agent for employees.

Pension Trust Funds:

Police Officers Retirement System – To account for the accumulation of resources for pension benefit payments to police officers who have retired from Miami Shores Village.

General Employees Retirement System – To account for the accumulation of resources for pension benefit payments to employees, other than police, who have retired from Miami Shores Village.

Agency Fund:

Police Insurance Trust Fund – To accumulate resources on behalf of police personnel to partially cover retirement health insurance.

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2013

	Police Pension <u>Trust</u>	General Employee's Pension <u>Trust</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,910,122	\$ 1,116,340	\$ 3,026,462
Receivables:			
Accrued interest and dividends	<u>33,497</u>	<u>20,645</u>	<u>54,142</u>
Total receivables	<u>33,497</u>	<u>20,645</u>	<u>54,142</u>
Investments, at fair value			
U.S. Government securities	960,519	639,010	1,599,529
Municipal bonds	203,825	117,878	321,703
Corporate bonds	3,550,466	2,164,886	5,715,352
Mutual funds- equity	3,731,378	3,979,412	7,710,790
Common stocks	<u>6,831,821</u>	<u>2,880,321</u>	<u>9,712,142</u>
Total investments	<u>15,278,009</u>	<u>9,781,507</u>	<u>25,059,516</u>
Total assets	<u>17,221,628</u>	<u>10,918,492</u>	<u>28,140,120</u>
<u>LIABILITIES</u>			
DROP liability	<u>294,435</u>	<u>481,371</u>	<u>775,806</u>
Total liabilities	<u>294,435</u>	<u>481,371</u>	<u>775,806</u>
<u>NET POSITION</u>			
Restricted for pension benefits	<u>\$ 16,927,193</u>	<u>\$ 10,437,121</u>	<u>\$ 27,364,314</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Police Pension <u>Trust</u>	General Employee's Pension <u>Trust</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer	\$ 1,200,000	\$ 275,000	\$ 1,475,000
Employees	<u>220,575</u>	<u>180,077</u>	<u>400,652</u>
Total contributions	1,420,575	455,077	1,875,652
Investment income:			
Unrealized gains	1,688,120	1,178,261	2,866,381
Realized gains	91,392	136,269	227,661
Interest and dividend income	<u>310,689</u>	<u>214,243</u>	<u>524,932</u>
Total investment (losses)	2,090,201	1,528,773	3,618,974
Less investment expenses	<u>174,763</u>	<u>79,259</u>	<u>254,022</u>
Net investment income	<u>1,915,438</u>	<u>1,449,514</u>	<u>3,364,952</u>
Total additions	<u>3,336,013</u>	<u>1,904,591</u>	<u>5,240,604</u>
DEDUCTIONS			
Benefits paid	<u>833,363</u>	<u>546,609</u>	<u>1,379,972</u>
Net increase	2,502,650	1,357,982	3,860,632
Net position restricted for pension benefits			
Beginning of year	<u>14,424,543</u>	<u>9,079,139</u>	<u>23,503,682</u>
End of year	<u>\$ 16,927,193</u>	<u>\$ 10,437,121</u>	<u>\$ 27,364,314</u>

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2013

POLICE INSURANCE TRUST AGENCY FUND

	Balance September 30, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2013</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 160,156	\$ 7,275	\$ -	\$ 167,431
<u>LIABILITIES</u>				
Other liabilities	\$ 160,156	\$ 7,275	\$ -	\$ 167,431

STATISTICAL SECTION

**MIAMI SHORES VILLAGE, FLORIDA
STATISTICAL SECTION**

This part of the Miami Shore Village'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.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	68-72
Revenue Capacity <i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	73-77
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in future.</i>	78-80
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	81-82
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	83

