



MIAMI

SHORES

VILLAGE

A FLORIDA
MUNICIPALITY

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year ended September 30, 2015

MIAMI SHORES VILLAGE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

PREPARED BY THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION



Miami Shores Village

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ALICE BURCH
MAYOR

STEVEN ZELKOWITZ
VICE MAYOR

HERTA HOLLY
COUNCILWOMAN

MAC GLINN
COUNCILMAN

IVONNE LEDESMA
COUNCILWOMAN

TOM BENTON
VILLAGE MANAGER

BARBARA ESTEP, MMC
VILLAGE CLERK

RICHARD SARAFAN
VILLAGE ATTORNEY

June 30, 2016

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

**Subject: FY 2014-15
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, 2015. 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 have 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 Alberni, Caballero & Fierman, 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, 2015 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, 2015 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 10,775 residents living within the 2.5 square mile jurisdiction. The Village generally begins at Biscayne Bay on the east and goes west to Northwest Second Avenue. The north and south boundaries are generally 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. Despite its close proximity to Downtown Miami, the Village maintains a suburban feel. With limited commercial presence, new growth will likely be limited to redevelopment. Wealth levels in the Village are above average, with per capita income at \$37,588 or 141% of the state, and median family income at \$88,977 or 187% 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, 2015, 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

After a significant reduction in available property taxes due to the decrease in assessed property values during the downturn in the economy, the Village is continuing to experience an improvement in property values. Property values began to increase during the 2013 fiscal year with an increase in assessed values of 2.2% for fiscal year 2014, an increase in assessed values of 8.5% for fiscal year 2015 and an increase in assessed values of 8.7% for fiscal year 2016. New construction, additions, and rehabilitative improvements continue with a net new taxable value of \$418,787 reflected in fiscal year 2016. Building Permits continue to be issued at an all-time high. 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.

In order to continue to provide the high level of services which has become a hallmark of the community, Management continues to control costs by closely monitoring purchasing procedures and levels of staffing. The collection of sanitation and storm water fees continue to be outsourced to the County via the property tax bills to maximize collection while continuing to actively collect the existing receivable. Through these efforts, the general fund unassigned fund balance for fiscal year 2015 increased to \$8.5 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.

The Village continues to maintain a General Obligation Bond Rating of Aa3. 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 stable financial operations are a result of management's commitment to conservative budgeting and controlling costs.

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 but 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 are subsequently adopted by the Village Council.

The annual budget is adopted at the fund and general fund 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

Management maintains 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, management also monitors all user fees to ensure that costs are being matched while at the same time remaining competitive in the marketplace.

Although the Village is a highly desirable place to live, management has plans to make capital improvements which will further enhance the lifestyle of the residents and improve services. The Village has a planned water and sewer project in the Northeast Second Avenue Business District which should enable new businesses to move into the area. The Council has commissioned a Feasibility Study to consider building a new Community Center. A Mobility Study has been commissioned to include bicycle pathways within the Village boundaries. The Council has also approved studies for Downtown Design and Landscaping. These, as well as other improvements should help maintain or possibly increase property values within the Village.

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, 2014. 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 & Fierman, 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, 2014

Executive Director/CEO

MIAMI SHORES VILLAGE, FLORIDA

LIST OF ELECTED OFFICIALS
SEPTEMBER 30, 2015



Mayor Alice Burch



Vice Mayor Steven Zelkowitz



**Councilman
Mac Adam Glinn**



**Councilwoman
Herta Holly**



**Councilwoman
Ivonne Ledesma**

MIAMI SHORES VILLAGE, FLORIDA

LIST OF APPOINTED OFFICIALS

SEPTEMBER 30, 2015

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 Michelle Brown
Planning & Zoning DirectorDavid Dacquisto
Chief of Police Kevin Lystad
Public Works Director Scott Davis
Recreation DirectorJerry Estep

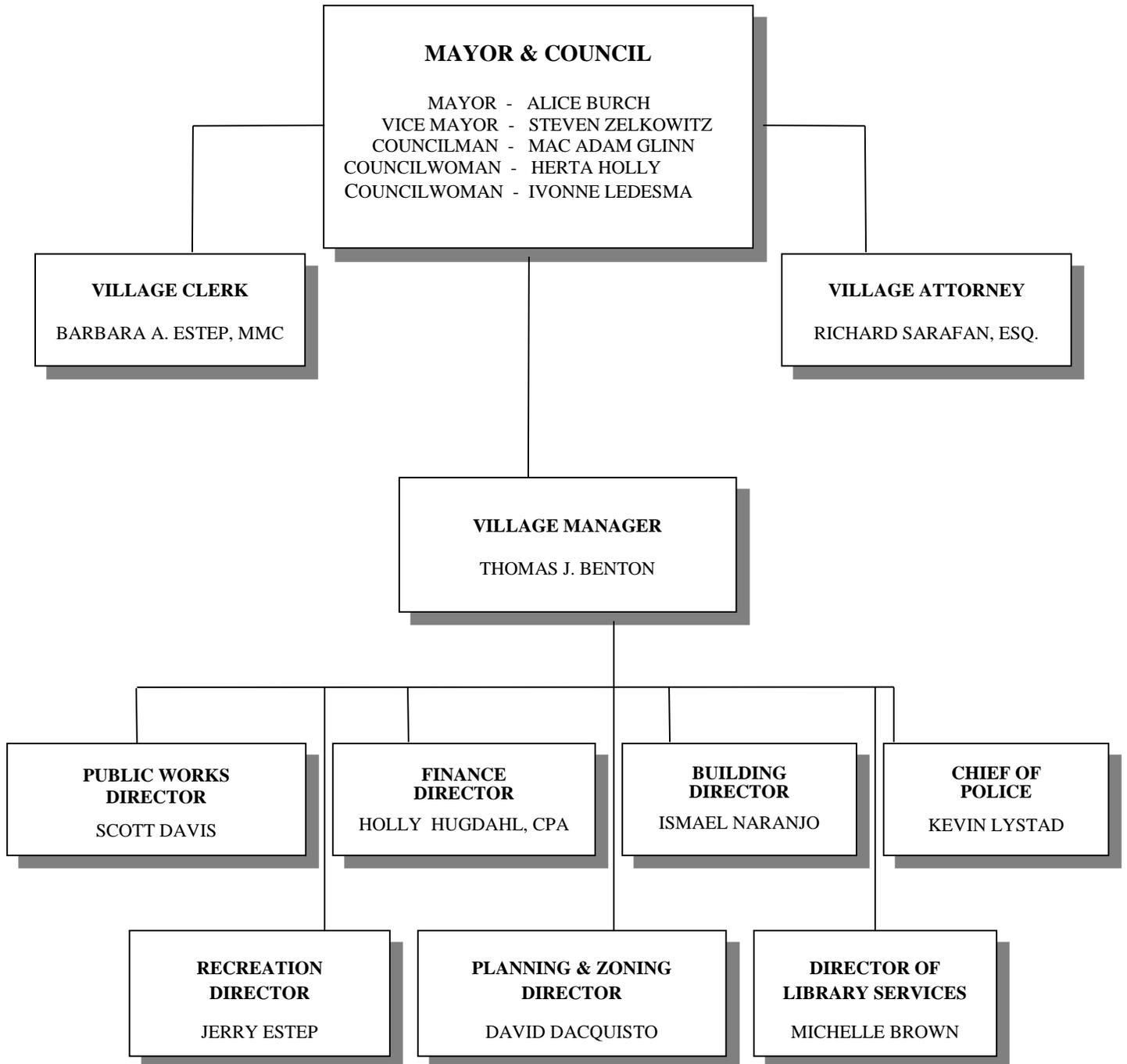
VILLAGE AUDITORS

Alberni Caballero & Fierman, LLP
Certified Public Accountants and Consultants

MIAMI SHORES VILLAGE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2015



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



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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, 2015, 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.

Auditors' 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, 2015, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* as of October 1, 2014. As further discussed in Note 13, the opening net position has been restated due to the implementation of this new standard.

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 on pages 3 through 12 and Budgetary Comparison Schedule, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Investment Returns on pages 63 through 74, 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 30, 2016, 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 & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2016

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, 2015. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to iv of this report.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Village's financial activity; (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges); (d) identify any material deviations from the financial plan (the approved budget); and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole.

Financial Highlights for Fiscal Year 2015

At September 30, 2015, Miami Shores Village assets deferred outflows exceeded its liabilities and deferred inflows by \$29.4 million (net position). Of this amount, \$16.9 million was invested in capital assets. Additionally, \$5.3 million was restricted by law, agreements, and debt covenants or for capital projects. The Village had an unrestricted net position of \$6.5 million at September 30, 2015 a decrease of \$6.1 million or a 52% decrease as compared with the prior year. The decrease in unrestricted net position was due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. Under this Statement, the Village was required to record the net pension liability in the government wide financial statements for the current year, as well as, restating the net position as of September 30, 2014.

During fiscal year 2015, total net position decreased by \$5.4 million, from \$34.8 million in FY2014 to \$29.4 million in FY2015. Of this decrease, \$6.5 million was in governmental activities coupled with an increase of \$155 thousand in business-type activities.

At September 30, 2015, Miami Shores Village's governmental funds had fund balances totaling \$15.1 million. Of the total fund balance, approximately \$8.5 million or 57% was unassigned and \$907 thousand or 6% was committed for future capital projects and encumbrances. The restricted fund balance of approximately \$5.7 million, or 37%, is related to funds restricted by the contributing agency. The nonspendable fund balance of approximately \$12 thousand is related to prepaid items. The net change in fund balances during the year was an increase of \$773 thousand.

The General Fund's fund balance increased by \$622 thousand for the fiscal year ended September 30, 2015. This increase was a result of departmental savings during the year due to unfilled vacant positions and other lower than budgeted cost savings.

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 of 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, Stormwater, and Water and Sewer operations.

The government-wide financial statements may be found on pages 13 to 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 thirteen (13) 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 nine 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 three 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, Stormwater, and Water & Sewer 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, Stormwater, and Water & Sewer 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 62 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 63 to 74 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 75 to 87 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 governmental		Total percentage change
	2015	2014	2015	2014	2015	2014	2014-2015
Current and other assets	\$ 18,112	\$ 18,155	\$ 3,286	\$ 3,627	\$ 21,398	\$ 21,782	-1.76%
Capital assets	20,986	21,814	3,308	2,195	24,294	24,009	1.19%
Total assets	39,098	39,969	6,594	5,822	45,692	45,791	-0.22%
Deferred outflows related to pension	1,864	-	-	-	1,864,303	-	
Total deferred inflows of resources	1,864	-	-	-	1,864,303	-	
Long-term liabilities outstanding	16,375	9,016	225	210	16,600	9,226	79.93%
Other liabilities	669	915	752	739	1,421	1,654	-14.09%
Total liabilities	17,044	9,931	977	949	18,021	10,880	65.63%
Deferred inflows on business license tax	86	84	-	-	86	84	2.38%
Total deferred inflows of resources	86	84	-	-	86	84	2.38%
Net investment in capital assets,	14,140	14,460	2,785	2,195	16,925	16,655	1.62%
Restricted	5,954	5,521	-	-	5,954	5,521	7.84%
Unrestricted	3,737	9,972	2,832	2,678	6,569	16,541	-60.29%
Total net position	\$ 23,831	\$ 29,953	\$ 5,617	\$ 4,873	\$ 29,448	\$ 38,717	-23.94%

Net position may be used to assess the financial position of the Village. The Village's combined net position as of September 30, 2015 was \$29.4 million. Approximately 57.5%, or \$16.9 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, \$5.5 million are restricted net position and are subject to external restrictions on how they may be spent.

At September 30, 2015, Miami Shores Village had an unrestricted net position of \$6.5 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
	2015	2014	2015	2014	2015	2014	2014-2015
Revenues:							
Program revenues:							
Charges for services	\$ 3,803	\$ 3,705	\$ 2,884	\$ 2,886	\$ 6,687	\$ 6,591	1.46%
Operating grants & Contributions	816	784	-	-	816	784	4.08%
Capital grants and Contributions	35	474	672	-	707	474	49.16%
General Revenues:							
Property taxes	6,894	6,407	-	-	6,894	6,407	7.60%
Other taxes	2,200	2,214	-	-	2,200	2,214	-0.63%
Intergovernmental revenues	1,027	1,002	-	-	1,027	1,002	2.50%
Interest earnings - unrestricted	29	21	6	6	35	27	29.63%
Miscellaneous	1,751	470	-	-	1,751	470	272.55%
Total revenues	16,555	15,077	3,562	2,892	20,117	17,969	11.95%
Expenses:							
General government	3,159	2,761	-	-	3,159	2,761	14.42%
Public safety	6,089	6,206	-	-	6,089	6,206	-1.89%
Highways Streets	3,492	2,239	-	-	3,492	2,239	55.96%
Sanitation / Stormwater	-	-	2,417	2,460	2,417	2,460	-1.75%
Culture & recreation	2,976	2,946	-	-	2,976	2,946	1.02%
Interest on Long-term Debt	272	284	-	-	272	284	-4.23%
Total expenses	15,988	14,436	2,417	2,460	18,405	16,896	8.93%
Increase in net position before Transfers	(356)	641	1,145	432	789	1,073	-26.47%
Sale of capital assets	523	-	-	-	523	-	-
Transfers	400	395	(400)	(395)	-	-	-
Increase in net position	567	1,036	745	37	1,312	1,073	22.27%
Beginning net position	23,264	28,918	4,873	4,836	28,137	33,754	-16.64%
Ending net position	\$ 23,831	\$ 29,954	\$ 5,618	\$ 4,873	\$ 29,449	\$ 34,827	-15.44%

Ending net position decreased 15.44% during FY2015. Although revenues increased by \$1.4 million or 8.93%, expenses increased by \$1.5 million or 9.18%. This \$300 thousand difference was offset by \$523 thousand for the sale of capital assets. The decrease in ending net position is attributable to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Under this Statement, the Village was required to record the net pension liability in the government wide financial statements for the current year, as well as, restating the net position as of September 30, 2014. The amount of the restatement is \$6.7 million, the ending net position at September 30, 2014 of \$34.8 million restated to the beginning net position of \$28.1 million at September 30, 2015.

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Figure A-1

**Expenses and Program Revenues – Governmental Activities
For the Fiscal Year Ended September 30, 2015**

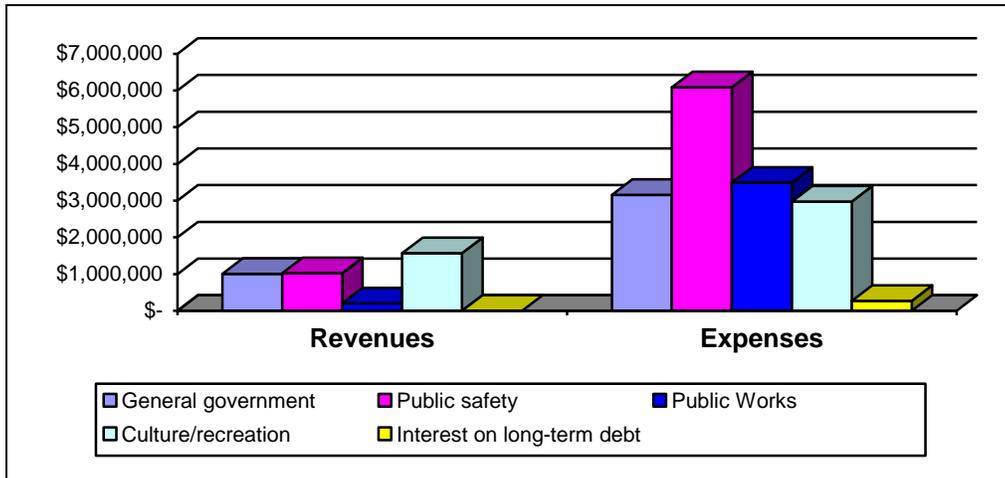
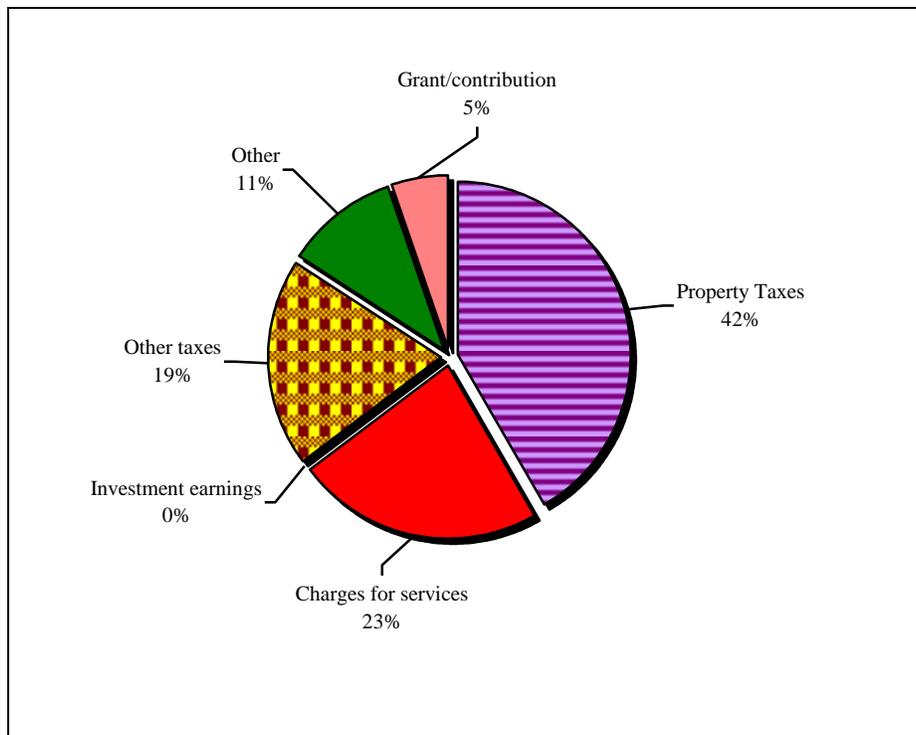


