

VILLAGE OF BISCAYNE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

PREPARED BY: HOLLY HUGHDAHL, CPA
FINANCE DIRECTOR

VILLAGE OF BISCAYNE PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of Transmittal	i-iii
GFOA Certificate of Achievement	iv
List of Elected Officials	v-vi
Organizational Chart	vii
II. FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	3-12
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet	15
Reconciliation of the Balance Sheet to the Statement of Net Assets- (Governmental Funds)	16
Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds)	17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Assets- Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Net Assets-Proprietary Funds	20
Statement of Cash Flows- Proprietary Funds	21
Notes to Basic Financial Statements	22-32
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	33
Budgetary Comparison Schedule – Police Forfeiture Special Revenue Fund	34
Notes to Budgetary Comparison Schedules	35
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet – Non-major Governmental Funds	36
Combining Statements of Revenues, Expenditures and Changes in Fund Balances -Non-major Governmental Funds	37
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs Actual -Stormwater Fund	38
Schedule of Revenues, Expenditures and Fund Changes in Balance- Budget vs Actual -Road Fund	39
Schedule of Revenues, Expenditures and Fund Changes in Balance- Budget vs Actual -CITT Fund	40
Schedule of Revenues, Expenditures and Fund Changes in Balance- Budget vs Actual -Capital Improvement Fund	41
Schedule of Revenues, Expenditures and Changes in Net Assets- Budget vs Actual -Sanitation Fund	42

VILLAGE OF BISCAYNE PARK, FLORIDA

TABLE OF CONTENTS

III. STATISTICAL SECTION

Net Assets by Component	43
Changes in Net Assets	44
General Governmental Tax Revenues by Source	45
Fund Balances of Governmental Funds	46
Changes in Fund Balances of Governmental Funds	47
General Governmental Tax Revenues by Source	48
Assessed Value and Estimated Value of Taxable Property	49
Property Tax Rates Direct and Overlapping Governments	50
Principal Property Taxpayers	51
Property Tax Levies and Collections	52
Ratios of Outstanding Debt By Type	53
Direct and Overlapping Governmental Activities Debt	54
Demographic and Economic Statistics	55
Principal Employers	56
Full-Time Equivalent Town Government Employees by Function	57
Operating Indicators By Function	58
Capital Asset Statistics By Function/Program	59

IV. COMPLIANCE SECTION

Independent Auditors' Report on Internal Controls over Financial Reporting And Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	60-61
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	62-63
Schedule of Findings and Recommendations	64-71

INTRODUCTORY SECTION



Village of Biscayne Park

640 Northeast 114th Street
Biscayne Park, Florida 33161

Phone: (305) 899-8000

Fax: (305) 891-7241

January 5, 2010

The Mayor and Members of the Village Commission
640 Northeast 114th 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, 2009, 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 Albani, Caballero & Company, 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.

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 3,328 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 32.

ECONOMIC CONDITION AND OUTLOOK

During the past few years, various State tax initiatives have been passed in order to lower property taxes throughout the State. In addition, property values have dropped due to the economic downturn precipitated by the mortgage crises. For the Village of Biscayne Park, property values decreased \$32.5 million between 2009 and 2008 which is reflected in a drop in the

ECONOMIC CONDITION AND OUTLOOK (continued)

property taxes levied in 2009 of \$164,000. Property values continued to decline in 2010 with a decrease of \$11.4 million resulting in a decrease in property taxes of \$84,000. By reducing expenditures and raising the millage rate slightly, 0.103, Management has been able to maintain the current level of services. It is anticipated that assessed values within the Village will continue to decline due to the current economic downturn and the impact of the housing market decline that could further reduce revenues at the current millage rate.

Our external auditors have also performed the State mandated financial condition assessment for the fiscal year ending September 30, 2009, and the overall rating for FY2009 continues to be "Inconclusive". Management continues to be proactive in concentrating their efforts on reducing expenditures and/or increasing efficiencies in order to meet continuing economic challenges.

LONG TERM FINANCIAL PLAN

In 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 received \$356,000 which is being used to build a new Public Works facility. In 2008 fiscal year the Village received a \$200,000 grant for stormwater drainage improvements and \$60,000 for improvements to the recreation building. In addition, the Village received a Safe Neighborhood grant of \$55,000 for recreation improvements and a Transportation Stimulus Grant of \$74,073 for median improvements in 2009. 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 the General Fund and the fund level in all other funds.

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 type of funds used are generally determined by the Village Commission upon the recommendations of the Village Manager and the Finance Director which is 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. 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 2009, the Village earned \$12,836 in investment income, as compared to \$24,048 earned in fiscal year 2008. The decline can be directly attributed to lower yields due to market conditions.

DEBT ADMINISTRATION

The Village Charter has strict guidelines with regard to long-term debt borrowing. The Village shall not borrow funds unless:

- (A) approved by four Commissioners; and
- (B) provided the Commission has first received and approved a feasibility study from the Manager concluding that sufficient revenues are available to repay the indebtedness; and

(C) the funds are borrowed for a valid public purpose.

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

DEBT ADMINISTRATION (continued)

work directly with governmental agencies. During the year ended September 30, 2009, the Village purchased five police vehicles for \$128,810. Long-term debt, related to leases, was \$190,013 at September 30, 2009.

RISK MANAGEMENT

The Village purchases general liability, automobile, property and casualty, and worker's compensation insurance coverage through the Florida League of Cities 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 2009 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.

INDEPENDENT AUDIT

In accordance with Florida Statutes Section 218.39, the Village has engaged the firm of Alborni, Caballero & Company, L.L.P., to perform the independent audit of the Village's financial statements for the year ended September 30, 2009. The Independent Certified Public Accountants' report is presented in the financial section of this Comprehensive Annual Financial Report.

AWARDS AND ACKNOWLEDGEMENTS

This year the Village has applied for the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government 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, which 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 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's 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, Alborni, Caballero & Company, L.L.P. We wish to express our appreciation to the staff 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,



Holly Huggahl, CPA
Acting Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Biscayne Park
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

VILLAGE OF BISCAYNE PARK

LIST OF APPOINTED OFFICIALS

September 30, 2009

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 Coordinator.....Issa Thornell
Building Official.....Salvatore Annese

VILLAGE AUDITORS

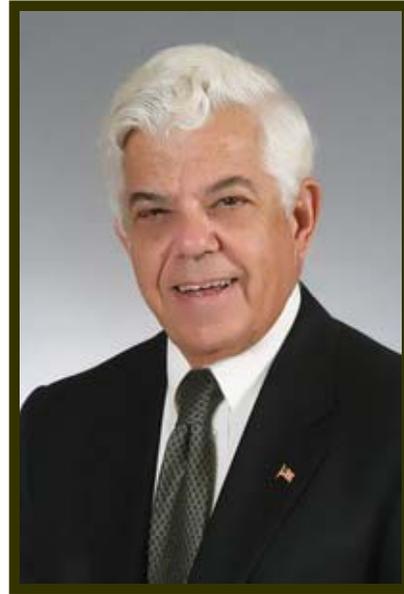
Alberni Caballero & Company, L.L.P.

Village of Biscayne Park, Florida

LIST OF ELECTED OFFICIALS
SEPTEMBER 30, 2009



Mayor John Hornbuckle



Vice Mayor Chester Morris M.D.



Commissioner Steve Bernard



Commissioner Kelly Mallette

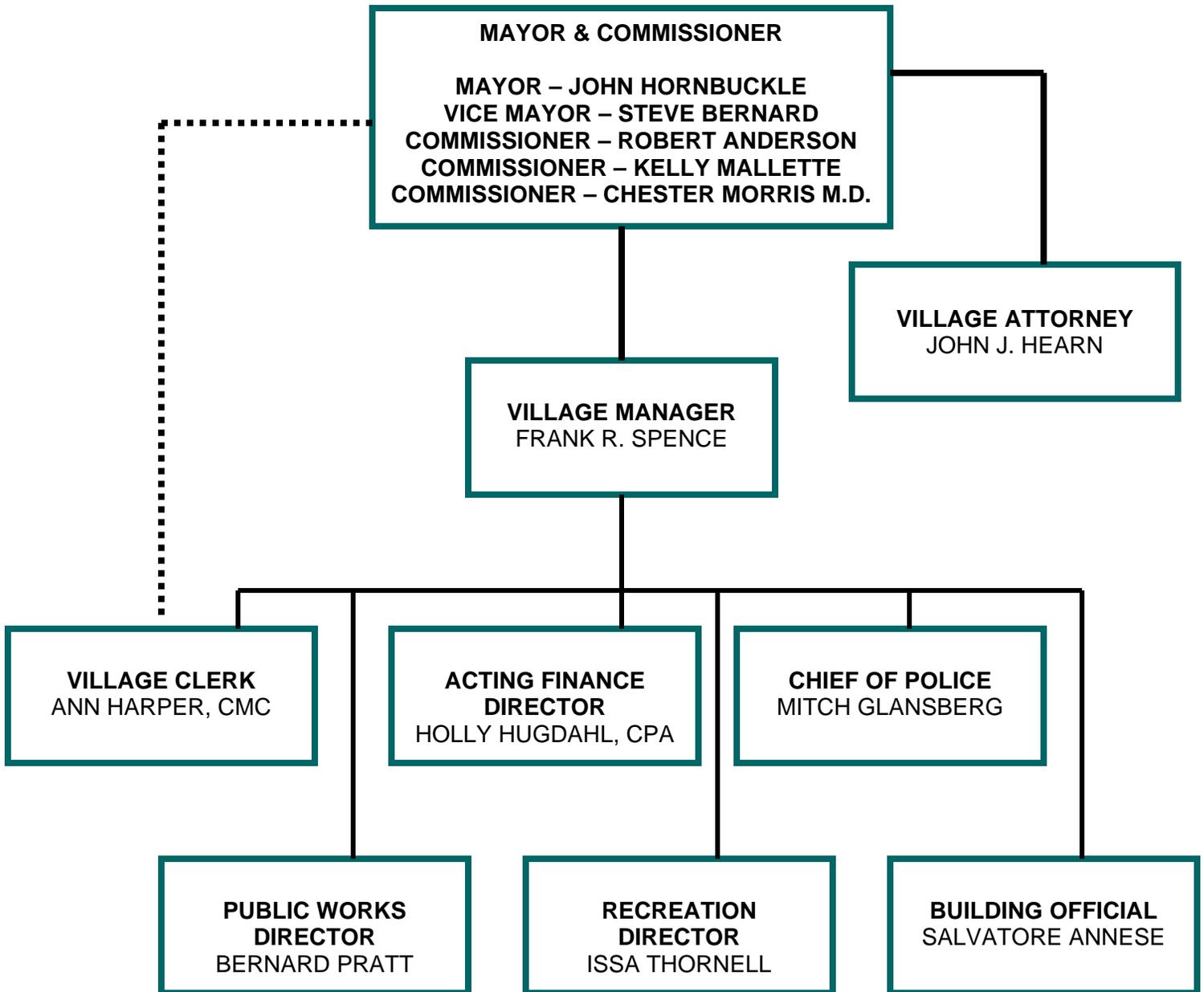


Commissioner Robert Anderson

VILLAGE OF BISCAYNE PARK

Organization Chart

September 30, 2009



FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

4649 PONCE DE LEON BLVD.
SUITE 404
CORAL GABLES, FL 33146
TEL: 305-662-7272
FAX: 305-662-4266
ACC-CPA.COM

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the Village) as of and for the fiscal year ended September 30, 2009, 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, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida as of September 30, 2009, and the respective changes in financial position, thereof for the 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 5, 2010 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, listed in the table of contents, is not a required part of the basic financial statements but is 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 Commission 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 introductory section, the budgetary comparison schedules, combining fund financial statements and schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules, and the combining fund financial statements and schedules 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. The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

Alberni Caballero & Company, LLP

January 5, 2010
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's financial statements this narrative overview and analysis of the financial activities of the Village of Biscayne Park (the Village) for the fiscal year ended September 30, 2009. Readers are encouraged to consider the information presented here in conjunction with the auditors' reports, the basic financial statements, the notes to the financial statements, and the supplementary information.