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

MIAMI SHORES VILLAGE, FLORIDA

NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:										
Net investment in capital assets	\$ 13,445,077	\$ 13,160,184	\$ 12,279,776	\$ 11,507,713	\$ 12,276,631	\$ 11,255,620	\$ 9,393,138	\$ 4,993,244	\$ 4,325,823	\$ 2,055,725
Restricted	6,042,082	5,834,992	3,975,983	3,509,136	3,025,933	4,112,366	3,345,154	3,487,313	3,627,263	6,896,234
Unrestricted	9,430,521	9,592,734	9,904,824	9,350,904	8,901,635	6,373,568	4,506,954	(653,531)	(1,860,128)	(4,887,241)
Total governmental activities net position	<u>28,917,680</u>	<u>28,587,910</u>	<u>26,160,583</u>	<u>24,367,753</u>	<u>24,204,199</u>	<u>21,741,554</u>	<u>17,245,246</u>	<u>7,827,026</u>	<u>6,092,958</u>	<u>4,064,718</u>
Business-type activities:										
Net investment in capital assets	2,252,711	1,921,615	1,924,061	2,043,795	558,671	624,398	770,301	748,120	704,574	1,036,842
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,598,838	2,688,382	2,385,331	2,032,852	1,578,649	1,132,430	625,851	540,462	520,859	(95,782)
Total business-type activities net position	<u>4,851,549</u>	<u>4,609,997</u>	<u>4,309,392</u>	<u>4,076,647</u>	<u>2,137,320</u>	<u>1,756,828</u>	<u>1,396,152</u>	<u>1,288,582</u>	<u>1,225,433</u>	<u>941,060</u>
Primary government:										
Net investment in capital assets	15,697,788	15,081,799	14,203,837	13,551,508	12,835,302	11,880,018	10,163,439	5,741,364	5,030,397	3,092,567
Restricted	6,042,082	5,834,992	3,975,983	3,509,136	3,025,933	4,112,366	3,345,154	3,487,313	3,627,263	6,896,234
Unrestricted	12,029,359	12,281,116	12,290,155	11,383,756	10,480,284	7,505,998	5,132,805	(113,069)	(1,339,269)	(4,983,023)
Total primary government net position	<u>\$ 33,769,229</u>	<u>\$ 33,197,907</u>	<u>\$ 30,469,975</u>	<u>\$ 28,444,400</u>	<u>\$ 26,341,519</u>	<u>\$ 23,498,382</u>	<u>\$ 18,641,398</u>	<u>\$ 9,115,608</u>	<u>\$ 7,318,391</u>	<u>\$ 5,005,778</u>

MIAMI SHORES VILLAGE, FLORIDA

CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
General government	\$ 2,418,939	\$ 2,336,763	\$ 2,396,446	\$ 2,390,719	\$ 2,489,426	\$ 2,325,019	\$ 2,941,291	\$ 4,509,714	\$ 3,330,873	\$ 3,517,307
Public safety	6,425,432	5,509,508	5,596,692	5,216,724	5,056,573	4,649,985	4,451,336	4,166,932	4,144,837	3,699,805
Public works	2,385,338	2,346,575	1,949,960	2,201,667	2,237,962	2,407,032	2,357,012	2,232,714	2,133,108	1,409,982
Culture and recreation	2,816,882	2,583,688	2,498,408	2,341,310	2,417,232	2,321,392	2,190,507	2,273,686	2,317,936	2,488,378
Interest on debt	432,997	425,355	443,542	465,672	486,658	500,045	504,411	448,986	544,778	186,174
Total governmental activities expenses	<u>14,479,588</u>	<u>13,201,889</u>	<u>12,885,048</u>	<u>12,616,092</u>	<u>12,687,851</u>	<u>12,203,473</u>	<u>12,444,557</u>	<u>13,632,032</u>	<u>12,471,532</u>	<u>11,301,646</u>
Business-type activities:										
Sanitation	2,104,715	2,208,585	2,257,285	2,382,893	2,262,446	2,260,374	2,328,930	2,274,983	2,201,480	1,486,983
Stormwater	180,702	175,761	190,992	206,300	160,808	133,913	150,783	111,931	133,396	149,011
Total business-type activities expenses	<u>2,285,417</u>	<u>2,384,346</u>	<u>2,448,277</u>	<u>2,589,193</u>	<u>2,423,254</u>	<u>2,394,287</u>	<u>2,479,713</u>	<u>2,386,914</u>	<u>2,334,876</u>	<u>1,635,994</u>
Total primary government expenses	<u>16,765,005</u>	<u>15,586,235</u>	<u>15,333,325</u>	<u>15,205,285</u>	<u>15,111,105</u>	<u>14,597,760</u>	<u>14,924,270</u>	<u>16,018,946</u>	<u>14,806,408</u>	<u>12,937,640</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	841,572	1,069,135	1,177,047	747,353	914,062	128,389	119,903	169,058	1,655,350	1,305,450
Public safety	1,553,168	2,326,376	777,655	733,926	746,055	424,353	472,470	377,470	274,322	253,121
Public works	843,218	727,160	814,600	750,145	1,082,667	644,197	611,097	674,852	285,611	-
Culture and recreation	1,375,506	1,293,788	1,117,160	1,079,727	965,541	854,747	837,492	759,962	-	-
Operating grants and contributions	87,368	170,234	217,303	95,692	-	-	-	1,900,256	697,160	89,545
Capital grants and contributions	35,564	47,447	65,921	171,549	-	-	-	188,709	2,111,291	-
Total governmental activities program revenues	<u>4,736,396</u>	<u>5,634,140</u>	<u>4,169,686</u>	<u>3,578,392</u>	<u>3,708,325</u>	<u>2,051,686</u>	<u>2,040,962</u>	<u>4,070,307</u>	<u>5,023,734</u>	<u>1,648,116</u>
Business-type activities:										
Charges for services:										
Sanitation	2,667,843	2,765,775	2,665,041	2,886,107	2,781,700	2,729,793	2,508,236	2,538,269	2,666,340	1,844,807
Stormwater	248,132	252,420	248,668	247,349	228,393	225,719	195,582	189,428	209,852	165,094
Total business-type activities program revenues	<u>2,915,975</u>	<u>3,018,195</u>	<u>2,913,709</u>	<u>3,133,456</u>	<u>3,010,093</u>	<u>2,955,512</u>	<u>2,703,818</u>	<u>2,727,697</u>	<u>2,876,192</u>	<u>2,009,901</u>
Total primary government program revenue	<u>\$ 7,652,371</u>	<u>\$ 8,652,335</u>	<u>\$ 7,083,395</u>	<u>\$ 6,711,848</u>	<u>\$ 6,718,418</u>	<u>\$ 5,007,198</u>	<u>\$ 4,744,780</u>	<u>\$ 6,798,004</u>	<u>\$ 7,899,926</u>	<u>\$ 3,658,017</u>

