

# VILLAGE OF BISCAYNE PARK, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED  
SEPTEMBER 30, 2013

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

PREPARED BY  
FINANCE DEPARTMENT

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS

	<b>PAGE</b>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-iii
GFOA Certificate of Achievement	iv
List of Elected and Appointed Officials	v-vi
Organizational Chart	vii
<b>II. FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-13
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet	16
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds	18
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Fund	20
Statement of Revenues, Expenses and Changes in Net Position-Proprietary Fund	21
Statement of Cash Flows - Proprietary Fund	22
Notes to Basic Financial Statements	23-40
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule — General Fund	41
Budgetary Comparison Schedule — Road Fund	42
Budgetary Comparison Schedule — CITT Special Revenue Fund	43
Notes to Budgetary Comparison Schedules	44

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**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

TABLE OF CONTENTS  
(CONTINUED)

	<b>PAGE</b>
<b>COMBINING FINANCIAL STATEMENTS</b>	
Combining Balance Sheet — Non-major Governmental Funds	45
Combining Statements of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds	46
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual	
Nonmajor Governmental Fund - Police Forfeiture Special Revenue Fund	47
Capital Improvement Fund	48
Sanitation Fund	49
<b>III. STATISTICAL SECTION</b>	
Net Position by Component	50
Changes in Net Position	51
General Governmental Tax Revenues by Source	52
Fund Balances of Governmental Funds	53
Changes in Fund Balances of Governmental Funds	54
Assessed Value and Estimated Value of Taxable Property	55
Property Tax Rates Direct and Overlapping Governments	56
Principal Property Taxpayers	57
Property Tax Levies and Collections	58
Ratios of Outstanding Debt By Type	59
Direct and Overlapping Governmental Activities Debt	60
Demographic and Economic Statistics	61
Principal Employers Located in Miami-Dade County	62
Full-Time Equivalent Village Government Employees by Function	63
Operating Indicators By Function	64
Capital Asset Statistics By Function/Program	65
<b>IV. COMPLIANCE SECTION</b>	
Independent Auditors' Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66-67
Management Letter Pursuant to the Rules of the Auditor General of the State of Florida	68-77



## **INTRODUCTORY SECTION**



## The Village of Biscayne Park

640 NE 114<sup>th</sup> St., Biscayne Park, FL 33161  
Telephone: 305-899-8000 Facsimile: 305 891 7241

David Coviello  
Mayor

Commissioners  
Robert "Bob" Anderson  
Fred Jonas  
Roxanna Ross  
Barbara Watts

Heidi Shafran  
Village Manager

John J. Hearn  
Village Attorney

Maria C. Camara  
Village Clerk

June 26, 2014

Honorable Mayor and Commissioners,

It is our pleasure to present the Comprehensive Annual Financial Report (CAFR) for the Village of Biscayne Park, Florida, for the fiscal year ended September 30, 2013. This submission is 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 Village is required to provide annually a report on its financial position and activity that is audited by an independent audit firm of certified public accountants. To meet this requirement these financial statements have been audited by GLSC & Company, PLLC 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. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The CAFR consists of management's representation of Village finances and consequently assumes the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

### 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 3,055 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, infrastructure maintenance and code enforcement.

The annual budget serves as the foundation for the Village of Biscayne Park's financial planning and control. Based on the schedule developed in the budget calendar, all Village departments 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 1<sup>st</sup> 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 47.

### **ECONOMIC CONDITION AND OUTLOOK**

The Village of Biscayne Park property values have begun to recover which resulted in a property tax collection increase of 5% from 2012 to 2013. This increase allows the Village to maintain or increase the current level of service. We expect this trend to continue and improve in the coming year.

Our external auditors have also performed the State mandated financial condition assessment for the fiscal year ending September 30, 2013, and the overall rating for FY2013 continues to be "Unfavorable". Based on this rating Village management will continue to be proactive in concentrating efforts on reducing expenditures and/or increasing efficiencies in order to meet continuing economic challenges.

### **LONG TERM FINANCIAL PLAN**

The Village continues find ways to cut costs while maintaining services to help increase its fund balance. Additionally, the Village continues to seek grants for enhancements and maintenance of Village infrastructure.

### **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.



### **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.

During 2013 the Village purchased a truck for use by Public Works for \$45,140 which will be paid off in October 2017 and a police vehicle for \$26,544 which will be paid off in September 2018.

### **INDEPENDENT AUDIT**

In accordance with Florida Statutes Section 218.39, the Village has engaged the firm of GLSC & Company, PLLC, to perform the independent audit of the Village's financial statements for the year ended September 30, 2013. The Independent Certified Public Accountants' report is presented in the financial section of this CAFR.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded the Village of Biscayne Park the Certificate of Achievement for Excellence in Financial Reporting for the past five fiscal years. The certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to receive this award, 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 and 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.

This year the Village also was awarded by the GFOA both the Distinguished Budget Presentation Award and the Award for Outstanding Achievement in Popular Annual Financial Reporting. The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting and reflects the commitment of the governing body and staff to meet these reporting principles. In order to receive the award the document must serve as a policy document, financial plan, operations guide and a communications device and must be rated proficient in all four categories to receive the award. The Popular Annual Financial Report is designed to meet the needs of residents and stakeholders who may be unable to or unwilling to use traditional reports. The goal of the document is to make financial information more readily accessible to a broader audience and increase government transparency in financial reporting.