Figure A-2

**Revenues by Source – Governmental Activities
For the Fiscal Year Ended September 30, 2015**



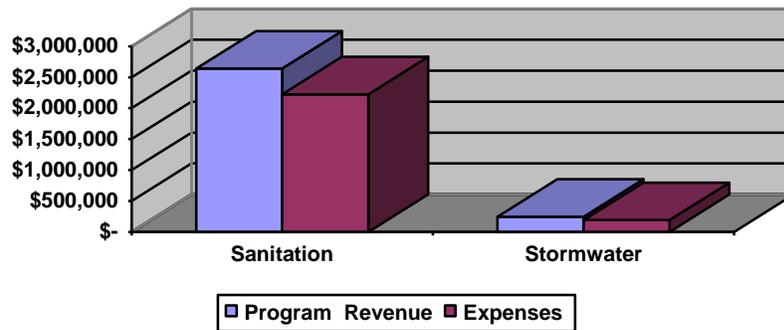
Business-type activities. The Miami Shores Village major business-type activities include the following enterprise funds:

- Sanitation Fund
- Stormwater Fund
- Water & Sewer Fund

Net position of business-type activities increased by approximately \$745 thousand; a \$709 thousand increase compared to FY2014. The increase was due to a capital contribution of \$672 thousand to the Stormwater Fund at the completion of a grant funded Stormwater Project. 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, 2015**



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 \$15.1 million, an \$800 thousand increase compared to FY2014. Of this amount, \$8.5 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 \$578 thousand, 2) restricted for funds which restrict how the funds may be spent of \$5.9 million and 3) nonspendable for funds used to account for amounts which cannot currently be spent, such as prepaid expenses of \$4 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 \$8.5 million as compared with \$7.9 million in the prior year. Committed fund balance remained consistent with the prior fiscal year at \$32 thousand.

The Village's General Fund balance increased by \$600 thousand during the 2015 fiscal year. Although deficit spending had been anticipated, the Village was able to increase fund balance as a result of departmental savings due to unfilled vacant positions and other lower than budgeted cost savings.

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 \$988 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 three 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 decreased by \$172 thousand during the fiscal year. The decrease was due to the purchase of capital projects to enhance the operations of the Police Department. The remaining fund balance of \$1.5 million 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 2015, the fund balance decreased \$6 thousand dollars for a balance of \$1.3 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 \$1.9 million, a \$78 thousand increase 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 \$905 thousand, a \$77 thousand increase in net position values. Unrestricted net position is maintained to fund future maintenance projects for the existing stormwater system.

General Fund Budgetary Highlights

The Village adopts annual budgets by fund, general 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 \$643 thousand below final budgeted amounts. Savings were realized in general government, \$293 thousand, public safety, \$248 thousand, public works, \$32 thousand, and culture and recreation, \$70 thousand. These savings in general government costs and various departmental costs were due to staff vacancies and conservative spending.

The fiscal year 2015 final amended budget was \$14 million, an increase of 0.7 % over the original General Fund budget of \$13.9 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 0.0%. The final Adopted Budget is balanced with revenues of \$11 million, \$2.9 million in operating transfers from Excise Tax, Sanitation Fund and Stormwater Fund and \$102 thousand from fund balance. Unanticipated revenues of \$81 thousand and the cost savings of \$643 thousand resulted in no transfers being necessary from the fund balance. Unanticipated revenues included \$265 thousand in additional building permit fees due to an increase in building, \$89 thousand in recreation fees due to the addition of programs, \$30 thousand in public safety due to Police off duty pay, \$64 thousand in code enforcement due to increased collections and \$150 thousand due to additional Country Club rent. The increase in unanticipated revenues was offset by a decrease in transfers from Excise Tax resulting in the \$81 thousand increase.

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, 2015 amounts to \$24.3 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, 2015 and 2014
(net of depreciation, in thousands)**

Classification	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,358,437	\$ 2,358,437	\$ -	\$ -	\$ 2,358,437	\$ 2,358,437
Construction in progress	546,876	1,379,705	523,164	-	1,070,040	1,379,705
Building	8,927,774	9,152,988	-	-	8,927,774	9,152,988
Land Improvement	1,619,924	1,496,836	-	-	1,619,924	1,496,836
Infrastructure	5,905,459	6,137,760	1,956,807	1,358,711	7,862,266	7,496,471
Machinery and equipment	<u>1,627,699</u>	<u>1,288,555</u>	<u>828,203</u>	<u>836,532</u>	<u>2,455,902</u>	<u>2,125,087</u>
Totals	<u>\$ 20,986,169</u>	<u>\$ 21,814,281</u>	<u>\$ 3,308,174</u>	<u>\$ 2,195,243</u>	<u>\$ 24,294,343</u>	<u>\$ 24,009,524</u>

Additional information on Miami Shores’ capital assets may be found in Note 5 on Pages 37 to 38 of this report.

Long-term Liabilities. At September 30, 2015, Miami Shores Village had \$16.6 million in long-term liabilities, which are summarized in the schedule below. The increase of \$7.4 million is related to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Additional information on the Village’s long-term debt may be found in Note 6 on Pages 38 to 40 of this report.

**Miami Shores Village
Outstanding Long-term Liabilities as of September 30, 2015 and 2014**

	Governmental Activities		Business-type activities		Total Primary Government	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 5,895,300	\$ 6,053,000	\$ -	\$ -	\$ 5,895,300	\$ 6,053,000
Other(issuance discount)	-	-	-	-	-	-
Other debt	<u>950,427</u>	<u>1,300,964</u>	<u>-</u>	<u>-</u>	<u>950,427</u>	<u>1,300,964</u>
	6,845,727	7,353,964	-	-	6,845,727	7,353,964
OPEB liability	632,802	540,664	112,359	95,999	745,161	636,663
Estimated insurance claims payable	340,000	340,000	-	-	340,000	340,000
Compensated absences	681,646	781,239	112,620	114,544	794,266	895,783
Net pension liability	<u>7,874,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,874,653</u>	<u>-</u>
Total	<u>\$16,374,828</u>	<u>\$ 9,015,867</u>	<u>\$224,979</u>	<u>\$ 210,543</u>	<u>\$16,599,807</u>	<u>\$ 9,226,410</u>

Economic Factors and Next Year's Budgets and Rates

Miami Shores Village is a single-family, residential 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 six-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.

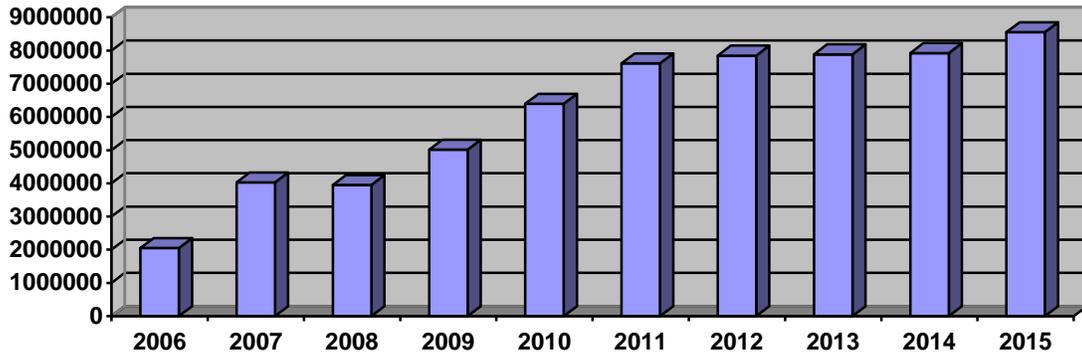
With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption 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 2015 reflected an increase of \$500 thousand, precipitated by an increase in property values of \$66 million or 8.6% in property values as compared with 2014. 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.

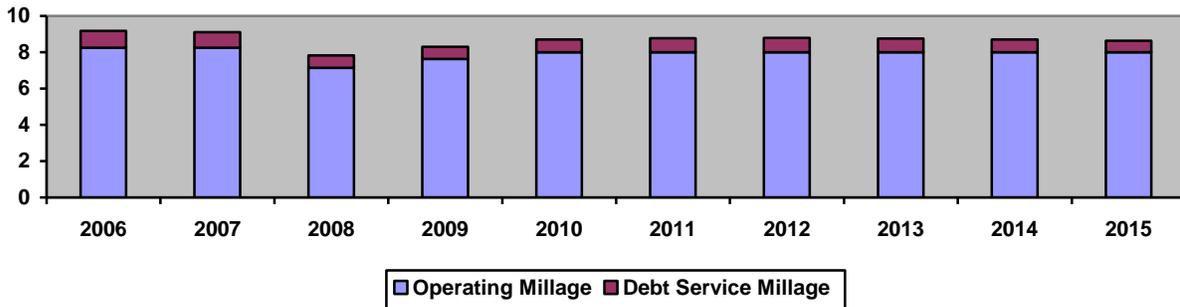
Property values for fiscal year 2015 showed an increase of \$66 million, increasing property tax revenues by \$500 thousand. During the current fiscal year, unassigned fund balance in the General Fund was \$8.5 million, an increase of \$600 thousand over the unreserved fund balance in 2014 of \$7.9 million. This \$8.5 million is approximately equal to 7.3 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. Fiscal year 2016 budgeted expenditures and transfers are expected to be \$14.7 million, or 9.5%, higher than the fiscal year 2015 actual of \$13.4 million. 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, 2006-2015**



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, 2006-2015**



Fiscal year 2016 budgeted expenditures and transfers are expected to increase \$722 thousand compared with fiscal year 2015. 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, 2015

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 16,126,765	\$ 3,340,766	\$ 19,467,531
Investments	298,772	-	298,772
Accounts receivable - net	960,736	395,304	1,356,040
Prepaid items	156,342	-	156,342
Inventories	46,009	73,426	119,435
Internal balances	523,164	(523,164)	-
Capital assets not being depreciated	2,905,313	523,164	3,428,477
Capital assets being depreciated, net	<u>18,080,856</u>	<u>2,785,010</u>	<u>20,865,866</u>
Total assets	<u>39,097,957</u>	<u>6,594,506</u>	<u>45,692,463</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pension	<u>1,864,303</u>	<u>-</u>	<u>1,864,303</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	582,829	13,774	596,603
Unearned revenues	66,544	737,905	804,449
Accrued interest payable	20,293	-	20,293
Noncurrent liabilities:			
The amount due in one year	678,709	28,155	706,864
The amount due in more than one year	<u>15,696,119</u>	<u>196,824</u>	<u>15,892,943</u>
Total liabilities	<u>17,044,494</u>	<u>976,658</u>	<u>18,021,152</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business license tax	80,408	-	80,408
Deferred inflows related to pension	<u>6,018</u>	<u>-</u>	<u>6,018</u>
Total deferred inflows of resources	<u>86,426</u>	<u>-</u>	<u>86,426</u>
<u>NET POSITION</u>			
Net investment in capital assets	14,140,442	2,785,010	16,925,452
Restricted for:			
Public safety	1,543,096	-	1,543,096
Transportation	1,738,911	-	1,738,911
Debt service	1,115,625	-	1,115,625
Charter school	961,419	-	961,419
Recreation	594,506	-	594,506
Unrestricted	<u>3,737,341</u>	<u>2,832,838</u>	<u>6,570,179</u>
Total net position	<u>\$ 23,831,340</u>	<u>\$ 5,617,848</u>	<u>\$ 29,449,188</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</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>	
Governmental activities:							
General government	\$ 3,159,828	\$ 1,005,762	\$ -	\$ -	\$ (2,154,066)	\$ -	\$ (2,154,066)
Public safety	6,088,608	1,027,550	36,203	-	(5,024,855)	-	(5,024,855)
Public works	3,492,136	200,977	780,177	35,564	(2,475,418)	-	(2,475,418)
Culture and recreation	2,976,180	1,568,844	-	-	(1,407,336)	-	(1,407,336)
Interest on long-term debt	272,374	-	-	-	(272,374)	-	(272,374)
Total governmental activities	<u>15,989,126</u>	<u>3,803,133</u>	<u>816,380</u>	<u>35,564</u>	<u>(11,334,049)</u>	<u>-</u>	<u>(11,334,049)</u>
Business-type activities:							
Sanitation	2,223,695	2,639,106	-	-	-	415,411	415,411
Stormwater	193,174	244,805	-	672,381	-	724,012	724,012
Total business activities	<u>2,416,869</u>	<u>2,883,911</u>	<u>-</u>	<u>672,381</u>	<u>-</u>	<u>1,139,423</u>	<u>1,139,423</u>
Total	<u>\$ 18,405,995</u>	<u>\$ 6,687,044</u>	<u>\$ 816,380</u>	<u>\$ 707,945</u>	<u>\$ (11,334,049)</u>	<u>\$ 1,139,423</u>	<u>\$ (10,194,626)</u>
General revenues:							
Property taxes, levied for general purpose					\$ 6,893,572	\$ -	\$ 6,893,572
Public service taxes					2,199,772	-	2,199,772
Intergovernmental (unrestricted)					1,027,237	-	1,027,237
Investment income (unrestricted)					29,568	5,721	35,289
Miscellaneous					827,991	-	827,991
Sales of capital assets					523,164	-	523,164
Transfers					400,000	(400,000)	-
Total general revenues					<u>11,901,304</u>	<u>(394,279)</u>	<u>11,507,025</u>
Change in net position					<u>567,255</u>	<u>745,144</u>	<u>1,312,399</u>
Net position, beginning (as restated, see Note 13)					<u>23,264,085</u>	<u>4,872,704</u>	<u>28,136,789</u>
Net position, ending					<u>\$ 23,831,340</u>	<u>\$ 5,617,848</u>	<u>\$ 29,449,188</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	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	\$ 7,860,338	\$ 635,163	\$ 1,490,044	\$ 1,507,051	\$ 2,657,225	\$ 14,149,821
Investments	298,772	-	-	-	-	298,772
Accounts receivable - net	269,532	353,166	35,812	-	159,520	818,030
Due from other funds	529,086	-	-	-	-	529,086
Prepaid items	3,741	-	-	-	-	3,741
Total assets	\$ 8,961,469	\$ 988,329	\$ 1,525,856	\$ 1,507,051	\$ 2,816,745	\$ 15,799,450
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 227,621	\$ -	\$ 1,473	\$ 236,882	\$ 59,713	\$ 525,689
Due to other funds	-	-	-	-	5,922	5,922
Unearned revenues	64,544	-	-	-	2,000	66,544
Total liabilities	292,165	-	1,473	236,882	67,635	598,155
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Business license tax	80,408	-	-	-	-	80,408
<u>FUND BALANCES</u>						
Nonspendable	3,741	-	-	-	-	3,741
Restricted	-	988,329	1,524,383	1,270,169	2,170,676	5,953,557
Committed	31,562	-	-	-	578,434	609,996
Unassigned	8,553,593	-	-	-	-	8,553,593
Total fund balances	8,588,896	988,329	1,524,383	1,270,169	2,749,110	15,120,887
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,961,469	\$ 988,329	\$ 1,525,856	\$ 1,507,051	\$ 2,816,745	\$ 15,799,450