(Continued)

MIAMI SHORES VILLAGE, FLORIDA

CHANGES IN NET POSITION
(Continued)
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (expenses) revenue:										
Governmental activities	\$ (9,743,191)	\$ (7,567,750)	\$ (8,715,362)	\$ (9,037,699)	\$ (8,479,225)	\$ (9,194,005)	\$ (10,150,679)	\$ (9,561,725)	\$ (7,447,798)	\$ (9,653,530)
Business-type activities	<u>630,558</u>	<u>633,849</u>	<u>465,432</u>	<u>544,263</u>	<u>590,839</u>	<u>561,225</u>	<u>224,105</u>	<u>340,783</u>	<u>541,316</u>	<u>373,907</u>
	<u>(9,112,633)</u>	<u>(6,933,901)</u>	<u>(8,249,930)</u>	<u>(8,493,436)</u>	<u>(7,888,386)</u>	<u>(8,632,780)</u>	<u>(9,926,574)</u>	<u>(9,220,942)</u>	<u>(6,906,482)</u>	<u>(9,279,623)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	6,255,087	6,078,085	6,143,806	6,583,883	7,275,746	7,224,338	7,373,484	6,260,392	5,372,790	5,398,417
Public services tax	2,045,767	2,098,267	2,137,473	2,222,743	2,113,032	3,076,198	2,923,499	2,849,982	2,145,784	1,213,775
Intergovernmental	929,762	918,034	936,215	797,773	789,922	895,188	954,600	1,059,067	1,169,950	1,442,274
Miscellaneous	415,330	493,243	1,019,320	950,040	447,741	562,941	577,719	308,426	239,325	284,224
Interest earning - unrestricted	32,015	61,071	36,378	38,978	100,429	242,563	398,463	504,743	189,699	43,363
Gain on sale of capital assets	-	-	-	-	-	-	2,269	3,175	1,651	-
Transfers	<u>395,000</u>	<u>335,000</u>	<u>235,000</u>	<u>(1,392,164)</u>	<u>215,000</u>	<u>215,000</u>	<u>210,000</u>	<u>310,000</u>	<u>210,000</u>	<u>195,834</u>
Total governmental activities	<u>10,072,961</u>	<u>9,983,700</u>	<u>10,508,192</u>	<u>9,201,253</u>	<u>10,941,870</u>	<u>12,216,228</u>	<u>12,440,034</u>	<u>11,295,785</u>	<u>9,329,199</u>	<u>8,577,887</u>
Business-type activities:										
Investment earnings	5,994	1,756	2,313	2,900	4,653	14,451	22,377	6,868	8,427	1,477
Other general revenues	-	-	-	-	-	-	-	25,500	66,615	-
Transfers	<u>(395,000)</u>	<u>(335,000)</u>	<u>(235,000)</u>	<u>1,392,164</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>(210,000)</u>	<u>(310,000)</u>	<u>(210,000)</u>	<u>(195,834)</u>
Total business-type activities	<u>(389,006)</u>	<u>(333,244)</u>	<u>(232,687)</u>	<u>1,395,064</u>	<u>(210,347)</u>	<u>(200,549)</u>	<u>(187,623)</u>	<u>(277,632)</u>	<u>(134,958)</u>	<u>(194,357)</u>
Total primary government	<u>9,683,955</u>	<u>9,650,456</u>	<u>10,275,505</u>	<u>10,596,317</u>	<u>10,731,523</u>	<u>12,015,679</u>	<u>12,252,411</u>	<u>11,018,153</u>	<u>9,194,241</u>	<u>8,383,530</u>
Change in net position:										
Governmental activities	329,770	2,415,950	1,792,830	163,554	2,462,645	3,022,223	2,289,355	1,734,060	1,881,401	(1,075,643)
Business-type activities	<u>241,552</u>	<u>300,605</u>	<u>232,745</u>	<u>1,939,327</u>	<u>380,492</u>	<u>360,676</u>	<u>36,482</u>	<u>63,151</u>	<u>406,358</u>	<u>179,550</u>
Total primary government	<u>\$ 571,322</u>	<u>\$ 2,716,555</u>	<u>\$ 2,025,575</u>	<u>\$ 2,102,881</u>	<u>\$ 2,843,137</u>	<u>\$ 3,382,899</u>	<u>\$ 2,325,837</u>	<u>\$ 1,797,211</u>	<u>\$ 2,287,759</u>	<u>\$ (896,093)</u>