Financial Highlights for Fiscal Year 2009

- At September 30, 2009, the assets of the Village of Biscayne Park exceeded its liabilities by \$1,940,903 (*net assets*). Of this amount, \$960,688 was invested in capital assets, net of related debt. Additionally, \$167,307 was restricted by law, agreements, or for capital projects. The Village had \$812,908 (*unrestricted net assets*) which may be used to meet the Village's ongoing obligations to citizens and creditors.
- During the fiscal year 2009, net assets decreased by \$27,414. The decrease is attributable to a deficiency of revenues over expenditures. Of this decrease, \$45,418 was in governmental activities and the remaining increase of \$18,004 was in business-type activities.
- At September 30, 2009, the Village of Biscayne Park's general fund reported an ending fund balance of \$893,348, a decrease of \$126,100 as compared with the prior year. Of the total fund balance, approximately \$711,863 or 80% of this total amount is available for spending at the government's discretion (*unreserved fund balance*). The unreserved fund balance represents 27% of total general fund operating expenditures.

Overview of the Financial Statements

This discussion and analysis is 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 financial activity, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the assets and liabilities of the Village of Biscayne Park, 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 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 fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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 and recreation, code enforcement, and building, planning, and zoning. The business-type activities of the Village include Sanitation.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Biscayne Park, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Village of Biscayne Park can be divided into two categories: governmental funds and proprietary funds.

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

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

The Village of Biscayne Park maintains six (6) individual 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 balance for the general fund and the police forfeiture fund, both of which are considered major funds. Data from the other four (4) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 to 18 of this report. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 36 to 37 of this report.

Proprietary funds. The Village of Biscayne Park maintains one proprietary or enterprise fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses an enterprise fund to account for its sanitation operations. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail

The basic proprietary fund financial statements can be found on pages 19 to 21 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 may be found on pages 22 to 32 of this report.

Government-wide Financial Analysis

Summary of net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Assets summary presentation as reflected below:

- 1. Net results of activities** will impact (increase/decrease) current assets and unrestricted net assets.
- 2. Borrowing for capital** will increase current assets and long-term debt.
- 3. Spending borrowed proceeds on new capital** will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, will not change the invested in capital assets, net of debt.
- 4. Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets and will reduce unrestricted net assets and increase invested in capital assets, net of debt.
- 5. Principal payment on debt** will reduce current assets, reduce long-term debt, and reduce unrestricted net assets and increase invested in capital assets, net of debt.
- 6. Reduction of capital assets through depreciation** will reduce capital assets and reduce invested in capital assets, net of debt.

At September 30, 2009, the Village of Biscayne Park's assets exceeded liabilities by \$1,940,903. A portion of the Village's net assets, \$960,688 or 49%, reflect its investment in capital assets (e.g., land and equipment). The Village 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, \$167,307 or 9%, represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$812,908 or 42%, may be used to meet the government's on-going obligations to citizens and creditors.

The Village of Biscayne Park is able to report positive balances in all three categories of net assets at September 30, 2009.

Table 1
Village of Biscayne Park
Summary of Net Assets

	Governmental activities		Business-type activities		Total primary government		Total percentage change 2009-2008
	2009	2008	2009	2008	2009	2008	
Current and other assets	\$1,199,756	\$1,447,290	\$ 7,348	\$ 26,035	\$1,207,104	\$1,473,325	-18.1%
Capital assets, net	<u>1,060,595</u>	<u>928,677</u>	<u>90,105</u>	<u>102,623</u>	<u>1,150,700</u>	<u>1,031,300</u>	<u>11.6%</u>
Total assets	2,260,351	2,375,967	97,453	128,658	2,357,804	2,504,625	5.9%
Other liabilities	139,101	273,690	6,194	32,767	145,295	306,457	-52.6%
Long-term debt	<u>217,350</u>	<u>152,959</u>	<u>54,256</u>	<u>76,892</u>	<u>271,606</u>	<u>229,851</u>	<u>18.2%</u>
Total liabilities	356,451	426,649	60,450	109,659	416,901	536,308	-22.3%
Invested in capital assets, net of related debt	912,666	876,032	48,022	40,797	960,688	916,829	4.8%
Restricted	167,307	154,152	-	-	167,307	154,152	8.5%
Unrestricted	<u>823,927</u>	<u>919,134</u>	<u>(11,019)</u>	<u>(21,798)</u>	<u>812,908</u>	<u>897,336</u>	<u>-9.4%</u>
Total net assets	<u>\$1,903,900</u>	<u>\$1,949,318</u>	<u>\$ 37,003</u>	<u>\$ 18,999</u>	<u>\$1,940,903</u>	<u>\$1,968,317</u>	<u>-1.4%</u>

The Village of Biscayne Park current assets decreased \$266,221. This decrease was due to a reduction in accounts receivable at year end and the use of cash for ongoing Village projects. Liabilities decreased \$161,162 due to a reduction in accounts payable. The Village's net investment in capital assets increased \$119,400 with a related increase in long-term debt of \$41,755 due to the purchase of five police vehicles. The increase in restricted assets of \$13,155 is due to the increase in funds restricted for transportation improvements. The decrease in unrestricted net assets of \$84,428 is attributable to current year operations. This decrease is due primarily to reductions in property taxes and investment income. The total net assets of the Village decreased \$27,414 or 1.4% indicating that the current financial conditions of the Village are relatively stable.

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

Table 2
Village of Biscayne Park
Changes in Net Assets

	Governmental activities		Business-type activities		Total primary government		Total percentage change
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009-2008</u>
Revenues:							
Program revenues:							
Charges for services	381,006	356,635	705,889	702,519	1,086,895	1,059,154	2.6%
Operating grants & Contributions	97,336	39,367	-	-	97,336	39,367	147.3%
Capital grants and Contributions	69,119	-	-	-	69,119	-	100.0%
General Revenues:							
Property taxes	1,568,450	1,692,975	-	-	1,568,450	1,692,975	-7.4%
Utility taxes	244,258	273,866	-	-	244,258	273,866	-10.8%
Franchise fees	115,272	115,686	-	-	115,272	115,686	-0.4%
Intergovernmental (unrestricted)	363,507	544,248	-	-	363,507	544,248	-33.2%
Investment income	7,853	24,048	-	-	7,853	24,048	-67.3%
Miscellaneous	<u>23,712</u>	<u>15,927</u>	<u>-</u>	<u>-</u>	<u>23,712</u>	<u>15,927</u>	<u>48.9%</u>
Total revenues	2,870,513	3,062,752	705,889	702,519	3,576,402	3,765,271	-5.0%
Expenses:							
General government	687,230	692,448	-	-	687,230	692,448	-0.8%
Public safety	1,404,364	1,365,832	-	-	1,404,364	1,365,832	2.8%
Building and code enforcement	178,535	193,301	-	-	178,535	193,301	-7.6%
Physical environment	454,919	566,017	687,885	690,416	1,142,804	1,256,433	-9.0%
Culture and recreation	186,011	298,812	-	-	186,011	298,812	-37.7%
Interest on long-term debt	<u>4,872</u>	<u>2,772</u>	<u>-</u>	<u>-</u>	<u>4,872</u>	<u>2,772</u>	<u>75.8%</u>
Total expenses	2,915,931	3,119,182	687,885	690,416	3,603,816	3,809,598	-5.4%
Transfers:		(6,896)		6,896		-	
Increase (decrease) in net asset	(45,418)	(63,326)	18,004	18,999	(27,414)	(44,327)	-38.2%
Net assets, beginning	1,949,318	2,012,644	18,999	-	1,968,317	2,012,644	-2.2%
Net assets, ending	<u>1,903,900</u>	<u>1,949,318</u>	<u>37,003</u>	<u>18,999</u>	<u>1,940,903</u>	<u>1,968,317</u>	<u>-1.4%</u>

For FY 2009, total revenues decreased \$188,869. Property tax revenues decreased \$124,525 or 7.4%, unrestricted intergovernmental revenues decreased \$180,741 or 33.2% and investment income decreased \$16,195 or 67.3%. These decreases are a direct result of the housing market crisis and the downturn in the economy.

The impact of the decrease in revenue was offset by an increase in grant revenue of \$127,088. In addition, expenses decreased \$205,782 or 5.4%. This decrease is attributable to a reduction in public works expense of \$113,629 due to staffing reductions and a reduction in culture and recreation of \$112,801 due to the elimination of recreation programs.

Figure A-1
Village of Biscayne Park
Revenues by Source – Governmental Activities
For the Fiscal Year Ended September 30, 2009

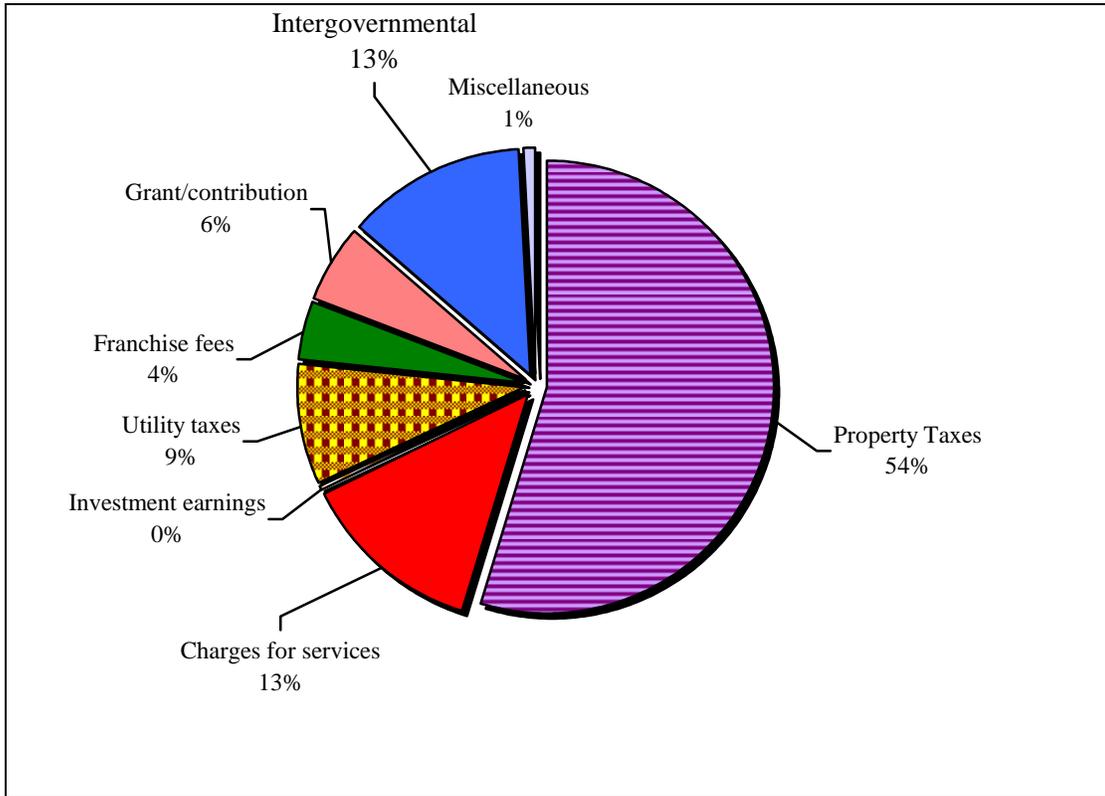
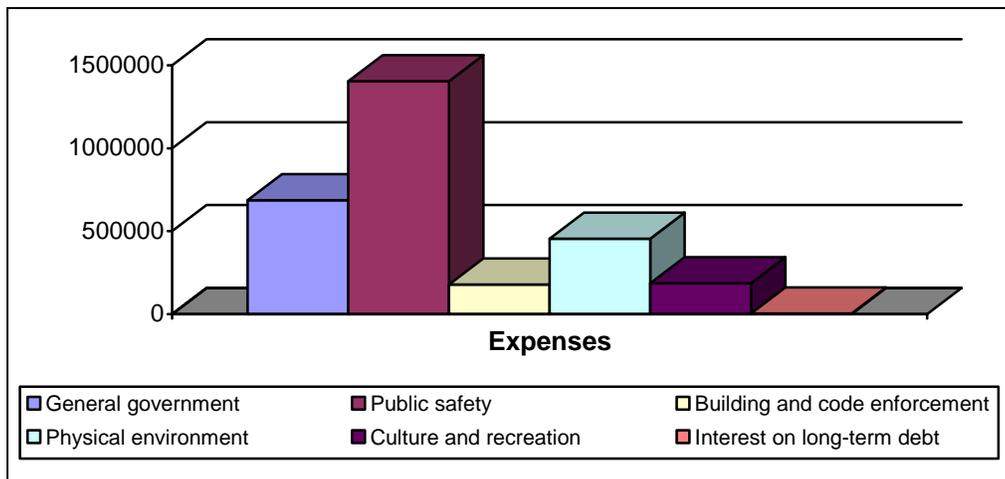
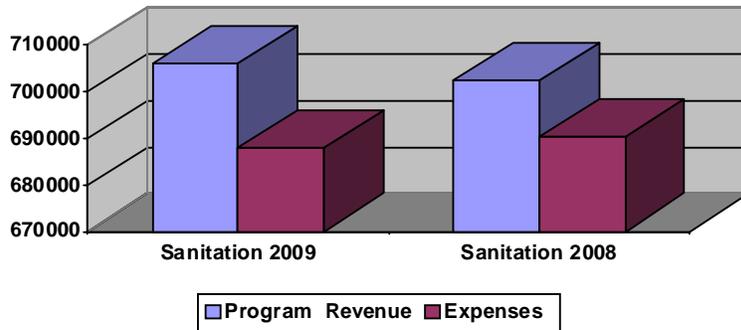


Figure A-2
Village of Biscayne Park
Expenses – Governmental Activities
For the Fiscal Year Ended September 30, 2009



Business-type activities. The Village of Biscayne Park has one business-type activity, sanitation. This enterprise fund was established to account for the service fees and expenses related to weekly trash pickup, weekly bulk waste pickup and special bulk pick-ups. The revenues and expenditures related to these activities were not significantly different than the prior fiscal year.