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, 2015

Fund balances - total government funds (Page 15)		\$ 15,120,887
<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		39,337,908
Less accumulated depreciation		(20,311,321)
<p>Deferred inflows/outflows of resources in the Statement of Net Position will be recognized in future periods</p>		
Deferred outflows related to pension	1,864,303	
Deferred inflows related to pension	<u>(6,018)</u>	
		1,858,285
<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	\$ (6,845,727)	
OPEB liability	(632,802)	
Net pension liability	(7,874,653)	
Accrued interest payable	(20,293)	
Compensated absences	<u>(664,366)</u>	(16,037,841)
Net position of internal service funds are not reported with governmental funds		<u>3,863,422</u>
Net position of governmental activities (Page 13)		<u>\$ 23,831,340</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Major Funds					Total Governmental Funds
	General	Excise Tax	Police Forfeiture	General Trust	Other Governmental Funds	
Revenues:						
Property taxes	\$ 6,383,317	\$ -	\$ -	\$ -	\$ 510,255	\$ 6,893,572
Public service taxes	-	2,199,772	-	-	-	2,199,772
Licenses and permits	1,237,435	-	-	-	-	1,237,435
Intergovernmental revenues	1,062,801	-	-	-	816,380	1,879,181
Charges for services	2,059,389	-	-	-	-	2,059,389
Fines and forfeitures	499,777	-	111,302	-	2,664	613,743
Miscellaneous	449,445	-	60,454	95,792	222,300	827,991
Interest income	14,281	-	3,746	3,120	5,911	27,058
Total revenues	<u>11,706,445</u>	<u>2,199,772</u>	<u>175,502</u>	<u>98,912</u>	<u>1,557,510</u>	<u>15,738,141</u>
Expenditures:						
Current:						
General government	2,915,556	-	-	18,661	139,634	3,073,851
Public safety	6,037,597	-	97,185	-	-	6,134,782
Public Works	1,272,602	-	-	-	551,334	1,823,936
Culture and recreation	2,549,231	-	-	31,296	-	2,580,527
Capital outlay	-	-	249,940	5,503	1,270,693	1,526,136
Debt service:						
Principal	-	-	-	-	635,837	635,837
Interest	-	-	-	-	272,374	272,374
Total expenditures	<u>12,774,986</u>	<u>-</u>	<u>347,125</u>	<u>55,460</u>	<u>2,869,872</u>	<u>16,047,443</u>
(Deficiency) excess of revenues over expenditures before other financing sources (uses)	<u>(1,068,541)</u>	<u>2,199,772</u>	<u>(171,623)</u>	<u>43,452</u>	<u>(1,312,362)</u>	<u>(309,302)</u>
Other financing sources (uses):						
Issuance of debt	-	-	-	-	4,017,600	4,017,600
Payment to refunded bonds escrow agen	-	-	-	-	(3,890,000)	(3,890,000)
Sales of capital assets	-	-	-	-	523,164	523,164
Transfers in	2,297,500	-	-	-	971,570	3,269,070
Transfers (out)	(606,500)	(1,897,500)	-	(50,000)	(283,070)	(2,837,070)
Total other financing sources (uses)	<u>1,691,000</u>	<u>(1,897,500)</u>	<u>-</u>	<u>(50,000)</u>	<u>1,339,264</u>	<u>1,082,764</u>
Net change in fund balances	622,459	302,272	(171,623)	(6,548)	26,902	773,462
Fund balances - beginning	<u>7,966,437</u>	<u>686,057</u>	<u>1,696,006</u>	<u>1,276,717</u>	<u>2,722,208</u>	<u>14,347,425</u>
Fund balances - ending	<u>\$ 8,588,896</u>	<u>\$ 988,329</u>	<u>\$ 1,524,383</u>	<u>\$ 1,270,169</u>	<u>\$ 2,749,110</u>	<u>\$ 15,120,887</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, 2015

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)	\$	773,462
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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.

Expenditures for capital outlays	\$ 1,526,136	
Less current year depreciation	<u>(1,135,212)</u>	
Net adjustment		390,924

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

Capital outlays not meeting threshold for capitalization	(9,602)	
Sales of capital assets	(523,164)	
Contribution of capital assets to business-type activities	(672,381)	
Contribution of capital assets to internal service fund	<u>(122,449)</u>	
Net adjustments		(1,327,596)

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.

Issuance of debt	(4,017,600)	
Refunded bonds	3,890,000	
Principal payments	<u>635,837</u>	
		508,237

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

Change in net pension liability	210,791	
Change in compensated absences	101,798	
Change in OPEB liability	(92,138)	
Change in accrued interest payable	16,252	
Allocation of internal service funds' net loss	<u>\$ (14,475)</u>	
		<u>222,228</u>

Change in net position of governmental activities (Page 14)	\$	<u>567,255</u>
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See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Stormwater	Water & Sewer	Total	
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 2,379,511	\$ 961,255	\$ -	\$ 3,340,766	\$ 1,976,944
Accounts receivable - net	371,077	24,227	-	395,304	142,706
Inventories	73,426	-	-	73,426	46,009
Prepaid items	-	-	-	-	152,601
Total current assets	<u>2,824,014</u>	<u>985,482</u>	<u>-</u>	<u>3,809,496</u>	<u>2,318,260</u>
Capital assets:					
Capital assets not being depreciated	-	-	523,164	523,164	7,127
Capital assets being depreciated, net	<u>828,203</u>	<u>1,956,807</u>	<u>-</u>	<u>2,785,010</u>	<u>1,952,455</u>
Total noncurrent assets	<u>828,203</u>	<u>1,956,807</u>	<u>523,164</u>	<u>3,308,174</u>	<u>1,959,582</u>
Total assets	<u>3,652,217</u>	<u>2,942,289</u>	<u>523,164</u>	<u>7,117,670</u>	<u>4,277,842</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable and accrued liabilities	13,071	703	-	13,774	57,140
Due to other funds	-	-	523,164	523,164	-
Unearned revenues	674,381	63,524	-	737,905	-
Compensated absences	<u>27,187</u>	<u>968</u>	<u>-</u>	<u>28,155</u>	<u>4,320</u>
Total current liabilities	<u>714,639</u>	<u>65,195</u>	<u>523,164</u>	<u>1,302,998</u>	<u>61,460</u>
Non-current liabilities:					
Compensated absences	81,561	2,904	-	84,465	12,960
OPEB liability	99,875	12,484	-	112,359	-
Claims payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,000</u>
Total noncurrent liabilities	<u>181,436</u>	<u>15,388</u>	<u>-</u>	<u>196,824</u>	<u>352,960</u>
Total liabilities	<u>896,075</u>	<u>80,583</u>	<u>523,164</u>	<u>1,499,822</u>	<u>414,420</u>
<u>NET POSITION</u>					
Net investment in capital assets	828,203	1,956,807	-	2,785,010	1,959,582
Unrestricted	<u>1,927,939</u>	<u>904,899</u>	<u>-</u>	<u>2,832,838</u>	<u>1,903,840</u>
Total net position	<u>\$ 2,756,142</u>	<u>\$ 2,861,706</u>	<u>\$ -</u>	<u>\$ 5,617,848</u>	<u>\$ 3,863,422</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Sanitation	Stormwater	Water & Sewer		
Operating revenues:					
Charges for services	\$ 2,639,106	\$ 244,805	\$ -	\$ 2,883,911	\$ 1,704,260
Operating expenses:					
Administrative and general	752,792	24,440	-	777,232	603,335
Personnel expenses	875,499	80,459	-	955,958	189,859
Depreciation	127,792	74,285	-	202,077	173,970
Contractual services	467,612	13,990	-	481,602	-
Insurance premiums and claims	-	-	-	-	844,530
Total operating expenses	<u>2,223,695</u>	<u>193,174</u>	<u>-</u>	<u>2,416,869</u>	<u>1,811,694</u>
Operating income (loss)	<u>415,411</u>	<u>51,631</u>	<u>-</u>	<u>467,042</u>	<u>(107,434)</u>
Non-operating revenues:					
Interest income	<u>4,610</u>	<u>1,111</u>	<u>-</u>	<u>5,721</u>	<u>2,510</u>
Total non-operating revenues	<u>4,610</u>	<u>1,111</u>	<u>-</u>	<u>5,721</u>	<u>2,510</u>
Income (loss) before transfers and contributions	420,021	52,742	-	472,763	(104,924)
Transfers in	-	-	-	-	90,000
Transfers (out)	(350,000)	(50,000)	-	(400,000)	(122,000)
Contributions	<u>-</u>	<u>672,381</u>	<u>-</u>	<u>672,381</u>	<u>122,449</u>
Change in net position	70,021	675,123	-	745,144	(14,475)
Total net position, beginning	<u>2,686,121</u>	<u>2,186,583</u>	<u>-</u>	<u>4,872,704</u>	<u>3,877,897</u>
Total net position, ending	<u>\$ 2,756,142</u>	<u>\$ 2,861,706</u>	<u>\$ -</u>	<u>\$ 5,617,848</u>	<u>\$ 3,863,422</u>

See notes to basic financial statements.

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sanitation	Stormwater	Water & Sewer	Total	
Cash flows from operating activities:					
Cash received from customers, governments and other funds	\$ 2,717,373	\$ 250,989	\$ 523,164	\$ 3,491,526	\$ 1,652,610
Cash paid to suppliers	(1,207,897)	(37,727)	-	(1,245,624)	(1,363,899)
Cash paid for employees	(860,405)	(81,117)	-	(941,522)	(187,653)
Net cash provided by operating activities	<u>649,071</u>	<u>132,145</u>	<u>523,164</u>	<u>1,304,380</u>	<u>101,058</u>
Cash flows from non-capital financing activities:					
Transfers in	-	-	-	-	90,000
Transfers out	(350,000)	(50,000)	-	(400,000)	(122,000)
Net cash (used in) non-capital financing activities	<u>(350,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(400,000)</u>	<u>(32,000)</u>
Cash flows from capital related financing activities:					
Acquisition and construction of capital assets	(119,463)	-	(523,164)	(642,627)	(282,529)
Net cash (used in) capital and related financing activities	<u>(119,463)</u>	<u>-</u>	<u>(523,164)</u>	<u>(642,627)</u>	<u>(160,080)</u>
Cash flows from investing activities:					
Interest and other income	4,610	1,111	-	5,721	2,510
Net cash provided by investing activities	<u>4,610</u>	<u>1,111</u>	<u>-</u>	<u>5,721</u>	<u>2,510</u>
Net increase in cash and cash equivalents	184,218	83,256	-	267,474	(88,512)
Cash and cash equivalents, October 1	2,195,293	877,999	-	3,073,292	2,065,456
Cash and cash equivalents, September 30	<u>\$ 2,379,511</u>	<u>\$ 961,255</u>	<u>\$ -</u>	<u>\$ 3,340,766</u>	<u>\$ 1,976,944</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 415,411	\$ 51,631	\$ -	\$ 467,042	\$ (107,434)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	127,792	74,285	-	202,077	173,970
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	79,375	5,791	-	85,166	(51,650)
Inventories	(564)	-	-	(564)	23,157
Prepaid items	-	-	-	-	3,669
Increase (decrease) in:					
Accounts payable and accrued liabilities	13,071	703	-	13,774	57,140
Compensated absences	552	(2,476)	-	(1,924)	2,206
OPEB liability	14,542	1,818	-	16,360	-
Due to other funds	-	-	523,164	523,164	-
Unearned revenues	(1,108)	393	-	(715)	-
Total adjustments	<u>233,660</u>	<u>80,514</u>	<u>523,164</u>	<u>837,338</u>	<u>208,492</u>
Net cash provided by operating activities	<u>\$ 649,071</u>	<u>\$ 132,145</u>	<u>\$ 523,164</u>	<u>\$ 1,304,380</u>	<u>\$ 101,058</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

	Pension Trust <u>Funds</u>	Private Purpose <u>Trust</u>	<u>Agency</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 843,070	\$ 1,423,725	\$ 177,483
Receivables:			
Other receivables	32,922	-	-
Accrued interest and dividends	<u>73,644</u>	<u>-</u>	<u>-</u>
Total receivables	<u>106,566</u>	<u>-</u>	<u>-</u>
Investments, at fair value			
U.S. Government securities	1,520,898	-	-
Municipal bonds	269,223	-	-
Corporate/Foreign bonds	4,257,186	-	-
Mutual funds - equity	13,742,003	-	-
Common stocks	4,422,862	-	-
Mortgage Backed Securities	<u>5,267,201</u>	<u>-</u>	<u>-</u>
Total investments	<u>29,479,373</u>	<u>-</u>	<u>-</u>
Total assets	<u>30,429,009</u>	<u>1,423,725</u>	<u>177,483</u>
<u>LIABILITIES</u>			
Other liabilities	<u>-</u>	<u>-</u>	<u>177,483</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>177,483</u>
<u>NET POSITION</u>			
Net position restricted for pensions and charter school	<u>\$ 30,429,009</u>	<u>\$ 1,423,725</u>	<u>\$ -</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, 2015

	Pension Trust <u>Funds</u>	Private Purpose <u>Trust</u>
ADDITIONS		
Contributions:		
Employer	\$ 1,621,121	\$ -
Employees	<u>369,521</u>	<u>-</u>
Total contributions	<u>1,990,642</u>	<u>-</u>
Investment income:		
Unrealized (losses)	(2,107,746)	-
Realized gains	136,488	-
Interest and dividend income	<u>1,710,563</u>	<u>3,953</u>
Total investment income (loss)	(260,695)	3,953
Less investment expenses	<u>(100,607)</u>	<u>-</u>
Net investment income (loss)	<u>(361,302)</u>	<u>3,953</u>
Total additions	<u>1,629,340</u>	<u>3,953</u>
DEDUCTIONS		
Benefits paid	1,596,613	-
Administrative expenses	27,231	-
Distribution to charter school	<u>-</u>	<u>250,000</u>
Total deductions	<u>1,623,844</u>	<u>250,000</u>
Net increase (decrease)	<u>5,496</u>	<u>(246,047)</u>
Net position restricted for pensions and charter school		
Beginning of year	<u>30,423,513</u>	<u>1,669,772</u>
End of year	<u>\$ 30,429,009</u>	<u>\$ 1,423,725</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - 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 activities) 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Water & Sewer Fund - This fund accounts for the annual assessments to pay for the construction cost and maintenance fees for the NE Second Avenue Business District Water & Sewer Project. Future maintenance costs for the grind pumps will be paid from this fund.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Implementation of Governmental Accounting Standards Board Statements

During the fiscal year ended September 30, 2015, the Village implemented the following GASB Statement that had an impact on the financial statements:

Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. Implementation of this statement requires a restatement to beginning net position (see note 13).

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 investments consist of amounts placed with the State Board of Administration in the Local Government Surplus Funds Trust Fund (Florida PRIME) investment pool. The Florida PRIME 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 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.

The Village's investments in Florida PRIME 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015 was 8.6392 mills (\$8.6392 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

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has pension contributions that qualify for reporting in this category on the government-wide statement of net position in the amount of \$1,864,303.

In additions to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The Village has unearned revenues and pension expenses that qualify for reporting in this category in the amount of \$ 80,408 and \$6,018, respectively.

Pension contributions and expenses were recorded as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27* as of October 1, 2014 (see Note 1).

Unearned revenues consists of local business license tax collected in advance of \$80,408 reported in both the governmental funds and the government-wide statement of net position. This amount is deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

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 15-16 fiscal year.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Employee Benefit Plan

The Village provides a separate defined benefit pension plan for its police officers and general employees. At September 30, 2015, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the General Employees' Retirement Plan and the Police Officers' Retirement Plan are presented in the government-wide statement of net position. The net pension liability is a function of the annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employer's contributions made to the Plans. Please refer to Note 8 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, 2015, 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance

As of September 30, 2015, 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance (Continued)

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>	Excise <u>Tax</u>	Police <u>Forfeiture</u>	General <u>Trust</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Fund Balances:						
Nonspendable:						
Prepays	\$ 3,741	\$ -	\$ -	\$ -	\$ -	\$ 3,741
Restricted:						
Transportation	-	988,329	-	-	750,582	1,738,911
Library	-	-	-	57,389	272,300	329,689
Recreation	-	-	-	119,871	13,456	133,327
Buildings	-	-	-	131,490	-	131,490
Charter School	-	-	-	961,419	-	961,419
Public Safety	-	-	1,524,383	-	18,713	1,543,096
Debt service	-	-	-	-	1,115,625	1,115,625
Committed:	31,562	-	-	-	578,434	609,996
Unassigned:	<u>8,553,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,553,593</u>
Total Fund Balances	<u>\$ 8,588,896</u>	<u>\$ 988,329</u>	<u>\$ 1,524,383</u>	<u>\$ 1,270,169</u>	<u>\$ 2,749,110</u>	<u>\$ 15,120,887</u>

Fund Balances:						
Nonspendable	\$ 3,741	\$ -	\$ -	\$ -	\$ -	\$ 3,741
Restricted	-	988,329	1,524,383	1,270,169	2,170,676	5,953,557
Committed	31,562	-	-	-	578,434	609,996
Unassigned	<u>8,553,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,553,593</u>
Total Fund Balances	<u>\$ 8,588,896</u>	<u>\$ 988,329</u>	<u>\$ 1,524,383</u>	<u>\$ 1,270,169</u>	<u>\$ 2,749,110</u>	<u>\$ 15,120,887</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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. 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, OPEB 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.