The preparation of the CAFR report could not have been accomplished without the efficient and dedicated services and support of the Mayor and Commission, Village staff and the Village's audit firm, GLSC & Company, P.L.L.C. We wish to express our appreciation to all participants 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.

Respectfully submitted,

Heidi Shafran  
Village Manager

Irwin Williams, CPA  
Finance Director



Government Finance Officers Association

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, 2012**

Executive Director/CEO

# Village of Biscayne Park, Florida

LIST OF ELECTED OFFICIALS  
September 30, 2013

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**Mayor David Coviello**



**Vice Mayor Barbara Watts**



**Commissioner Roxanna Ross**



**Commissioner Robert "Bob"  
Anderson**



**Commissioner Fred Jonas**

# VILLAGE OF BISCAYNE PARK

## LIST OF APPOINTED OFFICIALS

September 30, 2013

### APPOINTED OFFICIALS

Village Manager.....Heidi Shafran  
Assistant to the Manager.....Candido Sosa-Cruz  
Village Clerk.....Maria Camara  
Village Attorney.....John J. Hearn

### DEPARTMENT HEADS

Finance Director.....Irwin Williams  
Interim Chief of Police.....Duncan Foster  
Public Works Director.....Candido Sosa-Cruz  
Recreation Coordinator.....Issa Thornell  
Building Official.....Shanesa Mykoo

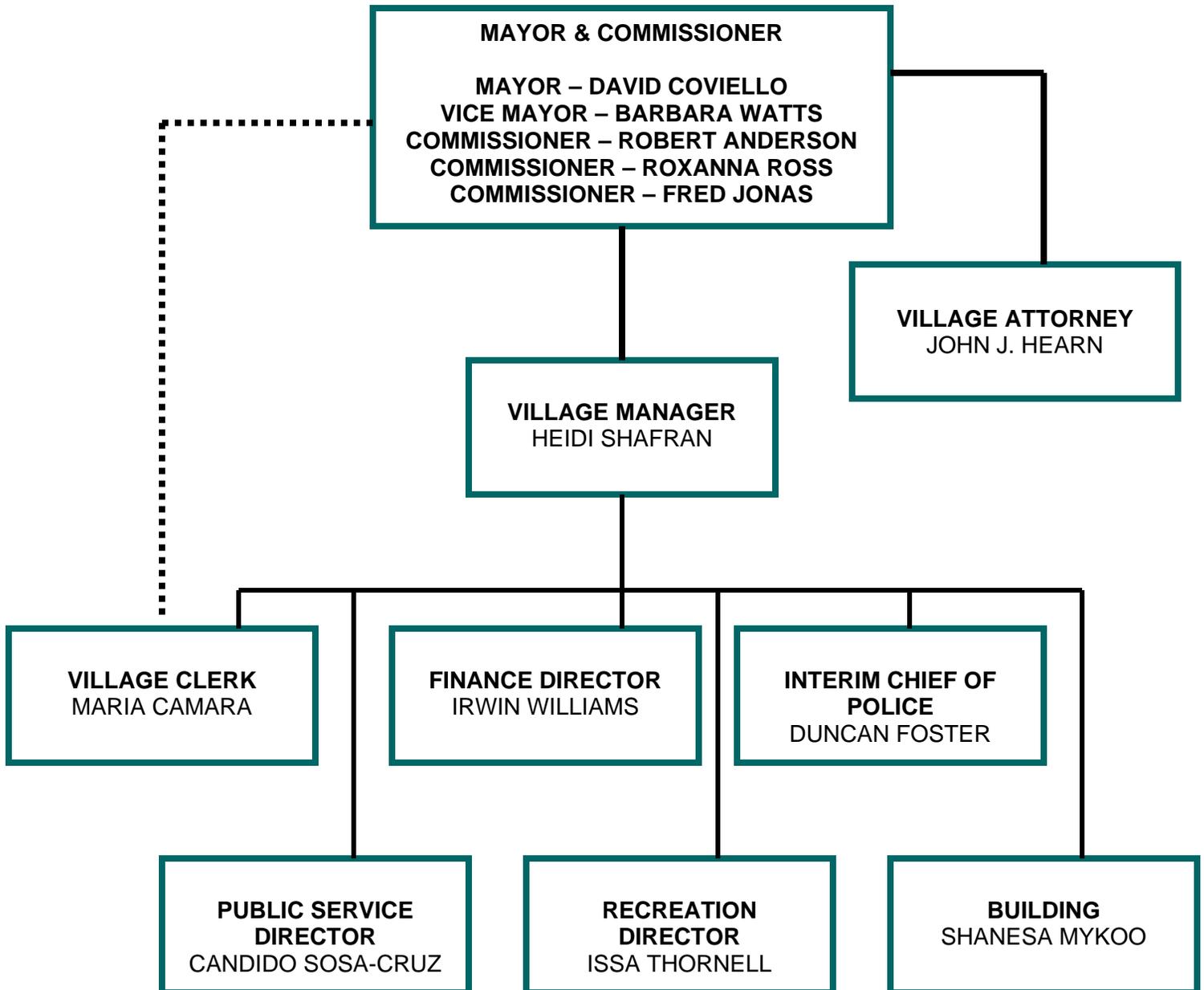
### VILLAGE AUDITORS

GLSC & Company, P.L.L.C.