**Figure A-3
Village of Biscayne Park
Program Revenue and Expense – Business-type Activities
For the Fiscal Years ended September 30, 2009 and 2008**



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 Village’s financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government’s net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the governmental funds for the Village of Biscayne Park reported combined ending fund balances of \$1,060,655. Of this amount, \$711,863 reflects *unreserved fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance, \$348,792 is *reserved or designated* to indicate that it is *not* available for new spending as those dollars have already been committed: 1) by law, agreements, or for capital projects, \$167,307, 2) reserved for prepaid assets, \$50,360, or 3) for long-term receivables, \$131,125. The fund balances show a decrease of \$112,945 as compared to the prior fiscal year. This decrease is mainly attributable to operating expenses exceeding revenues.

General fund. The general fund is the primary 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 \$893,348, a decrease of \$126,100 in comparison with the prior fiscal year. Approximately 80% of the total fund balance, \$711,863, constitutes *unreserved fund balance*, which is available for spending at the Village’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) long-term receivables, \$131,125 and 2) prepaid expenses, \$50,360.

At the end of the current fiscal year, unreserved fund balance of the general fund was \$711,863. 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 27% of total general fund expenditures, while total fund balance represents 34% 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, 2009 and 2008 is shown below:

Table 3
Village of Biscayne Park
Summary of General Fund Balance Sheet
as of September 30, 2009 and 2008

	2009	2008	Change	Percent Change
Total assets	1,030,493	1,267,313	(236,820)	-18.69%
Total liabilities	137,145	247,865	(110,720)	-44.67%
Reserved/Designated fund balance	181,485	188,350	(6,865)	-3.64%
Unreserved fund balance	711,863	831,098	(119,235)	-14.35%
Total fund balance	893,348	1,019,448	(126,100)	-12.37%
Total liabilities and fund balance	1,030,493	1,267,313	(236,820)	-18.69%

The Village of Biscayne Park assets decreased \$236,820. This decrease was due to a reduction in accounts receivable at year end and the use of cash for ongoing Village Projects. Liabilities decreased \$110,720 due to a reduction in accounts payable. The decrease in total fund balance of \$126,100 is due to operating expenditures exceeding revenues, mainly attributable to police overtime and worker's compensation.

Table 4
Village of Biscayne Park
Summary of General Fund Statement of Revenues,
Expenditures, and Changes in Fund Balance
as of September 30, 2009 and 2008

	2009	2008	Change	Percent Change
Total revenues	2,450,724	2,799,811	(349,087)	-12.47%
Total expenditures	2,665,594	2,751,839	(86,245)	-3.13%
Excess of revenues over expenditures	(214,870)	47,972	(262,842)	-547.91%
Other financing sources	88,770	(23,757)	112,527	-473.66%
Change in fund balance	(126,100)	24,215	(150,315)	-620.75%
Fund balance, beginning	1,019,448	995,233	24,215	2.43%
Fund balance, ending	893,348	1,019,448	(126,100)	-23.20%

The Village of Biscayne Park revenues decreased \$349,087. Property tax revenues decreased \$124,525 or 7.4%, unrestricted intergovernmental revenues decreased \$180,741 or 33.2%, and investment income decreased \$16,195 or 67.3%. These decreases are a direct result of the housing market crisis and the downturn in the economy.

Total expenditures decreased \$86,245. The decrease in expenditures is a combination of a reduction in public works of \$87,539 due to staffing reductions, a reduction in culture and recreation of \$112,801 from the elimination of the recreation programs and an increase in capital outlay of \$127,939 due to the purchase of five police vehicles.

Other Major Governmental Funds. The Village of Biscayne Park has one other major fund, the Police Forfeiture Fund. The revenues in this fund are derived from fines and forfeitures from special projects. The expenditures are restricted by law and are subject to approval by the Commission. The fund balance at September 30, 2009 was \$57,151, an increase of \$8,287 or 17% over the prior fiscal year.

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

Total net assets of the Sanitation Fund at the end of the year totaled \$37,003, an increase of 18,004 compared to the prior year. Unrestricted net assets increased \$10,779 leaving a deficit balance of \$(11,019). Revenues and expenditures related to these activities were not significantly different from the prior fiscal year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget increased appropriations by \$330,138 and can be briefly summarized as follows:

- \$23,128 in utility taxes to cover unanticipated expenditures in administration
- \$50,000 in service charges related to permits
- \$128,810 for the capital lease to purchase five police vehicles
- \$128,200 appropriation of prior year fund balance to cover unanticipated expenditures in worker's compensation and overtime in the police department.

The budgetary comparison schedules are presented for the major governmental funds on page 33 for the general fund and page 34 for the Police Forfeiture Fund.

Capital Assets. The Village of Biscayne Park's investment in capital assets for its governmental and business-type activities as of September 30, 2009 amounts to \$1,150,700 (net of accumulated depreciation). This investment in capital assets includes Village-owned buildings, land, equipment and other infrastructure (sidewalks and drainage systems). The following table summarizes the components of the Villages' investments in capital assets.

**Table 5
Village of Biscayne Park
Capital Assets as of September 30, 2009 and 2008
(net of depreciation)**

Classification	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	157,490	157,490	-	-	157,490	157,490
Construction in progress	59,815	11,949	-	-	59,815	11,949
Building	64,900	-	-	-	64,900	-
Infrastructure	548,137	595,776	-	-	548,137	595,776
Furniture and equipment	230,253	163,462	90,105	102,623	320,358	266,085
Total capital assets	1,060,595	928,677	90,105	102,623	1,150,700	1,031,300

Increases in capital assets during fiscal year 2009 include five police vehicles and a recreation pavilion. The Village is currently in the process of constructing a new Public Works facility. Additional information on the Village of Biscayne Park's capital assets may be found in Note V. on Page 30 of this report.

Long-term Liabilities. At September 30, 2009, the Village of Biscayne Park had \$271,606 in long-term liabilities which are summarized in the schedule below. The amount due within one year is \$81,684 comprised of \$59,159 for governmental activities and \$22,525 for business-type activities. Additional information on the Village's long-term debt may be found in Note VI on Page 31 of this report.

Table 6
Village of Biscayne Park
Outstanding Long-term Liabilities as of September 30, 2009 and 2008

Classification	Governmental Activities		Business-type activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Compensated absences	69,421	100,314	12,173	15,066	81,594	115,380
Capital leases	<u>147,929</u>	<u>52,645</u>	<u>42,083</u>	<u>61,826</u>	<u>190,012</u>	<u>114,471</u>
Total long-term liabilities	<u><u>217,350</u></u>	<u><u>152,959</u></u>	<u><u>54,256</u></u>	<u><u>76,892</u></u>	<u><u>271,606</u></u>	<u><u>229,851</u></u>

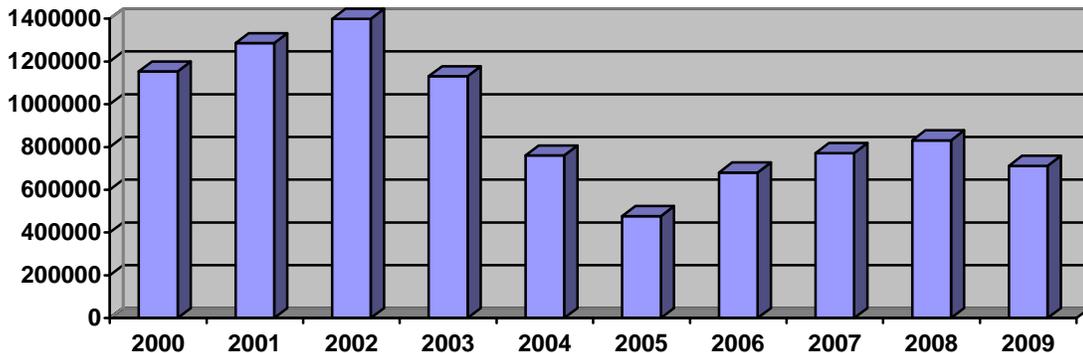
Economic Factors and Next Year's Budgets and Rates

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, utility 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.

The Village of Biscayne Park is a residential, single-family community with no commercial component. Property taxes comprise approximately 60% of total general fund revenues. As such, the Village relies heavily on the property values of single family homes. The housing market crisis and the resulting downturn in the economy have had a significant impact on the Village's revenue stream. Property values decreased \$11,404,113 or 6.4% between 2009 and 2010, resulting in a decrease in property tax revenue of \$80,012 or 5% with an increase in millage rate of 0.103. In addition, state estimates project a reduction in sales tax revenue of \$25,878 or 12.5% and a reduction in state revenue sharing proceeds of \$11,376 or 16.2% between 2009 and 2010.

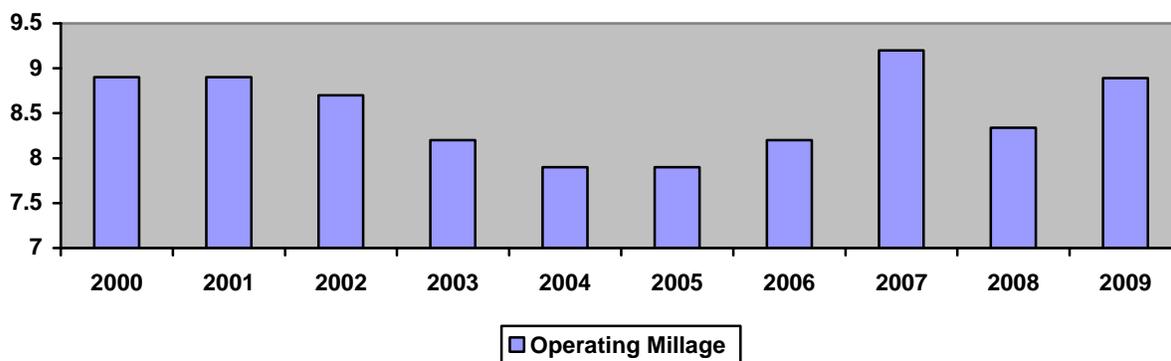
At September 30, 2009, unreserved fund balance in the General Fund was \$711,863 as compared to \$831,098 in 2008, a decrease of \$119,235. This \$711,863 is approximately equal to 3.2 months of General Fund operating expenditures. The graph below shows the unrestricted surplus from 2000 to 2009. The Village has demonstrated significant improvement in unrestricted surplus since 2005 and is making every effort to maintain the current level of unrestricted surplus. As such, unrestricted surplus cannot be considered as a source of revenue to compensate for losses in tax revenues. In 2010, \$23,809 of unrestricted surplus was budgeted to cover capital expenditures.

Figure A-4
Village of Biscayne Park
General Fund Unrestricted Surplus
For the fiscal years ended September 30, 2000-2009



Millage rates are limited to 10 mills by state law. The graph below shows the Village of Biscayne Park millage rates from 2000 to 2009. The maximum millage rate over the ten year history was 9.2. The Village Commission has made every effort to maintain the millage rate at less than 9 mills. Therefore, the Village is reluctant to raise millage rates to increase property tax revenues.

**Figure A-5
Village of Biscayne Park
Total Village Millage
For the Fiscal Years ended September 30, 2000-2009**



The Village faces the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect, while at the same time maintaining both their unrestricted surplus and current millage rate. In order to achieve this, the Village has reduced budgeted expenditures from \$2,809,789 in 2009 to \$2,373,016 in 2010, a reduction of \$436,773 or 15.5%. This was accomplished by reviewing existing contracts, limiting expenditures, and a reduction in personnel.

