

VILLAGE OF BISCAYNE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2007

Prepared by
THE FINANCE DEPARTMENT

VILLAGE OF BISCAYNE PARK, FLORIDA

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VILLAGE OF BISCAYNE PARK, FLORIDA

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INTRODUCTORY SECTION



Village of Biscayne Park

640 Northeast 114th Street
Biscayne Park, Florida 33161

Phone: (305) 899-8000
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January 18, 2008

The Mayor and Members of the Village Commission
640 Northeast 114 Street
Biscayne Park, Florida 33161

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Village of Biscayne Park, Florida, for the fiscal year ended September 30, 2007, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the Village Charter. 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. The financial statements have been audited by Alberni, Caballero & Castellanos, L.L.P. Certified Public Accountants. The independent auditor has issued an unqualified opinion that this report fairly represents the financial position of the Village in conformity with GAAP.

This report consists of management's representations concerning the financial condition of the Village of Biscayne Park ("The Village"). Consequently, management assumes the 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 an 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 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 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 accompanying report consists of three parts:

- The **Introductory Section**, including this letter of transmittal, provides general information on the Village's structure and personnel as well as other information that will assist readers to better understand the Village's financial condition.
- The **Financial Section** contains the basic financial statements and required supplementary information including Management's Discussion and Analysis (MD&A), the report of the independent certified public accountants, and other supplemental information useful to statement readers. The MD&A is a narrative required to accompany the basic financial statements, providing an objective and 'easy-to-read' analysis of the Village's financial activities. These activities are based on currently know facts, decisions, or conditions available to management at the time of preparation.
- The **Statistical Section** provides tables of unaudited data depicting the financial history of the Village over the course of the past 10 years including, but not limited to demographics, key taxpayers, revenue and expense trends and more.

INDEPENDENT AUDIT

In accordance with Florida Statutes Section 218.39, the Village has engaged the firm of Alberni, Caballero & Castellanos, L.L.P., to perform the independent audit of the Village's financial statements for the year ended September 30, 2007. Their audit was 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 was to provide reasonable assurance that the financial statements of the Village for the fiscal year ended September 30, 2007 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 unqualified opinion that the financial statements of the Village of Biscayne Park for the fiscal year ended September 30, 2007 are fairly presented in conformity with generally accepted accounting principles (GAAP). The Independent Certified Public Accountant's report is presented in the financial section of this Comprehensive Annual Financial Report.

PROFILE OF THE GOVERNMENT

The Village of Biscayne Park is a political subdivision of the State of Florida located in Northeast Miami-Dade County incorporated in 1933. The Village has a year-round population estimated at 3,500 residents living within the .65 square mile jurisdiction. The Village is a residential-based community with no commercial district.

Operating under a Commission/Manager form of government, the Commission consists of five members elected at large. The mayor is chosen by each of the newly formed commissions. Three Commissioners are elected every two years with the two commissioners, receiving the highest votes, serving four year terms. The Village Commission determines the policies that guide the Village's operations and hires a Village Manager to implement and administer these policies on a full-time basis.

The Village of Biscayne Park provides a full range of municipal services including police, parks and recreation facilities, solid waste collection, stormwater, building and zoning, planning, and code enforcement.

The annual budget serves as the foundation for the Village of Biscayne Park's financial planning and control. All departments of the Village are required to submit proposed budgets to the Village Manager, who then makes any necessary revisions. The Village Manager then presents to the Village Commission for their review, a budget estimate of the expenditures and revenues of all the Village's departments. Two public hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their questions of the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. The Village's budget is approved at the department level. The Village Manager and Finance Director may amend the adopted budget for adjustments within a department. The Village Commission must approve all other budget adjustments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations. Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For all non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund section of this report, which starts on page 33.

ECONOMIC CONDITION AND OUTLOOK

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 the Village, 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.

Our external auditors performed the State required financial condition assessment for the fiscal year ending September 30, 2007; the overall rating for FY2007 was "Inconclusive". This is a significant improvement in the Village's financial condition and is an indication that the Village is headed in the right direction.

As seen throughout the country, property values have increased dramatically. The same may be said about many of the properties located in Biscayne Park. Over the past five years, we have seen double-digit increases in property values; however, market conditions are showing a slowdown in growth. Additionally, insurance costs have escalated to levels that make it difficult for the average homeowner.

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 current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000-\$75,000), except for school district taxes. 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 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from Miami-Dade County Property Appraiser's Office, the estimated annual loss of property tax revenues for our Village from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$171,000. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homestead property provisions in terms of potential loss of property tax revenues. Estimates for our city show an additional loss of property tax revenues of \$37,000.

LONG TERM FINANCIAL PLAN

During the 2005 fiscal year, Miami-Dade County voters approved a bond issue which will provide municipalities within the County with funding for specific projects. The Village of Biscayne Park is targeted to receive approximately \$356,000. It is anticipated that these funds will be used to build a new Public Works facility. The Village has also received local grants of \$38,000 to build a recreation pavilion. The Village Administration continues to actively seek funding in order to continue the stormwater drainage project, improve the recreation facilities, and improve the Village medians.

FINANCIAL INFORMATION

Village 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 budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Village Commission. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level within each fund.

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 Commission 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.

CASH MANAGEMENT

The Village of Biscayne Park is fully charged with the security of the Village's funds and assets with the goal of maximizing return on surplus or idle cash. The Village follows the cash management policies and regulations defined by the laws of the State of Florida. The Village's primary investment instruments are money market accounts, and the State Board of Administration (SBA) funds. The principal focus of cash management is to first ensure the safety of the Village's cash and then maximize the return on the Village's investments. During fiscal year 2007, the Village earned \$65,388 in investment income, as compared to \$62,219 earned in fiscal year 2006.

DEBT ADMINISTRATION

The Village Charter has strict guidelines with regard to long-term debt borrowing. In order for the Village to borrow money, a written feasibility study must be completed and all debt must be approved by a majority vote of the Commission.

Significant vehicle and equipment purchases are financed through capital leases. Leases are generally five years or less. The Village Administration makes every effort to obtain the lowest interest rates available by using leasing agents which work directly with governmental agencies.

RISK MANAGEMENT

The Village purchases general liability, automobile, and property and casualty insurance coverages through the Florida League of Cities program. The Village is self insured for its workers' compensation coverage which is administered through the Miami-Dade County Risk Management program.

The Village is continually reviewing risk exposures and determining the most cost effective method of mitigating those exposures.

RETIREMENT BENEFITS

All of the Village's full-time and regular part-time employees participate in the Florida Retirement System (FRS), a multiple employer cost sharing public employee retirement system, administered by the Florida Legislature and available to governmental units within Florida. Plan members do not contribute. The Village contribution rates for fiscal year 2007 ranged from 9.85% to 20.92%. The Florida Retirement System issues a financial report that includes the financial statements and other statistically relevant financial information. That report may be obtained from the State of Florida, Division of Retirement, 2639 N. Monroe Street, Tallahassee, Florida 32399.

AWARDS AND ACKNOWLEDGEMENTS

This year the Village has applied for the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. 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 report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for the certificate.

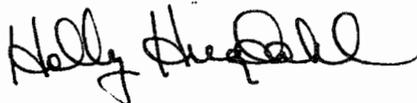
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Village's audit firm, Alberni, Caballero & Castellanos, L.L.P. We wish to express our appreciation to them for their interest and support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

In closing, without the leadership and support of the Mayor and Village Commission, the accomplishments and anticipated future successes noted in this report would not have been possible.

Respectfully submitted,



Frank R. Spence
Village Manager

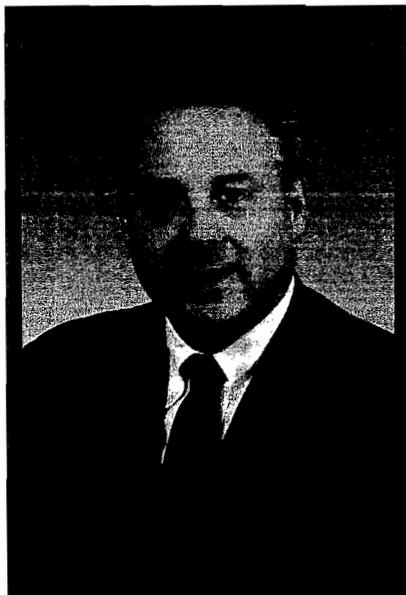


Holly Hugdahl
Acting Finance Director

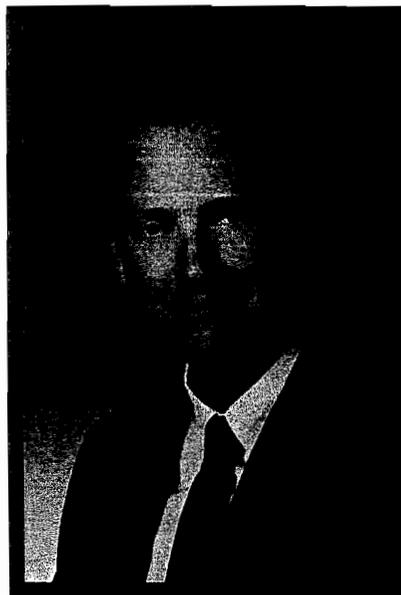


Village of Biscayne Park, Florida

LIST OF ELECTED OFFICIALS
SEPTEMBER 30, 2007



Mayor John Hornbuckle



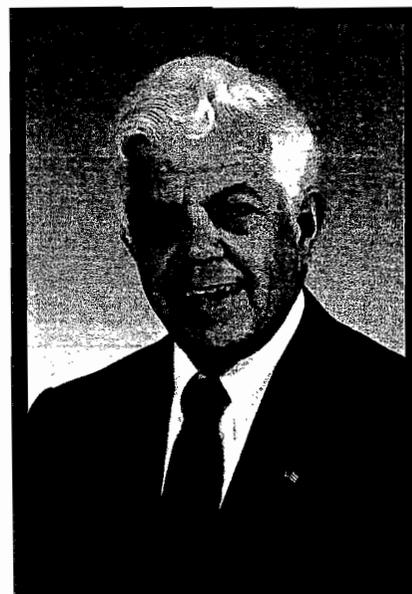
Vice Mayor Steve Bernard



Commissioner Robert Anderson



Commissioner Kelly Mallette



Commissioner Chester Morris M.D.