# VILLAGE OF BISCAYNE PARK

Organization Chart

September 30, 2013





## **FINANCIAL SECTION**



**INDEPENDENT AUDITORS'  
REPORT**



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Biscayne Park, Florida, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

### ***Opinions***

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13 and 41 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Biscayne Park's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014, on our consideration of the Village of Biscayne Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Biscayne Park's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida  
June 23, 2014





## **MANAGEMENT DISCUSSION & ANALYSIS**

## 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, 2013. 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 2013

- At September 30, 2013, the assets of the Village of Biscayne Park exceeded its liabilities by \$2,258,238 (*net position*). Of this amount, \$1,641,535 was invested in capital assets, net of related debt. Additionally, \$254,977 was restricted by law, agreements, or for capital projects. The Village had \$368,978 (*unrestricted net position*) which may be used to meet the Village's ongoing obligations to citizens and creditors.
- During the fiscal year 2013, net position increased by a net of \$15,500. The increase is attributable to current year results of operations. This change in net position resulted from an increase of \$34,345 in governmental activities and a decrease in business-type activities of \$18,845.
- At September 30, 2013, the Village of Biscayne Park's general fund reported an ending fund balance of \$532,427, a decrease of \$4,651 as compared with the prior year. Of the total fund balance, approximately \$ 407,685 or 76.57% of this total amount is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance represents 17.4% 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 Position* presents information on all of the assets and liabilities of the Village of Biscayne Park, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of 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 14-15 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 five (5) 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, CITT fund, and road fund which are all considered major funds. Data from the other two (2) 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 16 to 19 of this report. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 45 to 46 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 20 to 22 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 23 to 40 of this report.

## **Government-wide Financial Analysis**

**Summary of net position.** As noted earlier, net position 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 Position summary presentation as reflected below:

- 1. Net results of activities** will impact (increase/decrease) current assets and unrestricted net position.
- 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 position 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 position 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, 2013 the Village of Biscayne Park governmental activities' assets exceeded liabilities by \$2,234,453. A portion of the Village's net position, \$1,603,646 or 71.5%, 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 position, \$254,977 or 11%, represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, \$375,830 or 17% 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 position in its governmental activities while business-type activities reported a negative unrestricted net position of \$14,104 at September 30, 2013.

	Governmental Activities		Business Type Activities		Total Primary Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and Other assets	\$ 890,023	\$ 803,029	\$ (13,438)	\$ 26,074	\$ 876,585	\$ 829,103
Capital Assets, net	<u>1,630,190</u>	<u>1,722,569</u>	<u>71,276</u>	<u>52,553</u>	<u>1,701,466</u>	<u>1,775,122</u>
<b>Total Assets</b>	<b><u>2,520,213</u></b>	<b><u>2,525,598</u></b>	<b><u>57,838</u></b>	<b><u>78,627</u></b>	<b><u>2,578,051</u></b>	<b><u>2,604,225</u></b>
Other Liabilities	98,244	176,915	666	30,759	98,910	207,674
Long-term Debt	<u>187,516</u>	<u>148,575</u>	<u>33,387</u>	<u>5,238</u>	<u>220,903</u>	<u>153,813</u>
<b>Total Liabilities</b>	<b><u>285,760</u></b>	<b><u>325,490</u></b>	<b><u>34,053</u></b>	<b><u>35,997</u></b>	<b><u>319,813</u></b>	<b><u>361,487</u></b>
Invested in capital assets, net of debt						
Net of related debt	1,603,646	1,722,568	37,889	52,553	1,641,535	1,775,121
Restricted	254,977	156,580	-	-	254,977	156,580
Unrestricted	<u>375,830</u>	<u>320,960</u>	<u>(14,104)</u>	<u>(9,923)</u>	<u>361,726</u>	<u>311,037</u>
<b>Total net assets</b>	<b><u>\$ 2,234,453</u></b>	<b><u>\$ 2,200,108</u></b>	<b><u>\$ 23,785</u></b>	<b><u>\$ 42,630</u></b>	<b><u>\$ 2,258,238</u></b>	<b><u>\$ 2,242,738</u></b>

Net position invested in capital assets, net of debt decreased by \$133,586 as compared with prior fiscal year, this decrease resulted mainly from depreciation expense during the year 2013.

Restricted net position increased by \$98,397 to \$254,977 from \$156,580 in fiscal year 2013 due to funds received for transportation and transit projects. The increase in unrestricted net position of \$54,870 was attributed to an increase of revenues from current year operations, offset by an increase in expenditures from current year operations and transfers out to other funds.