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 Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Department at:

VILLAGE OF BISCAYNE PARK
Finance Department
640 Northeast 114th Street
Biscayne Park, Florida 33161

BASIC FINANCIAL STATEMENTS

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 524,999	\$ -	\$ 524,999
Investments	6,157	-	6,157
Restricted cash and cash equivalents	92,392	-	92,392
Accounts receivable - net	349,447	147,749	497,196
Prepays	86,360	-	86,360
Internal balances	140,401	(140,401)	-
Capital assets:			
Land	157,490	-	157,490
Construction in progress	59,815	-	59,815
Building	273,504	-	273,504
Furniture and equipment	1,478,345	267,754	1,746,099
Infrastructure	<u>722,554</u>	<u>-</u>	<u>722,554</u>
Total capital assets	2,691,708	267,754	2,959,462
Less accumulated depreciation	<u>(1,631,113)</u>	<u>(177,649)</u>	<u>(1,808,762)</u>
Total capital assets - net	<u>1,060,595</u>	<u>90,105</u>	<u>1,150,700</u>
Total assets	<u>2,260,351</u>	<u>97,453</u>	<u>2,357,804</u>
<u>LIABILITIES</u>			
Accounts payable	101,043	3,281	104,324
Accrued payroll	38,058	2,913	40,971
Noncurrent liabilities:			
The amount due in one year	59,159	22,525	81,684
The amount due in over one year	<u>158,191</u>	<u>31,731</u>	<u>189,922</u>
Total liabilities	<u>356,451</u>	<u>60,450</u>	<u>416,901</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	912,666	48,022	960,688
Restricted for:			
Capital projects	5,001	-	5,001
Public safety	57,151	-	57,151
Transportation	98,801	-	98,801
Transit	6,354	-	6,354
Unrestricted	<u>823,927</u>	<u>(11,019)</u>	<u>812,908</u>
Total net assets	<u>\$ 1,903,900</u>	<u>\$ 37,003</u>	<u>\$ 1,940,903</u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

<u>Functions/programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<u>Governmental activities:</u>							
General government	\$ 687,230	\$ 3,765	\$ -	\$ -	\$ (683,465)	\$ -	\$ (683,465)
Public safety	1,404,364	165,633	81	-	(1,238,650)	-	(1,238,650)
Building and code enforcement	178,535	118,324	-	-	(60,211)	-	(60,211)
Physical environment	454,919	50,000	97,255	26,869	(280,795)	-	(280,795)
Culture and recreation	186,011	43,284	-	42,250	(100,477)	-	(100,477)
Interest on long-term debt	4,872	-	-	-	(4,872)	-	(4,872)
Total governmental activities	<u>2,915,931</u>	<u>381,006</u>	<u>97,336</u>	<u>69,119</u>	<u>(2,368,470)</u>	<u>-</u>	<u>(2,368,470)</u>
<u>Business-type activities</u>							
Sanitation	<u>687,885</u>	<u>705,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,004</u>	<u>18,004</u>
Total	<u>\$ 3,603,816</u>	<u>\$ 1,086,895</u>	<u>\$ 97,336</u>	<u>\$ 69,119</u>	<u>(2,368,470)</u>	<u>18,004</u>	<u>(2,350,466)</u>
<u>General revenues:</u>							
Property taxes					1,568,450	-	1,568,450
Utility taxes					244,258	-	244,258
Franchise fees on gross receipts					115,272	-	115,272
Intergovernmental (unrestricted)					363,507	-	363,507
Investment income					7,853	-	7,853
Miscellaneous					23,712	-	23,712
Total general revenues					<u>2,323,052</u>	<u>-</u>	<u>2,323,052</u>
Change in net assets					<u>(45,418)</u>	<u>18,004</u>	<u>(27,414)</u>
Net assets, October 1					<u>1,949,318</u>	<u>18,999</u>	<u>1,968,317</u>
Net assets, September 30					<u>\$ 1,903,900</u>	<u>\$ 37,003</u>	<u>\$ 1,940,903</u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	Major Funds			
	General	Police Forfeiture Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 524,999	\$ 30,492	\$ 61,900	\$ 617,391
Investments	6,157	-	-	6,157
Accounts receivable - net	155,511	108,761	85,175	349,447
Prepays	50,360	-	36,000	86,360
Due from other funds	162,341	-	18,000	180,341
Advances to other funds	131,125	-	-	131,125
Total assets	\$ 1,030,493	\$ 139,253	\$ 201,075	\$ 1,370,821
<u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable	\$ 101,018	\$ -	\$ 25	\$ 101,043
Accrued payroll	36,127	883	1,048	38,058
Due to other funds	-	81,219	89,846	171,065
Total liabilities	137,145	82,102	90,919	310,166
<u>FUND BALANCES</u>				
Reserved for:				
Prepays	50,360	-	-	50,360
Advances	131,125	-	-	131,125
Capital projects	-	-	5,001	5,001
Transit	-	-	6,354	6,354
Transportation	-	-	98,801	98,801
Public safety	-	57,151	-	57,151
Unreserved, reported in:				
General fund, undesignated	711,863	-	-	711,863
Total fund balances	893,348	57,151	110,156	1,060,655
Total liabilities and fund balances	\$ 1,030,493	\$ 139,253	\$ 201,075	\$ 1,370,821

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, 2009

Fund balances - total government funds (Page 15)	\$	1,060,655
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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		2,691,708
Less accumulated depreciation		(1,631,113)

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

Capital leases		(147,929)
Compensated absences		<u>(69,421)</u>

Net assets of governmental activities (Page 13)	\$	<u>1,903,900</u>
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VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Major Funds</u>			
	<u>General</u>	<u>Police Forfeiture Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 1,568,450	\$ -	\$ -	\$ 1,568,450
Franchise fees	115,272	-	-	115,272
Utility taxes	244,258	-	-	244,258
Charges for services	97,049	-	-	97,049
Intergovernmental	245,696	-	284,266	529,962
Licenses and permits	118,324	-	-	118,324
Fines and forfeitures	42,672	122,961	-	165,633
Interest	7,504	97	252	7,853
Miscellaneous	11,499	12,213	-	23,712
Total revenues	<u>2,450,724</u>	<u>135,271</u>	<u>284,518</u>	<u>2,870,513</u>
Expenditures:				
Current:				
General government	687,901	-	-	687,901
Public safety	1,233,094	126,113	-	1,359,207
Building and code enforcement	179,041	-	-	179,041
Physical environment	211,204	-	180,932	392,136
Culture and recreation	184,846	-	-	184,846
Debt service:				
Principal retirement	33,526	-	-	33,526
Interest	4,872	-	-	4,872
Capital outlay:				
Public safety	128,810	871	-	129,681
Physical environment	2,300	-	138,758	141,058
Total expenditures	<u>2,665,594</u>	<u>126,984</u>	<u>319,690</u>	<u>3,112,268</u>
Excess (Deficiency) of revenues over expenditures before other financing sources (uses)	<u>(214,870)</u>	<u>8,287</u>	<u>(35,172)</u>	<u>(241,755)</u>
Other financing sources:				
Transfers	(40,040)	-	40,040	-
Debt proceeds	128,810	-	-	128,810
Total other financing sources	<u>88,770</u>	<u>-</u>	<u>40,040</u>	<u>128,810</u>
Net change in fund balances	(126,100)	8,287	4,868	(112,945)
Fund balances - beginning	<u>1,019,448</u>	<u>48,864</u>	<u>105,288</u>	<u>1,173,600</u>
Fund balances - ending	<u>\$ 893,348</u>	<u>\$ 57,151</u>	<u>\$ 110,156</u>	<u>\$ 1,060,655</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, 2009

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

Net change in fund balances - total government funds (Page 17) \$ (112,945)

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	\$ 270,739	
Less current year depreciation	<u>(116,351)</u>	154,388

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

Capital outlay which did not meet the threshold for capitalization (22,470)

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.

Principal payments on capital leases	33,526	
Capital leases	(128,810)	
Compensated absences	<u>30,893</u>	<u>(64,391)</u>

Change in net assets of governmental activities (Page 14) \$ (45,418)

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
SEPTEMBER 30, 2009

ASSETS

Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable - net	147,749
Total current assets	147,749
Non-current assets:	
Capital assets:	
Equipment	267,754
Total capital assets	267,754
Less accumulated depreciation	(177,649)
Total capital assets - net	90,105
Total assets	237,854

LIABILITIES

Current liabilities:	
Accounts payable	3,281
Accrued payroll	2,913
Due to other funds	9,276
Current portion of capital leases	20,597
Compensated absences	1,928
Total current liabilities	37,995
Non-current liabilities:	
Advances from other funds	131,125
Capital leases	21,486
Compensated absences	10,245
Total noncurrent liabilities	162,856
Total liabilities	200,851

NET ASSETS

Invested in capital assets, net of related debt	48,022
Unrestricted	(11,019)
Total net assets	\$ 37,003

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2009

Operating revenues:	
Charges for services	\$ 705,889
Total operating revenues	<u>705,889</u>
Operating expenses:	
Operations and maintenance	484,663
Disposal costs	188,267
Depreciation	<u>12,518</u>
Total operating expenses	<u>685,448</u>
Operating income	<u>20,441</u>
Nonoperating (expenses):	
Interest expense and fees	<u>(2,437)</u>
Total nonoperating (expenses)	<u>(2,437)</u>
Change in net assets	18,004
Net assets, October 1	<u>18,999</u>
Net assets, September 30	<u><u>\$ 37,003</u></u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2009

Cash Flows From Operating Activities:	
Cash received from customers, governments and other funds	\$ 702,207
Cash paid for interfund services used	(41,661)
Cash paid to suppliers	(268,374)
Cash paid to employees	<u>(384,022)</u>
Net cash provided by operating activities	<u>8,150</u>
Cash Flows From Capital And Related Financing Activities:	
Principal retirements of capital debt	(19,743)
Interest paid on capital debt	<u>(2,437)</u>
Net cash used in capital and related financing activities	<u>(22,180)</u>
Net (Decrease) In Cash and Cash Equivalents	(14,030)
Cash and Cash Equivalents, Beginning	<u>14,030</u>
Cash and Cash Equivalents, Ending	<u>\$ -</u>
Reconciliation Of Operating Income To Net Cash	
Provide By Operating Activities:	
Operating income	<u>\$ 20,441</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	12,518
Change in assets and liabilities:	
(Increase) decrease in customers' accounts receivable	(135,744)
(Decrease) increase in accounts payable	(27,978)
(Decrease) increase in due to other funds	140,401
Increase (decrease) in accrued payroll	1,405
Increase (decrease) in compensated absences	<u>(2,893)</u>
Total adjustments	<u>(12,291)</u>
Net Cash Provided By Operating Activities	<u>\$ 8,150</u>

See notes to basic financial statements

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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 commission 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, physical environment 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 Village'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 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 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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, 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 have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

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

The **police forfeiture fund** accounts for funds received by the Village which are strictly designated for police related expenditures.

The Village reports the following major proprietary fund:

The **sanitation fund** accounts for solid waste fees charged to customers for solid waste services.

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the solid waste fund are charges to customers for services.

Operating expenses of the enterprise funds include costs of services, administrative expenses, repairs and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

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

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Sanitation fee receivables are shown net of allowance for uncollectibles.

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 police forfeiture funds, transportation tax and local option gas taxes are classified as restricted in the Special Revenue Fund since these resources are specifically earmarked for law enforcement, transportation and capital project purposes only.

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, 2009, was 8.8903 mills (\$8.8903 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.

7. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for these compensated absences is recorded as a long-term debt 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), while the proprietary funds report the liability as it is incurred. For governmental activities, compensated absences are generally liquidated by the General Fund.

8. Long-Term Obligations

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

9. 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.

10. Fund Balance/Net Assets

In the fund financial statements, the governmental funds report reservations of the 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 the 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.

11. 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 collectability 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 government, 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, 2009, the Village complied, in all material respects, with these revenue restrictions.

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 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 Village or its agent in the Village'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, 2009, the Village had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Weighted Average Life(Years)</u>
Money market funds	\$455,558	1	n/a
State Board of Administration –Fund B	<u>6,157</u>	n/a	6.87
	<u>\$461,715</u>		

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

- 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 weighed average monthly maturity of its investment portfolio to 1 day. At September 30, 2009 the portfolio weighed average maturity was 1 day. Except for the Village's investment in Fund B which is 6.87 years.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Village's investments in the Florida 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. The State Pool is administered by the SBA, who provides regulatory oversight. During the year, the SBA reported that State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial markets. Consequently the SBA placed some restrictions on how participants could access portions of their surplus fund and ultimately restructured the State Pool into two separate pools ("LGIP" and "Fund B"). The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund.