VILLAGE OF BISCAYNE PARK

LIST OF APPOINTED OFFICIALS

September 30, 2007

APPOINTED OFFICIALS

Village Manager.....Frank R. Spence
Village Clerk.....Ann Harper, CMC
Village Attorney.....John J. Hearn

DEPARTMENT HEADS

Acting Finance Director.....Holly Hugdahl, CPA
Chief of Police.....Mitch Glansberg
Public Works Director.....Bernard Pratt
Recreation Director.....Elisa Tankersly
Building Official.....Salvatore Annese

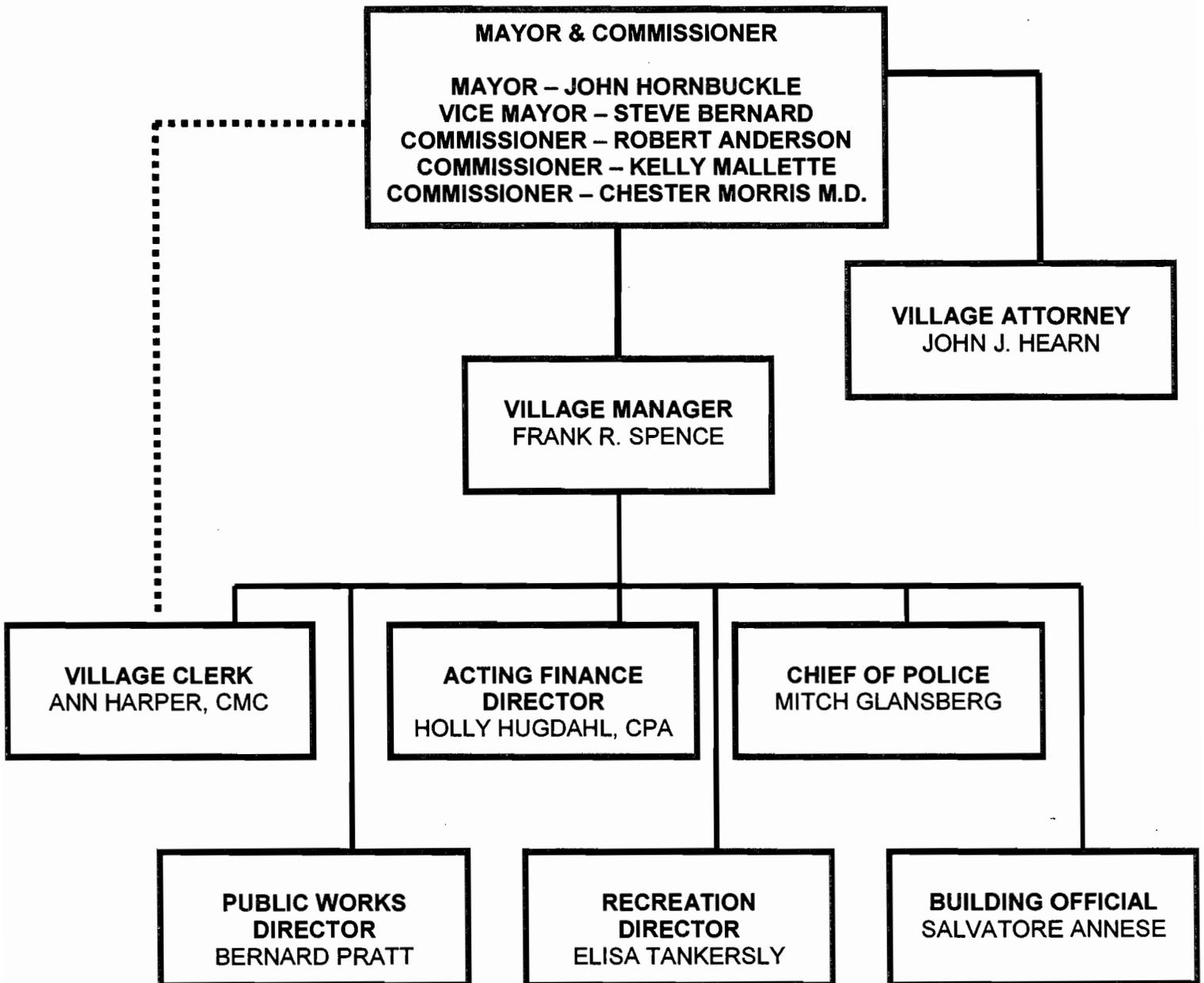
VILLAGE AUDITORS

Alberni Caballero & Castellanos, L.L.P

VILLAGE OF BISCAYNE PARK

Organization Chart

September 30, 2007





FINANCIAL SECTION



Alberni, Caballero
& Castellanos, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

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SUITE 404
CORAL GABLES, FL 33146
TEL: 305-662-7272
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor, Village Council and Village Manager
Village of Biscayne Park, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the Village) as of and for the fiscal year ended September 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida as of September 30, 2007, and the respective changes in financial position, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2008 on our consideration of the Village's internal control over financial reporting and our tests of 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules, listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Mayor, Village Council and Village Manager
Village of Biscayne Park, Florida

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's, basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Albano Caballero & Castellanos LLP

January 18, 2008
Coral Gables, Florida

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

Management's Discussion and Analysis

As management of the Village of Biscayne Park, we offer readers of the Village of Biscayne Park (the Village) financial statements this narrative overview and analysis of the financial activities of the Village of Biscayne Park for the fiscal year ended September 30, 2007.

Financial Highlights

- The assets of the Village of Biscayne Park exceeded its liabilities at the close of the most recent fiscal year by \$2,012,644 (net assets). Of this amount, \$910,925 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Village's total net assets increased by \$383,014. This increase is attributable to excess of revenues over expenses for 2007.
- As of the close of the current fiscal year, the Village of Biscayne Park's general fund reported an ending fund balance of \$995,233, an increase of \$104,527 in comparison with the prior year. Approximately \$771,220 of this total amount is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$771,220 or 21% of total general fund expenditures.
- The Village has two other major governmental funds; the Citizens Independent Transportation Fund (CITT) which is restricted to expenses related to transit and transportation expenses, and the Stormwater Fund which is used for the development of stormwater drainage projects. As of the close of the current fiscal year, the CITT had a restricted fund balance of \$112,111 of which \$36,931 was restricted for transit expenses. The Stormwater Fund had a balance of \$5,361 reserved for capital projects after the completion of a \$450,000 stormwater drainage project.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the Village of Biscayne Park assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Biscayne Park is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Overview of the Financial Statements (Continued)

Both of the government-wide financial statements distinguish functions of the Village of Biscayne Park that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the Village of Biscayne Park include general government, public safety, public works, parks, code enforcement, and building, planning & zoning. The Village has no business type activities.

The government-wide financial statements include only the Village of Biscayne Park itself (known as the *primary government*).

The government-wide financial statements can be found on pages 10 and 11 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. The Village of Biscayne Park, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Biscayne Park are governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Biscayne Park maintains seven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the special revenue funds, of which the general fund and two special revenue fund, CITT and Stormwater funds, are considered to be major funds.

The Village of Biscayne Park adopts an annual appropriated budget for its general fund and all of the special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 12 to 14 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 to 26 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the Village's case, assets exceeded liabilities by \$2,012,644 at the close of the most recent fiscal year.

Government-wide Financial Analysis (Continued)

A portion of the Village's net assets, \$880,881 or 44%, reflects its investment in capital assets (e.g., land and equipment). The Village of Biscayne Park uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

An additional portion of the Village's net assets, \$220,838 or 11%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$910,925 or 45%, may be used to meet the government's on-going obligations to citizen's and creditors.

At the end of the current year, the Village of Biscayne Park is able to report positive balances in all three categories of net assets.

Village of Biscayne Park Net Assets

	Fiscal Year <u>2007</u>	Fiscal Year <u>2006</u>	<u>Change</u>
Current assets	\$ 1,643,936	\$ 1,331,019	\$ 312,917
Capital assets, net	<u>1,030,390</u>	<u>524,822</u>	<u>535,568</u>
Total assets	<u>2,674,326</u>	<u>1,855,841</u>	<u>818,485</u>
Liabilities	<u>661,682</u>	<u>226,211</u>	<u>435,471</u>
Investment in capital assets, net of related debt	880,881	551,655	329,226
Restricted	220,838	318,153	(97,315)
Unrestricted	<u>910,925</u>	<u>799,822</u>	<u>111,103</u>
Total net assets	\$ <u>2,012,644</u>	\$ <u>1,629,630</u>	\$ <u>383,014</u>

Increase in current assets of approximately \$312,917 is due to increases in cash of \$111,030 from current year operations and increases in accounts receivable of \$140,578 from grants.

Liabilities increased \$435,471 due to an increase in accounts payable of \$170,000 due to self-insurance from prior years and increases in capital leases of \$124,501 due to the purchase of a police car, garbage truck, and minibus.

The Village's net investment in capital assets increased \$329,226 during the fiscal year. This increase is due to the purchase of a police car, garbage truck and minibus, and the completion of a stormwater drainage project. The decrease in restricted assets of \$97,315 is due to the use of funds designated for road maintenance and transportation improvements.

Village of Biscayne Park Changes in Net Assets

	<u>Fiscal Year</u> <u>2007</u>	<u>Fiscal Year</u> <u>2006</u>	<u>Changes</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 1,107,703	\$ 990,992	\$ 116,711
Grants and contributions	323,635	1,181,810	(858,175)
General Revenues:			
Property taxes	1,707,948	1,289,887	418,061
Franchise taxes	125,523	122,750	2,773
Public service taxes	225,643	228,549	(2,906)
Intergovernmental	530,968	610,060	(79,092)
Investment income and miscellaneous	<u>123,856</u>	<u>73,338</u>	<u>50,518</u>
Total revenues	<u>4,145,276</u>	<u>4,407,386</u>	<u>(262,110)</u>
Expenses:			
General government	677,103	644,968	32,135
Public safety	1,329,857	945,575	384,282
Building code enforcement	195,318	146,332	48,986
Physical environment	1,262,831	2,189,251	(926,420)
Culture and recreation	293,470	316,284	(22,814)
Interest on long-term debt	<u>3,683</u>	<u>2,567</u>	<u>1,116</u>
Total expenses	<u>3,762,262</u>	<u>4,244,977</u>	<u>(482,715)</u>
 Change in net assets	 383,014	 162,409	 <u>220,605</u>
 Net assets beginning	 <u>1,629,630</u>	 <u>1,467,221</u>	
Net assets ending	<u>\$ 2,012,644</u>	<u>\$1,629,630</u>	

Governmental activities. The Village's net assets increased by \$383,014 in the current fiscal year. All of the increase was attributable to governmental activities. The largest revenue source was property taxes (41%) followed by charges for services (27%). The increase in expense in Public Safety of \$384,282 is due to increases in workmen's compensation insurance of \$291,933, overtime of \$67,470, repairs and maintenance of \$14,474, insurance of \$11,820 and gas and oil of \$5,588 over the prior year's activity. Physical environment decreased \$926,420 due to the elimination of hurricane expenses experienced in the prior year.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Biscayne Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village of Biscayne Park's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The general fund is the chief operating fund of the Village of Biscayne Park. At the end of the current fiscal year, the Village's general fund reported a fund balance of \$995,233, an increase of \$104,527 in comparison with the prior year. Approximately 77% of this total amount (\$771,220) constitutes *unreserved fund* balance, which is available for spending at the Village's discretion. The remainder of the fund balance (\$224,013) is reserved to indicate that it is not available for new spending because it has already been committed for (1) long-term receivables (\$140,294) and (2) prepaid expenses (\$83,719).

At the end of the current fiscal year, unreserved fund balance of the general fund was \$771,220. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21 percent of total general fund expenditures, while total fund balance represents 27 percent of that same amount.