MIAMI SHORES VILLAGE, FLORIDA
FUND BALANCES FOR GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS

	Fiscal Year																																																																																																																																													
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>																																																																																																																																				
General fund:																																																																																																																																														
Reserved	\$ -	\$ -	\$ -	\$ 134,569	\$ 80,052	\$ 71,923	\$ 189,953	\$ 199,435	\$ 168,497	\$ 178,786																																																																																																																																				
Unreserved	-	-	-	6,391,651	5,014,190	5,449,842	4,022,283	2,050,103	1,437,867	1,011,418																																																																																																																																				
Nonspendable	* 32,305	33,480	1,885	-	-	-	-	-	-	-																																																																																																																																				
Restricted	* -	-	-	-	-	-	-	-	-	-																																																																																																																																				
Committed	* 45,947	77,512	63,109	-	-	-	-	-	-	-																																																																																																																																				
Assigned	* -	-	-	-	-	-	-	-	-	-																																																																																																																																				
Unassigned	* 7,884,961	7,846,925	7,609,716	-	-	-	-	-	-	-	Total general fund	<u>\$ 7,963,213</u>	<u>\$ 7,957,917</u>	<u>\$ 7,674,710</u>	<u>\$ 6,526,220</u>	<u>\$ 5,094,242</u>	<u>\$ 5,521,765</u>	<u>\$ 4,212,236</u>	<u>\$ 2,249,538</u>	<u>\$ 1,606,364</u>	<u>\$ 1,190,204</u>	All other governmental funds:											Reserved	\$ -	\$ -	\$ -	\$ 5,247,645	\$ 5,449,479	\$ 4,300,256	\$ 2,852,772	\$ 2,439,044	\$ 2,949,951	\$ 6,546,875	Unreserved reported in:											Special revenue funds	-	-	-	201,327	348,194	229,152	861,799	682,726	297,583	192,833	Capital project funds	-	-	-	566,251	603,735	551,837	560,171	1,029,557	(990,986)	298,078	Nonspendable	* -	59,270	61,225	-	-	-	-	-	-	-	Restricted	* 6,042,082	5,798,976	3,975,983	-	-	-	-	-	-	-	Committed	* 611,766	955,728	1,748,148	-	-	-	-	-	-	-	Assigned	* -	-	-	-	-	-	-	-	-	-	Unassigned	* -	-	-	-	-	-	-	-	-	-	Total all other governmental funds	<u>\$ 6,653,848</u>	<u>\$ 6,813,974</u>	<u>\$ 5,785,356</u>	<u>\$ 6,015,223</u>	<u>\$ 6,401,408</u>	<u>\$ 5,081,245</u>	<u>\$ 4,274,742</u>	<u>\$ 4,151,327</u>	<u>\$ 2,256,548</u>	<u>\$ 7,037,786</u>
Total general fund	<u>\$ 7,963,213</u>	<u>\$ 7,957,917</u>	<u>\$ 7,674,710</u>	<u>\$ 6,526,220</u>	<u>\$ 5,094,242</u>	<u>\$ 5,521,765</u>	<u>\$ 4,212,236</u>	<u>\$ 2,249,538</u>	<u>\$ 1,606,364</u>	<u>\$ 1,190,204</u>																																																																																																																																				
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Reserved	\$ -	\$ -	\$ -	\$ 5,247,645	\$ 5,449,479	\$ 4,300,256	\$ 2,852,772	\$ 2,439,044	\$ 2,949,951	\$ 6,546,875																																																																																																																																				
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Nonspendable	* -	59,270	61,225	-	-	-	-	-	-	-																																																																																																																																				
Restricted	* 6,042,082	5,798,976	3,975,983	-	-	-	-	-	-	-																																																																																																																																				
Committed	* 611,766	955,728	1,748,148	-	-	-	-	-	-	-																																																																																																																																				
Assigned	* -	-	-	-	-	-	-	-	-	-																																																																																																																																				
Unassigned	* -	-	-	-	-	-	-	-	-	-	Total all other governmental funds	<u>\$ 6,653,848</u>	<u>\$ 6,813,974</u>	<u>\$ 5,785,356</u>	<u>\$ 6,015,223</u>	<u>\$ 6,401,408</u>	<u>\$ 5,081,245</u>	<u>\$ 4,274,742</u>	<u>\$ 4,151,327</u>	<u>\$ 2,256,548</u>	<u>\$ 7,037,786</u>																																																																																																																									
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*During FY2011 the Village implemented the new fund balance classifications.