NOTE 2 - 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, 2015, the Village complied, in all material respects, with these revenue restrictions.

3. Excesses of Expenditures Over Appropriations

For the year ended September 30, 2015 expenditures exceeded appropriations in the Debt Service Fund by \$213,117. These over-expenditures were funded by greater than anticipated revenues or available fund balance.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 - 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.

The SBA administers Florida PRIME ("PRIME"), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 219 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures of the administration of PRIME. PRIME is not a registrant with the Securities and Exchange Commission; however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value ("NAV") of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares.

Investments – Village

As of September 30, 2015, 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 - PRIME	\$ 298,772	29	n/a
Total	<u>\$ 298,772</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 PRIME is rated AAAM by Standard and Poor's.

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, 2015, the value of each position held in the Village's portfolio comprised of less than 5% of the Village's investment assets.

The SBA issues a separate financial report. A copy of this financial report can be found on the SBA website at www.sbafla.com or a hard copy may be obtained by sending an email to flaudgen@aud.state.fl.us, by telephone at (850) 487-9024, or by mail at G74 Claude Pepper Building, III West Madison Street, Tallahassee, Florida 32399-1450.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments – Pension Plans

The Pension Board of Trustees has developed certain investment guidelines and has retained investment managers. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment managers are compensated based on a percentage of their portfolio's market value.

The Plans' investment policy is determined by the Board who is responsible for directing the investment of the assets of the Plans to ensure that there will be adequate monies for future benefits. The policy has been identified by the Board to conduct the operations of the Plans in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including Village ordinances, preserving principal while maximizing the rate of return.

Investment in all equity securities shall be limited to those listed on a major U.S stock exchange and limited to no more than 70% (at market) of the Plan's total asset value. The equity position in any one company shall not exceed 5% of the Plan's total asset value at the time of purchase. Investments in stocks of foreign companies shall be limited to 25% of the Plan's market value.

Investments in fixed income securities shall meet or exceed a credit rating of "BBB-" from Standard & Poor's. The market value of bonds issued by any single issuer shall not exceed 3% of the manager's portfolio.

Types of Investments

Florida statutes and Plan investment policy authorize the Board to invest funds in various investments. The current target allocation of these investments at fair value is as follows:

<u>Asset Group</u>	<u>Target Allocation</u>	
	<u>General Employees</u>	<u>Police</u>
Domestic Equity	50.00%	45.00%
International Equity	15.00%	15.00%
Domestic Bonds	35.00%	40.00%
International Bonds	0.00%	0.00%
Real Estate	0.00%	0.00%

Rate of Return

For the fiscal year ending September 30, 2015, the annual money-weighted rate of return on pension plan investments, net pension plan investment expense, was -1.20% for the General Employee Retirement Plan and -0.90% for the Police Retirement Plan. The money weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

As of September 30, 2015, the Plans had the following investments:

<u>Investment Type</u>	<u>Fair</u>	<u>Less than 1</u>			<u>More than</u>
	<u>Value</u>	<u>Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>10 Years</u>
U.S. Government Securities	\$ 7,057,322	\$ -	\$ 2,107,034	\$ 994,311	\$ 3,955,977
Corporate Bonds	4,257,186	-	1,731,840	1,042,870	1,482,476
Total fixed income securities	<u>\$ 11,314,508</u>	<u>\$ -</u>	<u>\$ 3,838,874</u>	<u>\$ 2,037,181</u>	<u>\$ 5,438,453</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Rate of Return (Continued)

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, 2015:

Standard & Poor's Quality Ratings of Credit	Fair Value	Percentage of Fixed Income Portfolio
<u>Risk Debt Securities</u>		
AAA	\$ 1,786,147	15.79%
AA+	351,275	3.10%
AA	99,779	0.88%
AA-	319,136	2.82%
A+	281,084	2.48%
A	667,947	5.90%
A-	742,582	6.56%
BBB+	1,033,720	9.14%
BBB	521,493	4.61%
BBB-	536,918	4.75%
N/R	4,974,427	43.97%
	<u>\$ 11,314,508</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, 2015, 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 4 - RECEIVABLES

Receivables at year-end are as follows:

	<u>General</u>	<u>Excise Tax Fund</u>	<u>Police Forfeiture</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>	<u>Non-major Governmental Funds</u>	<u>Internal Enterprise Funds</u>	<u>Total</u>
Receivables:								
Accounts	\$ -	\$ -	\$ -	371,077	24,227	-	142,706	538,010
Taxes	224,681	353,166	-	-	-	126,913	-	704,760
Grants and other	44,851	-	35,812	-	-	32,607	-	113,270
Total receivables	<u>\$ 269,532</u>	<u>\$ 353,166</u>	<u>\$ 35,812</u>	<u>\$ 371,077</u>	<u>\$ 24,227</u>	<u>\$ 159,520</u>	<u>\$ 142,706</u>	<u>\$ 1,356,040</u>

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2015 was as follows:

<u>Governmental activities</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital assets not being depreciated:				
Land	\$ 2,358,437	\$ -	\$ -	\$ 2,358,437
Construction in progress	1,379,705	844,291	(1,677,120)	546,876
Total capital assets not being depreciated	<u>3,738,142</u>	<u>844,291</u>	<u>(1,677,120)</u>	<u>2,905,313</u>
Capital assets being depreciated:				
Building and improvements	12,712,960	33,412	-	12,746,372
Land improvements	4,493,891	322,389	-	4,816,280
Infrastructure	17,574,580	206,836	-	17,781,416
Machinery and equipment	5,197,470	751,262	(450,634)	5,498,098
Total capital assets being depreciated	<u>39,978,901</u>	<u>1,313,899</u>	<u>(450,634)</u>	<u>40,842,166</u>
Less accumulated depreciation for:				
Building and improvements	(3,559,972)	(258,626)	-	(3,818,598)
Land improvements	(2,997,055)	(199,301)	-	(3,196,356)
Infrastructure	(11,436,820)	(439,137)	-	(11,875,957)
Machinery and equipment	(3,908,915)	(412,118)	450,634	(3,870,399)
Total accumulated depreciation	<u>(21,902,762)</u>	<u>(1,309,182)</u>	<u>450,634</u>	<u>(22,761,310)</u>
Total capital assets being depreciated, net	<u>18,076,139</u>	<u>4,717</u>	<u>-</u>	<u>18,080,856</u>
Governmental activities capital assets, net	<u>\$ 21,814,281</u>	<u>\$ 849,008</u>	<u>\$ (1,677,120)</u>	<u>\$ 20,986,169</u>

<u>Business-type activities</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 523,164	\$ -	\$ 523,164
Total capital assets not being depreciated	<u>-</u>	<u>523,164</u>	<u>-</u>	<u>523,164</u>
Capital assets being depreciated:				
Machinery and equipment	2,143,800	119,463	(323,171)	1,940,092
Drainage improvements	2,006,589	672,381	-	2,678,970
Total capital assets being depreciated	<u>4,150,389</u>	<u>791,844</u>	<u>(323,171)</u>	<u>4,619,062</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,307,268)	(127,792)	323,171	(1,111,889)
Drainage improvements	(647,878)	(74,285)	-	(722,163)
Total accumulated depreciation	<u>(1,955,146)</u>	<u>(202,077)</u>	<u>323,171</u>	<u>(1,834,052)</u>
Total capital assets being depreciated, net	<u>2,195,243</u>	<u>589,767</u>	<u>-</u>	<u>2,785,010</u>
Business-type activities capital assets, net	<u>\$ 2,195,243</u>	<u>\$ 1,112,931</u>	<u>\$ -</u>	<u>\$ 3,308,174</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 5 - CAPITAL ASSETS (Continued)

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

<u>Governmental activities</u>	
General Government	\$ 72,535
Public Safety	194,349
Public Works	646,636
Culture and Recreation	<u>395,662</u>
Total depreciation expense – governmental activities	<u>\$ 1,309,182</u>
<u>Business-type activities</u>	
Sanitation	\$ 127,792
Stormwater	<u>74,285</u>
Total depreciation expense – business-type activities	<u>\$ 202,077</u>

NOTE 6 - LONG-TERM DEBT

1. 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 pledged 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.

Debt service requirements to maturity for the fiscal year ending September 30, 2015 are summarized as follows:

<u>September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 359,860	\$ 20,468	\$ 380,328
2017	368,977	11,350	380,327
2018	<u>221,590</u>	<u>2,389</u>	<u>223,979</u>
	<u>\$ 950,427</u>	<u>\$ 34,207</u>	<u>\$ 984,634</u>

2. 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 \$125,000 in 2016 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 6 - LONG-TERM DEBT (Continued)

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

Debt service requirements to maturity for the fiscal year ending September 30, 2015 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 125,000	\$ 50,060	\$ 175,060
2017	128,000	46,725	174,725
2018	131,000	43,456	174,456
2019	133,000	40,123	173,123
2020	136,000	36,834	172,834
2021-2025	734,000	129,728	863,728
2026-2029	<u>653,000</u>	<u>33,415</u>	<u>686,415</u>
	<u>\$ 2,040,000</u>	<u>\$ 380,341</u>	<u>\$ 2,420,341</u>

3. Miami Shores Village, Florida Refunding General Obligation Bond, Series 2015

In June 2015, the Village issued the Miami Shores Village, Florida Refunding General Obligation Bond Series 2015, in order to refund the cost of the Miami Shores Village, Florida General Obligation Bonds, Series 2004. Principal is due annually (through 2033) at various amounts ranging from 173,400 in 2016 to a final payment of \$263,700 in 2033. The bonds bear interest at a rate of 2.54% per annum. The bonds are secured by ad-valorem revenues. The refunding resulted in an economic gain of approximately \$764,000 and a cash flow savings of approximately \$947,000.

Debt service requirements to maturity for the fiscal year ending September 30, 2015 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 173,400	\$ 97,924	\$ 271,324
2017	177,300	93,520	270,820
2018	180,800	89,016	269,816
2019	184,100	84,424	268,524
2020	191,400	79,748	271,148
2021-2025	1,017,900	323,982	1,341,882
2026-2030	1,160,900	187,884	1,348,784
2031-2033	<u>769,500</u>	<u>39,463</u>	<u>808,963</u>
	<u>\$ 3,855,300</u>	<u>\$ 995,961</u>	<u>\$ 4,851,261</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 6 - LONG-TERM DEBT (Continued)

Long-term debt activity for the fiscal year ended September 30, 2015 was as follows:

	Beginning Balance <u>10/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>9/30/2015</u>	Due within <u>one year</u>
Governmental Activities					
Bonds and notes payable:					
Promissory Note, Series 2013	\$ 1,300,964	\$ -	\$ (350,537)	\$ 950,427	\$ 359,860
Refunding General Obligation Bond, Series 2013	2,163,000	-	(123,000)	2,040,000	125,000
General obligation bonds payable - 2004 Refunding General Obligation Bond, Series 2015	3,890,000	-	(3,890,000)	-	-
	<u>-</u>	<u>4,017,600</u>	<u>(162,300)</u>	<u>3,855,300</u>	<u>173,400</u>
Total bonds and notes payable	<u>7,353,964</u>	<u>4,017,600</u>	<u>(4,525,837)</u>	<u>6,845,727</u>	<u>658,260</u>
Other liabilities:					
OPEB liability	540,664	92,138	-	632,802	-
Claims payable	340,000	-	-	340,000	-
Compensated absences	781,239	629,002	(728,595)	681,646	20,449
Net pension liability	<u>7,869,845</u>	<u>133,177</u>	<u>(128,369)</u>	<u>7,874,653</u>	<u>-</u>
Total other liabilities	<u>9,531,748</u>	<u>854,317</u>	<u>(856,964)</u>	<u>9,529,101</u>	<u>20,449</u>
Governmental activity long-term liabilities	<u>\$ 16,885,712</u>	<u>\$ 4,871,917</u>	<u>\$ (5,382,801)</u>	<u>\$ 16,374,828</u>	<u>\$ 678,709</u>
Business-type activities					
Other liabilities:					
OPEB liability	\$ 95,999	\$ 16,360	\$ -	\$ 112,359	\$ -
Compensated absences	<u>114,544</u>	<u>66,440</u>	<u>(68,364)</u>	<u>112,620</u>	<u>28,155</u>
Business-type activities long-term liabilities	<u>\$ 210,543</u>	<u>\$ 82,800</u>	<u>\$ (68,364)</u>	<u>\$ 224,979</u>	<u>\$ 28,155</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at September 30, 2015 are as follows:

	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
General Fund	\$ 529,086	\$ -
Water and Sewer Fund	-	523,164
Non-Major Governmental Funds	-	<u>5,922</u>
Total	<u>\$ 529,086</u>	<u>\$ 529,086</u>

Amount due by the Water and Sewer Fund pertains to the capital assets acquired from the Capital Improvement Fund. The capital assets consist of the construction in progress of the water main and sewer system performed by the Capital Improvement Fund. Further, the remaining 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfer activity for the year ended September 30, 2015 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,297,500	\$ 606,500
Excise Tax	-	1,897,500
General Trust Fund	-	50,000
Sanitation Fund	-	350,000
Stormwater Fund	-	50,000
Non-Major Governmental Funds	971,570	283,070
Internal Service Funds	<u>90,000</u>	<u>122,000</u>
Total	<u>\$ 3,359,070</u>	<u>\$ 3,359,070</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.

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING

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, 2013 (the date of the latest actuarial valuations) 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>47</u>	<u>22</u>
Active participants:	<u>65</u>	<u>32</u>
Total members	<u>102</u>	<u>54</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

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. As of September 30, 2015, there were 6 members in the DROP and their fair value of DROP investment was \$ 584,288 which is included in the Plan’s net position. At the end of September 30, 2015, the Village had no DROP liability.

Funding Requirement

Plan members are required to contribute 6% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan’s actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the “percentage of payroll contribution” method for the fiscal year ended September 30, 2015.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

Funding Requirement

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2013 for the year ended September 30, 2015. The contributions consisted of the following at September 30, 2015:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 371,453	11.81%
Members	\$ 188,793	N/A

Net Pension Liability:

Total pension liability	\$ 13,911,164
Plan fiduciary net position	<u>11,374,066</u>
Net pension liability	<u>\$ 2,537,098</u>
Plan fiduciary net position as a percentage of total pension liability	81.76%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013 and rolled forward to the measurement date of September 30, 2015, using the following actuarial assumptions:

Interest rates:	
Single discount rate	7.70%
Long-term expected rate of return	5.90%
Mortality table	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan’s target allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	2.53%
International Equity	2.53%
Fixed Income	2.53%

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

Discount Rate

A single discount rate of 7.70% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.70%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.70%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.70%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 6.70%	Current Single Discount Rate Assumption 7.70%	1% Increase 8.70%
\$ 4,110,573	\$ 2,537,098	\$ 1,220,010

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, 2015.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	
Cash and cash equivalents	\$ 236,644
Investments, at fair value	11,112,372
Accrued interest receivable	<u>25,050</u>
Total assets	<u>11,374,066</u>
<u>NET POSITION</u>	
Net position restricted for pensions	<u>\$ 11,374,066</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2015

ADDITIONS	
Contributions	\$ 560,246
Net investment loss	<u>(160,205)</u>
Total additions	<u>400,041</u>
 DEDUCTIONS	
Pension benefits	655,520
Administrative expenses	<u>15,448</u>
Total deductions	<u>670,968</u>
Decrease	(270,927)
 Net position restricted for pensions:	
Beginning of year	<u>11,644,993</u>
End of year	<u>\$ 11,374,066</u>

Tax Status

The Internal Revenue Service has determined and informed the Plan by a letter on April 20, 2016, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code, conditioned upon the adoption of certain proposed modifications. Further, the Village Sponsor and legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

B. Police Officers’ Retirement Plan (Continued)

Deferred Retirement Option Plan (Continued)

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 70¹/₄ years. As of September 30, 2015, there were 4 members in the DROP and their fair value of DROP investment was \$ 361,322 which is included in the Plan’s net position. At the end of September 30, 2015, the Village had no DROP liability.

Funding Requirement

Plan members are required to contribute 9% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan’s actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the “percentage of payroll contribution” method for the fiscal year ended September 30, 2015.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of the threshold of \$60,386 are to be utilized to provide future minimum extra benefits and may not be used to reduce or offset the contribution requirements of the employer.