A summary of the general fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balance for September 30, 2007 and 2006, is shown below:

Summary of General Fund's condensed Balance Sheet

	Fiscal Year <u>2007</u>	Fiscal Year <u>2006</u>	<u>Change</u>
Total assets	<u>\$ 1,408,461</u>	<u>\$ 1,012,384</u>	<u>\$ 396,077</u>
Total liabilities	<u>413,228</u>	<u>121,678</u>	<u>291,544</u>
Reserved fund balance	224,013	210,165	13,854
Unreserved fund balance	<u>771,220</u>	<u>680,541</u>	<u>90,679</u>
Total fund balance	<u>995,233</u>	<u>890,706</u>	<u>104,533</u>
Total liabilities and fund balance	<u>\$ 1,408,461</u>	<u>\$ 1,012,384</u>	<u>\$ 396,077</u>

Increase in Total assets of \$396,077 is mainly attributable to increases in cash and due from other funds.

Increase in liabilities of \$291,544 was due to increases in Accounts Payable related to billing of prior years workmen's compensation insurance.

Increase in unreserved fund balance of \$90,679 was due to the results of the current year operations.

Summary of General Fund's condensed statement of revenues, expenditures, and changes in fund balance

	Fiscal Year <u>2007</u>	Fiscal Year <u>2006</u>	<u>Change</u>
Total Revenues	\$3,597,994	\$4,083,342	\$ (485,342)
Total Expenditures	<u>3,680,479</u>	<u>3,920,526</u>	<u>(240,047)</u>
Excess of revenues over expenditures	(82,485)	162,816	<u>(245,295)</u>
Other financing sources	<u>187,012</u>	<u>(39,245)</u>	<u>(226,257)</u>
Change in fund balance	104,527	123,571	<u>(19,038)</u>
Fund Balance, Beginning	<u>890,706</u>	<u>767,135</u>	
Fund Balance, Ending	<u>\$ 995,233</u>	<u>\$ 890,706</u>	

Decreases in revenues of \$485,342 is due to a decrease in grants received in the prior year related to hurricane reimbursements. This decrease was mitigated by increases in property taxes of \$418,061. The decrease in expenditures of \$240,047 is due to the elimination of hurricane expenses offset by increases in Public Safety of \$392,302 related to increases in workmen's compensation insurance of \$291,933, overtime of \$67,470, repairs and maintenance of \$14,474, insurance of \$11,820 and gas and oil of \$5,588.

Other Major Governmental Funds

The Village has two major funds; the Citizens Independent Transportation Fund (CITT), with a fund balance of \$112,111 and the Stormwater Fund with a fund balance of \$5,361.

The entire fund balance of the Citizens Independent Transportation Fund is reserved to indicate that it is not available for new spending because it has already been committed for transit expenses of \$36,931 and transportation projects of \$75,180. The CITT requires that 20% of revenues are used to provide transit services to the Village residents. The Village has an agreement for \$30,000 per year with a neighboring municipality to provide these services. Transportation expenses in this fund include traffic studies, road improvements and expenses related to stormwater projects.

The Stormwater Fund is restricted to the building of stormwater drainage projects. Funding for these projects is provided through grants and transfers from CITT and the General Fund. The Village completed a \$450,000 stormwater project during this fiscal year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were due to increase in revenues related to increases in building permits and code enforcement fines. Increases in expenses are attributable to unanticipated expenses associated with increases in building permits and prior years workmen's compensation insurance. The supplemental appropriations for the fiscal year ended September 30, 2007 were required to properly reflect the additional revenues and expenses. Budget vs. actual schedules are presented on page 27 for the general fund and pages 28 and 29 for the CITT Fund and the Stormwater Fund respectively.

Capital Assets

As of September 30, 2007, the Village's investment in capital assets amounted to \$1,030,390 (net of accumulated depreciation of \$1,521,746). The increase in capital assets for the current fiscal year was \$505,568.

The increase is the net effect of current year additions for equipment and infrastructure of \$689,693 net of depreciation of approximately \$184,125. The Village acquired a police car, a garbage truck, and a minibus, as well as completing a \$450,000 stormwater drainage project. Information on capital assets can be found on page 23 of the notes to the financial statements.

Long-Term Debt

Long-term debt consists of compensated absences of \$88,745 and capital leases of \$149,509. Information on long-term debt can be found on pages 23 and 24 of the notes to the financial statements.

Economic Factors and Next Years Budgets and Rates

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 on property and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from the county, state and federal governments.

Revenues in fiscal year 2008 adopted General Fund budget are \$2,694,786, an increase of less than one percent from the fiscal year 2007 revenues of \$2,692,045, excluding sanitation revenues of \$638,872. Property taxes will remain essentially the same due to state mandate with a millage rate of 8.34 mills in 2008 (\$1,668,675) as compared to 9.2 in 2007 (\$1,707,948).

Fiscal year 2008 budgeted expenditures and transfers are expected to be \$2,694,786, or less than one percent lower than fiscal year 2006 expenditures of \$2,753,461 excluding sanitation expenses of \$705,856.

Requests for Information

This financial report is designed to provide a general overview of the Village of Biscayne Park's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 640 Northeast 114th Street, Biscayne Park, Florida 33161.



BASIC FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007

<u>ASSETS</u>	Governmental Activities
Cash and cash equivalents	\$ 766,072
Restricted cash and cash equivalents	183,907
Accounts receivable - net	610,238
Prepays	83,719
Capital assets:	
Land	157,490
Building	204,211
Furniture and equipment	1,473,231
Improvements other than building	64,502
Infrastructure	<u>652,702</u>
Total capital assets	2,552,136
Less accumulated depreciation	<u>(1,521,746)</u>
Total capital assets - net	<u>1,030,390</u>
Total assets	<u>2,674,326</u>
<u>LIABILITIES</u>	
Accounts payable	355,727
Accrued payroll	39,164
Compensated absences	4,437
Other liabilities	28,537
Noncurrent liabilities:	
The amount due in one year	35,038
The amount due in over one year	<u>198,779</u>
Total liabilities	<u>661,682</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	880,881
Restricted for:	
Capital projects	114,326
Transit	36,931
Public safety	69,581
Unrestricted	<u>910,925</u>
Total net assets	<u>\$ 2,012,644</u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>Program Revenues</u>		<u>Operating</u>	<u>Capital</u>	<u>Net (Expense) Revenue and</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net Assets</u>
		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Activities</u>
<u>Functions/programs</u>					
Governmental activities:					
General government	\$ 677,103	\$ 6,023	-	-	(671,080)
Public safety	1,329,857	139,050	2,122	-	(1,188,685)
Building and code enforcement	195,318	177,539	-	-	(17,779)
Physical environment	1,262,831	638,872	21,513	300,000	(302,446)
Culture and recreation	293,470	146,219	-	-	(147,251)
Interest on long-term debt	3,683	-	-	-	(3,683)
Total governmental activities	<u>3,762,262</u>	<u>1,107,703</u>	<u>23,635</u>	<u>300,000</u>	<u>(2,330,924)</u>

General revenues:

Property taxes	1,707,948
Utility taxes	225,643
Franchise fees on gross receipts	125,523
Intergovernmental (unrestricted)	530,968
Investment income	65,388
Miscellaneous	58,468
Total general revenues	<u>2,713,938</u>
Change in net assets	<u>383,014</u>
Net assets, October 1	<u>1,629,630</u>
Net assets, September 30	<u>\$ 2,012,644</u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	Major Funds				Total Governmental Funds
	General	CITT Fund	Stormwater Fund	Other Governmental Funds	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 731,393	\$ 107,858	\$ 27,049	\$ 83,679	\$ 949,979
Accounts receivable - net	278,367	25,111	300,000	6,760	610,238
Prepays	83,719	-	-	-	83,719
Due from other funds	314,982	8,402	-	52,450	375,834
Total assets	\$ 1,408,461	\$ 141,371	\$ 327,049	\$ 142,889	\$ 2,019,770
<u>LIABILITIES</u>					
Accounts payable	\$ 346,467	\$ 9,260	\$ -	\$ -	\$ 355,727
Accrued payroll	38,245	-	-	919	39,164
Accrued compensated absences	4,437	-	-	-	4,437
Due to other funds	8,542	20,000	321,688	25,604	375,834
Other liabilities	15,537	-	-	13,000	28,537
Total liabilities	413,228	29,260	321,688	39,523	803,699
<u>FUND BALANCES</u>					
Reserved for:					
Long-term waste fee receivable	140,294	-	-	-	140,294
Prepays	83,719	-	-	-	83,719
Transit	-	36,931	-	-	36,931
Capital projects	-	75,180	5,361	33,785	114,326
Public safety	-	-	-	69,581	69,581
Unreserved, reported in:					
General fund, undesignated	771,220	-	-	-	771,220
Total fund balances	995,233	112,111	5,361	103,366	1,216,071
Total liabilities and fund balances	\$ 1,408,461	\$ 141,371	\$ 327,049	\$ 142,889	\$ 2,019,770

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

Fund balances - total government funds (Page 12) \$ 1,216,071

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

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

Governmental capital assets	2,552,136
Less accumulated depreciation	(1,521,746)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Capital leases	(149,509)
Compensated absences	<u>(84,308)</u>

Net assets of governmental activities (Page 10) \$ 2,012,644

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Major Funds				
	General	CITT Fund	Stormwater Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 1,707,948	\$ -	\$ -	\$ -	\$ 1,707,948
Franchise fees	125,523	-	-	-	125,523
Utility taxes	225,643	-	-	-	225,643
Charges for services	791,114	-	-	-	791,114
Intergovernmental	316,806	121,133	300,000	116,664	854,603
Licenses and permits	177,539	-	-	-	177,539
Fines and forfeitures	135,677	-	-	3,373	139,050
Interest	59,276	2,349	-	3,763	65,388
Miscellaneous	58,468	-	-	-	58,468
Total revenues	<u>3,597,994</u>	<u>123,482</u>	<u>300,000</u>	<u>123,800</u>	<u>4,145,276</u>
Expenditures:					
Current:					
General government	657,669	-	-	-	657,669
Public safety	1,305,005	-	-	2,523	1,307,528
Building and code enforcement	195,318	-	-	-	195,318
Physical environment	1,015,084	43,771	-	119,540	1,178,395
Culture and recreation	242,839	-	-	-	242,839
Debt service:					
Principal retirement	49,951	-	-	-	49,951
Interest	3,683	-	-	-	3,683
Capital outlay:					
Public safety	27,008	-	-	15,322	42,330
Building and code enforcement	16,703	-	-	-	16,703
Physical environment	164,719	-	463,441	-	628,160
Culture and recreation	2,500	-	-	-	2,500
Total expenditures	<u>3,680,479</u>	<u>43,771</u>	<u>463,441</u>	<u>137,385</u>	<u>4,325,076</u>
Excess (Deficiency) of revenues over expenditures and other financing sources (uses)	<u>(82,485)</u>	<u>79,711</u>	<u>(163,441)</u>	<u>(13,585)</u>	<u>(179,800)</u>
Other financing sources (uses) :					
Transfers	-	(103,802)	83,802	20,000	-
Proceeds from capital leases	187,012	-	-	-	187,012
Total other financing sources (uses)	<u>187,012</u>	<u>(103,802)</u>	<u>83,802</u>	<u>20,000</u>	<u>187,012</u>
Net change in fund balances	104,527	(24,091)	(79,639)	6,415	7,212
Fund balances - beginning	<u>890,706</u>	<u>136,202</u>	<u>85,000</u>	<u>96,951</u>	<u>1,208,859</u>
Fund balances - ending	<u>\$ 995,233</u>	<u>\$ 112,111</u>	<u>\$ 5,361</u>	<u>\$ 103,366</u>	<u>\$ 1,216,071</u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

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 14)	\$	7,212
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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	\$ 689,693	
Less current year depreciation	(184,125)	505,568

The issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from capital leases	(187,012)	
Principal payments on capital leases	<u>49,951</u>	(137,061)

Compensated absences		<u>7,295</u>
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Change in net assets of governmental activities (Page 11)	\$	<u>383,014</u>
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NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Village of Biscayne Park, Florida's (the Village) significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Financial Reporting Entity

The Village of Biscayne Park, Florida (the "Village") is a municipal corporation governed by an elected mayor and four-member council under a Commission-Manager form of government. The Village is located in Miami-Dade County, Florida and was incorporated in 1933. The Village provides the following services to its residents - general government, public safety, building code enforcement, public works and culture and recreation.