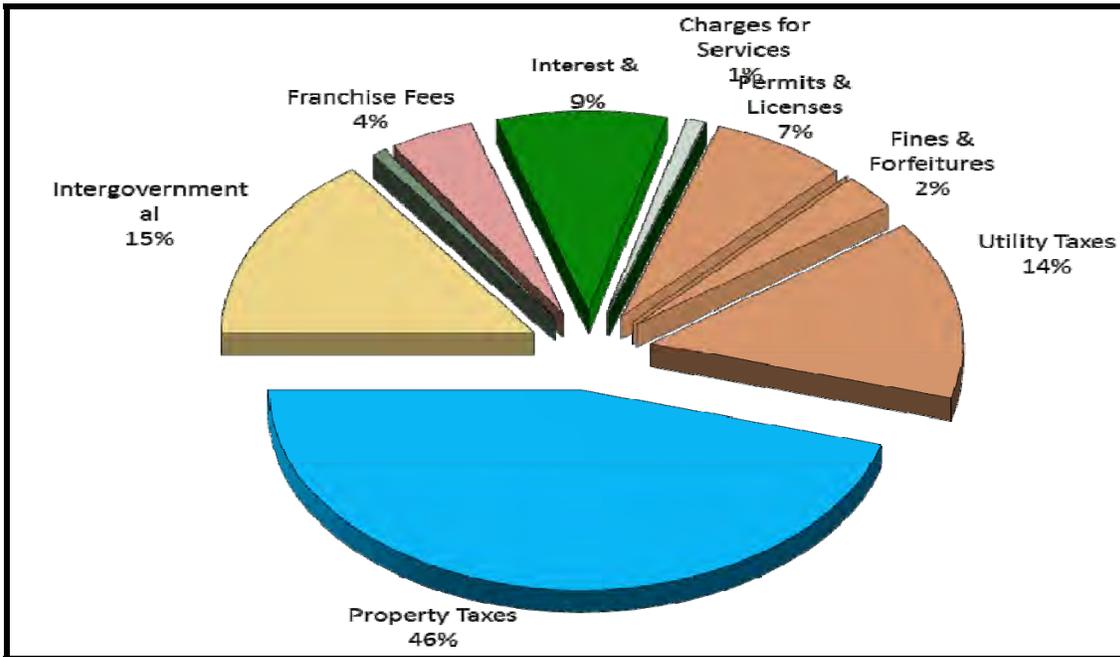
**Governmental Activities.** Financial activities for the fiscal year are reported below. Key indicators, including revenues and expenditures by category are presented below:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 440,155	\$ 382,752	\$ 721,196	\$ 666,960	\$ 1,167,701	\$ 1,049,712
Operating grants & Contributions	11,967	2,535	-	-	11,967	2,535
Capital grants & Contributions	-	177,525	-	-	-	177,525
<b>General Revenues:</b>						
Property taxes	1,187,503	1,129,240	-	-	1,187,503	1,129,240
Utility taxes	376,892	290,045	-	-	376,892	290,045
Franchise fees	112,685	111,947	-	-	112,685	111,947
Intergovernmental (unrestricted)	393,998	480,692	-	-	393,998	480,692
Miscellaneous	<u>81,306</u>	<u>6,674</u>	-	-	<u>81,306</u>	<u>6,674</u>
<b>Total Revenues</b>	<b>2,604,506</b>	<b>2,581,410</b>	<b>721,196</b>	<b>666,960</b>	<b>3,325,702</b>	<b>3,248,370</b>
<b>Expenses:</b>						
General government	643,734	588,779	-	-	643,734	588,779
Public safety	1,250,941	1,237,027	-	-	1,250,941	1,237,027
Physical environment	491,336	489,362	-	-	491,336	489,362
Culture and recreation	184,150	138,429	-	-	184,150	138,429
Sanitation	-	-	740,041	758,357	740,041	758,357
Interest on long-term debt	-	<u>1,823</u>	-	-	-	<u>1,823</u>
<b>Total Expenses</b>	<b>2,570,161</b>	<b>2,455,420</b>	<b>740,041</b>	<b>758,357</b>	<b>3,310,202</b>	<b>3,213,777</b>
<b>Increase (decrease) in net position</b>	34,345	125,990	(18,845)	(91,397)	15,500	34,593
<b>Net position, beginning</b>	<u>2,200,108</u>	<u>2,074,118</u>	<u>42,630</u>	<u>134,027</u>	<u>2,242,738</u>	<u>2,208,145</u>
<b>Net position, ending</b>	<b><u>\$ 2,234,453</u></b>	<b><u>\$ 2,200,108</u></b>	<b><u>\$ 23,785</u></b>	<b><u>\$ 42,630</u></b>	<b><u>\$ 2,258,238</u></b>	<b><u>\$ 2,242,738</u></b>