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2013 for the year ended September 30, 2015. The contributions consisted of the following at September 30, 2015:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 1,249,668	62.23%
State of Florida	-	-
Total contributions from Village and State of Florida	<u>1,249,668</u>	<u>62.23%</u>
 Members	 \$ 180,728	 N/A

Net Pension Liability:

Total pension liability	\$ 26,177,937
Plan fiduciary net position	<u>19,054,943</u>
Net pension liability	<u>\$ 7,122,994</u>
Plan fiduciary net position as a percentage of total pension liability	72.79%

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

B. Police Officers’ Retirement Plan (Continued)

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2014 and rolled forward to the measurement date of September 30, 2015, using the following actuarial assumptions:

Interest rates:	
Single discount rate	7.60%
Long-term expected rate of return	5.65%
Mortality table	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan’s target allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	2.53%
International Equity	2.53%
Fixed Income	2.53%

Discount Rate

A single discount rate of 7.60% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.60%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.60%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.60%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount	1% Increase
6.60%	Rate Assumption	8.60%
7.60%	7.60%	8.60%
\$ 10,563,428	\$ 7,122,994	\$ 4,299,660

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 8 - EMPLOYEE RETIREMENT PLANS – PLANS’ REPORTING (Continued)

B. Police Officers' Retirement Plan (Continued)

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, 2015.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	
Cash and cash equivalents	\$ 606,426
Investments, at fair value	18,367,001
Other Receivables	32,922
Accrued interest receivable	<u>48,594</u>
Total assets	<u>19,054,943</u>
<u>NET POSITION</u>	
Net position restricted for pensions	<u>\$19,054,943</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2015

ADDITIONS	
Contributions	\$ 1,430,396
Net investment loss	<u>(201,097)</u>
Total additions	<u>1,229,299</u>
DEDUCTIONS	
Pension benefits	941,093
Administrative expenses	<u>11,783</u>
Total deductions	<u>952,876</u>
Increase	276,423
Net position restricted for pensions:	
Beginning of year	<u>18,778,520</u>
End of year	<u>\$19,054,943</u>

Tax Status

The Internal Revenue Service has determined and informed the Plan by a letter on April 20, 2016, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code, conditioned upon the adoption of certain proposed modifications. Further, the Village Sponsor and legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING

As described in Note 8, 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 following details the disclosures as required by GASB Statement No. 68.

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, 2013 (the date of the latest actuarial valuations) 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>47</u>	<u>22</u>
Active participants:	<u>65</u>	<u>32</u>
Total members	<u>102</u>	<u>54</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

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. As of September 30, 2014, there were 2 members in the DROP and their fair value of DROP investment was \$ 638,011 which is included in the Plan's net position. At the end of September 30, 2014, the Village had no DROP liability.

Funding Requirement

Plan members are required to contribute 6% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2015.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

Funding Requirement

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2011 for the year ended September 30, 2014. The contributions consisted of the following at September 30, 2014:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 261,966	8.75%
Members	\$ 179,680	N/A

Net Pension Liability:

The Village's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by the October 1, 2013 actuarial valuation.

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the following actuarial assumptions:

Interest rates:

Single discount rate	7.70%
Long-term expected rate of return	7.70%

Mortality table

RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

Discount Rate

A single discount rate of 7.70% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.70%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.70%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending at September 30, 2013	\$ 12,363,128	\$ 10,918,492	\$ 1,444,636
Service Cost	308,880	-	308,880
Interest	960,279	-	960,279
Difference between actual & expected experience	(7,788)	-	(7,788)
Contributions - Employer	-	261,966	(261,966)
Contributions - Member	-	179,680	(179,680)
Benefit Payments	(373,038)	-	(373,038)
Refunds	(28,655)	-	(28,655)
Net Investment Income	-	715,959	(715,959)
Benefit Payments	-	(373,038)	373,038
Refunds	-	(28,655)	28,655
Administrative Expense	-	(29,411)	29,411
Reporting period ending at September 30, 2014	<u>\$ 13,222,806</u>	<u>\$ 11,644,993</u>	<u>\$ 1,577,813</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		88.07%	
Covered Employee Payroll		\$ 2,994,667	
Net Pension Liability as a Percentage of Covered Employee Payroll		52.69%	

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following presents the plan’s net pension liability, calculated using a single discount rate of 7.70%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.70%	Current Single Discount Rate Assumption 7.70%	1% Increase 8.70%
\$ 3,110,860	\$ 1,577,813	\$ 295,996

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

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, 2014.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	
Cash and cash equivalents	\$ 265,234
Investments, at fair value	11,339,552
Other receivables	12,498
Accrued interest receivable	<u>27,709</u>
Total assets	<u>11,644,993</u>
<u>NET POSITION</u>	
Net position restricted for pensions	<u>\$ 11,644,993</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2014

ADDITIONS	
Contributions	\$ 441,646
Net investment income	<u>715,959</u>
Total additions	<u>1,157,605</u>
DEDUCTIONS	
Pension benefits	401,693
Administrative expenses	<u>29,411</u>
Total deductions	<u>431,104</u>
Increase	726,501
Net position restricted for pensions:	
Beginning of year – as restated	<u>10,918,492</u>
End of year	<u>\$ 11,644,993</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the Village will recognize pension expense of \$301,024. At September 30, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ 6,018	\$ (6,018)
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	<u>100,137</u>	<u>-</u>	<u>100,137</u>
Total	<u>\$ 100,137</u>	<u>\$ 6,018</u>	<u>\$ 94,119</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

A. General Employees’ Retirement Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30,	Net Deferred Outflows of Resources
2016	\$ 23,264
2017	23,264
2018	23,264
2019	24,327
2020	-
Thereafter	-
Total	<u>\$ 94,119</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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

B. Police Officers' Retirement Plan (Continued)

Deferred Retirement Option Plan (Continued)

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. As of September 30, 2014, there were 4 members in the DROP and their fair value of DROP investment was \$ 503,705 which is included in the Plan's net position. At the end of September 30, 2014, total liabilities for the DROP were \$377,542.

Funding Requirement

Plan members are required to contribute 9% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2014.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of the threshold of \$60,386 are to be utilized to provide future minimum extra benefits and may not be used to reduce or offset the contribution requirements of the employer. The excess of insurance premium tax monies allocated to pay for additional benefits in this plan amounted to \$113,175 for the fiscal year ended September 30, 2014 and is included in state contributions on the statements of changes in fiduciary net position.

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2012 for the year ended September 30, 2014. The contributions consisted of the following at September 30, 2014:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 1,207,161	47.49%
State of Florida	<u>173,561</u>	<u>1.19%</u>
Total contributions from Village and State of Florida	<u><u>1,402,581</u></u>	<u><u>48.68%</u></u>
Members	\$ 205,660	N/A

Net Pension Liability:

The Village's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by the October 1, 2013 actuarial valuation.

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the following actuarial assumptions:

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

B. Police Officers' Retirement Plan (Continued)

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013, using the following actuarial assumptions:

Interest rates:	
Single discount rate	7.70%
Long-term expected rate of return	7.70%
Mortality table	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan’s target allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

Discount Rate

A single discount rate of 7.70% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.70%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.70%) was applied to all periods of projected benefit payments to determine the total pension liability.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

B. Police Officers' Retirement Plan (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending at September 30, 2013	\$ 23,668,697	\$ 17,243,488	\$ 6,425,209
Service Cost	672,275	-	672,275
Interest	1,796,408	-	1,796,408
Difference between actual & expected experience	5,315	-	5,315
Contributions - Employer	-	1,207,161	(1,207,161)
Contributions - Member	-	173,561	(173,561)
Contributions - Non-Employer Contributing Entity	-	205,660	(205,660)
Benefit Payments	(1,180,510)	-	(1,180,510)
Refunds	113,175	-	113,175
Net Investment Income	-	1,168,552	(1,168,552)
Benefit Payments	-	(1,180,510)	1,180,510
Administrative Expense	-	(39,392)	39,392
Reporting period ending at September 30, 2014	<u>\$ 25,075,360</u>	<u>\$ 18,778,520</u>	<u>\$ 6,296,840</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		74.89%	
Covered Employee Payroll		\$ 2,285,111	
Net Pension Liability as a Percentage of Covered Employee Payroll		275.56%	

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following presents the plan's net pension liability, calculated using a single discount rate of 7.70%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.70%	Current Single Discount Rate Assumption 7.70%	1% Increase 8.70%
\$ 9,536,590	\$ 6,296,840	\$ 3,625,669

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

B. Police Officers' Retirement Plan (Continued)

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, 2014.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	
Cash and cash equivalents	\$ 227,026
Investments, at fair value	18,771,407
Other Receivables	107,191
Accrued interest receivable	<u>50,438</u>
Total assets	<u>19,159,062</u>
<u>LIABILITIES AND NET POSITION</u>	
DROP liability	<u>377,542</u>
Net position restricted for pensions	<u>\$18,778,520</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2014

ADDITIONS	
Contributions	\$ 1,586,382
Net investment income	<u>1,168,552</u>
Total additions	<u>2,754,934</u>
DEDUCTIONS	
Pension benefits	1,180,510
Administrative expenses	<u>39,392</u>
Total deductions	<u>1,219,902</u>
Increase	1,535,032
Net position restricted for pensions:	
Beginning of year – as restated	<u>17,243,488</u>
End of year	<u>\$18,778,520</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the Village will recognize pension expense of \$1,109,308. At September 30, 2015, the Village reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,399
Changes in assumptions	-
Net difference between projected and actual earnings on pension plan investments	<u>138,645</u>
Total	<u>\$ 143,044</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLANS – VILLAGE’S REPORTING (Continued)

B. Police Officers' Retirement Plan (Continued)

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30,	Net Deferred Inflows of Resources
2016	\$ 35,577
2017	35,577
2018	35,577
2019	35,578
2020	735
Thereafter	-
Total	<u>\$ 143,044</u>

NOTE 10 - 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, 2015, there were two 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, 2015 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning	\$340,000	\$464,136	\$464,136
Incurred claims (including IBNR's)	-	-	-
Claim payments and disbursements	-	(124,136)	-
Unpaid claims, ending	<u>\$340,000</u>	<u>\$340,000</u>	<u>\$464,136</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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.

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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 12 - 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 pay 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS

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 \$178,119.

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 2015 is as follows:

Annual required contribution (ARC)	\$ 176,290
Interest on net OPEB obligation	27,058
Adjustment to annual required contribution	<u>(25,229)</u>
Annual pension cost (APC)	178,119
Contributions made	<u>69,621</u>
Increase in net OPEB obligation	108,498
Net OPEB obligation, beginning of year	<u>636,663</u>
Net OPEB obligation, end of year	<u>\$ 745,161</u>

Annual OPEB Costs

Fiscal Year Ending September 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2013	\$157,459	\$45,486	28.89%	\$529,387
2014	167,477	60,201	28.89%	636,663
2015	178,119	69,621	39.09%	745,161

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%

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 13 – RESTATEMENT

The implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as stated in Note 1, resulted in a restatement of the beginning net position for the government activities as of October 1, 2014.

Beginning net position, as previously recorded	\$ 29,953,601
Record opening net pension liability per GASB Statement No. 68	(7,869,845)
Record opening deferred outflows per GASB Statement No. 68	1,642,688
Record opening net pension asset per GASB Statement No. 68	<u>(462,359)</u>
Beginning net position, as restated	<u>\$ 23,264,085</u>

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to year end, the Village entered into a loan agreement in the amount of \$5,000,000 with the Florida Local Government Finance Commission Pooled Commercial Paper Loan Program. The purpose of this loan is to finance various capital improvements within the Village, including the water main and sewer system project construction in the downtown area.

The Village purchased the Archdiocese property in April of 2016 for approximately \$1,100,000 for future use as a Village facility.

REQUIRED SUPPLEMENTARY INFORMATION

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 6,321,800	\$ 6,321,800	\$ 6,383,317	\$ 61,517
Licenses and permits:				
Business licenses - Village	80,000	80,000	86,463	6,463
Business licenses - County	22,000	22,000	24,233	2,233
Building permits	700,000	700,000	912,670	212,670
Certificate of reoccupancy	13,000	13,000	13,500	500
Other licenses and permits	149,000	149,000	200,569	51,569
Total licenses and permits	<u>964,000</u>	<u>964,000</u>	<u>1,237,435</u>	<u>273,435</u>
Intergovernmental revenues:				
State shared revenues:				
State revenue sharing	245,000	245,000	256,553	11,553
Local government half cent sales tax	800,000	800,000	805,383	5,383
Other	850	850	865	15
Total intergovernmental revenues	<u>1,045,850</u>	<u>1,045,850</u>	<u>1,062,801</u>	<u>16,951</u>
Charges for services:				
Physical environment	42,300	42,300	51,967	9,667
Police extra duty	384,000	384,000	413,807	29,807
Landscape maintenance	19,900	19,900	24,771	4,871
Culture/recreation	1,479,923	1,479,923	1,568,844	88,921
Total charges for services	<u>1,926,123</u>	<u>1,926,123</u>	<u>2,059,389</u>	<u>133,266</u>
Fines and forfeitures:				
Court fines and costs	84,000	84,000	58,307	(25,693)
School crossing guards	21,000	21,000	18,149	(2,851)
Other	359,000	359,000	423,321	64,321
Total fines and forfeitures	<u>464,000</u>	<u>464,000</u>	<u>499,777</u>	<u>35,777</u>
Miscellaneous:				
Rents	205,000	205,000	355,077	150,077
Other	72,750	72,750	94,368	21,618
Total miscellaneous	<u>277,750</u>	<u>277,750</u>	<u>449,445</u>	<u>171,695</u>
Interest	5,700	5,700	14,281	8,581
Total revenues	<u>\$ 11,005,223</u>	<u>\$ 11,005,223</u>	<u>\$ 11,706,445</u>	<u>\$ 701,222</u>

(Continued)

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 2015

	<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	\$ 9,547	\$ 9,547	\$ 7,333	\$ 2,214
Village attorney	167,850	282,850	274,023	8,827
Village manager	233,102	233,102	225,236	7,866
Village clerk	164,504	164,504	147,080	17,424
Code enforcement	175,099	177,599	174,365	3,234
Building department	486,573	541,573	535,259	6,314
Planning and zoning	175,381	175,381	155,562	19,819
Finance	518,740	518,740	476,459	42,281
Other general government	<u>1,027,295</u>	<u>1,104,741</u>	<u>920,239</u>	<u>184,502</u>
Total general government	<u>2,958,091</u>	<u>3,208,037</u>	<u>2,915,556</u>	<u>292,481</u>
Public safety:				
Law enforcement	6,393,758	6,243,824	5,997,475	246,349
School crossing guard	<u>41,804</u>	<u>41,804</u>	<u>40,122</u>	<u>1,682</u>
Total public safety	<u>6,435,562</u>	<u>6,285,628</u>	<u>6,037,597</u>	<u>248,031</u>
Public works:				
Parks	318,493	318,493	310,205	8,288
Street maintenance	474,364	460,364	458,692	1,672
Public works administration	362,774	362,774	344,122	18,652
Recreation maintenance	<u>148,838</u>	<u>162,838</u>	<u>159,583</u>	<u>3,255</u>
Total public services	<u>1,304,469</u>	<u>1,304,469</u>	<u>1,272,602</u>	<u>31,867</u>
Culture and recreation:				
Recreation	2,203,277	2,204,827	2,163,231	41,596
Library	<u>414,824</u>	<u>414,824</u>	<u>386,000</u>	<u>28,824</u>
Total culture and recreation	<u>2,618,101</u>	<u>2,619,651</u>	<u>2,549,231</u>	<u>70,420</u>
Total expenditures	<u>13,316,223</u>	<u>13,417,785</u>	<u>12,774,986</u>	<u>642,799</u>
Deficiency of revenues over expenditures	<u>(2,311,000)</u>	<u>(2,412,562)</u>	<u>(1,068,541)</u>	<u>58,423</u>
Other financing sources (uses)				
Transfers in	2,917,500	2,917,500	2,297,500	(620,000)
Transfers out	(606,500)	(606,500)	(606,500)	-
Appropriations from prior year fund balance	<u>-</u>	<u>101,562</u>	<u>-</u>	<u>(101,562)</u>
Total other financing sources (uses)	<u>2,311,000</u>	<u>2,412,562</u>	<u>1,691,000</u>	<u>\$ (721,562)</u>
Net change in fund balance	-	-	622,459	
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>7,966,437</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,588,896</u>	

See notes to budgetary comparison schedule

MIAMI SHORES VILLAGE, FLORIDA
BUDGETARY COMPARISON SCHEDULES
SPECIAL REVENUE FUND - EXCISE TAX
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Public service taxes	\$ 2,217,500	\$ 2,217,500	\$ 2,199,772	\$ (17,728)
Total revenues	<u>2,217,500</u>	<u>2,217,500</u>	<u>2,199,772</u>	<u>(17,728)</u>
Other financing uses				
Transfers out	(2,517,500)	(2,517,500)	(1,897,500)	620,000
Appropriations from prior year fund balance	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Total other financing uses	<u>(2,217,500)</u>	<u>(2,217,500)</u>	<u>(1,897,500)</u>	<u>\$ 320,000</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>302,272</u>	
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>686,057</u>	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 988,329</u>	

See notes to budgetary comparison schedules

MIAMI SHORES VILLAGE, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2015

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.