MIAMI SHORES VILLAGE, FLORIDA
CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:										
Taxes	\$ 6,255,087	\$ 6,078,085	\$ 6,143,806	\$ 6,583,883	\$ 7,275,746	\$ 7,224,338	\$ 7,373,484	\$ 6,260,392	\$ 5,372,790	\$ 6,087,800
Public services taxes	2,799,637	2,795,688	2,851,593	2,874,645	2,906,861	2,925,431	2,923,499	2,849,982	2,431,395	538,537
Licenses and permits	841,572	914,833	1,052,626	658,833	671,674	682,951	666,628	776,199	790,257	645,238
Intergovernmental	1,052,694	1,135,715	1,219,439	1,065,014	1,290,223	1,837,400	1,188,368	3,125,789	1,756,820	1,442,274
Charges for services	1,941,090	1,734,095	1,542,432	1,460,451	1,310,257	1,101,300	1,077,259	967,235	865,093	653,943
Fines and forfeitures	858,753	1,955,837	423,905	444,944	495,503	267,435	297,075	237,908	264,742	253,121
Miscellaneous	415,330	493,243	986,649	950,040	447,741	529,163	577,719	308,426	248,905	284,224
Investment earnings	32,015	59,289	31,796	35,153	94,300	227,663	349,971	201,466	166,715	43,363
Contributions	-	-	-	-	-	15,570	19,148	22,243	2,221,581	49,970
Confiscation property	-	-	-	-	-	-	-	-	-	31,697
Total revenues	<u>14,196,178</u>	<u>15,166,785</u>	<u>14,252,246</u>	<u>14,072,963</u>	<u>14,492,305</u>	<u>14,811,251</u>	<u>14,473,151</u>	<u>14,749,640</u>	<u>14,118,298</u>	<u>10,030,167</u>
Expenditures:										
General government	2,500,274	2,291,190	2,391,556	2,235,855	2,284,775	2,131,535	2,604,109	3,831,791	2,972,126	2,635,915
Public safety	6,111,942	5,536,160	5,399,589	5,022,542	5,050,239	4,659,900	4,257,493	3,581,621	3,751,476	3,585,699
Public works	1,662,089	1,684,822	1,540,755	1,625,085	1,753,100	1,973,446	2,144,151	1,747,689	1,797,164	1,232,009
Culture and recreation	2,428,789	2,209,660	2,161,213	2,076,176	2,169,671	2,139,027	2,005,558	1,890,555	1,869,382	2,082,218
Capital outlay	1,115,631	1,449,486	1,173,423	1,398,405	1,651,286	1,015,184	1,252,210	1,436,523	7,189,961	997,456
Debt services:										
Principal	4,362,580	487,690	465,351	448,297	431,763	415,130	399,008	1,140,461	709,822	254,132
Interest	432,997	421,599	436,736	455,810	473,831	495,997	507,244	406,413	403,445	274,707
Total expenditures	<u>18,614,302</u>	<u>14,080,607</u>	<u>13,568,623</u>	<u>13,262,170</u>	<u>13,814,665</u>	<u>12,830,219</u>	<u>13,169,773</u>	<u>14,035,053</u>	<u>18,693,376</u>	<u>11,062,136</u>
(Deficiency) excesss of revenues over expenditures	(4,418,124)	1,086,178	683,623	810,793	677,640	1,981,032	1,303,378	714,587	(4,575,078)	(1,031,969)
Other financing sources (uses):										
Proceeds from long-term debt	3,923,000	-	-	-	-	-	-	2,500,000	-	4,990,413
Payment to refunding agent	-	-	-	-	-	-	-	-	-	-
Transfer in	3,028,480	2,983,374	3,331,180	3,283,369	6,066,843	3,308,918	3,745,053	4,128,423	2,275,298	2,109,213
Transfer out	(2,688,180)	(2,757,627)	(3,096,180)	(3,048,369)	(5,851,843)	(3,173,918)	(3,946,546)	(4,805,054)	(2,065,298)	(1,913,379)
Total other financing sources (uses)	<u>4,263,300</u>	<u>225,747</u>	<u>235,000</u>	<u>235,000</u>	<u>215,000</u>	<u>135,000</u>	<u>(201,493)</u>	<u>1,823,369</u>	<u>210,000</u>	<u>5,186,247</u>
Net change in fund balances	<u>\$ (154,824)</u>	<u>\$ 1,311,925</u>	<u>\$ 918,623</u>	<u>\$ 1,045,793</u>	<u>\$ 892,640</u>	<u>\$ 2,116,032</u>	<u>\$ 1,101,885</u>	<u>\$ 2,537,956</u>	<u>\$ (4,365,078)</u>	<u>\$ 4,154,278</u>
Debt service as a percentage of noncapital expenditures	27.4%	7.2%	7.3%	7.6%	7.4%	7.7%	7.6%	12.3%	9.7%	5.3%

MIAMI SHORES VILLAGE, FLORIDA
 General Governmental and Excise Tax Revenues By Source
 Last Ten Fiscal Years
 (accrual basis of accounting)