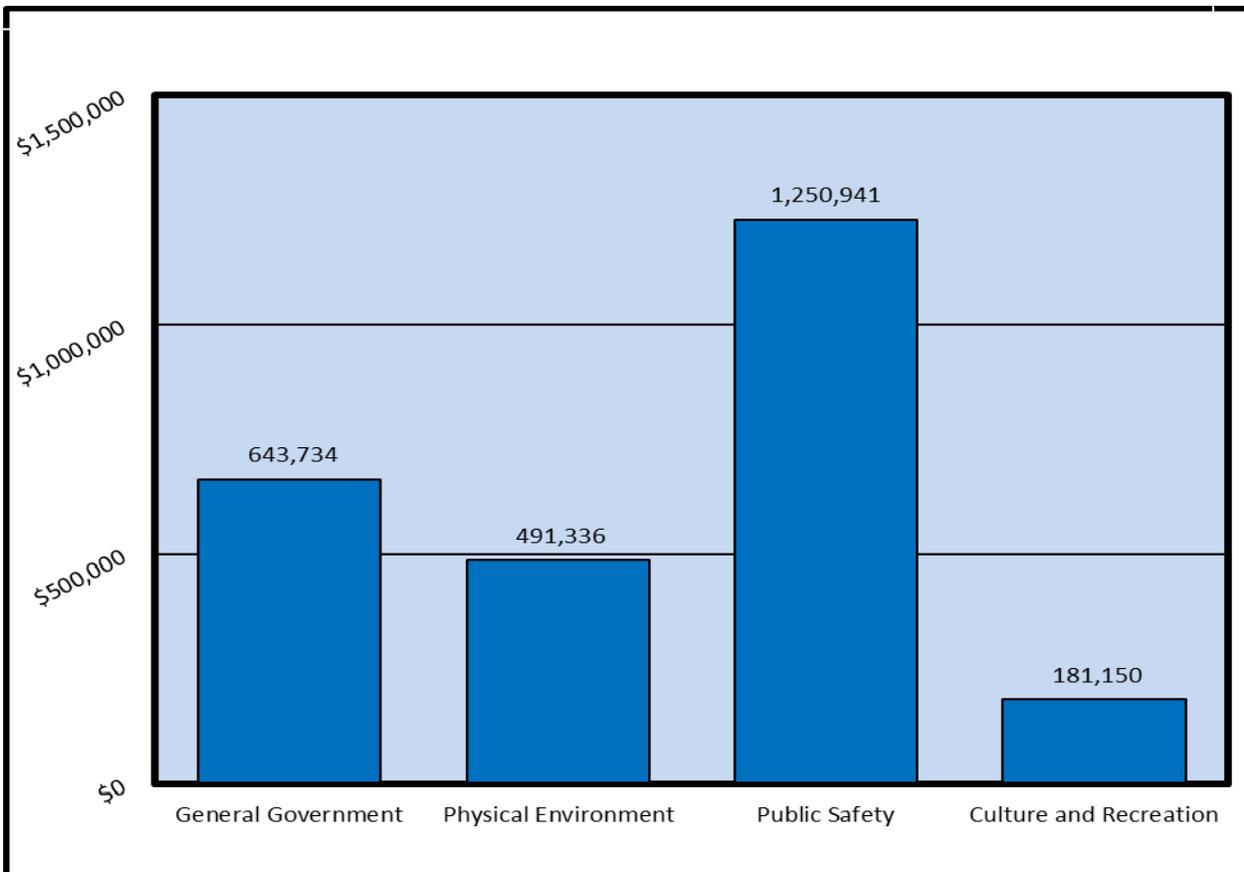
For fiscal year 2013, total revenues increased by \$77,332 or 2.4% as compared to prior year. The increase in revenues was mainly due to additional property tax revenues derived from an increase in the millage rate to 9.5 from 8.9 the prior year, an increase in license and permit revenues and an increase in fines and forfeitures revenue.

Total expenses increased \$96,425 or 3.0%. The marginal increase in total expenses was attributable to various factors from operating activities.

**Figure A-1**  
**Village of Biscayne Park**  
**Revenues by Source – Governmental Activities**  
**For the Fiscal Year Ended September 30, 2013**

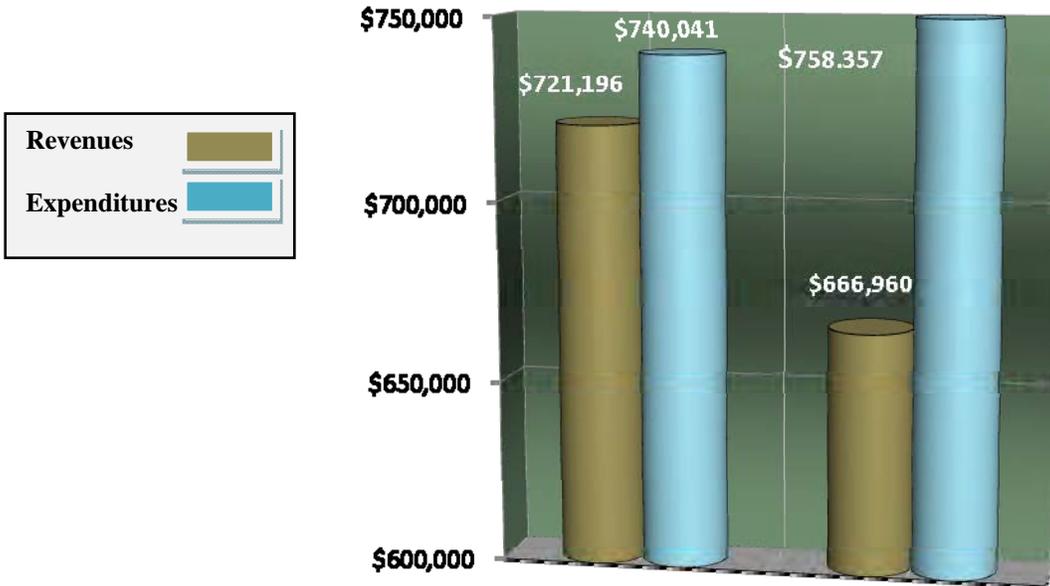


**Figure A-2**  
**Village of Biscayne Park**  
**Expenses – Governmental Activities**  
**For the Fiscal Year Ended September 30, 2013**



**Figure A-3**  
**Village of Biscayne Park**  
**Program Revenues and Expenses-Business-type Activities**  
**For the Fiscal Year Ended September 30, 2013**

**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. Changes in Proprietary funds are explained on page 11 of this report.



**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 *unassigned 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 \$783,404. Of this amount, \$403,685 reflects *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance, \$379,719 is *non-spendable, restricted or assigned fund balances* indicating that it is *not* available for new spending as those dollars have already been committed or are not in spendable form. Non-spendable fund balance of \$124,742 is comprised of inventories and prepayments (\$87,223) and long-term receivable from sanitation fees (\$37,519). The restricted fund balance of \$254,977 pertains to remaining balance of funds received from collection of gas taxes and transportation surtax usage of which are restricted for transportation and transit related activities. The fund balances show a net increase of \$157,290 as compared to the prior fiscal year. This increase is mainly attributable to operating revenues exceeding expenditures in fiscal year 2013.