At fiscal year-end, the Village has no surplus fund invested in the LGIP. The LGIP was rated AAA by Standard and Poor's as of September 30, 2009. The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio and is not rated by a nationalized statistical rating agency.

Concentration of Credit Risk – There are no limits on the amount that may be invested in money market funds or with 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 money market funds and 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.

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

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>	
Cash and cash equivalents	\$524,999		
Restricted- cash and cash equivalents	92,392	Deposits	\$161,833
Investments	<u>6,157</u>	Investments	<u>461,715</u>
	<u>\$623,548</u>		<u>\$623,548</u>

IV. RECEIVABLES/PAYABLES

Receivables

Receivables at September 30, 2009, consisted of franchise fees, taxes and receivables arising from waste fee charges. The Village's receivables at September 30, 2009, were as follows:

	<u>Waste Fees</u>	<u>Franchise Fees and Taxes</u>	<u>Other</u>	<u>Allowance for doubtful Accounts</u>	<u>Totals</u>
Governmental Funds					
General fund	\$ -	\$149,514	\$5,997	\$ -	\$155,511
Police forfeiture fund	-	-	108,761	-	108,761
Non-major governmental funds	<u>-</u>	<u>29,056</u>	<u>56,119</u>	<u>-</u>	<u>85,175</u>
	<u>\$ -</u>	<u>\$178,570</u>	<u>\$170,877</u>	<u>\$ -</u>	<u>\$349,447</u>
Proprietary Funds					
Sanitation fund	<u>\$165,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(17,270)</u>	<u>\$147,749</u>

Of the \$165,019 in waste fee receivable; \$131,125 represents old receivables outstanding from prior years before the Village contracted with Miami Dade County Office of the Property Appraiser to include the solid waste fees with the property tax billings. During 2009, approximately \$536 was collected from the old waste receivables and 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. All franchise fees and taxes receivable are considered fully collectible.

Payables

	<u>Vendors</u>
Governmental Funds	
General fund	\$101,018
Non-major governmental funds	<u>25</u>
	<u>\$101,043</u>
Proprietary Funds	
Sanitation fund	<u>\$3,281</u>

Interfund balances as of September 30, 2009, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$162,341	\$ -
Police forfeiture Fund	-	81,219
Non-major governmental funds	18,000	89,846
Sanitation fund	-	<u>9,276</u>
	<u>\$180,341</u>	<u>\$180,341</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.

Advances from/to other funds as of September 30, 2009, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$131,125	\$ -
Sanitation fund	-	<u>131,125</u>
	<u>\$131,125</u>	<u>\$131,125</u>

The amounts payable to the general fund relate to old solid waste fee receivables which were billed and earned by the general fund before a Sanitation Fund was created to report the solid waste operations in a separate enterprise fund. The amount collected in the subsequent year depend on payments collected by the sanitation fund and cannot be determined as of September 30, 2009.

Interfund transfers for fiscal year ended September 30, 2009 were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ -	\$40,040
Non-major governmental funds	<u>68,790</u>	<u>28,750</u>
	<u>\$68,790</u>	<u>\$68,790</u>

- The transfer of \$40,040 from the General Fund to the Capital Improvement Fund was used to cover expenditures for a pavilion, entry sign and recreation center.

- The transfer of \$28,750 from the Citizen Independent Transportation Fund to the Road Fund was used for road maintenance and repairs.

V. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2009 was as follows:

	Balance October 1, <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2009</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 157,490	\$ -	\$ -	\$ 157,490
Construction in progress	<u>11,949</u>	<u>47,866</u>	<u>-</u>	<u>59,815</u>
Total capital assets not being depreciated	<u>169,439</u>	<u>47,866</u>	<u>-</u>	<u>217,304</u>
Capital assets being depreciated:				
Building	204,211	69,293	-	273,504
Infrastructure	722,554	-	-	722,554
Furniture and equipment	<u>1,347,235</u>	<u>131,110</u>	<u>-</u>	<u>1,478,345</u>
Total capital assets being depreciated	2,274,000	200,403	-	2,474,404
Less accumulated depreciation for:				
Building	(204,211)	(4,393)	-	(208,604)
Infrastructure	(126,778)	(47,639)	-	(174,417)
Furniture and equipment	<u>(1,183,773)</u>	<u>(64,319)</u>	<u>-</u>	<u>(1,248,092)</u>
Total accumulated depreciation	<u>(1,514,762)</u>	<u>(116,351)</u>	<u>-</u>	<u>(1,631,113)</u>
Total capital assets being depreciated, net	<u>759,238</u>	<u>84,052</u>	<u>-</u>	<u>843,290</u>
Governmental activities capital assets, net	<u>\$ 928,677</u>	<u>\$ 131,918</u>	<u>\$ -</u>	<u>\$ 1,060,595</u>
	Balance October 1, <u>2008</u>	<u>Additions</u> <u>/Transfers</u>	<u>Deletions</u> <u>/Transfers</u>	Balance September 30, <u>2009</u>
Business-type activities				
Capital assets being depreciated:				
Equipment	<u>\$267,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$267,753</u>
Total capital assets being depreciated	267,753	-	-	267,753
Less accumulated depreciation for:				
Equipment	<u>(165,130)</u>	<u>(12,518)</u>	<u>-</u>	<u>(177,648)</u>
Total accumulated depreciation	<u>(165,130)</u>	<u>(12,518)</u>	<u>-</u>	<u>(177,648)</u>
Total capital assets being depreciated, net	<u>102,623</u>	<u>(12,518)</u>	<u>-</u>	<u>90,105</u>
Business-type activities capital assets, net	<u>\$ 102,623</u>	<u>\$(12,518)</u>	<u>\$ -</u>	<u>\$ 90,105</u>

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

General government	\$ 6,263
Public Safety	43,249
Physical Environment	40,459
Culture and Recreation	<u>26,380</u>
Total depreciation expense – governmental activities	<u>\$116,351</u>

VI. CAPITAL LEASES

The Village has entered into several lease agreements for the purchase of police vehicles, a bus and a garbage truck totaling approximately \$316,000. The leases call for semi-annual principal and interest payments until May 6, 2012.

The lease agreements qualify as capital leases for accounting purposes and, therefore, have 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, 2009 are as follows:

<u>September 30,</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
2010	\$ 59,159	\$20,597	\$ 79,756
2011	62,131	21,486	83,617
2012	<u>26,639</u>	<u>-</u>	<u>26,639</u>
Total	<u>\$147,929</u>	<u>\$42,083</u>	<u>\$190,012</u>

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

	Balance October 1,			Balance	Due Within
	<u>2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30,</u>	<u>One year</u>
<i>Governmental activities</i>					
Compensated absences	\$100,314	\$ 30,893	\$61,786	\$69,421	\$ -
Capital leases	<u>52,645</u>	<u>128,810</u>	<u>33,526</u>	<u>147,929</u>	<u>59,159</u>
	<u>\$152,959</u>	<u>\$159,703</u>	<u>\$95,312</u>	<u>\$217,350</u>	<u>\$59,159</u>
<i>Business-type activities</i>					
Compensated absences	\$15,066	\$2,338	\$5,231	\$12,173	\$1,928
Capital leases	<u>61,826</u>	<u>-</u>	<u>19,743</u>	<u>42,083</u>	<u>20,597</u>
	<u>\$76,892</u>	<u>\$2,338</u>	<u>\$24,974</u>	<u>\$54,256</u>	<u>\$22,525</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 9.85% to 20.92% 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
2009	\$ 223,525	9.85% - 20.92%
2008	\$ 228,199	9.85% - 20.92%
2007	\$ 196,671	9.85% - 20.92%

The most recent actuarial report was prepared as of July 1, 2008. 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BISCAYNE PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive/(Negative)
Revenues:				
Property taxes	\$ 1,504,156	\$ 1,504,156	\$ 1,568,450	\$ 64,294
Franchise fees	125,000	125,000	115,272	(9,728)
Utility taxes	223,050	246,178	244,258	(1,920)
Charges for services	148,000	198,000	97,049	(100,951)
Intergovernmental	278,745	278,745	245,696	(33,049)
Licenses and permits	146,800	146,800	118,324	(28,476)
Fines and forfeitures	60,000	60,000	42,672	(17,328)
Interest	23,500	23,500	7,504	(15,996)
Miscellaneous	10,500	10,500	11,499	999
Total revenues	<u>2,519,751</u>	<u>2,592,879</u>	<u>2,450,724</u>	<u>(142,155)</u>
Expenditures:				
Current:				
General government				
Village council	19,768	24,768	24,605	163
Administration	200,165	225,165	223,829	1,336
Finance	123,755	154,755	154,464	291
Non-departmental	270,494	292,394	285,003	7,391
Public safety	1,208,632	1,401,705	1,387,388	14,317
Building and code enforcement	200,332	204,902	179,041	25,861
Physical environment	268,461	225,761	213,504	12,257
Culture and recreation	<u>228,144</u>	<u>280,339</u>	<u>197,760</u>	<u>82,579</u>
Total expenditures	<u>2,519,751</u>	<u>2,809,789</u>	<u>2,665,594</u>	<u>144,195</u>
(Deficiency) Excess of revenues under expenditures before other financing sources (uses)	<u>-</u>	<u>(216,910)</u>	<u>(214,870)</u>	<u>2,040</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	-	128,200	-	(128,200)
Proceeds from capital leases	-	128,810	128,810	-
Transfers	<u>-</u>	<u>(40,100)</u>	<u>(40,040)</u>	<u>60</u>
Total other financing sources (uses)	<u>-</u>	<u>216,910</u>	<u>88,770</u>	<u>(128,140)</u>
Net change in fund balance	-	-	(126,100)	<u>\$ (126,100)</u>
Fund balances, October 1	<u>1,019,448</u>	<u>1,019,448</u>	<u>1,019,448</u>	
Fund balances, September 30	<u>\$ 1,019,448</u>	<u>\$ 1,019,448</u>	<u>\$ 893,348</u>	

See notes to budgetary comparison schedule

VILLAGE OF BISCAYNE PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE FORFEITURE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 53,569	\$ 114,169	\$ 122,961	\$ 8,792
Interest	650	650	97	(553)
Miscellaneous	-	12,200	12,213	13
Total revenues	<u>54,219</u>	<u>127,019</u>	<u>135,271</u>	<u>8,252</u>
Expenditures:				
Current:				
Public safety	<u>95,369</u>	<u>127,019</u>	<u>126,984</u>	<u>35</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(41,150)</u>	<u>-</u>	<u>8,287</u>	<u>8,287</u>
Other financing sources				
Appropriation of prior year fund balance	<u>41,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>41,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>8,287</u>	<u>\$ 8,287</u>
Fund balances, October 1	<u>48,864</u>	<u>48,864</u>	<u>48,864</u>	
Fund balances, September 30	<u>\$ 48,864</u>	<u>\$ 48,864</u>	<u>\$ 57,151</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2009

Notes to Budgetary Comparison Schedule

Annual budgets are adopted for all of the Village's governmental funds and the enterprise fund on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year end.

The Village follows the State of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The budget process is as follows:

The Village Manager prepares a budget showing the cost of each department for each budget year. Prior to the Commission's first public hearing on the proposed budget required by state law, the Village Manager issues a budget summary setting forth the proposed cost of each individual department and reflecting the personnel for each department, the purposes therefore, and the amount of any contingency and carryover funds. The Commission shall by ordinance adopt the annual budget on or before the last day of September.

Supplemental appropriations. If, during any fiscal year, revenues in excess of those estimated in the annual budget are available for appropriation, the Commission may by ordinance make supplemental appropriations for the fiscal year up to the amount of such excess.

Reduction of appropriations. If, at any time during the fiscal year, it appears probable to the Village Manager that the revenues available will be insufficient to meet the amounts appropriated, she/he shall report to the Commission in writing without delay, indicating the estimated amount of the deficit, and his/her recommendations as to the remedial action to be taken. The Village Commission shall then take such action, as it deems appropriate, to prevent any deficit spending not covered by adequate unappropriated financial resources including reserves.

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 Commission. The legal level of budgetary control (i.e. the level at which expenditures may not exceed appropriations) is the department level for the general fund and the fund level for all other funds.