- a) 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.
- b) Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (TRIM) legislation.
- c) 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.
- d) 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.
- e) Budgeted amounts are as originally adopted or as amended. There were supplemental appropriations in the General Fund totaling \$101,562, during the fiscal year ended September 30, 2015 for funding outstanding obligations and unanticipated expenses
- f) Unencumbered appropriations lapse at year end.

Excesses of expenditures over appropriations

For the year ended September 30, 2015, expenditures exceeded appropriations in the Debt Service Fund by \$213,117. These over-expenditures were funded by greater than anticipated revenues or available fund balance.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM (VILLAGE'S REPORTING)
(as required by GASB Statement No. 68)

Fiscal year ending September 30,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 308,880
Interest	960,279
Benefit Changes	-
Difference between actual & expected experience	(7,788)
Assumption Changes	-
Benefit Payments	(373,038)
Refunds	(28,655)
Other	-
Net Change in Total Pension Liability	<u>859,678</u>
Total Pension Liability - Beginning	<u>12,363,128</u>
Total Pension Liability - Ending (a)	<u>\$ 13,222,806</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 261,966
Contributions - Member	179,680
Net Investment Income	715,959
Benefit Payments	(373,038)
Refunds	(28,655)
Administrative Expense	(29,411)
Other	-
Net Change in Plan Fiduciary Net Position	<u>726,501</u>
Plan Fiduciary Net Position - Beginning	<u>10,918,492</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,644,993</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,577,813</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.07%
Covered Employee Payroll ¹	\$ 2,994,667
Net Pension Liability as a Percentage of Covered Employee Payroll	52.69%

¹ Covered Employee Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM (PLAN'S REPORTING)
(as required by GASB Statement No. 67)

Fiscal year ending September 30,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 325,868	\$ 308,880
Interest	1,018,010	960,279
Benefit Changes	-	-
Difference between actual & expected experience	-	(7,788)
Assumption Changes	-	-
Benefit Payments	(655,520)	(373,038)
Refunds	-	(28,655)
Other	-	-
Net Change in Total Pension Liability	<u>688,358</u>	<u>859,678</u>
Total Pension Liability - Beginning	<u>13,222,806</u>	<u>12,363,128</u>
Total Pension Liability - Ending (a)	<u>\$ 13,911,164</u>	<u>\$ 13,222,806</u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 371,453	\$ 261,966
Contributions - Member	188,793	179,680
Net Investment Income	(160,205)	715,959
Benefit Payments	(655,520)	(373,038)
Refunds	-	(28,655)
Administrative Expense	(15,448)	(29,411)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>(270,927)</u>	<u>726,501</u>
Plan Fiduciary Net Position - Beginning	<u>11,644,993</u>	<u>10,918,492</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,374,066</u>	<u>\$ 11,644,993</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,537,098</u>	<u>\$ 1,577,813</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.76%	88.07%
Covered Employee Payroll ¹	\$ 3,146,550	\$ 2,994,667
Net Pension Liability as a Percentage of Covered Employee Payroll	80.63%	52.69%

¹ Covered Employee Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Fiscal Year Ending <u>September 30.</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u> ¹	Actual Contribution as a % of <u>Covered Payroll</u>
2015	\$ 371,453	\$ 371,453	\$ -	\$ 3,146,550	11.81%
2014	261,966	261,966	-	2,994,667	8.75%

¹ Covered Employee Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

Notes to the Schedule of Contributions

Valuation Date	10/1/2013
Measurement Date:	9/30/2015
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	4.0%
Salary Increases	5.5%
Investment Rate of Return	7.7%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Fiscal year ending <u>September 30,</u>	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2006	0.23%
2007	-0.39%
2008	3.49%
2009	7.10%
2010	8.51%
2011	9.06%
2012	12.95%
2013	10.44%
2014	6.23%
2015	-1.20%

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT SYSTEM (VILLAGE'S REPORTING)
(as required by GASB Statement No. 68)

Fiscal year ending September 30,	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 672,275
Interest	1,796,408
Benefit Changes	-
Difference between actual & expected experience	5,315
Assumption Changes	-
Benefit Payments	(1,180,510)
Refunds	-
Other	<u>113,175</u>
Net Change in Total Pension Liability	1,406,663
Total Pension Liability - Beginning	<u>23,668,697</u>
Total Pension Liability - Ending (a)	<u>\$ 25,075,360</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,207,161
Contributions - Non-Employer Contributing Entity	173,561 ¹
Contributions - Member	205,660
Net Investment Income	1,168,552
Benefit Payments	(1,180,510)
Refunds	-
Administrative Expense	<u>(39,392)</u>
Net Change in Plan Fiduciary Net Position	1,535,032
Plan Fiduciary Net Position - Beginning	<u>17,243,488</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,778,520</u>
Net Pension Liability - Ending (a) - (b)	\$ 6,296,840
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.89%
Covered Employee Payroll ²	\$ 2,285,111
Net Pension Liability as a Percentage of Covered Employee Payroll	275.56%

¹ Covered Employee Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT SYSTEM (PLAN'S REPORTING)
(as required by GASB Statement No. 67)

Fiscal year ending September 30,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 554,721	\$ 672,275
Interest	1,937,284	1,796,408
Benefit Changes	(173,336)	-
Difference between actual & expected experience	(582,646)	5,315
Assumption Changes	307,647	-
Benefit Payments	(941,093)	(1,180,510)
Refunds	-	-
Other	-	113,175
	<u>1,102,577</u>	<u>1,406,663</u>
Net Change in Total Pension Liability		
Total Pension Liability - Beginning	<u>25,075,360</u>	<u>23,668,697</u>
Total Pension Liability - Ending (a)	<u>\$ 26,177,937</u>	<u>\$ 25,075,360</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,249,668	\$ 1,207,161
Contributions - Non-Employer Contributing Entity	-	173,561
Contributions - Member	180,728	205,660
Net Investment Income	(201,097)	1,168,552
Benefit Payments	(941,093)	(1,180,510)
Refunds	-	-
Administrative Expense	(11,783)	(39,392)
	<u>276,423</u>	<u>1,535,032</u>
Net Change in Plan Fiduciary Net Position		
Plan Fiduciary Net Position - Beginning	<u>18,778,520</u>	<u>17,243,488</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 19,054,943</u>	<u>\$ 18,778,520</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,122,994</u>	<u>\$ 6,296,840</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.79%	74.89%
Covered Employee Payroll ²	\$ 2,008,089	\$ 2,285,111
Net Pension Liability as a Percentage of Covered Employee Payroll	354.72%	275.56%

¹ State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

² Covered Employee Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM

Fiscal Year Ending <u>September 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u> ²	Actual Contribution as a % of <u>Covered Payroll</u>
2015	\$ 1,249,668	\$ 1,249,668	\$ -	\$ 2,008,089	62.23%
2014	1,237,354	1,267,547 ¹	(30,193)	2,285,111	55.47%

¹ State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

² Covered Employee Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

Notes to the Schedule of Contributions

Valuation Date	10/1/2014
Measurement Date:	9/30/2015
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	4.0%
Salary Increases	6.5%
Investment Rate of Return	7.7%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICERS' RETIREMENT SYSTEM

Fiscal year ending <u>September 30.</u>	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2006	0.75%
2007	0.22%
2008	3.74%
2009	6.89%
2010	7.99%
2011	8.38%
2012	11.52%
2013	9.48%
2014	6.30%
2015	-0.90%

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.

Brockway Memorial Library Fund – This fund accounts for donations to be applied toward the Library’s Children’s Wing Expansion Project. All funds in this account are available to be used in the renovation and addition slated as part of the expansion project.

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, 2015

	Special Revenue Funds						
	Transportation <u>Surtax</u>	Local Option <u>Gas Tax</u>	Building Better <u>Communities</u>	<u>Grants</u>	Law Enforcement <u>Training</u>	Brockway Memorial <u>Expansion</u>	<u>Total</u>
<u>ASSETS</u>							
Cash and cash equivalents	\$ 428,236	\$ 243,278	\$ -	\$ -	\$ 18,309	\$ 272,300	\$ 962,123
Accounts receivable - net	99,725	27,181	-	32,203	404	-	159,513
Total assets	<u>527,961</u>	<u>270,459</u>	-	<u>32,203</u>	<u>18,713</u>	<u>272,300</u>	<u>1,121,636</u>
<u>LIABILITIES</u>							
Accounts payable and accrued liabilities	41,945	5,893	-	10,825	-	-	58,663
Due to other funds	-	-	-	5,922	-	-	5,922
Unearned revenues	-	-	-	2,000	-	-	2,000
Total liabilities	<u>41,945</u>	<u>5,893</u>	-	<u>18,747</u>	-	-	<u>66,585</u>
<u>FUND BALANCES</u>							
Restricted	486,016	264,566	-	13,456	18,713	272,300	1,055,051
Committed	-	-	-	-	-	-	-
Total fund balances	<u>486,016</u>	<u>264,566</u>	-	<u>13,456</u>	<u>18,713</u>	<u>272,300</u>	<u>1,055,051</u>
Total liabilities and fund balances	<u>\$ 527,961</u>	<u>\$ 270,459</u>	<u>\$ -</u>	<u>\$ 32,203</u>	<u>\$ 18,713</u>	<u>\$ 272,300</u>	<u>\$ 1,121,636</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Debt Service	Capital Projects			Total Nonmajor Governmental Funds
<u>ASSETS</u>	<u>GO Bonds</u>	<u>Capital Improvement Fund</u>	<u>Charter High School Construction</u>	<u>Total</u>	<u>Funds</u>
Cash and cash equivalents	\$ 1,115,618	\$ 520,127	\$ 59,357	\$ 579,484	\$ 2,657,225
Accounts receivable - net	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,520</u>
Total assets	<u><u>1,115,625</u></u>	<u><u>520,127</u></u>	<u><u>59,357</u></u>	<u><u>579,484</u></u>	<u><u>2,816,745</u></u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	-	1,050	-	1,050	59,713
Due to other funds	-	-	-	-	5,922
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total liabilities	<u>-</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>	<u>67,635</u>
<u>FUND BALANCES</u>					
Restricted	1,115,625	-	-	-	2,170,676
Committed	<u>-</u>	<u>519,077</u>	<u>59,357</u>	<u>578,434</u>	<u>578,434</u>
Total fund balances	<u>1,115,625</u>	<u>519,077</u>	<u>59,357</u>	<u>578,434</u>	<u>2,749,110</u>
Total liabilities and fund balances	<u><u>\$ 1,115,625</u></u>	<u><u>\$ 520,127</u></u>	<u><u>\$ 59,357</u></u>	<u><u>\$ 579,484</u></u>	<u><u>\$ 2,816,745</u></u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds						
	Transportation <u>Surtax</u>	Local Option <u>Gas Tax</u>	Building Better <u>Communities</u>	<u>Grants</u>	Law Enforcement <u>Training</u>	Brockway Memorial <u>Expansion</u>	<u>Total</u>
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	408,970	371,207	-	36,203	-	-	816,380
Fines and forfeitures	-	-	-	-	2,664	-	2,664
Miscellaneous	-	-	-	-	-	222,300	222,300
Interest income	<u>1,063</u>	<u>1,309</u>	-	-	<u>29</u>	-	<u>2,401</u>
Total revenues	<u>410,033</u>	<u>372,516</u>	<u>-</u>	<u>36,203</u>	<u>2,693</u>	<u>222,300</u>	<u>1,043,745</u>
Expenditures:							
Current:							
General government	-	-	35,564	48,644	-	-	84,208
Public works	209,851	341,483	-	-	-	-	551,334
Capital outlay	195,865	299,248	111,365	-	-	-	606,478
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>405,716</u>	<u>640,731</u>	<u>146,929</u>	<u>48,644</u>	<u>-</u>	<u>-</u>	<u>1,242,020</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>4,317</u>	<u>(268,215)</u>	<u>(146,929)</u>	<u>(12,441)</u>	<u>2,693</u>	<u>222,300</u>	<u>(198,275)</u>
Other financing sources (uses):							
Transfers in	-	-	146,929	12,441	-	50,000	209,370
Transfers (out)	<u>(159,370)</u>	<u>(93,700)</u>	-	-	-	-	<u>(253,070)</u>
Total other financing sources (uses)	<u>(159,370)</u>	<u>(93,700)</u>	<u>146,929</u>	<u>12,441</u>	<u>-</u>	<u>50,000</u>	<u>(43,700)</u>
Net change in fund balance	<u>(155,053)</u>	<u>(361,915)</u>	<u>-</u>	<u>-</u>	<u>2,693</u>	<u>272,300</u>	<u>(241,975)</u>
Fund balances, beginning	<u>641,069</u>	<u>626,481</u>	<u>-</u>	<u>13,456</u>	<u>16,020</u>	<u>-</u>	<u>1,297,026</u>
Fund balances, ending	<u>\$ 486,016</u>	<u>\$ 264,566</u>	<u>\$ -</u>	<u>\$ 13,456</u>	<u>\$ 18,713</u>	<u>\$ 272,300</u>	<u>\$ 1,055,051</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Debt Service	Capital Projects			Total Nonmajor Governmental Funds
	<u>GO Bonds</u>	Capital Improvement Fund	Charter High School Construction	<u>Total</u>	
Revenues:					
Property taxes	\$ 510,255	\$ -	\$ -	\$ -	\$ 510,255
Intergovernmental revenues	-	-	-	-	816,380
Fines and forfeitures	-	-	-	-	2,664
Miscellaneous	-	-	-	-	222,300
Interest income	<u>3,155</u>	<u>355</u>	-	<u>355</u>	<u>5,911</u>
Total revenues	<u>513,410</u>	<u>355</u>	<u>-</u>	<u>355</u>	<u>1,557,510</u>
Expenditures:					
Current:					
General government	55,426	-	-	-	139,634
Public works	-	-	-	-	551,334
Capital outlay	-	660,116	4,099	664,215	1,270,693
Debt service:					
Principal	635,837	-	-	-	635,837
Interest	<u>272,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,374</u>
Total expenditures	<u>963,637</u>	<u>660,116</u>	<u>4,099</u>	<u>664,215</u>	<u>2,869,872</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(450,227)</u>	<u>(659,761)</u>	<u>(4,099)</u>	<u>(663,860)</u>	<u>(1,312,362)</u>
Other financing sources (uses):					
Issuance of debt	4,017,600	-	-	-	4,017,600
Payment to refunded bonds escrow agent	(3,890,000)	-	-	-	(3,890,000)
Sales of capital assets	-	523,164	-	523,164	523,164
Transfers in	380,500	381,700	-	381,700	971,570
Transfers out	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>	<u>(283,070)</u>
Total other financing sources (uses)	<u>508,100</u>	<u>874,864</u>	<u>-</u>	<u>874,864</u>	<u>1,339,264</u>
Net change in fund balance	<u>57,873</u>	<u>215,103</u>	<u>(4,099)</u>	<u>211,004</u>	<u>26,902</u>
Fund balances, beginning	<u>1,057,752</u>	<u>303,974</u>	<u>63,456</u>	<u>367,430</u>	<u>2,722,208</u>
Fund balances, ending	<u>\$ 1,115,625</u>	<u>\$ 519,077</u>	<u>\$ 59,357</u>	<u>\$ 578,434</u>	<u>\$ 2,749,110</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, 2015

	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:								
Intergovernmental revenues	\$ 350,000	\$ 350,000	\$ 371,207	\$ 21,207	\$ 369,000	\$ 369,000	\$ 408,970	\$ 39,970
Interest income	1,200	1,200	1,309	109	1,000	1,000	1,063	63
Total revenues	<u>351,200</u>	<u>351,200</u>	<u>372,516</u>	<u>21,316</u>	<u>370,000</u>	<u>370,000</u>	<u>410,033</u>	<u>40,033</u>
Expenditures:								
Current:								
Public works	344,740	344,740	341,483	3,257	220,026	220,026	209,851	10,175
Capital outlay	<u>100,000</u>	<u>387,199</u>	<u>299,248</u>	<u>87,951</u>	<u>250,000</u>	<u>408,116</u>	<u>195,865</u>	<u>212,251</u>
Total expenditures	<u>444,740</u>	<u>731,939</u>	<u>640,731</u>	<u>91,208</u>	<u>470,026</u>	<u>628,142</u>	<u>405,716</u>	<u>222,426</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(93,540)</u>	<u>(380,739)</u>	<u>(268,215)</u>	<u>112,524</u>	<u>(100,026)</u>	<u>(258,142)</u>	<u>4,317</u>	<u>262,459</u>
Other financing sources (uses):								
Transfers (out)	(93,700)	(93,700)	(93,700)	-	-	(9,000)	(159,370)	(150,370)
Appropriations from prior year fund balance	<u>187,240</u>	<u>474,439</u>	<u>-</u>	<u>(474,439)</u>	<u>100,026</u>	<u>267,142</u>	<u>-</u>	<u>(267,142)</u>
Total other financing sources (uses)	<u>93,540</u>	<u>380,739</u>	<u>(93,700)</u>	<u>\$ (474,439)</u>	<u>100,026</u>	<u>258,142</u>	<u>(159,370)</u>	<u>\$ (417,512)</u>
Net change in fund balance	-	-	(361,915)		-	-	(155,053)	
Fund balances, beginning	-	-	626,481		-	-	641,069	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,566</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,016</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, 2015