**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 \$532,427, a decrease of \$4,651 in comparison with the prior fiscal year. Approximately 76% of the total fund balance, \$403,685, constitutes *unassigned 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, 37,519 and 2) inventories and prepayments, \$87,223.

At the end of the current fiscal year, unassigned fund balance of the general fund was \$407,685. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.4% of total general fund expenditures, while total fund balance represents 22.8% 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, 2013 and 2012 is shown below:

**Table 3**  
**Village of Biscayne Park**  
**Summary of General Fund Balance Sheet**  
**As of September 30, 2013 and 2012**

	2013	2012	Change	Percent Change
<b>Total assets</b>	\$ 813,414	\$ 900,732	\$ (87,318)	-9.7%
<b>Total liabilities</b>	280,987	363,654	(82,667)	-22.7%
No spendable, restricted, and assigned	124,742	58,167	66,575	114.4%
Unassigned fund balance	<u>407,685</u>	<u>478,911</u>	<u>(71,226)</u>	-14.9%
<b>Total fund balance</b>	<u>532,427</u>	<u>537,078</u>	<u>(4,651)</u>	-0.87%
<b>Total liabilities and fund balance</b>	<u>\$ 813,414</u>	<u>\$ 900,732</u>	<u>\$ (87,318)</u>	-9.7%

**Table 4**  
**Village of Biscayne Park**  
**Summary of General Fund Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance**  
**as of September 30, 2013 and 2012**

	2013	2012	Change	Percent Change
Total revenues	\$ 2,374,862	\$ 2,201,690	\$ 173,172	7.87%
Total expenditures	<u>2,338,513</u>	<u>2,319,965</u>	<u>18,548</u>	0.80%
Excess of revenues over expenditures	36,349	(118,275)	154,624	-130.73%
Other Financing Sources (Uses)	<u>(41,000)</u>	<u>63,609</u>	<u>(104,609)</u>	164.45%
Change in fund balance	(4,651)	(54,666)	50,015	-91.49%
Fund balance, beginning	<u>537,078</u>	<u>591,744</u>	<u>(54,666)</u>	-9.24%
Fund balance, ending	<u>\$ 532,427</u>	<u>\$ 537,078</u>	<u>\$ (4,651)</u>	-0.87%

The Village of Biscayne Park revenues increased by \$173,172 mainly attributable to an increase in property taxes, intergovernmental revenues, licenses and permits and fines and forfeitures.

**Other Major Governmental Funds.** The Village of Biscayne Park has two other major funds, CITT Fund and the Road Fund. The fund balance at September 30, 2013 for CITT Transportation Fund increased by \$74,142 from 2012 to 2013 representing the excess of revenues received from CITT over expenditures and transfers. The Road Fund's fund balance increased by \$24,255 from 2012 to 2013 as a result of the excess of revenues received from gas tax revenues over expenditures for street and road repairs.

**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 position of the Sanitation Fund in at the end of 2013 totaled \$23,785 compared to \$42,630 in 2012, a decrease of \$18,845 compared to the prior year. Revenues increased by \$54,236 from \$666,960 in 2012 to \$721,196 in 2013, representing an increase of 8.1%. Expenses decreased from \$758,357 in 2012 to \$738,012 in 2013, a decrease of \$20,345 or 2.7%; approximately \$11,300 of this decrease was mainly due to decrease in landfill tipping fees.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget decreased appropriations by \$12,000, This net change of \$12,000 was due to increases in expenditures in the administration, finance, building and parks and recreation departments offset by decreases in the general government public works and code compliance departments. The budgetary comparison schedules are presented for the general fund and major special revenue funds - CITT and Road Fund on pages 41 through 43 of this report.

**Capital Assets.** The Village of Biscayne Park's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$1,701,466 (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, 2013 and 2012**

Classification	Governmental Activities		Business-Type Activities		Total		Percent Change
	2013	2012	2013	2012	2013	2012	
Land	\$ 157,490	\$ 157,490	\$ -	\$ -	\$ 157,490	\$ 157,490	0.0%
Building	896,946	896,946	-	-	896,946	896,946	0.0%
Infrastructure	1,150,013	1,150,013	-	-	1,150,013	1,150,013	0.0%
Furniture and equipment	1,467,300	1,460,490	308,023	267,754	1,775,323	1,728,244	2.7%
Construction In Progress	<u>10,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,633</u>	<u>-</u>	100%
<b>Total capital assets</b>	<b><u>\$ 3,682,382</u></b>	<b><u>\$ 3,664,939</u></b>	<b><u>\$308,023</u></b>	<b><u>\$ 267,754</u></b>	<b><u>\$ 3,990,405</u></b>	<b><u>\$ 3,932,693</u></b>	<b>1.2%</b>

Increases in capital assets during fiscal year 2013 include purchase of two vehicles and other equipment in the amount of approximately \$47,000 and construction in progress on a street and road project in the amount of \$10,633. Additional information on the Village of Biscayne Park's capital assets may be found in Note 6 on pages 34 of this report.

**Long-term Debt.** At September 30, 2013, the Village of Biscayne Park had \$59,931 in long-term debt pertaining to outstanding balance of the capital leases related to the purchase of two vehicles during the year 2013. Additional information on the Village's long-term debt may be found in Note 7 on pages 35 of this report.