During the fiscal year, the Village Commission approved by ordinance several budget changes on the department level. In addition, there were supplemental appropriations for the fiscal year ended September 30, 2009, totaling \$330,138 for the general fund.

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.

Stormwater Fund – This fund is used to account for construction of major stormwater drainage projects.

CITT – This fund accounts for the operating activities of the Village's use of Miami Dade County's CITT revenues.

Capital Projects Fund

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

VILLAGE OF BISCAYNE PARK, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Road Fund	Stormwater Fund	CITT Fund	Capital Improvement Fund	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 40,212	\$ 505	\$ 21,068	\$ 115	\$ 61,900
Accounts receivable - net	7,771	-	21,285	56,119	85,175
Due from other funds	18,000	-	-	-	18,000
Prepays	-	-	36,000	-	36,000
Total assets	\$ 65,983	\$ 505	\$ 78,353	\$ 56,234	\$ 201,075
<u>LIABILITIES</u>					
Accounts payable	\$ 25	\$ -	\$ -	\$ -	\$ 25
Due to other funds	20,108	505	18,000	51,233	89,846
Accrued payroll	1,048	-	-	-	1,048
Total liabilities	21,181	505	18,000	51,233	90,919
<u>FUND BALANCES</u>					
Unreserved:					
Undesignated	44,802	-	60,353	5,001	110,156
Total fund balances	44,802	-	60,353	5,001	110,156
Total liabilities and fund balances	\$ 65,983	\$ 505	\$ 78,353	\$ 56,234	\$ 201,075

VILLAGE OF BISCAYNE PARK, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Road Fund	Stormwater Fund	CITT Fund	Capital Improvement Fund	
Revenues:					
Intergovernmental	\$ 117,892	\$ -	\$ 97,255	\$ 69,119	\$ 284,266
Interest	110	-	142	-	252
Total revenues	<u>118,002</u>	<u>-</u>	<u>97,397</u>	<u>69,119</u>	<u>284,518</u>
Expenditures:					
Current:					
Physical environment	124,400	-	56,532	-	180,932
Capital outlay:					
Physical environment	<u>21,600</u>	<u>-</u>	<u>-</u>	<u>117,158</u>	<u>138,758</u>
Total expenditures	<u>146,000</u>	<u>-</u>	<u>56,532</u>	<u>117,158</u>	<u>319,690</u>
Excess (Deficiency) of revenues over expenditures before other financing sources	<u>(27,998)</u>	<u>-</u>	<u>40,865</u>	<u>(48,039)</u>	<u>(35,172)</u>
Other financing sources (uses)					
Transfers	<u>28,750</u>	<u>-</u>	<u>(28,750)</u>	<u>40,040</u>	<u>40,040</u>
Total other financing sources (uses)	<u>28,750</u>	<u>-</u>	<u>(28,750)</u>	<u>40,040</u>	<u>40,040</u>
Net change in fund balance	<u>752</u>	<u>-</u>	<u>12,115</u>	<u>(7,999)</u>	<u>4,868</u>
Fund balances, October 1	<u>44,050</u>	<u>-</u>	<u>48,238</u>	<u>13,000</u>	<u>105,288</u>
Fund balances, September 30	<u>\$ 44,802</u>	<u>\$ -</u>	<u>\$ 60,353</u>	<u>\$ 5,001</u>	<u>\$ 110,156</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds			
	Stormwater Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			
Revenues:				
Intergovernmental	\$ 89,950	\$ 89,950	\$ -	\$ (89,950)
Total revenues	<u>89,950</u>	<u>89,950</u>	<u>-</u>	<u>(89,950)</u>
Expenditures:				
Current:				
Physical environment	179,900	179,900	-	179,900
(Deficiency) of revenues over expenditures before other financing sources	<u>(89,950)</u>	<u>(89,950)</u>	<u>-</u>	<u>89,950</u>
Other financing sources				
Transfers	84,590	84,590	-	(84,590)
Appropriation of prior year fund balance	<u>5,360</u>	<u>5,360</u>	<u>-</u>	<u>(5,360)</u>
Total other financing sources	<u>89,950</u>	<u>89,950</u>	<u>-</u>	<u>(89,950)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances, October 1	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Road Fund			
	Budgeted Amounts		Actual	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Intergovernmental	\$ 124,307	\$ 124,307	\$ 117,892	\$ (6,415)
Interest	<u>383</u>	<u>383</u>	<u>110</u>	<u>(273)</u>
Total revenues	<u>124,690</u>	<u>124,690</u>	<u>118,002</u>	<u>(6,688)</u>
Expenditures:				
Current:				
Physical environment	<u>167,690</u>	<u>167,690</u>	<u>146,000</u>	<u>21,690</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(43,000)</u>	<u>(43,000)</u>	<u>(27,998)</u>	<u>15,002</u>
Other financing sources				
Transfers in	<u>43,000</u>	<u>43,000</u>	<u>28,750</u>	<u>(14,250)</u>
Total other financing sources	<u>43,000</u>	<u>43,000</u>	<u>28,750</u>	<u>(14,250)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>752</u>	<u>\$ 752</u>
Fund balances, October 1	<u>44,050</u>	<u>44,050</u>	<u>44,050</u>	
Fund balances, September 30	<u>\$ 44,050</u>	<u>\$ 44,050</u>	<u>\$ 44,802</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Fund			
	CITT Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			
Revenues:				
Intergovernmental	\$ 99,950	\$ 99,950	\$ 97,255	\$ (2,695)
Interest	500	500	142	(358)
Total revenues	<u>100,450</u>	<u>100,450</u>	<u>97,397</u>	<u>(3,053)</u>
Expenditures:				
Current:				
Physical environment	<u>36,000</u>	<u>56,532</u>	<u>56,532</u>	-
Excess (deficiency) of revenues over expenditures before other financing sources	<u>64,450</u>	<u>43,918</u>	<u>40,865</u>	<u>(3,053)</u>
Other financing sources (uses)				
Appropriation of prior year fund balance	63,140	63,140	-	(63,140)
Transfers	<u>(127,590)</u>	<u>(107,058)</u>	<u>(28,750)</u>	<u>78,308</u>
Total other financing sources (uses)	<u>(64,450)</u>	<u>(43,918)</u>	<u>(28,750)</u>	<u>15,168</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>12,115</u>	<u>\$ 12,115</u>
Fund balances, October 1	<u>48,238</u>	<u>48,238</u>	<u>48,238</u>	
Fund balances, September 30	<u>\$ 48,238</u>	<u>\$ 48,238</u>	<u>\$ 60,353</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Capital Projects Fund			
	Capital Improvement Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			
Revenues:				
Intergovernmental	\$ 356,000	\$ 398,250	\$ 69,119	\$ (329,131)
Total revenues	<u>356,000</u>	<u>398,250</u>	<u>69,119</u>	<u>(329,131)</u>
Expenditures:				
Current:				
Physical environment	<u>356,000</u>	<u>446,291</u>	<u>117,158</u>	<u>329,133</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>-</u>	<u>(48,041)</u>	<u>(48,039)</u>	<u>2</u>
Other financing sources				
Transfers	-	40,041	40,040	(1)
Appropriation of prior year fund balance	-	8,000	-	(8,000)
Total other financing sources	<u>-</u>	<u>48,041</u>	<u>40,040</u>	<u>(8,001)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(7,999)</u>	<u>\$ (7,999)</u>
Fund balances, October 1	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	
Fund balances, September 30	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 5,001</u>	

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND NET ASSETS-BUDGET AND ACTUAL PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Sanitation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Operating revenues:				
Charges for services	\$ 712,310	\$ 712,310	\$ 705,889	\$ (6,421)
Total operating revenues	<u>712,310</u>	<u>712,310</u>	<u>705,889</u>	<u>(6,421)</u>
Operating expenses:				
Personal services	358,017	382,917	382,534	383
Materials, supplies, and services	311,786	314,286	290,396	23,890
Depreciation	<u>20,327</u>	<u>12,527</u>	<u>12,518</u>	<u>9</u>
Total operating expenses	<u>690,130</u>	<u>709,730</u>	<u>685,448</u>	<u>24,282</u>
Operating income	<u>22,180</u>	<u>2,580</u>	<u>20,441</u>	<u>17,861</u>
Nonoperating (expenses):				
Interest expense and fees	<u>(22,180)</u>	<u>(2,580)</u>	<u>(2,437)</u>	<u>143</u>
Total nonoperating (expenses)	<u>(22,180)</u>	<u>(2,580)</u>	<u>(2,437)</u>	<u>143</u>
Change in net assets	-	-	18,004	<u>\$ 18,004</u>
Net assets, October 1	<u>18,999</u>	<u>18,999</u>	<u>18,999</u>	
Net assets, September 30	<u>\$ 18,999</u>	<u>\$ 18,999</u>	<u>\$ 37,003</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>	43- 44
Revenue Capacity <i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	45- 52
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>	53- 54
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>	55- 56
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>	57- 59

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	2007	2008	2009
Governmental activities						
Invested in capital assets, net of related debt	\$ 518,703	\$ 574,368	\$ 511,655	\$ 880,881	\$ 876,032	\$ 912,666
Restricted	194,122	255,247	318,153	220,838	154,152	167,307
Unrestricted	1,056,956	640,606	799,822	910,925	919,134	823,927
Total governmental activities net assets	<u>\$ 1,769,781</u>	<u>\$ 1,470,221</u>	<u>\$ 1,629,630</u>	<u>\$ 2,012,644</u>	<u>\$ 1,949,318</u>	<u>\$ 1,903,900</u>
Business-Type activities						
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 40,797	\$ 48,022
Restricted	-	-	-	-	-	-
Unrestricted	-	-	-	-	(21,798)	(11,019)
Total business type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,999</u>	<u>\$ 37,003</u>
Primary government						
Invested in capital assets, net of related debt	\$ 518,703	\$ 574,368	\$ 511,655	\$ 880,881	\$ 916,829	\$ 960,688
Restricted	194,122	255,247	318,153	220,838	154,152	167,307
Unrestricted	1,056,956	640,606	799,822	910,925	897,336	812,908
Total primary governmental activities net assets	<u>\$ 1,769,781</u>	<u>\$ 1,470,221</u>	<u>\$ 1,629,630</u>	<u>\$ 2,012,644</u>	<u>\$ 1,968,317</u>	<u>\$ 1,940,903</u>

(1) Information for fiscal years ending September 30, 2000-2003 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	2008	2009
EXPENSES						
Governmental activities:						
General government	\$ 703,731	\$ 643,498	\$ 644,968	\$ 677,103	\$ 692,448	\$ 687,230
Public safety	953,050	965,936	1,091,907	1,525,175	1,559,133	1,582,899
Public works	830,443	1,214,493	2,189,251	1,262,831	566,017	454,919
Culture and recreation	258,618	307,648	316,284	293,470	298,812	186,011
Non-departmental						
Interest on long-term debt	1,733	2,552	2,567	3,683	2,772	4,872
Total governmental activities:	<u>2,747,575</u>	<u>3,134,127</u>	<u>4,244,977</u>	<u>3,762,262</u>	<u>3,119,182</u>	<u>2,915,931</u>
Business-type activities:						
Sanitation	-	-	-	-	690,416	687,885
Total primary government expenses	<u>\$ 2,747,575</u>	<u>\$ 3,134,127</u>	<u>\$ 4,244,977</u>	<u>\$ 3,762,262</u>	<u>\$ 3,809,598</u>	<u>\$ 3,603,816</u>
PROGRAM REVENUES						
Governmental activities:						
Charges for services:						
General government	4,771	5,390	6,372	6,023	4,358	3,765
Public safety	126,112	216,373	180,917	316,589	252,645	283,957
Public works	503,118	384,151	558,007	638,872	-	50,000
Culture and recreation	91,825	107,391	155,696	146,219	99,632	43,284
Operating grants and contributions	3,980	217,550	1,181,810	323,635	39,367	166,455
Total governmental activities program revenues	<u>729,806</u>	<u>930,855</u>	<u>2,082,802</u>	<u>1,431,338</u>	<u>396,002</u>	<u>547,461</u>
Business-type activities:						
Sanitation	-	-	-	-	702,519	705,889
Net (expense)/revenue						
Governmental activities	\$ (2,017,769)	\$ (2,203,272)	\$ (2,162,175)	\$ (2,330,924)	\$ (2,723,180)	\$ (2,368,470)
Business-type activities	-	-	-	-	12,103	18,004
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>	<u>\$ (2,711,077)</u>	<u>\$ (2,350,466)</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	1,692,975	1,568,450
Utility taxes	212,504	215,844	228,549	225,643	273,866	244,258
Franchise fees on gross receipts	132,785	87,524	122,750	125,523	115,686	115,272
Intergovernmental (unrestricted)	393,885	509,223	610,060	530,968	544,248	363,507
Investment income	32,078	29,746	62,219	65,388	24,048	7,853
Miscellaneous	-	5,921	11,119	58,468	15,927	23,712
Total governmental activities:	<u>\$ 1,757,196</u>	<u>\$ 1,900,712</u>	<u>\$ 2,324,584</u>	<u>\$ 2,713,938</u>	<u>\$ 2,666,750</u>	<u>\$ 2,323,052</u>
Business-type activities:						
Sanitation	-	-	-	-	-	-
Change in Net Assets						
Governmental activities	\$ (260,573)	\$ (302,560)	\$ 162,409	\$ 383,014	\$ (56,430)	\$ (45,418)
Business-type activities	-	-	-	-	12,103	18,004
Total primary government	<u>\$ (260,573)</u>	<u>\$ (302,560)</u>	<u>\$ 162,409</u>	<u>\$ 383,014</u>	<u>\$ (44,327)</u>	<u>\$ (27,414)</u>