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Public Service Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Interest Income</u>	<u>Total</u>
2004	4,042,656	1,752,520	645,238	1,164,631	653,943	253,121	224,528	2,249	8,738,886
2005	4,723,963	1,831,958	790,257	994,950	865,093	264,742	190,978	36,381	9,698,322
2006	5,626,022	2,215,461	776,199	1,059,067	967,235	237,908	246,205	104,444	11,232,541
2007	6,676,178	2,209,125	666,628	954,600	1,077,259	297,075	52,150	199,092	12,132,107
2008	6,605,878	2,222,806	682,951	895,188	1,101,300	267,435	163,325	134,903	12,073,786
2009	6,699,188	2,263,799	671,674	789,921	1,310,257	495,503	161,227	30,488	12,422,057
2010	6,050,360	2,222,743	658,833	797,773	1,460,451	346,463	705,358	19,633	12,261,614
2011	5,614,746	2,137,473	1,052,626	912,421	1,542,432	329,906	633,318	12,859	12,235,781
2012	5,524,395	2,098,267	914,833	892,474	1,734,095	320,926	361,318	42,552	11,888,860
2013	5,719,016	2,045,767	841,572	964,755	1,941,090	609,029	276,811	18,746	12,416,786

Revenues included in the General and Excise Tax Funds

MIAMI SHORES VILLAGE, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	<u>Residential Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Market Value</u>	<u>Assessed Value as a percentage of Market Value</u>
2004	516,425,642	20,389,383	944,009	537,759,034	8.2651	950,461,232	56.58%
2005	572,491,450	23,151,545	1,078,390	596,721,385	9.3751	1,132,666,381	52.68%
2006	686,912,201	23,406,085	1,233,756	711,552,042	9.1796	1,443,293,476	49.30%
2007	810,656,588	22,876,703	1,319,888	834,853,179	9.1059	1,853,915,592	45.03%
2008	939,127,227	22,814,441	1,317,506	963,259,174	7.8164	2,214,199,534	43.50%
2009	902,193,025	18,873,700	1,612,487	922,679,212	8.2929	2,047,175,031	45.07%
2010	778,813,734	17,201,636	2,133,438	798,148,808	8.7059	1,524,554,727	52.35%
2011	703,899,345	15,775,621	1,498,857	721,173,823	8.7762	1,283,953,769	56.17%
2012	698,738,442	16,953,525	1,544,711	717,236,678	8.7855	1,243,667,012	57.67%
2013	727,955,201	17,910,658	1,530,814	747,396,673	8.7500	1,284,277,736	58.20%

Source: Miami-Dade County Property Appraisal Office.

Note: Property in the Village is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value. The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3 percent per year or the amount of the Consumer Price index, whichever is less. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per \$1,000 of assessed value.

MIAMI SHORES VILLAGE, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS (1)
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	<u>Miami Shores Village</u>			<u>County</u>			<u>Special Districts</u>			Total Direct & Overlapping Rates
	<u>City Wide</u>	<u>Debt Service</u>	<u>Total Direct Rate</u>	<u>County- Wide</u>	<u>Debt Service</u>	<u>Fire</u>	<u>Library</u>	<u>School</u>	<u>State</u>	
2004	7.7500	0.5150	8.2650	6.4690	0.2850	2.6610	-	9.1000	0.7355	27.5155
2005	8.2500	1.1251	9.3751	6.3792	0.2850	2.6610	-	8.6870	0.7355	28.1228
2006	8.2500	0.9296	9.1796	6.2638	0.2850	2.6610	-	8.4380	0.7355	27.5629
2007	8.2500	0.8559	9.1059	6.0373	0.2850	2.6510	-	8.1050	0.7355	26.9197
2008	7.1400	0.6764	7.8164	5.0019	0.2850	2.2477	-	7.9480	0.6585	23.9575
2009	7.6351	0.6578	8.2929	5.2945	0.2850	2.2487	-	7.7970	0.6585	24.5766
2010	8.0000	0.7059	8.7059	5.3370	0.2850	2.2271	-	7.9950	0.6585	25.2085
2011	8.0000	0.7762	8.7762	5.9275	0.2850	2.5953	-	8.2490	0.6585	26.4915
2012	8.0000	0.7855	8.7855	4.8050	0.2850	2.4627	-	8.0050	0.9708	25.3140
2013	8.0000	0.7500	8.7500	4.7035	0.2850	2.4627	-	7.9980	0.9634	25.1626

(1) Overlapping rates are those of local and county governments that apply to property owners within the Village of Miami Shores.