The financial statements were prepared in accordance with government accounting standards which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Village, organizations for which the Village is financially accountable and other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Village is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village. Based upon the application of these criteria, there were no organizations which met the criteria described above.

b. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. 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 Village has no fiduciary or business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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.

c. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues resulting from expenditure driven transactions such as certain grants are considered collectible at the time the expenditure has been made. 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, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The **general fund** is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **citizens independent transportation fund** accounts for the operating activities of the Village's use of Miami Dade County's CITT revenues.

The **stormwater fund** accounts for the operating activities of the Village's use of grant revenues from a grant of the South Florida Water Management District and Miami Dade County for stormwater projects.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources and then from the unrestricted resources.

d. Assets, liabilities and net assets

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value by quoted market prices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as their fair value of the pool shares.

2. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

3. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e, the current portion of interfund loans) or as advances to/from other funds (i.e, the non-current portion of interfund loans). All other outstanding balances between funds are reported as a due to/from other funds.

The Village accrues revenues and the related receivables for waste fees in October 1 of each fiscal year. Waste fees are due when billed and are included with the property tax bills which are collected by the County. Waste fee receivables expected to be collected on subsequent years are presented on the balance sheets as a reservation of the general fund's fund balance.

All other receivables due from external sources are considered to be fully collectible and as such, an allowance for doubtful accounts has not been established.

4. Restricted Assets

Proceeds from forfeiture funds are classified as restricted in the Police Forfeiture Special Revenue Fund since these resources are specifically earmarked for law enforcement purposes only. Additionally, proceeds from the People's Transportation Tax are classified as restricted since these resources may only be used for road and transportation related expenditures.

5. Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Village by Miami-Dade County (the 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 commission 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 fiscal year ended September 30, 2007 was 9.20 mills (\$9.20 per \$1,000 of taxable assessed valuation).

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, sidewalks, culverts, light poles, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$750 for equipment and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed.

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

	<u>Years</u>
Buildings	20
Improvements other than buildings	5-10
Infrastructure	5-10
Furniture and equipment	5

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts and a resulting gain or loss is recorded in the government-wide financial statements.

5. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick pay benefits are accrued when incurred in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences that have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement). For governmental activities, compensated absences are generally liquidated by the General Fund.

6. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net assets.

7. Grant Revenue

The Village, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any) when all applicable eligibility requirements, including time requirements, are met.

8. Fund Balance/Net Assets

In the fund financial statements, the governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The description of each reserve indicates the purpose for which each is intended. Designations of fund balance represent tentative management plans that are subject to change.

Unreserved, undesignated fund balance is the portion of fund balance available for any lawful use.

In the government-wide financial statements, net assets represent the difference between assets and liabilities and are reported in three categories as hereafter described.

- Net assets invested in capital assets, net of related debt, represent capital assets, net of accumulated depreciation and any outstanding debt related to those assets.
- Net assets are reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors.
- Unrestricted net assets are net assets that do not meet the definitions of the classifications previously described.

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectibility of receivables and the useful lives of capital assets. Although those estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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, and segregation for management purposes.

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 Tax	Transportation and roads
South Florida Water Management District	Grant Program Expenditures
Federal Forfeitures	Law Enforcement
Federal Emergency Management Agency	Disaster mitigation

For the year ended September 30, 2007, the Village complied, in all material respects, with these revenue restrictions.

Excess of expenditures over appropriations- For the fiscal year ended September 30, 2007, expenditures exceeded appropriations in the Police Forfeiture Fund by \$15,545. These over-expenditures were funded with available fund balance.

III. DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State of Florida Chief Financial Officer, to hold public funds. Under Florida law, the State Chief Financial Officer requires all Florida qualified public depositories to deposit with the Chief Financial Officer or another banking institution eligible collateral. In the event of a failure of a qualified 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 does not have a written investment policy and follows the State of Florida investment policy as set forth in State Statute 218.415. In accordance with Section 218.415 of the Florida Statutes, the Village is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, which include the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA).

As of September 30, 2007, the Village had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
State Board of Administration	<u>\$561,020</u>	1
Portfolio weighted average maturity		<u>1</u>

Interest Rate Risk – 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 six months (180 days). At September 30, 2007 the portfolio weighted average maturity was 1 day.

Credit Risk – The Village's investments in the State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. Additionally, these investments are entirely collateralized and insured by the State. The Village invested throughout the year in the SBA Investment Pool. The SBA is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The Local Government Surplus Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2A-7 fund. All SBA funds reported by the Village are reported at fair value consistent with the valuation similar to a 2A-7 pool. No credit rating is available for this investment.

Concentration of Credit Risk – There are no limits on the amount that may be invested in funds placed with the SBA. At September 30, 2007, all of the Village's investments were in the SBA.

Custodial credit risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment. The Village's investments in the State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. Additionally, these investments are entirely collateralized and insured by the State of Florida.

A reconciliation of deposits and investments as shown on the balance sheet and the statement of net assets is as follows:

	<u>Per Statement of Net Assets</u>		<u>By Category</u>
Restricted- cash and cash equivalents	\$220,838	Deposits	\$388,959
Cash and cash equivalents	<u>729,141</u>	Investments	<u>561,020</u>
	<u>\$949,979</u>		<u>\$949,979</u>

IV. RECEIVABLES/PAYABLES

Receivables

Receivables at September 30, 2007, consisted of franchise fees, taxes and receivables arising from waste fee charges. The Village's receivables at September 30, 2007 were as follows:

	Waste Fees	Franchise Fees and Taxes	Grants	Totals
General fund	\$140,294	\$121,361	\$ 16,712	\$278,367
CITT fund	-	25,111	-	25,111
Stormwater fund	-	-	300,000	300,000
Non-major governmental funds	-	<u>6,760</u>	-	<u>6,760</u>
	<u>\$140,294</u>	<u>\$153,232</u>	<u>\$316,712</u>	<u>\$610,238</u>

The \$140,294 waste fees receivable represents old receivables for which the Village continues its efforts to collect. Liens have been placed or will be placed on properties with outstanding balances and the Village expects to collect these funds, however, not during the next fiscal year. Accordingly, the Village has established a reservation of fund balance for the long-term portion of the receivables. All franchise fees and taxes receivable are considered fully collectible.

Payables

Vendors

General fund	<u>\$355,727</u>
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Interfund balances as of September 30, 2007, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$314,982	\$8,542
CITT Fund	8,402	20,000
Stormwater Fund	-	321,688
Non-major governmental funds	<u>52,450</u>	<u>25,604</u>
	<u>\$375,834</u>	<u>\$375,834</u>

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

Interfund transfers for fiscal year ended September 30, 2007 were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
CITT Fund	\$ -	\$103,802
Stormwater Fund	83,802	-
Non-major governmental funds	<u>20,000</u>	-
	<u>\$103,802</u>	<u>\$103,802</u>

- The transfer from the Citizen Independent Transportation Fund to the Stormwater Fund was used for capital improvements and the transfer to the Road Fund was used for road maintenance and repairs.

V. CAPITAL ASSETS

Capital asset activities for the fiscal year ended September 30, 2007 was as follows:

	<u>Balance</u> <u>October 1,</u> <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30,</u> <u>2007</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 157,490	\$ -	\$ -	\$ 157,490
Total capital assets not being depreciated	<u>157,490</u>	<u>-</u>	<u>-</u>	<u>157,490</u>
Capital assets being depreciated:				
Building	204,211	-	-	204,211
Infrastructure	183,361	469,341	-	652,702
Improvements other than buildings	64,502	-	-	64,502
Furniture and equipment	<u>1,252,879</u>	<u>220,352</u>	<u>-</u>	<u>1,473,231</u>
Total capital assets being depreciated	1,704,953	689,693	-	2,394,646
Less accumulated depreciation for:				
Building	(204,211)	-	-	(204,211)
Infrastructure	(18,096)	(21,910)	-	(40,006)
Improvements other than buildings	(38,700)	(12,900)	-	(51,600)
Furniture and equipment	<u>(1,076,614)</u>	<u>(149,315)</u>	<u>-</u>	<u>(1,225,929)</u>
Total accumulated depreciation	<u>(1,337,621)</u>	<u>(184,125)</u>	<u>-</u>	<u>(1,521,746)</u>
Total capital assets being depreciated, net	<u>367,332</u>	<u>505,568</u>	<u>-</u>	<u>872,900</u>
Governmental activities capital assets, net	<u>\$ 524,822</u>	<u>\$ 505,568</u>	<u>\$ -</u>	<u>\$1,030,390</u>

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

General government	\$ 15,900
Public Safety	27,381
Physical Environment	85,161
Culture and Recreation	<u>55,683</u>
Total depreciation expense – governmental activities	<u>\$184,125</u>

VI. CAPITAL LEASES

During 2007, the Village entered into a lease agreement for the purchase of a police vehicle, a bus and a garbage truck totaling approximately \$187,000. The lease calls for semi-annual principal and interest payments of \$20,352 until June 12, 2011.

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been capitalized and a liability has been recorded at the net present value of the future minimum lease payments, as of the inception date.