(1) Information for fiscal years ending September 30, 2000-2003 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
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	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
2008	1,692,975	59,648	23,251	104,862	103,170	210,944	115,686	273,866	2,584,402
2009	1,568,450	55,918	21,827	97,255	79,150	189,114	115,272	244,258	2,371,244

(1) Information for fiscal years ending September 30, 2000-2003 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									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund										
Reserved	\$ 219,434	\$ 170,170	\$ 164,668	\$ 246,602	240,287	\$ 199,411	\$ 210,159	\$ 224,013	\$ 188,350	\$ 181,485
Unreserved	<u>1,153,136</u>	<u>1,285,736</u>	<u>1,399,348</u>	<u>1,131,002</u>	<u>760,607</u>	<u>476,846</u>	<u>680,541</u>	<u>771,220</u>	<u>831,098</u>	<u>711,863</u>
Total general fund	<u>\$ 1,372,570</u>	<u>\$ 1,455,906</u>	<u>\$ 1,564,016</u>	<u>\$ 1,377,604</u>	<u>\$ 1,000,894</u>	<u>\$ 676,257</u>	<u>\$ 890,700</u>	<u>\$ 995,233</u>	<u>\$ 1,019,448</u>	<u>\$ 893,348</u>
All other governmental funds										
Reserved	\$ 375,633	\$ -	\$ 142,757	\$ 219,622	\$ 194,122	\$ 252,247	\$ 318,153	\$ 220,838	\$ 154,152	\$ 167,307
Unreserved, reported in:										
Special revenue funds	-	440,340	294,639	187,578	56,062	(35,651)	-	-	-	-
Total all other governmental funds	<u>\$ 375,633</u>	<u>\$ 440,340</u>	<u>\$ 437,396</u>	<u>\$ 407,200</u>	<u>\$ 250,184</u>	<u>\$ 216,596</u>	<u>\$ 318,153</u>	<u>\$ 220,838</u>	<u>\$ 154,152</u>	<u>\$ 167,307</u>

VILLAGE OF BISCAYNE PARK, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
REVENUES										
Taxes and franchise fees	\$ 1,049,990	\$ 1,172,055	\$ 1,179,359	\$ 1,196,112	\$ 1,254,990	\$ 1,139,978	\$ 1,412,637	\$ 1,833,471	\$ 1,808,661	\$ 1,683,722
Charges for services	538,295	557,094	587,845	671,499	599,714	496,932	720,075	791,114	103,990	97,049
Utility taxes					212,504	215,844	228,549	225,643	273,866	244,258
Intergovernmental	275,634	252,634	354,339	380,785	261,604	726,773	1,791,870	854,603	583,615	529,962
Licenses and permits	44,720	61,748	91,919	110,634	88,071	116,726	122,988	177,539	148,170	118,324
Fines and forfeitures	23,848	38,547	69,989	178,903	38,041	99,647	57,929	139,050	104,475	165,633
Interest						29,746	62,219	65,388	24,048	7,853
Grants		66,293	72,658	48,521	32,078					
Miscellaneous	89,565	93,655	43,832	26,250	-	5,921	11,119	58,468	15,927	23,712
Total revenues	<u>2,022,052</u>	<u>2,242,026</u>	<u>2,399,941</u>	<u>2,612,704</u>	<u>2,487,002</u>	<u>2,831,567</u>	<u>4,407,386</u>	<u>4,145,276</u>	<u>3,062,752</u>	<u>2,870,513</u>
EXPENDITURES										
General government	484,528	537,214	568,186	807,766	660,728	620,034	623,866	657,669	667,210	687,901
Public safety	578,039	648,344	748,086	803,286	943,042	938,564	1,064,035	1,502,846	1,516,388	1,538,248
Public works	617,784	686,450	702,452	706,334	779,813	1,145,603	2,132,671	1,178,395	502,128	392,136
Culture and recreation	126,665	142,854	151,799	169,486	225,836	264,256	264,651	242,839	250,619	184,846
Non-departmental				4,224						
Debt service:										
Principal retirement		11,691	40,830	41,146	41,035	38,311	30,163	49,951	9,319	33,526
Interest and fiscal charges		2,199	3,287	2,970	1,733	2,552	2,567	3,683	2,772	4,872
Capital outlay:										
General government	-	140,804	126,652	294,101	440,522	204,132	64,259	689,693	156,786	270,739
Total expenditures	<u>1,807,016</u>	<u>2,169,556</u>	<u>2,341,292</u>	<u>2,829,313</u>	<u>3,092,709</u>	<u>3,213,452</u>	<u>4,182,212</u>	<u>4,325,076</u>	<u>3,105,222</u>	<u>3,112,268</u>
Excess(deficiency) of revenues over expenditures	215,036	72,470	58,649	(216,609)	(605,707)	(381,885)	225,174	(179,800)	(42,470)	(241,755)
Other financing (uses) sources:										
Transfers in	-	-	-	-	15,000	54,229	154,245	-	86,667	-
Transfers out	-	-	-	-	(15,000)	(54,229)	(154,245)	-	(86,667)	-
Proceeds from note payable and contingencies										
Proceeds from capital lease	-	75,882	46,520	-	71,981	23,662	-	187,012	-	128,810
Total other financing sources (uses)	-	<u>75,882</u>	<u>46,520</u>	-	<u>71,981</u>	<u>23,662</u>	-	<u>187,012</u>	-	<u>128,810</u>
Net change in fund balances	<u>\$ 215,036</u>	<u>\$ 148,352</u>	<u>\$ 105,169</u>	<u>\$ (216,609)</u>	<u>\$ (533,726)</u>	<u>\$ (358,223)</u>	<u>\$ 225,174</u>	<u>\$ 7,212</u>	<u>\$ (42,470)</u>	<u>\$ (112,945)</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.7%	2.0%	1.8%	1.6%	1.4%	0.8%	1.5%	0.4%	1.4%

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
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
2008	1,692,975	59,648	23,251	104,862	103,170	210,944	115,686	273,866	2,584,402
2009	1,568,450	55,918	21,827	97,255	79,150	189,114	115,272	244,258	2,371,244

(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

Fiscal Year	Real Property	Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net assessed Value as a Percentage of Estimated Actual Value (1)
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%
2008	208,024,116	2,587,452	210,611,568	8.340	401,124,516	52.51%
2009	175,588,028	2,507,495	178,095,523	8.890	347,136,428	51.30%

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*	
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	8.0000	6.3792	0.2850	2.6610	0.4860	8.6870	0.7360	27.2342
2005	8.0000	6.2638	0.2850	2.6610	0.4860	8.4380	0.7360	26.8698
2006	8.5000	6.0373	0.2850	2.6510	0.4860	8.1500	0.7355	26.8448
2007	9.2000	5.0019	0.2850	2.2477	0.3842	7.9480	0.6595	25.7263
2008	8.3400	5.2945	0.2850	2.2487	0.3842	7.7970	0.6585	25.0079
2009	8.8903	5.3370	0.2850	2.2271	0.3822	7.9950	0.6585	25.7751

(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 BISCAYNE PARK, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

(amounts expressed in thousands)

2009				2000 (1)			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
FLORIDA POWER AND LIGHT	\$1,738,656	1	1.0%				
MATTHEW KAMINSKY	978,351	2	0.5%				
ROBERT PRELAZ & W LUCY	854,737	3	0.5%				
JAMES T HAMMER	706,268	4	0.4%				
MITON Y MENDOZA & W ELIZABETH D	634,839	5	0.4%				
HARTMUT SCHOENAU & W	591,431	6	0.3%				
DELVIS LLANES	587,924	7	0.3%				
ROBERT W SMITH & W BARBARA	586,248	8	0.3%				
ALEXIS JUSTO & ROSEALENA SAYRE	581,284	9	0.3%				
JENNA WANDA AND BRAJDIC	574,482	10	0.3%				
	<u>\$ 7,834,220</u>		<u>4.4%</u>		<u>\$ -</u>		<u>0.0%</u>

Sources: Miami-Dade County Tax Assessors' Office
 2009 Tax Roll
 Real/personal property adjusted taxable value of \$178,095,523
 (1) 2000 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
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%
2008	1,747,317	1,692,975	96.9%		1,692,975	96.9%
2009	1,583,323	1,568,450	99.1%		1,568,450	99.1%

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>
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
2008	114,472	114,472	0.14%	34.397
2009	190,012	190,012	0.25%	57.095

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

(1) See the Schedule of Demographic and Economic Statistics on page 55 for the personal income and population data.

VILLAGE OF BISCAYNE PARK, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

FISCAL YEAR ENDED SEPTEMBER 30, 2009

(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)	\$ 504,371	0.09%	\$ 467
Miami-Dade County (3)	<u>408,745</u>	0.09%	<u>379</u>
Subtotal overlapping debt	913,116		846
Village of Biscayne Park direct debt	190	100.00%	<u>190</u>
Total direct and overlapping debt	\$ 913,306		\$ 1,036

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)
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
2008	3,328	79,479,296	23,882	6.0
2009	3,328	76,577,280	23,010	11.3

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 NINE YEARS AGO

<u>EMPLOYER</u>	<u>2009</u>			<u>2000</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	4.14%	34,310	1	3.12%
Miami-Dade County, Florida	32,000	2	2.65%	28,000	2	2.54%
Federal Government	20,400	3	1.69%	18,700	3	1.70%
Florida State Government	17,000	4	1.41%	18,400	4	1.67%
Publix Supermarket	11,000	5	0.91%			
Baptist Health South Florida	10,826	6	0.90%	5,285	8	0.48%
Jackson Health System	10,500	7	0.87%	7,209	7	0.65%
University of Miami	9,874	8	0.82%	7,517	6	0.68%
American Airlines	9,000	9	0.74%	9,304	5	0.85%
Miami-Dade College	6,500	10	0.54%			
Florida Power & Light				3,745	9	0.34%
City of Miami				3,400	10	0.31%
Total Employment	<u>1,208,659</u>			<u>1,100,623</u>		

Source: The Beacon Council

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

	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30,									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function										
General government	3	2	2	2	2	3	3	2	2	3
Public safety										
Police										
Officers	9	9	10	10	11	11	11	11	11	11
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	2	2	2	2	2	2	2	2	1
Public Works					9	9	9	9	8	7
Sanitation	-	-	-	-	9	9	9	9	9	8
	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>36</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>35</u>	<u>33</u>

Source: Village of Biscayne Park Finance department

VILLAGE OF BISCAYNE PARK, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police:										
Burglaries	47	49	53	83	43	38	63	60	32	28
Robberies	2	2	-	4	-	3	3	5	7	3
Number of uniformed officers	9	9	10	10	11	11	11	11	11	10
Building & Zoning:										
Number of building permits issued	440	475	529	606	458	469	474	490	434	422
License/Permit revenue generated	\$ 44,720	\$ 46,044	\$ 85,119	\$ 104,363	\$ 84,253	\$ 97,456	\$ 97,876	\$ 140,533	\$ 107,626	\$ 100,522
Culture and recreation										
Children enrolled in programs	-	98	114	187	220	287	310	294	123	N/A
Recreation revenues collected	\$ -	N/A	\$ 36,389	\$ 60,261	\$ 75,479	\$ 90,420	\$ 133,970	\$ 127,861	\$ 84,951	N/A
Sanitation:										
Refuse collected (tons per month)	N/A									

Sources: Various Village 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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	10	10	11	12	13	14	15	15	15	12
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 Village departments

N/A : Information not available

Note: No capital asset indicators are available for the general government function.