Additional information:

Property tax rates are assessed per \$1,000 of Taxable Assessed Valuation

Tax rate limits:

City	10.000 Mills
County	10.000 Mills
School	10.000 Mills
State	10.000 Mills

Source: Miami Dade County Finance Department, Tax Collector's Division

MIAMI SHORES VILLAGE, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>
Shore Square Properties, LLC	\$ 11,271,148	1	1.51%			0.00%
Tropical Chevrolet, Inc.	6,835,155	2	0.91%	3,221,674	3	0.60%
Florida Power & Light Co.	6,803,399	3	0.91%			0.00%
DVS LLC	2,820,821	4	0.38%			0.00%
Wal Miami LLC	2,456,175	5	0.33%			0.00%
Frances B Everett	2,400,000	6	0.32%			0.00%
Bank of America, N.A.	2,119,319	7	0.28%	1,264,122	8	0.24%
Omar Cassola	1,926,818	8	0.26%	1,615,135	5	0.30%
Norton L Barchan & W	1,900,395	9	0.25%			0.00%
Robert Ader & W	1,822,823	10	0.24%			0.00%
Northern Trust Bank (Publix)	-		0.00%	5,732,073	1	1.07%
Boris Moroz/Phil Glassman Trust	-		0.00%	4,104,988	2	0.76%
Bujolo, Inc	-		0.00%	1,857,565	4	0.35%
Village of Del Mar Development	-		0.00%	1,453,275	6	0.27%
George & Nancy Bennet	-		0.00%	1,436,675	7	0.27%
George and Maria Sirota	-		0.00%	1,242,486	9	0.23%
Thomas and Sandra Chaille	-		0.00%	1,169,191	10	0.22%
Total	\$ 40,356,053		5.40%	\$ 23,097,184		3.85%

Source: Miami-Dade County Property Appraiser Office

MIAMI SHORES VILLAGE, FLORIDA
OPERATING PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Total Levied for the <u>Fiscal Year</u>	Collected within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	Total collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	4,183,498	3,871,322	92.5%	171,334	4,042,656	96.6%
2005	4,922,951	4,525,683	91.9%	198,280	4,723,963	96.0%
2006	5,870,304	5,441,607	92.7%	184,415	5,626,022	95.8%
2007	6,887,539	6,571,642	95.4%	104,536	6,676,178	96.9%
2008	6,877,671	6,396,440	93.0%	209,438	6,605,878	96.0%
2009	7,044,748	6,474,514	91.9%	224,674	6,699,188	95.1%
2010	6,385,190	5,903,212	92.5%	147,128	6,050,340	94.8%
2011	5,769,391	5,474,167	94.9%	140,579	5,614,746	97.3%
2012	5,756,124	5,463,514	94.9%	60,881	5,524,395	96.0%
2013	5,998,630	5,672,080	94.6%	46,936	5,719,016	95.3%

Source: Miami Shores Village Finance Department and Miami-Dade County Property Appraisers Office.

MIAMI SHORES VILLAGE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Governmental Activities			Percentage of Actual Taxable Value of <u>Property</u>	Percentage of Personal <u>Income</u>
	General Obligation <u>Bonds</u>	Loan <u>Payable</u>	<u>Total</u>		
2004	7,910,000	1,485,868	9,395,868	1.75%	0.32%
2005	7,750,000	1,405,069	9,155,069	1.53%	0.35%
2006	7,585,000	3,444,879	11,029,879	1.55%	0.31%
2007	7,415,000	3,215,811	10,630,811	1.27%	0.34%
2008	7,235,000	3,438,552	10,673,552	1.11%	0.35%
2009	7,050,000	3,095,362	10,145,362	1.10%	0.37%
2010	6,860,000	2,737,674	9,597,674	1.20%	0.24%
2011	6,665,000	2,358,637	9,023,637	1.25%	0.29%
2012	6,460,000	1,922,581	8,382,581	1.17%	0.40%
2013	6,298,000	1,645,000	7,943,000	1.06%	0.42%

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

MIAMI SHORES VILLAGE, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2013
(in thousands)

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
Overlapping debt:				
Miami-Dade County, Florida	(1)	\$ 1,023,586	0.39%	\$ 4,012
Miami-Dade County Public Schools	(2)	<u>173,605</u>	0.36%	<u>631</u>
Total overlapping debt		\$ 1,197,191		4,643
 Miami Shores Village		<u>7,943</u>	100.00%	<u>7,943</u>
Total direct and overlapping debt		<u><u>\$ 1,205,134</u></u>		<u><u>\$ 12,586</u></u>

Sources:

- (1) Miami-Dade County, Finance Department - Bond Administration Division
- (2) The School Board of Miami-Dade County - Office of the Controller
- (3) The percentage of overlapping debt applicable is estimated using the taxable assessed property values of the Village as compared to the taxable assessed property value of the County and the School Board.