Future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2007 are as follows:

Year ending September 30,	
2008	\$41,066
2009	41,066
2010	41,066
2011	<u>41,066</u>
Total	<u>164,264</u>
Less amount representing interest at 6.68%	<u>(14,755)</u>
	<u>\$149,509</u>

Changes in general long-term debt during the year were as follows:

	Balance			Balance	
	October 1, 2006	Additions	Deletions	September 30, 2007	Due Within One year
Compensated absences	\$96,149	\$ -	\$7,404	\$88,745	\$4,437
Capital leases	<u>13,167</u>	<u>187,012</u>	<u>50,670</u>	<u>149,509</u>	<u>35,038</u>
	<u>\$109,316</u>	<u>\$187,012</u>	<u>\$58,074</u>	<u>\$238,254</u>	<u>\$39,475</u>

VII. DEFINED BENEFIT PENSION PLAN

Plan Description. All of the Village's full-time employees participate in the Florida Retirement System (FRS), a multiple employer cost sharing public employee retirement system, administered by the Florida Legislature and available to governmental units within Florida. The FRS provides vesting for regular members after six years of creditable service and age 62, or the age after 62 that the member becomes vested, or 30 years of service regardless of service. For the Special Risk Class (police officers) the FRS provides vesting after six years of special risk service and age 55; or the age after 55 that the members becomes vested, or 25 years of special risk service or 30 years of any service regardless of age. Early retirement may be taken after a member has vested and is within 20 years of his/hers normal retirement age, but there is a five percent benefit reduction for each year prior to normal retirement.

Funding Policy. Plan members do not contribute. The Village contribution rates ranged from 7.83% to 18.53% of covered payroll. Article X, Section 14 of the State Constitution and Part VII, Chapter 112 of the Florida Statutes provide the authority to amend the contribution rates and obligations.

The Village's contributions for the Florida Retirement System for the last three years which were equal to the required contribution for each year were as follows:

September 30,	Required Contribution	Contribution Rates
2007	\$ 196,671	9.85% - 20.92%
2006	\$ 173,337	7.83% - 18.53%
2005	\$ 143,476	7.39% - 18.53%

The most recent actuarial report was prepared as of July 1, 2007. Section 121.031(3) of the Florida Statutes requires that an actuarial review of the FRS be performed biannually. The conclusions of the review are included in the annual report of the FRS.

The Florida Retirement System issues a financial report that includes the financial statements and other statistically relevant financial information. That report may be obtained from the State of Florida, Division of Retirement, 2639 N. Monroe Street, Tallahassee, Florida 32399 or by calling (850) 488-2879.

VIII. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village has joined with other municipalities in the State participating in the Florida League of Cities Municipal Self Insurance Program, (the Program) a public entity risk pool currently operating as a common risk management and insurance program. The inter-local agreement with the Florida League of Cities Municipal Self Insurance Program provides that the Program will be self-sustaining through member premiums and will reinsure through commercial companies. During the past three years, the Village has not incurred any significant claims nor have there been any significant reductions in coverage.

The Village participates in Miami Dade County's self insured workmen's compensation program. Premiums are billed annually and are based on the Village's claim history. During 2007, the County billed the Village approximately \$220,000 for past claims filed during 2004-05 and 2005-06 fiscal years. Subsequent to year end the Village contracted with the Florida League of Cities for workmen's compensation insurance.

IX. CONTINGENCIES

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 Village. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

Lawsuits

The Village is a defendant in various suits and claims incidental to its operations. The ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Village's attorney that the Village has sufficient insurance coverage to cover any claims or liabilities, which may arise from such action and the resolution of the matter, will not have a material adverse effect on the financial condition of the Village.

X. SUBSEQUENT EVENTS

State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool)

As discussed in Note III, at September 30, 2007, the Village had \$561,020 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of December 4, 2007, the Village has \$225,816 and \$37,834 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

Property Tax Amendment 1

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 current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. 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 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from the Miami-Dade County Property Appraiser's Office, the estimated annual loss of property tax revenues for the Village of Biscayne Park from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$171,000. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homestead property provisions in terms of potential loss of property tax revenues. Estimates for the Village of Biscayne Park based on information provided by the Miami-Dade County Property Appraiser's Office translate into an additional loss of property tax revenues of \$37,000.



REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BISCAYNE PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 1,690,145	\$ 1,690,145	\$ 1,707,948	\$ 17,803
Franchise fees	108,000	108,000	125,523	17,523
Utility taxes	218,702	218,702	225,643	6,941
Charges for services	810,303	792,303	791,114	(1,189)
Intergovernmental	294,687	317,187	316,806	(381)
Licenses and permits	111,000	156,000	177,539	21,539
Fines and forfeitures	54,080	136,080	135,677	(403)
Interest	39,000	59,000	59,276	276
Miscellaneous	5,000	58,000	58,468	468
Total revenues	<u>3,330,917</u>	<u>3,535,417</u>	<u>3,597,994</u>	<u>62,577</u>
Expenditures:				
Current:				
General government				
Village council	30,377	30,377	25,992	4,385
Administration	204,523	204,523	194,206	10,317
Finance	143,458	143,458	139,377	4,081
Non-departmental	419,034	299,064	298,094	970
Public safety	891,975	1,332,095	1,332,013	82
Building and code enforcement	183,483	218,483	212,021	6,462
Physical environment	1,247,835	1,235,785	1,233,437	2,348
Culture and recreation	338,632	258,632	245,339	13,293
Total expenditures	<u>3,459,317</u>	<u>3,722,417</u>	<u>3,680,479</u>	<u>41,938</u>
(Deficiency) Excess of revenues under expenditures before other financing sources (uses)	<u>(128,400)</u>	<u>(187,000)</u>	<u>(82,485)</u>	<u>104,515</u>
Other financing sources (uses):				
Proceeds from capital leases	128,400	187,000	187,012	12
Total other financing sources	<u>128,400</u>	<u>187,000</u>	<u>187,012</u>	<u>12</u>
Net change in fund balance	-	-	104,527	<u>104,527</u>
Fund balances - beginning	<u>890,706</u>	<u>890,706</u>	<u>890,706</u>	
Fund balances - ending	<u>\$ 890,706</u>	<u>\$ 890,706</u>	<u>\$ 995,233</u>	

See notes to budgetary comparison schedule

VILLAGE OF BISCAYNE PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CITY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 109,838	\$ 118,904	\$ 121,133	\$ 2,229
Interest	-	-	2,349	2,349
Total revenues	<u>109,838</u>	<u>118,904</u>	<u>123,482</u>	<u>4,578</u>
Expenditures:				
Current:				
Physical environment	<u>89,838</u>	<u>138,904</u>	<u>43,771</u>	<u>95,133</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>20,000</u>	<u>(20,000)</u>	<u>79,711</u>	<u>99,711</u>
Other financing sources				
Transfers	<u>(20,000)</u>	<u>20,000</u>	<u>(103,802)</u>	<u>(123,802)</u>
Total other financing sources	<u>(20,000)</u>	<u>20,000</u>	<u>(103,802)</u>	<u>(123,802)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(24,091)</u>	<u>(24,091)</u>
Fund balances, October 1	<u>136,202</u>	<u>136,202</u>	<u>136,202</u>	
Fund balances, September 30	<u>\$ 136,202</u>	<u>\$ 136,202</u>	<u>\$ 112,111</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Funds			Variance with Final Budget Positive (Negative)
	Stormwater Fund			
	Budgeted Amounts		Actual	
	Original	Final	Amounts	
Revenues:				
Intergovernmental	\$ 354,838	\$ 354,838	\$ 300,000	\$ (54,838)
Total revenues	<u>354,838</u>	<u>354,838</u>	<u>300,000</u>	<u>(54,838)</u>
Expenditures:				
Current:				
Physical environment	<u>550,000</u>	<u>550,000</u>	<u>463,441</u>	<u>86,559</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(195,162)</u>	<u>(195,162)</u>	<u>(163,441)</u>	<u>31,721</u>
Other financing sources				
Transfers	-	-	83,802	83,802
Debt proceeds	<u>195,162</u>	<u>195,162</u>	-	<u>(195,162)</u>
Total other financing sources	<u>195,162</u>	<u>195,162</u>	<u>83,802</u>	<u>(111,360)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(79,639)</u>	<u>(79,639)</u>
Fund balances, October 1	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	
Fund balances, September 30	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 5,361</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

Notes to Budgetary Comparison Schedule

Annual budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriations lapse at fiscal year end.

The Village follows Chapter 80-274 of the state of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The budget process is as follows:

- Prior to August 1, the Village Manager submitted to the Village Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.
- The appropriated budget is prepared and adopted by fund, function, and department. Budgets are monitored within each department at the account level by the respective department head and the Finance Director. The Village's department heads recommend transfers of appropriations within a department with approval of the Village Manager and Finance Director. Transfers of appropriations between departments require the additional approval of the Council. The legal level of budgetary control (i.e. the level at which expenditures may not exceed appropriations) is the department level.

The Village Council may make by ordinance supplemental appropriations during the fiscal year. There were supplemental appropriations for the fiscal year ended September 30, 2007 totaling \$173,100, mostly for additional capital outlay and workmens compensation insurance.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Excess of expenditures over appropriations- For the fiscal year ended September 30, 2007, expenditures exceeded appropriations in the Police Forfeiture Fund by \$15,545. These over-expenditures were funded with available fund balance.

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.

Road Fund – This fund was established to account for revenues derived from Miami-Dade County's local option gas taxes. The Village funds its Roads Department from these gas tax revenues and the expenditures include regular salaries for the department, major repairs and maintenance to the Village streets and capital outlay for road resurfacing and construction.

Capital Improvement Fund – This fund is used to account for construction of major projects and funds which are restricted for construction.

Police Forfeiture Fund – This fund is used to account for funds received by the Village which are strictly designated for police related expenditures.



VILLAGE OF BISCAIYNE PARK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007

	Special Revenue Funds			Total
	Road Fund	Capital Improvement Fund	Police Forfeiture Fund	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 13,292	\$ 70,387	\$ 83,679
Accounts receivable - net	6,738	-	22	6,760
Due from other funds	52,450	-	-	52,450
Total assets	\$ 59,188	\$ 13,292	\$ 70,409	\$ 142,889
<u>LIABILITIES</u>				
Due to other funds	\$ 24,484	\$ 292	\$ 828	\$ 25,604
Accrued payroll	919	-	-	919
Other liabilities	-	13,000	-	13,000
Total liabilities	25,403	13,292	828	39,523
<u>FUND BALANCES</u>				
Unreserved:				
Undesignated	33,785	-	69,581	103,366
Total fund balances	33,785	-	69,581	103,366
Total liabilities and fund balances	\$ 59,188	\$ 13,292	\$ 70,409	\$ 142,889

VILLAGE OF BISCAYNE PARK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Road Fund	Capital Improvement Fund	Police Forfeiture Fund	
Revenues:				
Intergovernmental	\$ 116,664	\$ -	\$ -	\$ 116,664
Fines and forfeitures	-	-	3,373	3,373
Interest	1,319	455	1,989	3,763
Total revenues	117,983	455	5,362	123,800
Expenditures:				
Current:				
Public safety	-	-	2,523	2,523
Physical environment	118,851	689	-	119,540
Capital outlay:				
Public safety	-	-	15,322	15,322
Total expenditures	118,851	689	17,845	137,385
Deficiency of revenues over expenditures	(868)	(234)	(12,483)	(13,585)
Other financing sources				
Transfers in	20,000	-	-	20,000
Total other financing sources	20,000	-	-	20,000
Net change in fund balance	19,132	(234)	(12,483)	6,415
Fund balances, October 1	14,653	234	82,064	96,951
Fund balances, September 30	\$ 33,785	\$ -	\$ 69,581	\$ 103,366