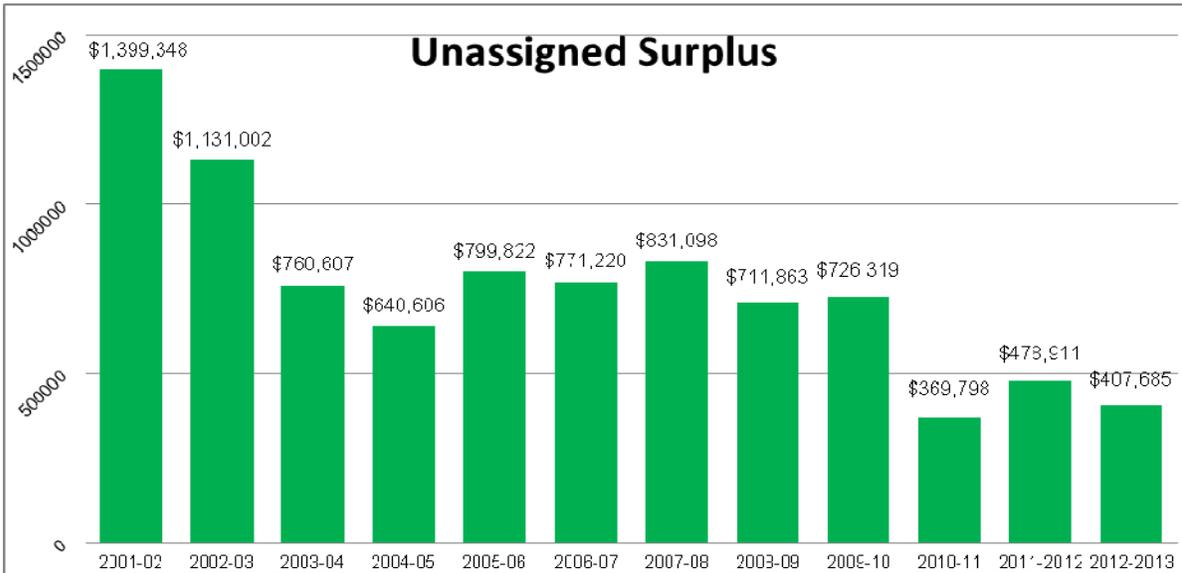
**Economic Factors and Next Year’s Budgets and Rates**

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 50% of total general fund revenues. As such, the Village relies heavily on the property values of single family homes. The Housing sector was at the center of the 2007-2009 Recession and continues to impact the Village’s tax revenues. Property values increased marginally from 2012 to 2013 by 1.6% or 2.05 million dollars. Coupled with the increase in the millage rate from 8.9 to 9.5, property tax revenues increased by 5.15% resulting in an increase in property tax revenue of \$58,262.

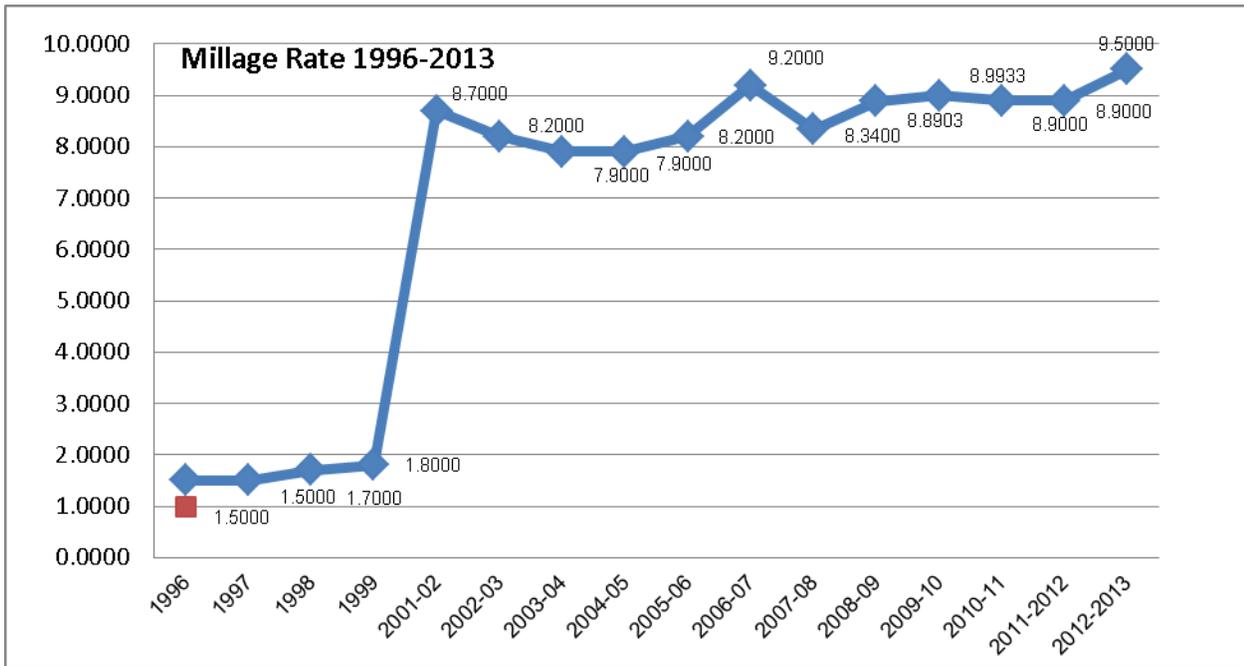
At September 30, 2013, unassigned fund balance in the General Fund was \$407,685 as compared to unassigned fund balance of \$478,911 in 2012, a decrease of \$71,226. This \$71,226 is approximately equal to 36.5% of one month’s General Fund operating expenditures. The graph below shows the unrestricted surplus from 2002 to 2013. The Village has demonstrated significant decline in unrestricted surplus from 2002 through 2013 and is making every effort to improve 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.