MIAMI SHORES VILLAGE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
FOR THE LAST TEN FISCAL YEARS

Legal debt margin calculation for fiscal year 2013:

Assessed value	\$ 747,396,673
Debt limit (10% of assessed value)	74,739,667
Debt applicable to limit:	
Total bonded debt	7,943,000
Less:	
Revenue bonds	
Installment loans	<u>(1,645,000)</u>
Total debt applicable to limitation	6,298,000
Legal debt margin	\$ 68,441,667

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 68,441,667	\$ 65,491,549	\$ 65,452,382	\$ 72,954,881	\$ 72,117,382	\$ 92,267,921	\$ 82,713,158	\$ 71,155,204	\$ 59,672,139	\$ 53,775,903
Total net debt applicable to limit	<u>6,298,000</u>	<u>6,460,000</u>	<u>6,665,000</u>	<u>6,860,000</u>	<u>7,235,000</u>	<u>7,415,000</u>	<u>7,415,000</u>	<u>7,585,000</u>	<u>7,750,000</u>	<u>7,910,000</u>
Legal debt margin	<u>\$ 62,143,667</u>	<u>\$ 59,031,549</u>	<u>\$ 58,787,382</u>	<u>\$ 66,094,881</u>	<u>\$ 64,882,382</u>	<u>\$ 84,852,921</u>	<u>\$ 75,298,158</u>	<u>\$ 63,570,204</u>	<u>\$ 51,922,139</u>	<u>\$ 45,865,903</u>
Total net debt applicable to the limit as a percentage of debt limit	9.20%	9.86%	10.18%	9.40%	10.03%	8.04%	8.96%	10.66%	12.99%	14.71%

MIAMI SHORES VILLAGE, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income (Thousand of Dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2004	10,385	309,650	29,817	5.4%
2005	10,380	330,779	31,867	4.3%
2006	10,462	363,126	34,709	3.8%
2007	10,380	371,511	35,791	3.6%
2008	10,380	386,800	37,264	5.3%
2009	10,380	393,495	37,909	8.9%
2010	10,654	244,648	22,963	12.1%
2011	10,500	274,407	26,134	11.8%
2012	10,493	352,932	33,635	8.7%
2013	10,659	358,515	33,635	8.4%

Sources:

- (1) State of Florida Department of Revenue
- (2) Beacon Council of Miami Dade County
- (3) U.S. Department of Labor Statistics

MIAMI SHORES VILLAGE, FLORIDA
PRINCIPAL EMPLOYERS LOCATED IN MIAMI-DADE COUNTY
CURRENT YEAR AND TEN YEARS AGO

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	48,571	1	3.80%	45,886	1	4.18%
Miami-Dade County, Florida	29,000	2	2.27%	32,000	2	2.92%
Federal Government	19,500	3	1.52%	20,100	3	1.83%
Florida State Government	17,100	4	1.34%	18,900	4	1.72%
University of Miami	16,000	5	1.25%	9,079	6	0.83%
Baptist Health Systems of South FL	13,376	6	1.05%	7,000	9	0.64%
Jackson Health System	12,571	7	0.98%	11,700	5	1.07%
Publix Super Markets	10,800	8	0.70%			0.82%
American Airlines	9,000	9	0.70%	9,000	7	0.82%
Florida International University	8,000	10	0.63%			0.00%
Precision Response Corporation				6,000	10	
Miami Dade Community College				7,500	8	
Total Civilian Labor Force Employment	<u>1,279,047</u>			<u>1,097,454</u>		

Source: The Beacon Council, Miami Florida, Miami Business Profile

MIAMI SHORES VILLAGE, FLORIDA
VILLAGE EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government:										
Administration:										
Full time	10	9	9	9	9	9	10	11	10	-
Part time	5	5	5	-	-	-	-	-	-	-
Finance:										
Full time	5	5	5	5	4	4	4	5	5	5
Part time	-	-	-	1	1	1	1	1	1	1
Public works:										
Full time	41	40	40	47	45	44	60	66	55	54
Part time	1	-	-	1	2	1	2	2	2	2
Culture and recreation:										
Recreation:										
Full time	12	13	13	13	11	12	12	12	12	12
Part time	51	30	30	51	56	48	64	64	64	64
Library:										
Full time	3	3	3	3	3	3	3	4	4	4
Part time	7	6	6	7	7	7	7	6	7	7
Public safety										
Police										
Full time	43	44	44	45	45	43	47	47	44	44
Part time	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>
Total	<u>181</u>	<u>158</u>	<u>158</u>	<u>185</u>	<u>186</u>	<u>175</u>	<u>215</u>	<u>223</u>	<u>209</u>	<u>197</u>

Source: Village Finance Office

COMPLIANCE SECTION



CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

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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
Miami Shores Village, Florida

We have audited, in accordance with the 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 Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 6, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP
Coral Gables, Florida
June 6, 2014



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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the Village Council
Miami Shores Village, Florida

We have audited the basic financial statements of Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated June 6, 2014.

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 Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated June 6, 2014, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address 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 have any such findings.
- Section 10.554(1)(i)5., 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. This information is disclosed in the notes to the financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Village for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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, and management of the Village, and is not intended to be and should not be used by anyone other than these specified parties.

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP
Coral Gables, Florida
June 6, 2014