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Fund			
	Road Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			
Revenues:				
Intergovernmental	\$ 118,904	\$ 118,904	\$ 116,664	\$ (2,240)
Interest	-	-	1,319	1,319
Miscellaneous	-	-	-	-
Total revenues	<u>118,904</u>	<u>118,904</u>	<u>117,983</u>	<u>(921)</u>
Expenditures:				
Current:				
Physical environment	<u>138,904</u>	<u>138,904</u>	<u>118,851</u>	<u>20,053</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(20,000)</u>	<u>(20,000)</u>	<u>(868)</u>	<u>19,132</u>
Other financing sources				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>19,132</u>	<u>19,132</u>
Fund balances, October 1	<u>14,653</u>	<u>14,653</u>	<u>14,653</u>	
Fund balances, September 30	<u>\$ 14,653</u>	<u>\$ 14,653</u>	<u>\$ 33,785</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Police Forfeiture Fund			
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 3,373	\$ 3,373
Interest	<u>2,300</u>	<u>2,300</u>	<u>1,989</u>	<u>(311)</u>
Total revenues	<u>2,300</u>	<u>2,300</u>	<u>5,362</u>	<u>3,062</u>
Expenditures:				
Current:				
Public safety	<u>2,300</u>	<u>2,300</u>	<u>17,845</u>	<u>(15,545)</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>(12,483)</u>	<u>(12,483)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(12,483)</u>	<u>(12,483)</u>
Fund balances, October 1	<u>82,064</u>	<u>82,064</u>	<u>82,064</u>	
Fund balances, September 30	<u>\$ 82,064</u>	<u>\$ 82,064</u>	<u>\$ 69,581</u>	

STATISTICAL SECTION

VILLAGE OF BISCAYNE PARK, FLORIDA
STATISTICAL SECTION

This part of the Village of Biscayne Park comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. These schedules include:</i>	35-36
Revenue Capacity	
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	37-44
Debt Capacity	
<i>These schedules present 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 the future.</i>	45-46
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	47-48
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	49-51

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



VILLAGE OF BISCAYNE PARK, FLORIDA

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
Governmental activities			
Invested in capital assets, net of related debt	\$ 518,703	\$ 574,368	\$ 511,655
Restricted	194,122	255,247	318,153
Unrestricted	<u>1,056,956</u>	<u>640,606</u>	<u>799,822</u>
Total governmental activities net assets	<u>\$ 1,769,781</u>	<u>\$ 1,470,221</u>	<u>\$ 1,629,630</u>
			<u>\$ 880,881</u>
			<u>220,838</u>
			<u>910,925</u>
			<u>\$ 2,012,644</u>

(1) Information for fiscal years ending September 30, 1995-2003 are unavailable in this format since the Village implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

VILLAGE OF BISCAYNE PARK, FLORIDA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
EXPENSES				
Governmental activities:				
General government	\$ 703,731	\$ 643,498	\$ 644,968	677,103
Public safety	953,050	965,936	1,091,907	1,525,175
Public works	830,443	1,214,493	2,189,251	1,262,831
Culture and recreation	258,618	307,648	316,284	293,470
Non-departmental				
Interest on long-term debt	1,733	2,552	2,567	3,683
Total governmental activities:	<u>2,747,575</u>	<u>3,134,127</u>	<u>4,244,977</u>	<u>3,762,262</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	4,771	5,390	6,372	6,023
Public safety	126,112	216,373	180,917	316,589
Public works	503,118	384,151	558,007	638,872
Culture and recreation	91,825	107,391	155,696	146,219
Operating grants and contributions	3,980	217,550	1,181,810	323,635
Total governmental activities program revenues	<u>729,806</u>	<u>930,855</u>	<u>2,082,802</u>	<u>1,431,338</u>
Net (expense)/revenue				
Governmental activities	\$ (2,017,769)	\$ (2,203,272)	\$ (2,162,175)	\$ (2,330,924)
Total primary government net expenses	<u>\$ (2,017,769)</u>	<u>\$ (2,203,272)</u>	<u>\$ (2,162,175)</u>	<u>\$ (2,330,924)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	985,944	1,052,454	1,289,887	1,707,948
Utility taxes	212,504	215,844	228,549	225,643
Franchise fees on gross receipts	132,785	87,524	122,750	125,523
Intergovernmental (unrestricted)	393,885	509,223	610,060	530,968
Investment income	32,078	29,746	62,219	65,388
Miscellaneous	-	5,921	11,119	58,468
Total governmental activities:	<u>\$ 1,757,196</u>	<u>\$ 1,900,712</u>	<u>\$ 2,324,584</u>	<u>\$ 2,713,938</u>
Change in Net Assets				
Governmental activities	\$ (260,573)	\$ (302,560)	\$ 162,409	\$ 383,014
Total primary government	<u>\$ (260,573)</u>	<u>\$ (302,560)</u>	<u>\$ 162,409</u>	<u>\$ 383,014</u>

(1) Information for fiscal years ending September 30, 1995-2003 are unavailable in this format since the Village implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

Fiscal Year	Ad-Valorem Taxes General Purpose	Local Option Gas Tax	2nd Local Option Gas Tax	People's Transportation Tax	State Revenue Sharing Tax	Half Cent Sales tax	Franchise Taxes	Utility Taxes	Total
2004	896,761	61,708	25,474	136,261	75,312	182,312	132,785	212,504	1,725,117
2005	1,052,454	66,013	25,058	101,011	102,902	214,238	87,524	215,844	1,865,044
2006	1,289,887	67,710	25,153	134,276	106,338	252,074	122,750	228,549	2,226,737
2007	1,707,948	61,210	23,124	121,133	102,909	220,632	125,523	225,643	2,588,122

(1) Information for fiscal years ending September 30, 1995-2003 are unavailable in this format since the Village implemented Governmental Accounting Standards Board Statement No. 34. Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

VILLAGE OF BISCAYNE PARK, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund										
Reserved			\$ 219,434	\$ 170,170	\$ 164,668	\$ 246,602	240,287	\$ 199,411	\$ 210,159	\$ 224,013
Unreserved	740,762	409,937	1,153,136	1,285,736	1,399,348	1,131,002	760,607	476,846	680,541	771,220
Total general fund	\$ 740,762	\$ 409,937	\$ 1,372,570	\$ 1,455,906	\$ 1,564,016	\$ 1,377,604	\$ 1,000,894	\$ 676,257	\$ 890,700	\$ 995,233
All other governmental funds										
Reserved	\$ 413,172	\$ 338,058	\$ 375,633	\$ -	\$ 142,757	\$ 219,622	\$ 194,122	\$ 252,247	\$ 318,153	220,838
Unreserved, reported in:										
Special revenue funds	-	-	-	440,340	294,639	187,578	56,062	(35,651)	-	-
Total all other governmental funds	\$ 413,172	\$ 338,058	\$ 375,633	\$ 440,340	\$ 437,396	\$ 407,200	\$ 250,184	\$ 216,596	\$ 318,153	\$ 220,838

VILLAGE OF BISCAZYNE PARK, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES										
Taxes and franchise fees	\$ 981,737	\$ 1,022,789	\$ 1,049,990	\$ 1,172,065	\$ 1,179,359	\$ 1,196,112	\$ 1,254,990	\$ 1,139,978	\$ 1,412,637	\$ 1,833,471
Charges for services	413,770	606,810	538,295	557,084	587,845	671,499	599,714	496,932	720,075	791,114
Utility taxes							212,504	215,844	228,549	225,643
Intergovernmental	403,401	313,241	275,634	252,634	354,339	380,785	261,604	726,773	1,791,870	854,603
Licenses and permits	30,472	50,490	44,720	61,748	91,919	110,634	88,071	116,726	122,988	177,539
Fines and forfeitures	12,546	10,383	23,848	38,547	69,989	178,903	38,041	99,647	57,929	139,050
Interest								29,746	62,219	65,388
Grants				66,293	72,658	48,521	32,078			
Miscellaneous	90,748	25,080	89,565	93,665	43,832	26,250	-	5,921	11,119	58,468
Total revenues	1,932,674	2,028,793	2,022,052	2,242,026	2,399,941	2,612,704	2,487,002	2,831,567	4,407,386	4,145,276
EXPENDITURES										
General government	313,926	309,056	484,528	537,214	568,186	807,766	660,728	620,034	623,866	657,669
Public safety	679,953	519,407	578,039	648,344	748,086	803,286	943,042	938,564	1,064,035	1,502,846
Public works	726,347	686,156	617,784	686,450	702,452	706,334	779,813	1,146,603	2,132,671	1,178,395
Culture and recreation	142,121	108,235	126,665	142,854	151,799	169,486	225,836	264,256	264,651	242,639
Non-departmental						4,224				
Debt service:										
Principal retirement				11,691	40,830	41,146	41,035	38,311	30,163	49,951
Interest and fiscal charges				2,199	3,287	2,970	1,733	2,552	2,567	3,683
Capital outlay										
General government				140,804	126,652	294,101	440,522	204,132	64,259	689,693
Total expenditures	1,862,347	1,622,854	1,807,016	2,169,556	2,341,292	2,829,313	3,092,709	3,213,452	4,182,212	4,325,076
Excess/(deficiency) of revenues over expenditures	70,327	405,939	215,036	72,470	58,649	(216,609)	(605,707)	(381,885)	225,174	(179,800)
Other financing (uses) sources:										
Transfers in	30,000	28,000					15,000	54,229	154,245	
Transfers out	(30,000)	(28,000)					(15,000)	(54,229)	(154,245)	
Proceeds from note payable and contingencies	31,500									
Proceeds from capital lease										
Total other financing sources (uses)	31,500			75,882	46,520	-	71,981	23,662	-	187,012
Net change in fund balances	101,827	405,939	215,036	148,352	105,169	(216,609)	(533,726)	(386,223)	225,174	7,212
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.7%	2.0%	1.8%	1.6%	1.4%	0.8%	1.5%

VILLAGE OF BISCAYNE PARK, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS (*)

(modified accrual basis of accounting)

Fiscal Year	Ad-Valorem Taxes General Purpose	Local Option Gas Tax	2nd Local Option Gas Tax (1)	People's Transportation Tax (2)	State Revenue Sharing Tax	Half Cent Sales tax	Franchise Taxes	Utility Taxes	Total
1998	661,278	82,576			70,687	161,079	77,148	159,486	1,212,254
1999	684,988	81,093			66,791	167,017	78,745	171,564	1,250,198
2000	711,568	86,115			65,955	177,923	22,306	227,015	1,290,882
2001	746,002	88,037			65,841	183,356	87,563	246,474	1,417,273
2002	792,962	64,497	27,036		72,575	190,230	104,324	282,072	1,533,696
2003	835,239	71,781	24,250		77,420	207,334	99,693	261,180	1,576,897
2004	898,761	61,708	25,474	136,261	75,312	182,312	132,785	212,504	1,725,117
2005	1,052,454	66,013	25,058	101,011	102,902	214,238	87,524	215,844	1,865,044
2006	1,289,887	67,710	25,153	134,276	106,338	252,074	122,750	228,549	2,226,737
2007	1,707,948	61,210	23,124	121,133	102,909	220,632	125,523	225,643	2,588,122

(1) FY 2002 was the first year for this tax source.