	Special Revenue Funds			
	Grants Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ -	\$ 36,000	\$ 36,203	\$ 203
Total revenues	-	36,000	36,203	203
Expenditures:				
Current:				
General government	-	45,000	48,644	(3,644)
Total expenditures	-	45,000	48,644	(3,644)
(Deficiency) of revenues over expenditures over (under) expenditures before other financing sources	-	(9,000)	(12,441)	(3,441)
Other financing sources:				
Transfers in	-	9,000	12,441	(3,441)
Total other financing sources	-	9,000	12,441	<u>\$ (3,441)</u>
Net change in fund balance	-	-	-	
Fund balances, beginning	-	-	13,456	
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, 2015

	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	\$ 505,020	\$ 505,020	\$ 510,255	\$ 5,235	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	3,155	3,155	-	-	355	355
Total revenues	<u>505,020</u>	<u>505,020</u>	<u>513,410</u>	<u>8,390</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>355</u>
Expenditures:								
Current:								
General government	8,500	8,500	55,426	(46,926)	-	-	-	-
Capital outlay	-	-	-	-	409,700	703,472	660,116	43,356
Debt service:								
Principal	474,000	474,000	635,837	(161,837)	-	-	-	-
Interest	<u>268,020</u>	<u>268,020</u>	<u>272,374</u>	<u>(4,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>750,520</u>	<u>750,520</u>	<u>963,637</u>	<u>(213,117)</u>	<u>409,700</u>	<u>703,472</u>	<u>660,116</u>	<u>43,356</u>
(Deficiency) of revenues over expenditures before other financing sources	<u>(245,500)</u>	<u>(245,500)</u>	<u>(450,227)</u>	<u>(204,727)</u>	<u>(409,700)</u>	<u>(703,472)</u>	<u>(659,761)</u>	<u>43,711</u>
Other financing sources (uses):								
Issuance of debt	-	-	4,017,600	4,017,600	-	-	-	(30,000)
Payment to refunded bonds escrow agent	-	-	(3,890,000)	(3,890,000)	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	523,164	(523,164)
Transfers in	380,500	380,500	380,500	-	381,700	381,700	381,700	-
Transfers out	-	-	-	-	-	-	(30,000)	30,000
Appropriations from prior year fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,000</u>	<u>351,772</u>	<u>-</u>	<u>(351,772)</u>
Total other financing sources	<u>380,500</u>	<u>380,500</u>	<u>508,100</u>	<u>\$ 127,600</u>	<u>439,700</u>	<u>733,472</u>	<u>874,864</u>	<u>\$ (874,936)</u>
Net change in fund balance	<u>135,000</u>	<u>135,000</u>	<u>57,873</u>		<u>30,000</u>	<u>30,000</u>	<u>215,103</u>	
Fund balances, beginning	-	-	1,057,752		-	-	303,974	
Fund balances, ending	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 1,115,625</u>		<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 519,077</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, 2015

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 785,801	\$ 1,191,143	\$ 1,976,944
Accounts receivable - net	142,706	-	142,706
Inventories	-	46,009	46,009
Prepaid items	152,601	-	152,601
Total current assets	<u>1,081,108</u>	<u>1,237,152</u>	<u>2,318,260</u>
Capital assets:			
Capital assets not being depreciated	-	7,127	7,127
Capital assets being depreciated, net	-	1,952,455	1,952,455
Total noncurrent assets	<u>-</u>	<u>1,959,582</u>	<u>1,959,582</u>
Total assets	<u>1,081,108</u>	<u>3,196,734</u>	<u>4,277,842</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	47,779	9,361	57,140
Compensated absences	-	4,320	4,320
Total current liabilities	<u>47,779</u>	<u>13,681</u>	<u>61,460</u>
Noncurrent liabilities:			
Compensated absences	-	12,960	12,960
Claims payable	340,000	-	340,000
Total noncurrent liabilities	<u>340,000</u>	<u>12,960</u>	<u>352,960</u>
Total liabilities	<u>387,779</u>	<u>26,641</u>	<u>414,420</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	1,959,582	1,959,582
Unrestricted	693,329	1,210,511	1,903,840
Total net position	<u>\$ 693,329</u>	<u>\$ 3,170,093</u>	<u>\$ 3,863,422</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 630,932	\$ 1,073,328	\$ 1,704,260
Operating expenses:			
Administrative and general	18,075	585,260	603,335
Personnel expenses	-	189,859	189,859
Depreciation	-	173,970	173,970
Insurance premiums and claims	844,530	-	844,530
Total operating expenses	<u>862,605</u>	<u>949,089</u>	<u>1,811,694</u>
Operating (loss) income	<u>(231,673)</u>	<u>124,239</u>	<u>(107,434)</u>
Non-operating revenues:			
Interest income	<u>1,524</u>	<u>986</u>	<u>2,510</u>
Total non-operating revenues	<u>1,524</u>	<u>986</u>	<u>2,510</u>
(Loss) Income before transfers and contributions	(230,149)	125,225	(104,924)
Transfers in	-	90,000	90,000
Transfers (out)	(122,000)	-	(122,000)
Contributions	<u>-</u>	<u>122,449</u>	<u>122,449</u>
Change in net position	<u>(352,149)</u>	<u>337,674</u>	<u>(14,475)</u>
Net position, beginning	<u>1,045,478</u>	<u>2,832,419</u>	<u>3,877,897</u>
Net position, ending	<u>\$ 693,329</u>	<u>\$ 3,170,093</u>	<u>\$ 3,863,422</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Risk Management Fund	Fleet Maintenance Fund	Total
Cash flows from operating activities:			
Cash received from customers, governments and other funds	\$ 579,282	\$ 1,073,328	\$ 1,652,610
Cash paid to suppliers	(811,157)	(552,742)	(1,363,899)
Cash paid to employees	-	(187,653)	(187,653)
Net cash (used in) provided by operating activities	<u>(231,875)</u>	<u>332,933</u>	<u>101,058</u>
Cash flows from non-capital financing activities:			
Transfers in	-	90,000	90,000
Transfers out	(122,000)	-	(122,000)
Net cash provided by (used in) non-capital financing activities	<u>(122,000)</u>	<u>90,000</u>	<u>(32,000)</u>
Cash flows from capital related financing activities:			
Acquisition and construction of capital assets	-	(282,529)	(282,529)
Capital contributions	-	122,449	122,449
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(160,080)</u>	<u>(160,080)</u>
Cash flows from investing activities:			
Interest and other income	1,524	986	2,510
Net cash provided by investing activities	<u>1,524</u>	<u>986</u>	<u>2,510</u>
Net (decrease) increase in cash and cash equivalents	(352,351)	263,839	(88,512)
Cash and cash equivalents, October 1	<u>1,138,152</u>	<u>927,304</u>	<u>2,065,456</u>
Cash and cash equivalents, September 30	<u>\$ 785,801</u>	<u>\$ 1,191,143</u>	<u>\$ 1,976,944</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating (loss) income	\$ (231,673)	\$ 124,239	\$ (107,434)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	-	173,970	173,970
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(51,650)	-	(51,650)
Inventories	-	23,157	23,157
Prepays	3,669	-	3,669
Increase (decrease) in:			
Accounts payable and accrued liabilities	47,779	9,361	57,140
Compensated absences	-	2,206	2,206
Total adjustments	<u>(202)</u>	<u>208,694</u>	<u>208,492</u>
Net cash (used in) provided by operating activities	<u>\$ (231,875)</u>	<u>\$ 332,933</u>	<u>\$ 101,058</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, 2015

	General Employee's Pension <u>Trust</u>	Police Pension <u>Trust</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 236,644	\$ 606,426	\$ 843,070
Receivables:			
Other receivables	-	32,922	32,922
Accrued interest and dividends	<u>25,050</u>	<u>48,594</u>	<u>73,644</u>
Total receivables	<u>25,050</u>	<u>81,516</u>	<u>106,566</u>
Investments, at fair value			
U.S. Government securities	485,184	1,035,714	1,520,898
Municipal bonds	77,268	191,955	269,223
Corporate/Foreign bonds	1,498,552	2,758,634	4,257,186
Mutual funds - equity	5,588,920	8,153,083	13,742,003
Common stocks	1,629,133	2,793,729	4,422,862
Mortgage Backed Securities	<u>1,833,315</u>	<u>3,433,886</u>	<u>5,267,201</u>
Total investments	<u>11,112,372</u>	<u>18,367,001</u>	<u>29,479,373</u>
Total assets	<u>11,374,066</u>	<u>19,054,943</u>	<u>30,429,009</u>
<u>NET POSITION</u>			
Net position restricted for pensions	<u>\$ 11,374,066</u>	<u>\$ 19,054,943</u>	<u>\$ 30,429,009</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Employee's Pension <u>Trust</u>	Police Pension <u>Trust</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer	\$ 371,453	\$ 1,249,668	\$ 1,621,121
Employees	<u>188,793</u>	<u>180,728</u>	<u>369,521</u>
Total contributions	560,246	1,430,396	1,990,642
Investment income:			
Unrealized (losses)	(833,157)	(1,274,589)	(2,107,746)
Realized gains	47,516	88,972	136,488
Interest and dividend income	<u>669,900</u>	<u>1,040,663</u>	<u>1,710,563</u>
Total investment	(115,741)	(144,954)	(260,695)
Less investment expenses	<u>(44,464)</u>	<u>(56,143)</u>	<u>(100,607)</u>
Net investment loss	<u>(160,205)</u>	<u>(201,097)</u>	<u>(361,302)</u>
Total additions	<u>400,041</u>	<u>1,229,299</u>	<u>1,629,340</u>
DEDUCTIONS			
Benefits paid	655,520	941,093	1,596,613
Administrative expenses	<u>15,448</u>	<u>11,783</u>	<u>27,231</u>
Total deductions	<u>670,968</u>	<u>952,876</u>	<u>1,623,844</u>
Net (decrease) increase	<u>(270,927)</u>	<u>276,423</u>	<u>5,496</u>
Net position restricted for pensions			
Beginning of year	<u>11,644,993</u>	<u>18,778,520</u>	<u>30,423,513</u>
End of year	<u>\$ 11,374,066</u>	<u>\$ 19,054,943</u>	<u>\$ 30,429,009</u>

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
SEPTEMBER 30, 2015

POLICE INSURANCE TRUST AGENCY FUND

	Balance September 30, <u>2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2015</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 174,793	\$ 2,690	\$ -	\$ 177,483
<u>LIABILITIES</u>				
Other liabilities	\$ 174,793	\$ 2,690	\$ -	\$ 177,483

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.

Contents

	<u>Page</u>
Financial Trends	88-92
<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>	
Revenue Capacity	93-97
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
Debt Capacity	98-100
<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>	
Demographic and Economic Information	101
<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>	
Operating Information	102-103
<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>	

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:										
Net investment in capital assets	\$ 14,140,442	\$ 14,460,317	\$ 13,445,077	\$ 13,160,184	\$ 12,279,776	\$ 11,507,713	\$ 12,276,631	\$ 11,255,620	\$ 9,393,138	\$ 4,993,244
Restricted	5,953,557	5,521,292	6,042,082	5,834,992	3,975,983	3,509,136	3,025,933	4,112,366	3,345,154	3,487,313
Unrestricted	3,737,341	9,971,992	9,916,183	9,592,734	9,904,824	9,350,904	8,901,635	6,373,568	4,506,954	(653,531)
Total governmental activities net position	<u>23,831,340</u>	<u>29,953,601</u>	<u>29,403,342</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>
Business-type activities:										
Net investment in capital assets	2,785,010	2,195,243	2,252,711	1,921,615	1,924,061	2,043,795	558,671	624,398	770,301	748,120
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,832,838	2,677,461	2,598,838	2,688,382	2,385,331	2,032,852	1,578,649	1,132,430	625,851	540,462
Total business-type activities net position	<u>5,617,848</u>	<u>4,872,704</u>	<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>
Primary government:										
Net investment in capital assets	16,925,452	16,655,560	15,697,788	15,081,799	14,203,837	13,551,508	12,835,302	11,880,018	10,163,439	5,741,364
Restricted	5,953,557	5,521,292	6,042,082	5,834,992	3,975,983	3,509,136	3,025,933	4,112,366	3,345,154	3,487,313
Unrestricted	6,570,179	12,649,453	12,515,021	12,281,116	12,290,155	11,383,756	10,480,284	7,505,998	5,132,805	(113,069)
Total primary government net position	<u>\$ 29,449,188</u>	<u>\$ 34,826,305</u>	<u>\$ 34,254,891</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>

MIAMI SHORES VILLAGE, FLORIDA
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental activities:										
General government	\$ 3,159,828	\$ 2,760,901	\$ 2,418,939	\$ 2,336,763	\$ 2,396,446	\$ 2,390,719	\$ 2,489,426	\$ 2,325,019	\$ 2,941,291	\$ 4,509,714
Public safety	6,088,608	6,206,349	6,425,432	5,509,508	5,596,692	5,216,724	5,056,573	4,649,985	4,451,336	4,166,932
Public works	3,492,136	2,239,056	2,385,338	2,346,575	1,949,960	2,201,667	2,237,962	2,407,032	2,357,012	2,232,714
Culture and recreation	2,976,180	2,946,167	2,816,882	2,583,688	2,498,408	2,341,310	2,417,232	2,321,392	2,190,507	2,273,686
Interest on debt	272,374	283,840	432,997	425,355	443,542	465,672	486,658	500,045	504,411	448,986
Total governmental activities expenses	15,989,126	14,436,313	14,479,588	13,201,889	12,885,048	12,616,092	12,687,851	12,203,473	12,444,557	13,632,032
Business-type activities:										
Sanitation	2,223,695	2,294,399	2,119,723	2,208,585	2,257,285	2,382,893	2,262,446	2,260,374	2,328,930	2,274,983
Stormwater	193,174	165,537	180,702	175,761	190,992	206,300	160,808	133,913	150,783	111,931
Total business-type activities expenses	2,416,869	2,459,936	2,300,425	2,384,346	2,448,277	2,589,193	2,423,254	2,394,287	2,479,713	2,386,914
Total primary government expenses	18,405,995	16,896,249	16,780,013	15,586,235	15,333,325	15,205,285	15,111,105	14,597,760	14,924,270	16,018,946
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,005,762	1,063,095	841,572	1,069,135	1,177,047	747,353	914,062	128,389	119,903	169,058
Public safety	1,027,550	1,087,055	1,553,168	2,326,376	777,655	733,926	746,055	424,353	472,470	377,470
Public works	200,977	117,815	843,218	727,160	814,600	750,145	1,082,667	644,197	611,097	674,852
Culture and recreation	1,568,844	1,436,999	1,375,506	1,293,788	1,117,160	1,079,727	965,541	854,747	837,492	759,962
Operating grants and contributions	816,380	784,430	87,368	170,234	217,303	95,692	-	-	-	1,900,256
Capital grants and contributions	35,564	474,079	35,564	47,447	65,921	171,549	-	-	-	188,709
Total governmental activities program revenues	4,655,077	4,963,473	4,736,396	5,634,140	4,169,686	3,578,392	3,708,325	2,051,686	2,040,962	4,070,307
Business-type activities:										
Charges for services:										
Sanitation	2,639,106	2,641,284	2,667,843	2,765,775	2,665,041	2,886,107	2,781,700	2,729,793	2,508,236	2,538,269
Stormwater	244,805	244,107	248,132	252,420	248,668	247,349	228,393	225,719	195,582	189,428
Capital grants and contributions	672,381	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,556,292	2,885,391	2,915,975	3,018,195	2,913,709	3,133,456	3,010,093	2,955,512	2,703,818	2,727,697
Total primary government program revenue	\$ 8,211,369	\$ 7,848,864	\$ 7,652,371	\$ 8,652,335	\$ 7,083,395	\$ 6,711,848	\$ 6,718,418	\$ 5,007,198	\$ 4,744,780	\$ 6,798,004