COMPLIANCE SECTION



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

Honorable Mayor and Members of the Village Commission
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, 2009, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 5, 2010. 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 2009-1, 2008-2, 2008-3, 2005-2, 2000-7, and 2000-9.

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. Of the significant deficiencies noted above, 2009-1 and 2000-9 are considered to be material weaknesses.

Honorable Mayor, Village Commission 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standard* which is described in the accompanying schedule of findings and recommendations as item 2009-1.

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.

Pursuant to Chapter 119, Florida Statutes, this report is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter report is intended solely for the information and use of the Village Commission, 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.

Alberni Caballero & Company, LLP

January 5, 2010
Coral Gables, Florida



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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 Commission
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, 2009, and have issued our report thereon dated January 5, 2010. We conducted our audit in accordance with United States generally accepted auditing standards, and the standards applicable to financial audits contained in *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 5, 2010, 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. This letter includes the following information, which is not included in the aforementioned auditor's reports schedule:

- ❖ 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, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. Our audit disclosed the following matters required to be disclosed:
 - Status of Prior Year Findings and Recommendations: **No. 2008-1, 2008-2, 2008-3, 2000-7, 2000-8, 2000-9 and 2005-2**
 - Current Year Findings and Recommendations: **No. 2009-1 and 2009-2**

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

- ❖ 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 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, 2009, 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, 2009. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these 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.

Alberni Caballero & Company, LLP

January 5, 2010
Coral Gables, Florida

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

I. CURRENT YEAR FINDING AND RECOMMENDATION

SIGNIFICANT DEFICIENCY

2009-1 –Budgeting

Condition:

Section 166.241 (3) of the Florida Statutes states that:

The governing body at any time within the fiscal year or within up to 60 days following the end of the fiscal year may amend a budget for that year as follows:

(a) Appropriations for expenditures within a fund may be decreased or increased by motion recorded in the minutes, provided that the total of the appropriations of the fund is not changed.

(b) The governing body may establish procedures by which the designated budget officer may authorize certain budget amendments within a department, provided that the total of the appropriations of the department is not changed.

(c) If a budget amendment is required for a purpose not specifically authorized in paragraph (a) or paragraph (b), the budget amendment must be adopted in the same manner as the original budget unless otherwise specified in the charter of the respective municipality.

The Village amended the budget for fiscal year ended September 30, 2009 on January 5, 2010 passed the 60 day period allowed under FS 166.241 (3).

Also, Section 2-136 (d) of the Village's Code of Ordinance states that "Exceeding budget appropriation. The director of finance may not purchase or contract for any item or service which exceeds any budget appropriation until such a time as the Village Commission amends the budget to increase the appropriation to the applicable level." The Village passed the budget amendments on January 5, 2010; therefore, purchases were made before the budget increases were approved.

Cause:

The Village amended the budget after the 60 day period allowed by FS Section 166.241 (3). Also, purchases were made before the budget increases were approved as required by Section 2-136 (d) of the Village's Code of Ordinance.

Effect:

The Village did not comply with FS Section 166.241(3) relating to budgeting or Section 2-136 (d) of the Village's Code of Ordinance.

Recommendation:

We recommend that the Village establish procedures that ensure timely budget amendments. In order to comply with FS Section 166.241(3) and Section 2-136 of the Code, the Village will have to closely monitor its expenditures and pass budget amendments early in the fourth quarter of the fiscal year. However, unforeseen expenditures and year end accruals could continue to cause violations of Section 2-136 of the Code.

We also recommend that the Village review its current budget process and adopt a formal document that incorporates all the requirements established by the State, Charter and Village Ordinances. The document can be included with the written policies recommended in item 2000-9, to ensure compliance with laws and regulations.

Management's Response:

With additional Finance personnel now on staff the Village is monitoring financials more often and in more detail. Management proposes to process budget amendments more often, at least once after the closing of the second quarter and again early in the fourth quarter of the fiscal year.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

I. CURRENT YEAR FINDINGS AND RECOMMENDATION (Continued)

OTHER MATTERS

2009-2 Implementation of Governmental Accounting Standards Board Statement No. 45 – Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions

Condition:

The GASB has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions," which provides guidance on all aspects of OPEB reporting by employers. The requirements of this statement are effective for fiscal periods beginning after December 15, 2006, for government with annual revenues of \$100 million or more; for fiscal periods beginning after December 15, 2007, for government with total annual revenues of \$10 million or more but less than \$100 million; and for fiscal periods beginning after December 15, 2008, for governments with total annual revenues of less than \$10 million. For the Village, this Statement is effective for the fiscal year ended September 30, 2010.

Recommendation:

We would recommend that the Village obtain a thorough understanding of the requirements and initiate planning for implementation of GASB Statement No.45 in a prudent manner.

Management's Response:

The Village is looking into the most cost effective manner in which to implement GASB Statement No. 45.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

SIGNIFICANT DEFICIENCIES

2008-1 –Budgeting

Condition:

Section 166.241 (2) 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.”

Section 166.241 (3) of the Florida Statutes states that “The governing body at any time within the fiscal year or within up to 60 days following the end of the fiscal year may amend a budget for that year.”

For the year ended September 30, 2008, expenditures exceeded appropriations in the physical environment department by \$2,270, the Village's budgetary level of control. Also, the 2007-08 budget was amended after the 60 day period allowed by FS Section 166.241 (3).

Cause:

The Village had overexpenditures in the physical environment department and the budget was amended after the 60 day period allowed by FS Section 166.241 (3).

Effect:

The Village did not comply with FS Section 166.241 relating to budgeting.

Recommendation:

We recommend that the Village establish procedures that ensure timely budget amendments.

Current Year Status:

There were no expenditures that exceeded appropriations for the fiscal year ended September 30, 2009. **This finding will not be repeated.** However, the 2008-09 budget was amended after the 60 day period allowed by FS Section 166.241(3); see finding 2009-1.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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

SIGNIFICANT DEFICIENCIES (Continued)

2008-2 –Internal Controls Over Recreation Center- Summer Camp Program

Condition:

In April 2009, the Village requested a special audit of the Summer Camp 2008 program managed by the Parks and Recreation Department. The special audit reported the following deficiencies:

- 1) Policies and procedures followed by the Parks and Recreation Department have not been documented or approved in a formal accounting policies and procedures manual.
- 2) We found that there was a lack of segregation of duties in the reporting, billing and collection of summer camp fees.
- 3) We were not able to accurately trace information per the attendance log sheets to the cash receipts book. For example; a log sheet may not document that a registration fee was collected, but the cash receipts book would document that it was collected. We also found payments for 4 additional participants which were not included in the master list on the binders. Of the 123 participants, 19 did not have attendance logs in the binders. However, we found payments for 12 of those 19 in the cash receipts books so it appears they attended Summer Camp. Of the 7 participants for which there were no payments or log sheets found; 4 were those which are reimbursed by the County, and the remaining 3 do not appear to have attended summer camp.
- 4) Attendance reported in the log sheets could not be accurately traced to sign out sheets to verify attendance.
- 5) We were not able to trace the amounts collected per the cash receipts book to the excel sheets provided to the Village since the excel sheets also included revenues from other youth programs combined with the Summer Camp Fees. Also, due to the procedure of refunding summer camp fees from petty cash there was no way of accurately tracing the fees collected in cash and reported in the cash receipt book to the Excel sheet provided to the Finance Department.
- 6) We noted that 65 of the 123 participants did not have support for payment of insurance or private coverage. According to management, these participants paid the insurance in other programs.

Recommendations

- 1) The Village should prepare and implement a formal accounting policies and procedures manual as recommended in previous audits. Policies over revenue billings and collections for all departments must be documented and proper segregation of duties and oversight must be implemented. These policies and procedures should be documented and communicated to all affected individuals. In addition, as changes are made to the Village's policies and procedures, the director of the department affected by those changes should sign and date a remittance document that indicates that person has received the revised documents and understands the procedures that must be followed within that individual's department.
- 2) The Parks and Recreation Department should no longer accept cash as payment for program fees or facility rentals, only accept checks or credit cards at the Village Hall.
- 3) Discontinue the practice of providing cash refunds to participants. The refunds should be by check and processed at Village Hall.
- 4) Improve record keeping over attendance of the Summer Camp Program. Parent sign out sheets should support the attendance logs.

Current Year Status:

- 1) The Village did not prepare and implement a formal accounting policies and procedures manual during the fiscal year ended September 30, 2009. **This recommendation will be repeated.**
- 2) The Parks and Recreation Department continues to accept cash for facility rentals. **This recommendation will be repeated.**
- 3) This recommendation is no longer applicable as the Village has contracted out the summer programs.
- 4) This recommendation is no longer applicable as the Village has contracted out the summer programs.

Management's Response:

The Village is currently working on the preparation of an Accounting Policy and Procedures Manual to include internal controls and checks and balances in the recreation department. The Village will take into consideration the auditors' recommendations as we implement a stronger cash handling process.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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

SIGNIFICANT DEFICIENCIES (Continued)

2008-3 –Internal Controls Over Recreation Center- Concession

Condition:

During our audit of internal controls over the concession sales at the Village's recreation center we noted the following deficiencies:

1. There are no formal policies and procedures over the collection and reporting of concession revenues
2. Concession revenues are not reconciled and submitted to the Village on a daily basis.
3. A cash register has not been properly programmed and is not being used properly.
4. There are no controls over inventory or reconciliation of cash receipts to items sold.
5. We also noted that the Recreation Department allows participants to pre-pay for purchases and balances credited throughout the week. Balances are maintained in manual logs.

Recommendations:

1. Establish formal policies and procedures for internal controls over concession sales at the recreation center.
2. Program the cash register for sales and begin using the cash register.
3. Establish controls over concession inventory. Daily inventory counts should be taken. One at the beginning of the day and one at the end of the day.
4. Maintain segregation of duties over cash receipts. Employee who handles the cash register should not be the same employee who takes inventory and reconciles the cash register at the end of the day.
5. Sales register from the cash register should be reconciled to cash in drawers and to inventory count at the end of the day.
6. Daily cash register reports including reconciliation to cash and inventory should be provided to the Finance Department for deposit.
7. Surprise inventory counts should be performed by Finance Department.
8. Discontinue practice of allowing pre-payment for purchases.

Current Year Status:

The Village has not implemented any of the recommendations noted above. **These recommendations will be repeated.**

Management's Response:

The Village is currently working on the preparation of an Accounting Policy and Procedures Manual to include internal controls and checks and balances in the recreation department. The Village is considering including an inventory cycle procedure to control purchases and acquiring a point of sale system for the collection of concession revenues. The Village is also considering the elimination of prepayment purchases.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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

SIGNIFICANT DEFICIENCIES (Continued)

No. 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:

The Village is currently working on the preparation of a formal Disaster Plan. Vendor contracts are already in place with the agencies that will provide specific assistance to the Village in case of a disaster. Contracts have already been brought before Commission and staff has been authorized to proceed to the employee responsibility designation stage and then document the plan. In addition, please note the Village's data is protected as we have a weekly backup of our system that is stored at a remote location including our Accounting Software, so that in the case of a disaster the software will be accessible via remote location.

No. 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 personnel 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.

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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

SIGNIFICANT DEFICIENCIES (Continued)

No. 2000-7 Capital Assets (Continued)

Current Year Status:

All of the recommendations above have been implemented except for #4. However, the Village has taken a physical inventory count and is in the process of reconciling the results to the general ledger. **This recommendation will be repeated.**

Management's Response:

The Village performed a physical inventory in June 2009 and all of the items that were identified were tagged with specifically designated tags for Assets and documented as such in our inventory count sheets. With the addition of finance staff, the reconciliation of the inventory to the general ledger will be completed.

No. 2000-8 Personnel Policies and Procedures

During prior audits over payroll and analysis of internal controls over payroll, it was noted that the Village had not developed a written personnel policies and procedures manual. As a result, it was noted that personnel policies were not consistent between departments within 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:

During 2009, the Village adopted a written Personnel Rules and Regulations Policy manual. **This recommendation will not be repeated.**

VILLAGE OF BISCAYNE PARK, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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

SIGNIFICANT DEFICIENCIES (Continued)

No. 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 our attention 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:

The Village has not established written policies to ensure compliance with laws and regulations. **Comment #1 and #2 above, will not be repeated, but Comment #3 will be repeated (Also see comment 2009-1).**

Management's Response:

The Village is currently working on the preparation of an Accounting Policy and Procedures Manual.