(2) FY 2004 was the first year for this tax source.

VILLAGE OF BISCAYNE PARK, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Net Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Net assessed Value as a Percentage of Estimated Actual Value (1)</u>
1998	\$ 75,035,000	\$ 1,624,027	\$ 76,659,027	8.760	104,202,276	73.57%
1999	77,563,214	1,621,415	79,184,629	8.900	107,230,182	73.85%
2000	79,436,720	1,898,464	81,335,184	8.900	113,760,912	71.50%
2001	83,946,758	1,901,188	85,847,946	8.900	127,896,607	67.12%
2002	92,136,906	1,858,859	93,995,765	8.700	157,543,542	59.66%
2003	103,086,572	1,925,183	105,011,755	8.200	185,688,334	56.55%
2004	114,629,189	2,061,870	116,691,059	7.900	229,069,673	50.94%
2005	134,270,987	2,108,710	136,379,697	7.900	275,753,002	49.46%
2006	155,647,938	2,124,806	157,772,744	8.200	366,933,528	43.00%
2007	191,151,456	2,228,951	193,380,407	9.200	401,124,516	48.21%

Note: Property in the Village is reassessed each year at actual value. Tax rates are \$1,000 of assessed value.

(1) Includes tax-exempt property.

Sources: Miami-Dade County
Department of Property Appraisal -DR-420

VILLAGE OF BISCAYNE PARK, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS(1)
LAST TEN FISCAL YEARS

Fiscal Year	Village of Biscayne Park	Overlapping Rates						Total Direct & Overlapping Rates
		County			Special Districts			
		County Wide	Debt Service	County Fire	Library	Schools	State*	
1998	8.7600	6.0230	0.8370	2.8640	0.3340	10.2600	0.6440	29.7220
1999	8.9000	5.8090	0.8160	2.7520	0.3210	9.7440	0.6410	28.9830
2000	8.9000	5.7510	0.6520	2.7520	0.3510	9.7170	0.6380	28.7610
2001	8.9000	5.7130	0.5520	2.7520	0.4510	9.3760	0.7355	28.4795
2002	8.7000	5.8890	0.3900	2.6610	0.4860	9.2520	0.7355	28.1135
2003	8.2000	6.4690	0.2850	2.6610	0.4860	9.1000	0.7360	27.9370
2004	7.9000	6.3792	0.2850	2.6610	0.4860	8.6870	0.7360	27.1342
2005	7.9000	6.2638	0.2850	2.6610	0.4860	8.4380	0.7360	26.7698
2006	8.2000	6.0373	0.2850	2.6510	0.4860	8.1500	0.7355	26.5448
2007	9.2000	5.0019	0.2850	2.2477	0.3842	7.9480	0.6595	25.7263

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

Additional information:

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

Tax rate limits:

Village	10.000 Mills
County	10.000 Mills
School	10.000 Mills
State	1.000 Mills

Source: Miami-Dade County
Department of Property Appraisal

*South Florida Water Management District

VILLAGE OF BISCA YNE PARK, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
(amounts expressed in thousands)

Taxpayer	2007				1998(1)			
	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	
FLORIDA POWER AND LIGHT	\$1,778,679	1	0.9%					
MATTHEW KAMINSKY	1,414,228	2	0.7%					
ANDREW OLIS	711,992	3	0.4%					
MARIA J MITHAVAYANI	689,140	4	0.4%					
EQUIDO GONZALEZ	388,421	5	0.2%					
MITON Y MENDOZA & W ELIZABETH D	618,935	6	0.3%					
HARTMUT SCHOENAU & W	597,960	7	0.3%					
ROBERT W SMITH & W BARBARA	553,971	8	0.3%					
ROBERT W SMITH & BARBARA	522,540	9	0.3%					
MIGUEL MACIEL BLANCO & VICTORIA	521,197	10	0.3%					
	<u>\$ 7,797,063</u>		<u>4.0%</u>		<u>\$ -</u>		<u>0.0%</u>	

Sources: Miami-Dade County Tax Assessors' Office
2007 Tax Roll
Real/personal property adjusted taxable value of \$193,380,407
(1) 1998 information was unavailable

VILLAGE OF BISCAYNE PARK, FLORIDA

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total taxes Levied for Fiscal Year(1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years (N/A)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1998	674,923	661,278	98.0%		661,278	98.0%
1999	703,934	684,988	97.3%		684,988	97.3%
2000	723,607	711,568	98.3%		711,568	98.3%
2001	763,948	746,002	97.7%		746,002	97.7%
2002	817,825	792,962	97.0%		792,962	97.0%
2003	862,524	835,239	96.8%		835,239	96.8%
2004	920,693	898,761	97.6%		898,761	97.6%
2005	1,070,117	1,052,454	98.3%		1,052,454	98.3%
2006	1,285,818	1,289,887	100.3%		1,289,887	100.3%
2007	1,762,030	1,707,948	96.9%		1,707,948	96.9%

Source: Miami Dade County Tax Collector's Office

(1)Florida Department of Revenue

Note: Total Adjusted Tax Levy is based on final assessed property values by Miami-Dade County Department of Property Appraisal office after the Property Appraisal Adjustment Board has completed hearings on the tax roll; and before discounts.

Discounts Allowed:

November	4%
December	3%
January	2%
February	1%
April	Taxes delinquent

VILLAGE OF BISCAYNE PARK, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Governmental Activities Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
1998	-	-	0.00%	0.000
1999	-	-	0.00%	0.000
2000	-	-	0.00%	0.000
2001	64,191	64,191	0.07%	19.517
2002	69,881	69,881	0.08%	21.344
2003	28,735	28,735	0.03%	8.245
2004	59,682	59,682	0.06%	16.788
2005	43,330	43,330	0.06%	13.020
2006	13,167	13,167	0.02%	3.956
2007	149,509	149,509	0.19%	44.925

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

(1) See the Schedule of Demographic and Economic Statistics on page 64 for the personal income and population data.

VILLAGE OF BISCAYNE PARK, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

FISCAL YEAR ENDED SEPTEMBER 30, 2007

(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Amount Applicable to Biscayne Park</u>
Miami-Dade County Schools (2)	\$ 903,577	0.09%	\$ 837
Miami-Dade County (3)	<u>507,316</u>	0.09%	<u>470</u>
Subtotal overlapping debt	1,410,893		1,307
Village of Biscayne Park direct debt	150	100.00%	<u>150</u>
Total direct and overlapping debt	\$ 1,411,043		\$ 1,457

Sources: (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the city's boundaries and dividing it by the county's total taxable assessed value.

(2) Miami-Dade County Schools, General Finance Department

(3) Miami-Dade County, Finance Department (includes General Obligation, Special Obligation Bonds)

VILLAGE OF BISCAYNE PARK, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income	Per capita Personal Income (2)	Unemployment rate (3)
1998	3,068	71,226,688	23,216	7.0
1999	3,068	73,785,400	24,050	5.9
2000	3,269	83,771,394	25,626	5.1
2001	3,289	86,862,490	26,410	6.0
2002	3,274	88,381,630	26,995	6.6
2003	3,485	96,161,605	27,593	6.0
2004	3,555	103,365,180	29,076	5.6
2005	3,328	72,956,416	21,922	5.1
2006	3,328	74,523,904	22,393	4.5
2007	3,328	77,539,072	23,299	4.1

Source: (1) State of Florida population estimates

(2) The Beacon Council, Research Development

(3) U.S. Bureau of Labor Statistics

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

<u>EMPLOYER</u>	<u>2007</u>			<u>1998</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	50,000	1	4.17%	43,498	1	3.95%
Miami-Dade County, Florida	32,000	2	2.67%	20,000	2	1.81%
Federal Government	20,400	3	1.70%	17,600	4	1.60%
Florida State Government	17,000	4	1.42%	17,700	3	1.61%
Baptist Health South Florida	11,257	5	0.94%	5,285	9	0.48%
Publix Supermarket	11,000	6	0.92%			
University of Miami	10,170	7	0.85%	7,574	6	0.69%
Jackson Health System	10,000	8	0.83%	7,216	7	0.65%
American Airlines	9,000	9	0.75%	9,304	5	0.84%
United Parcel Service	6,123	10	0.51%			
Miami-Dade Community College				5,700	8	0.52%
Bellsouth				5,200	10	0.47%
Total Employment	1,199,980		14.76%	1,102,294		12.62%

Source: The Beacon Council

VILLAGE OF BISCAYNE PARK, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Function										
General government	3	3	3	2	2	2	2	3	3	2
Public safety	-	9	9	9	10	10	11	11	11	11
Police	1	1	1	1	1	1	1	1	1	1
Officers	-	-	1	1	1	1	1	1	1	1
Civilians	1	1	1	1	1	1	1	1	1	1
Code enforcement	1	1	1	1	1	1	1	1	1	1
Building & Zoning	1	1	1	1	1	1	1	1	1	1
Recreation	1	1	1	2	2	2	2	2	2	2
Public Works	7	7	7	7	9	10	10	10	9	9
Sanitation	9	9	9	9	9	9	9	9	9	9
	<u>22</u>	<u>31</u>	<u>32</u>	<u>32</u>	<u>35</u>	<u>36</u>	<u>37</u>	<u>38</u>	<u>37</u>	<u>36</u>

Source: Village of Biscayne Park Finance department

VILLAGE OF BISCAYNE PARK, FLORIDA
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police:										
Burglaries	86	29	47	49	53	83	43	38	63	60
Robberies	6	-	2	2	-	4	-	3	3	5
Number of uniformed officers	-	9	9	9	10	10	11	11	11	11
Building & Zoning:										
Number of building permits issued	365	366	440	475	529	606	458	469	474	490
License/Permit revenue generated	\$ 16,922	\$ 22,747	\$ 44,720	\$ 46,044	\$ 85,119	\$ 104,363	\$ 84,253	\$ 97,456	\$ 97,876	\$ 140,533
Culture and recreation										
Children enrolled in programs	-	-	-	98	114	187	220	287	310	294
Recreation revenues collected	\$ -	\$ -	\$ -	N/A	\$ 36,389	\$ 60,261	\$ 75,479	\$ 90,420	\$ 133,970	\$ 127,861
Sanitation:										
Refuse collected (tons per month)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Various city departments
 Note: Indicators are not available for the general government function.
 N/A-information not available for these years

VILLAGE OF BISCAYNE PARK, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Public Safety										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	8	9	10	10	11	12	13	14	15	15
Public works										
Streets (Miles-paved)	17	17	17	17	17	17	17	17	17	17
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	1
Racketball courts	2	2	2	2	2	2	2	2	2	2
Baseball/Soccer fields	1	1	1	1	1	1	1	1	1	1
Basketball Court	1	1	1	1	1	1	1	1	1	1
Sanitation										
Number of collection trucks	2	2	2	2	2	2	2	2	2	2

Sources: Various city departments
 N/A : Information not available
 Note: No capital asset indicators are available for the general government function.