MIAMI SHORES VILLAGE, FLORIDA
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(CONTINUED)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (expense) revenue:										
Governmental activities	\$ (11,334,049)	\$ (9,472,840)	\$ (9,516,115)	\$ (7,567,750)	\$ (8,715,362)	\$ (9,037,699)	\$ (8,479,225)	\$ (9,194,005)	\$ (10,150,679)	\$ (9,561,725)
Business-type activities	1,139,423	425,455	615,550	633,849	465,432	544,263	590,839	561,225	224,105	340,783
Total primary government, net (expense) revenue	<u>(10,194,626)</u>	<u>(9,047,385)</u>	<u>(8,900,565)</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>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	6,893,572	6,406,843	6,255,087	6,078,085	6,143,806	6,583,883	7,275,746	7,224,338	7,373,484	6,260,392
Public services tax	2,199,772	2,214,451	2,045,767	2,098,267	2,137,473	2,222,743	2,113,032	3,076,198	2,923,499	2,849,982
Intergovernmental	1,027,237	1,002,183	929,762	918,034	936,215	797,773	789,922	895,188	954,600	1,059,067
Miscellaneous	827,991	469,614	415,330	493,243	1,019,320	950,040	447,741	562,941	577,719	308,426
Interest earning - unrestricted	29,568	20,670	32,015	61,071	36,378	38,978	100,429	242,563	398,463	504,743
Gain on sale of capital assets	523,164	-	-	-	-	-	-	-	2,269	3,175
Transfers	400,000	395,000	395,000	335,000	235,000	(1,392,164)	215,000	215,000	210,000	310,000
Total governmental activities	<u>11,901,304</u>	<u>10,508,761</u>	<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>
Business-type activities:										
Investment earnings	5,721	5,708	5,994	1,756	2,313	2,900	4,653	14,451	22,377	6,868
Other general revenues	-	-	-	-	-	-	-	-	-	25,500
Transfers	(400,000)	(395,000)	(395,000)	(335,000)	(235,000)	1,392,164	(215,000)	(215,000)	(210,000)	(310,000)
Total business-type activities	<u>(394,279)</u>	<u>(389,292)</u>	<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>
Total primary government	<u>11,507,025</u>	<u>10,119,469</u>	<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>
Change in net position:										
Governmental activities	567,255	1,035,921	556,846	2,415,950	1,792,830	163,554	2,462,645	3,022,223	2,289,355	1,734,060
Business-type activities	745,144	36,163	226,544	300,605	232,745	1,939,327	380,492	360,676	36,482	63,151
Total primary government	<u>\$ 1,312,399</u>	<u>\$ 1,072,084</u>	<u>\$ 783,390</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>

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,569	\$ 80,052	\$ 71,923	\$ 189,953	\$ 199,435
Unreserved	-	-	-	-	-	6,391,651	5,014,190	5,449,842	4,022,283	2,050,103
Nonspendable	*	3,741	11,698	32,305	33,480	1,885	-	-	-	-
Restricted	*	-	-	-	-	-	-	-	-	-
Committed	*	31,562	31,562	45,947	77,512	63,109	-	-	-	-
Assigned	*	-	-	-	-	-	-	-	-	-
Unassigned	*	8,553,593	7,923,177	7,884,961	7,846,925	7,609,716	-	-	-	-
Total general fund	<u>\$ 8,588,896</u>	<u>\$ 7,966,437</u>	<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>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,247,645	\$ 5,449,479	\$ 4,300,256	\$ 2,852,772	\$ 2,439,044
Unreserved reported in:										
Special revenue funds	-	-	-	-	-	201,327	348,194	229,152	861,799	682,726
Capital project funds	-	-	-	-	-	566,251	603,735	551,837	560,171	1,029,557
Nonspendable	*	-	-	59,270	61,225	-	-	-	-	-
Restricted	*	5,953,557	5,731,494	6,042,082	5,798,976	3,975,983	-	-	-	-
Committed	*	578,434	649,494	611,766	955,728	1,748,148	-	-	-	-
Assigned	*	-	-	-	-	-	-	-	-	-
Unassigned	*	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 6,531,991</u>	<u>\$ 6,380,988</u>	<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>

*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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes	\$ 6,893,572	\$ 6,406,843	\$ 6,255,087	\$ 6,078,085	\$ 6,143,806	\$ 6,583,883	\$ 7,275,746	\$ 7,224,338	\$ 7,373,484	\$ 6,260,392
Public services taxes	2,199,772	2,214,451	2,799,637	2,795,688	2,851,593	2,874,645	2,906,861	2,925,431	2,923,499	2,849,982
Licenses and permits	1,237,435	1,018,301	841,572	914,833	1,052,626	658,833	671,674	682,951	666,628	776,199
Intergovernmental	1,879,181	2,219,683	1,052,694	1,135,715	1,219,439	1,065,014	1,290,223	1,837,400	1,188,368	3,125,789
Charges for services	2,059,389	1,980,381	1,941,090	1,734,095	1,542,432	1,460,451	1,310,257	1,101,300	1,077,259	967,235
Fines and forfeitures	613,743	629,524	858,753	1,955,837	423,905	444,944	495,503	267,435	297,075	237,908
Miscellaneous	827,991	555,417	415,330	493,243	986,649	950,040	447,741	529,163	577,719	308,426
Investment earnings	27,058	18,166	32,015	59,289	31,796	35,153	94,300	227,663	349,971	201,466
Contributions	-	-	-	-	-	-	-	15,570	19,148	22,243
Confiscation property	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>15,738,141</u>	<u>15,042,766</u>	<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>
Expenditures:										
General government	3,073,851	2,627,454	2,500,274	2,291,190	2,391,556	2,235,855	2,284,775	2,131,535	2,604,109	3,831,791
Public safety	6,134,782	6,285,671	6,111,942	5,536,160	5,399,589	5,022,542	5,050,239	4,659,900	4,257,493	3,581,621
Public works	1,823,936	1,761,225	1,662,089	1,684,822	1,540,755	1,625,085	1,753,100	1,973,446	2,144,151	1,747,689
Culture and recreation	2,580,527	2,546,688	2,428,789	2,209,660	2,161,213	2,076,176	2,169,671	2,139,027	2,005,558	1,890,555
Capital outlay	1,526,136	1,613,488	1,115,631	1,449,486	1,173,423	1,398,405	1,651,286	1,015,184	1,252,210	1,436,523
Debt services:										
Principal	635,837	589,036	4,362,580	487,690	465,351	448,297	431,763	415,130	399,008	1,140,461
Interest	272,374	283,840	432,997	421,599	436,736	455,810	473,831	495,997	507,244	406,413
Total expenditures	<u>16,047,443</u>	<u>15,707,402</u>	<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>
(Deficiency) excess of revenues over expenditures	(309,302)	(664,636)	(4,418,124)	1,086,178	683,623	810,793	677,640	1,981,032	1,303,378	714,587
Other financing sources (uses):										
Proceeds from long-term debt	4,017,600	-	3,923,000	-	-	-	-	-	-	2,500,000
Payment to refunding agent	(3,890,000)	-	-	-	-	-	-	-	-	-
Sales of capital assets	523,164	-	-	-	-	-	-	-	-	-
Transfer in	3,269,070	3,264,673	3,028,480	2,983,374	3,331,180	3,283,369	6,066,843	3,308,918	3,745,053	4,128,423
Transfer out	(2,837,070)	(2,869,673)	(2,688,180)	(2,757,627)	(3,096,180)	(3,048,369)	(5,851,843)	(3,173,918)	(3,946,546)	(4,805,054)
Total other financing sources (uses)	<u>1,082,764</u>	<u>395,000</u>	<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>
Net change in fund balances	<u>\$ 773,462</u>	<u>\$ (269,636)</u>	<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>
Debt service as a percentage of noncapital expenditures	6.3%	6.2%	27.4%	7.2%	7.3%	7.6%	7.4%	7.7%	7.6%	12.3%

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>
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
2014	5,894,716	2,214,451	1,018,301	1,002,183	1,980,381	492,285	382,149	5,213	12,989,679
2015	6,383,317	2,199,772	1,237,435	1,062,801	2,059,389	499,777	449,445	14,281	13,906,217

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>	Residential <u>Property</u>	Personal <u>Property</u>	Centrally <u>Assessed</u>	Total <u>Assessed</u> <u>Value</u>	Total <u>Direct Tax</u> <u>Rate</u>	Total <u>Market</u> <u>Value</u>	Assessed Value as a percentage <u>of Market Value</u>
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%
2014	744,161,594	18,898,889	1,071,836	764,132,319	8.6949	1,294,780,508	59.02%
2015	808,067,935	20,443,472	1,281,491	829,792,898	8.6392	1,483,377,513	55.94%

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>		Total Direct Rate	<u>County</u>			<u>Special Districts</u>			Total Direct & Overlapping Rates
	City <u>Wide</u>	Debt <u>Service</u>		County- <u>Wide</u>	Debt <u>Service</u>	<u>Fire</u>	<u>Library</u>	<u>School</u>	<u>State</u>	
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
2014	8.0000	0.6949	8.6949	4.7035	0.4220	2.4623	-	7.9770	0.9455	25.2052
2015	8.0000	0.6392	8.6392	4.6669	0.4500	2.4321	-	7.9740	0.9187	25.0809

(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 Mils
County	10.000 Mils
School	10.000 Mils
State	10.000 Mils

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>2015</u>			<u>2006</u>		
	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Percentage of Total City Taxable</u>	<u>Taxable Assessed</u>	<u>Rank</u>	<u>Percentage of Total City Taxable</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
Shore Square Properties, LLC	\$ 9,243,275	1	1.11%	\$ -		0.00%
Northern Trust Bank (Publix)	7,656,000	2	0.92%	8,023,727	1	1.13%
Florida Power & Light Co.	7,013,733	3	0.85%	-		0.00%
Tropical Chevrolet, Inc.	6,415,500	4	0.77%	4,817,662	2	0.68%
Wal Miami LLC	3,080,000	5	0.37%	-		0.00%
DVS LLC	3,075,224	6	0.37%	-		0.00%
Bank of America NA	2,746,188	7	0.33%	-		0.00%
Palazzo Leoni LLC (Everett)	2,596,150	8	0.31%	-		0.00%
Omar Cassola	1,990,579	9	0.24%	2,106,469	9	0.30%
Miami Shores Village	1,900,433	10	0.23%	-		0.00%
City National Bank of Florida	-		0.00%	3,592,351	3	0.50%
David & June Heller	-		0.00%	2,878,821	4	0.40%
Robert Ader & W	-		0.00%	2,782,431	5	0.39%
Shores at Biscayne LLC	-		0.00%	2,300,000	6	0.32%
Bujolo, Inc	-		0.00%	2,223,705	7	0.31%
Sandra Chaille	-		0.00%	2,156,796	8	0.30%
Ramiro del Amo	-		0.00%	2,043,628	10	0.29%
Total	\$ 45,717,082		5.51%	\$ 32,925,590		4.63%

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 Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	5,658,135	98.3%	60,881	5,719,016	99.4%
2013	5,998,630	5,672,080	94.6%	46,936	5,719,016	95.3%
2014	6,113,059	5,894,716	96.4%	98	5,894,814	96.4%
2015	6,638,343	6,383,223	96.2%	94	6,383,317	96.2%

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>	<u>Governmental Activities</u>			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>		
2006	\$ 7,585,000	\$ 3,444,879	\$ 11,029,879	1.55%	3.04%
2007	7,415,000	3,215,811	10,630,811	1.27%	2.86%
2008	7,235,000	3,438,552	10,673,552	1.11%	2.76%
2009	7,050,000	3,095,362	10,145,362	1.10%	2.58%
2010	6,860,000	2,737,674	9,597,674	1.20%	3.92%
2011	6,665,000	2,358,637	9,023,637	1.25%	3.29%
2012	6,460,000	1,922,581	8,382,581	1.17%	2.38%
2013	6,298,000	1,645,000	7,943,000	1.06%	2.22%
2014	6,053,000	1,300,964	7,353,964	0.96%	1.85%
2015	5,895,300	950,427	6,845,727	0.82%	1.69%

MIAMI SHORES VILLAGE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2015
(IN THOUSANDS)

<u>Governmental Unit</u>	Debt <u>Outstanding</u>	Percentage Applicable <u>To City</u>	Amount Applicable <u>To City</u>
Overlapping debt:			
Miami-Dade County, Florida	(1) \$ 1,384,231	0.36%	\$ 4,985
Miami-Dade County Public Schools	(2) <u>365,012</u>	0.35%	<u>1,290</u>
Total overlapping debt	1,749,243		6,275
Direct debt:			
Miami Shores Village	<u>6,845</u>	100.00%	<u>6,845</u>
Total direct and overlapping debt	<u>\$ 1,756,088</u>		<u>\$ 13,120</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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit	\$ 77,083,990	\$ 70,360,232	\$ 68,441,667	\$ 65,491,549	\$ 65,452,382	\$ 72,954,881	\$ 72,117,382	\$ 92,267,921	\$ 82,713,158	\$ 71,155,204
Total net debt applicable to limit	<u>5,895,300</u>	<u>6,053,000</u>	<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>
Legal debt margin	<u>\$ 71,188,690</u>	<u>\$ 64,307,232</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	7.65%	8.60%	9.20%	9.86%	10.18%	9.40%	10.03%	8.04%	8.96%	10.66%

Legal debt margin calculation for fiscal year 2015:

Assessed value	\$ 829,792,898
Debt limit (10% of assessed value)	82,979,290
Debt applicable to limit:	
Total bonded debt	6,845,727
Less:	
Revenue bonds	
Installment loans	<u>(950,427)</u>
Total debt applicable to limitation	5,895,300
Legal debt margin	\$ 77,083,990

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 (Thousands of Dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
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%
2014	10,781	396,741	36,800	6.6%
2015	10,776	405,048	37,588	6.2%

Sources:

- (1) State of Florida Department of Revenue
- (2) United States Census Bureau
- (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>2015</u>			<u>2006</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	33,477	1	2.52%	54,387	1	4.63%
Miami-Dade County, Florida	25,502	2	1.92%	32,265	2	2.75%
Federal Government	19,200	3	1.45%	19,800	4	1.69%
Florida State Government	17,100	4	1.29%	20,100	3	1.71%
University of Miami	12,818	5	0.97%	9,367	7	0.80%
Baptist Health Systems of South FL	11,353	6	0.86%	10,300	6	0.88%
American Airlines	11,031	7	0.83%	9,000	8	0.77%
Jackson Health System	9,797	8	0.74%	11,700	5	1.00%
Publix Super Markets	4,604	9	0.35%	N/A	N/A	N/A
City of Miami	3,997	10	0.30%	N/A	N/A	N/A
Miami Dade Community College	-	N/A	N/A	5,400	9	0.46%
United Parcel Service	-	N/A	N/A	5,000	10	0.43%
Total Civilian Labor Force Employment	<u>1,325,898</u>			<u>1,174,665</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government:										
Administration:										
Full time	10	8	10	9	9	9	9	9	10	11
Part time	6	5	5	5	5	-	-	-	-	-
Finance:										
Full time	5	5	5	5	5	5	4	4	4	5
Part time	-	-	-	-	-	1	1	1	1	1
Public works:										
Full time	39	43	41	40	40	47	45	44	60	66
Part time	1	-	1	-	-	1	2	1	2	2
Culture and recreation:										
Recreation:										
Full time	13	12	12	13	13	13	11	12	12	12
Part time	63	72	51	30	30	51	56	48	64	64
Library:										
Full time	4	2	3	3	3	3	3	3	3	4
Part time	6	8	7	6	6	7	7	7	7	6
Public safety:										
Police:										
Full time	40	43	43	44	44	45	45	43	47	47
Part time	4	4	3	3	3	3	3	3	5	5
Total	<u>44</u>	<u>47</u>	<u>46</u>	<u>47</u>	<u>47</u>	<u>48</u>	<u>48</u>	<u>46</u>	<u>52</u>	<u>52</u>
Total	<u>191</u>	<u>202</u>	<u>181</u>	<u>158</u>	<u>158</u>	<u>185</u>	<u>186</u>	<u>175</u>	<u>215</u>	<u>223</u>

Source: Village Finance Office

COMPLIANCE SECTION



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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, 2015, 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 30, 2016.

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 & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2016



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MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the financial statements of Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 30, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Compliance with the Requirements of Section 218.415 Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida. Disclosures in those reports, which are dated June 30, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Village was created pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There were no component units related to the Village.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Village for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., 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)3., 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.

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and state awarding agencies, Members of the Village Council 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 & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2016



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have examined the Miami Shores Village, Florida (the "Village") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2015. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
June 30, 2016