COMPLIANCE SECTION



Alberni, Caballero
& Castellanos, L.L.P.

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

Honorable Mayor and Members of the Village Council
Village of Biscayne Park, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the Village) as of and for the fiscal year ended September 30, 2007, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting, listed as items 2007-1, 2006-2, 2005-2, 2000-9, 2000-8, and 2000-7.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies noted above, none are considered to be material weaknesses.

Honorable Mayor, Village Council and Village Manager
Village of Biscayne Park, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed several instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* which are described in the accompanying schedule of findings and recommendations as item 2007-1, 2006-2 and 2000-9.

The Village's responses to the findings and recommendations identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We also noted other matters that we have reported in the schedule of findings and responses as required by the Auditor General of the State of Florida.

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

Alfonso Caballero & Castellanos LLP

January 18, 2008
Coral Gables, Florida



Alberni, Caballero
& Castellanos, L.L.P.

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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
Village of Biscayne Park, Florida

We have audited the financial statements of the Village of Biscayne Park, Florida, as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated January 18, 2008.

We conducted our audit in accordance with United States generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over financial reporting and on Compliance and Other Matters. Disclosures in that report, which are dated January 18, 2008, should be considered in conjunction with this management letter

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information.

- ❖ 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 significant findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.
- ❖ Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village of Biscayne Park, Florida complied with Section 218.415, Florida Statutes.
- ❖ Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we have one recommendation which has been included in the schedule of findings and responses.
- ❖ Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- ❖ Section 10.554(1)(i)5., Rules of the Auditor General, requires, based on professional judgment, the reporting of matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed the following matters required to be disclosed:

Honorable Mayor, Village Council and Village Manager
Village of Biscayne Park, Florida

- Status of Prior Year Findings and Recommendations: No. 2000-7, 2000-8, 2000-9, 2005-2 and 2006-2
 - Current Year Findings and Recommendations: 2007-01
-
- ❖ Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Village was incorporated in accordance with the laws of the State of Florida 16319 of 1933. There are no component units related to the Village.
 - ❖ Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village of Biscayne Park, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
 - ❖ Section 10.554(1)(i)7.b., Rules of the Auditor General, we determined that the annual financial report for the Village of Biscayne Park, Florida for the fiscal year ended September 30, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.
 - ❖ Sections 10.554(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This management letter is intended solely for the information of the Village of Biscayne Park, Florida and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Village of Biscayne Park, Florida, and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

Alban Caballero & Castellanos LLP

January 18, 2008
Coral Gables, Florida

**VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2007**

I. CURRENT YEAR FINDING

REPORTABLE CONDITION

2007-1 Surety Bond on Village Manager

Condition:

During our compliance testing we noted that the Village's Code of Ordinances requires a Surety Bond on the Village Manager and the bond was not obtained.

Effect:

The Village is not in compliance with Section 3.05 of the Code.

Recommendation:

We recommend that the Village comply with Section 3.05 of its' Code and obtain a Surety Bond on the Village Manager.

Management's Response:

Subsequent to year end the Village obtained a surety bond policy for the Village Manager.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

REPORTABLE CONDITIONS

2006-1 Bank Reconciliations and General Journal Entries (segregation of duties)

Condition:

During our testing of bank reconciliations and general journal entries, we noted that the bank reconciliations and journal entries are prepared and approved by the acting finance director.

Effect:

There is a lack of segregation of duties between preparer and reviewer for preparation of bank reconciliations and general journal entries.

Recommendation:

We recommend that the Village prepare bank reconciliations which include a preparer and reviewer sign-off. The preparer could be the acting finance director, but a Village official, such as the Village Manager should review and approve the bank reconciliations. Also, the Village currently has a general journal entry form that includes a reference for the preparer and reviewer. We recommend that the acting finance director propose the entries and that the Village Manager document the approval on the forms.

Current Year Status:

The Village has implemented this recommendation during the 2006-07 fiscal year. **This comment will not be repeated.**

2006-2 –Budgeting

Condition:

Section 166.241 (3) of the Florida Statutes states that “The governing body of each municipality shall adopt a budget each fiscal year. The budget must be adopted by ordinance unless otherwise specified in the respective municipality’s charter. The amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total appropriations for expenditures and reserves. The budget must regulate expenditures of the municipality, and it is unlawful for any officer of a municipal government to expend or contract for expenditures in any fiscal year except in pursuance of budgeted appropriations.” The Village did not adopt a budget for all of the special revenue funds, therefore, is not in compliance with the above mentioned Florida Statute. Also, see Finding No. 00-9 regarding over expenditures.

Cause:

The Village did not adopt a budget for all of the special revenue.

Effect:

The Village is not in compliance with State Statutes that require budgeting of all Village expenditures.

Recommendation:

We recommend that the Village prepare budgets for all governmental funds.

Current Year Status:

The Village did not budget for the Capital Improvement Special Revenue Fund during 2006-07. **This comment will be repeated.**

Management’s Response:

Expenditures for the Capital Improvement Fund total \$689 for 2006-07 and the Village will adopt a budget for the 2007-08 fiscal year.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (Continued)

REPORTABLE CONDITIONS (Continued)

2005-1 Financial Condition Assessment

Condition:

In connection with our audit of the Village, we applied financial condition assessment procedures pursuant to Section 10.556(8), Rules of the Auditor General, to determine if deteriorating financial conditions exist that may cause a financial emergency to occur if actions are not taken to address such conditions. The results of our assessment indicated that the Entity's overall financial condition is deteriorating.

The Village's total unreserved fund balance has been declining over the past three years due to recurring losses in its General Fund. Recurring losses indicate that revenues are not sufficient to cover expenditures or that expenditures are excessive.

Effect:

By not taking the steps necessary to reverse these losses, the Village will continue to deplete its unreserved fund balance until the point that it reaches a State of Financial Emergency.

Recommendation:

We recommend that the Village research all possible venues to reduce costs or increased revenues or both to stop the recurring deficits and declining unreserved fund balance in the General Fund.

Current Year Status:

The Village's financial condition assessment remained inconclusive which is an improvement from the unfavorable assessments before 2006. **This comment will not be repeated.**

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (Continued)

REPORTABLE CONDITIONS (Continued)

2000-7 Capital Assets

During prior audits, a number of issues associated with internal controls over capital assets were noted. The following summarizes issues identified as a result of those procedures:

1. The Village has no written capitalization policy and instead leaves determination of which items to capitalize to department heads.
2. Changes in status of capital assets (i.e. sale, obsolescence, etc.) are not reported to finance for proper accounting of such changes.
3. Periodic reviews of insurance are not performed to ensure that coverages are sufficient based on capital assets held by the Village.
4. The Village's capital assets have not been tagged as Village property, a physical inventory is not being performed at least annually, and such inventory is not compared with physical records and discrepancies corrected.

Internal control over capital assets is essential in helping the Village ensure that its capital assets are being properly accounted for and that theft or other inappropriate activity is not occurring. By not having these controls in place, the Village is exposed to possible loss. In addition, the Village cannot ensure that it is meeting its fiduciary responsibility over the administration of public resources.

Recommendation:

The prior auditors recommended that the Village develop and adopt written policies and procedures, which ensure capital assets are being properly monitored and accounted for. In addition, management should take steps to ensure that these policies are adhered to and properly applied.

Current Year Status:

All of the recommendations above have been implemented, except for #4. **This comment will be repeated.**

Management's Response:

The Village plans on developing and establishing policies and procedures to be in place for 2008 and taking a physical inventory of its capital assets.

2000-8 Personnel Policies and Procedures

During prior audits over payroll and analysis of internal controls over payroll, it was noted that the Village has not developed a written personnel policies and procedures manual. As a result, it was noted that personnel policies were not consistent between departments of the Village. By not having written personnel policies, the Village is exposing itself to risks associated with potential claims from personnel related matters. In addition, employee duties and responsibilities are not defined resulting in inefficiencies in the Village's operations.

Recommendation:

It was recommended that the Village develop and adopt a written personnel policies and procedures manual. Once written and adopted, Village management should take steps to ensure that these policies are being followed and adhered to.

Current Year Status:

As of September 30, 2006, the Village had not established a written personnel manual. **This comment will be repeated.**

Management's Response:

The Village is in the process of developing and establishing policies and procedures to be in place for 2007-2008. It has currently issued memos to Village staff communicating what the policies are and policies are also included in the union contracts.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS - (Continued)

REPORTABLE CONDITIONS (Continued)

2000-9 Compliance with Laws and Regulations

During the performance of prior audits, it was noted numerous violations with the Village's compliance with applicable laws and regulations. The following summarizes those findings:

1. There was no documentary evidence to support budget amendments or reappropriations for fiscal year 2000.
2. In addition, expenditures exceed appropriations for Building Code Enforcement Capital Outlay and Debt Services (Leases).
3. There are no formally adopted written policies and procedures to help ensure the Village complies with State laws and regulations.

While no matters came to the attention of the prior auditors that indicated that action had been taken against the Village for these violations, the possibility does exist that action could be taken by the State, if these violations are not addressed and properly corrected.

Recommendation:

It was recommended that the Village take immediate action in curing its existing violations of laws and regulations. Upon clearing these issues, the Village should take steps to develop and adopt formal written policies and procedures, which address compliance with all applicable laws and regulations. Management should also take steps to ensure that once established these policies and procedures be properly applied and adhered to.

Current Year Status:

For the fiscal year ended September 30, 2007, expenditures exceeded appropriations in the Police Forfeiture Fund by \$15,545. There were no findings relating to support for budget amendments.

The Village has not established written policies to ensure compliance with laws and regulations. **Comment #1 above, will not be repeated, but Comments #2 and #3 will be repeated.**

Management's Response:

The Village plans on developing and establishing policies and procedures to be in place for 2008. All expenditures from the Police Forfeiture Fund were presented to the Village Council for approval; however, in the future the budget will be amended for any expenditures not included in the original adopted budget.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2007

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS - (CONTINUED)

OTHER MATTERS

2005-2 Develop and Document a Disaster Recovery Plan

During our testing of the Village's policies and procedures, we noted that the Village does not have a plan of action in case its offices should be destroyed by a fire, natural disaster such as a flood or hurricane, or a terrorist act. Such a disaster could strike at any time, perhaps without warning. In that case, the Village would have to act quickly to determine and preserve employees' safety and to take steps critical to assessing and recovering from loss of, or damage to, its personnel; premises; furniture and equipment; electronic files; and communications with employees, vendors, and customers.

Recommendation:

We recommend that the Village establish a written disaster recovery plan as part of its policies and procedures manual.

Current Year Status:

A written disaster recovery plan has not been prepared. The Village is currently finalizing a disaster recovery plan for the police department. **This comment will be repeated.**

Management's Response:

We agree with the auditors' recommendation and will include a disaster recovery plan as part of our policies and procedures manual.