**Figure A-4  
Village of Biscayne Park  
General Fund Unrestricted/Unassigned Surplus  
For the fiscal years ended September 30, 2002-2013**



Millage rates are limited to 10 mils by state law. The graph below shows the Village of Biscayne Park millage rates from 1996 to 2012. The maximum millage rate over the 16 year history was 9.5. Accordingly, the Village Commission is reluctant to raise millage rates to increase property tax revenues in FY2013-2014.

**Table A-5  
Village of Biscayne Park  
Total Village Millage  
For the Fiscal Years ended September 30, 1997-2013**



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 increased revenues by raising the millage rate from 8.9 to 9.5 mills resulting in additional ad valorem revenues of \$58,262. Expenditures increased from \$2,319,965 in 2012 to \$2,338,513 in 2013, a marginal increase of \$18,548 or .7%. This increase was comprised of significant savings in general government and park and recreation expenditures offset by under budgeted expenditures in public safety for fuel costs and vehicle repairs and maintenance.

**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 114<sup>th</sup> Street  
Biscayne Park, Florida 33161



# **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2013**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b><u>ASSETS</u></b>			
Cash	\$ 427,924	\$ -	\$ 427,924
Investments	8,347	-	8,347
Restricted cash	183,385	-	183,385
Accounts receivables	132,187	-	132,187
Accounts receivables - sanitation fees	37,519	-	37,519
Internal balances	13,438	(13,438)	-
Inventories	2,000	-	2,000
Prepayments	85,223	-	85,223
Capital assets:			
Non-depreciable capital assets			
Land	157,490	-	157,490
Construction in progress	<u>10,633</u>	<u>-</u>	<u>10,633</u>
Total non-depreciable capital assets	<u>168,123</u>	<u>-</u>	<u>168,123</u>
Depreciable assets			
Leasehold improvements	896,946	-	896,946
Furniture and equipment	1,467,300	308,023	1,775,323
Infrastructure	1,150,013	-	1,150,013
Less: accumulated depreciation	<u>(2,052,192)</u>	<u>(236,747)</u>	<u>(2,288,939)</u>
Net depreciable capital assets	<u>1,462,067</u>	<u>71,276</u>	<u>1,533,343</u>
Total property and equipment	<u>1,630,190</u>	<u>71,276</u>	<u>1,701,466</u>
Total assets	<u>2,520,213</u>	<u>57,838</u>	<u>2,578,051</u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
Liabilities:			
Accounts payable and other current liabilities	45,118	666	45,784
Accrued payroll and benefits	46,702	-	46,702
Other liabilities	6,424	-	6,424
Noncurrent liabilities:			
Due within one year	12,877	7,656	20,533
Due in more than one year	<u>174,639</u>	<u>25,731</u>	<u>200,370</u>
Total liabilities	<u>285,760</u>	<u>34,053</u>	<u>319,813</u>
Net Position:			
Invested in capital assets, net of related debt	1,603,646	37,889	1,641,535
Restricted for:			
Transporation	254,977	-	254,977
Unrestricted	<u>375,830</u>	<u>(14,104)</u>	<u>361,726</u>
Total net position	<u>\$ 2,234,453</u>	<u>\$ 23,785</u>	<u>\$ 2,258,238</u>

The accompanying notes are an integral part of the financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

<b>Functions/Programs</b>	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	Charges for	Operating	Capital	<u>Primary Government</u>		
		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
					<u>Activities</u>	<u>Activity</u>	
Governmental activities:							
General government	\$ 643,734	\$ 149,730	\$ -	\$ -	\$ (494,004)	\$ -	\$ (494,004)
Public safety	1,250,941	257,698	11,967	-	(981,276)	-	(981,276)
Physical environment	491,336	7,960	-	-	(483,376)	-	(483,376)
Culture and recreation	184,150	24,767	-	-	(159,383)	-	(159,383)
Total governmental activities	2,570,161	440,155	11,967	-	(2,118,039)	-	(2,118,039)
Business-type activity:							
Sanitation	740,041	721,196	-	-	-	(18,845)	(18,845)
<b>Total primary government</b>	<b>\$ 3,310,202</b>	<b>\$ 1,161,351</b>	<b>\$ 11,967</b>	<b>\$ -</b>	<b>(2,118,039)</b>	<b>(18,845)</b>	<b>(2,136,884)</b>
General revenues:							
Property taxes					1,187,503	-	1,187,503
Utility taxes					376,892	-	376,892
Franchise fees on gross receipts					112,685	-	112,685
Intergovernmental not restricted to specific programs					393,998	-	393,998
Investment and miscellaneous income					81,306	-	81,306
Total general revenues					2,152,384	-	2,152,384
Change in net position					34,345	(18,845)	15,500
Net position, beginning					2,200,108	42,630	2,242,738
Net position, ending					\$ 2,234,453	\$ 23,785	\$ 2,258,238

The accompanying notes are an integral part of the financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

<b><u>ASSETS</u></b>	<b>Major Funds</b>				<b><u>Total</u></b>
	<b><u>General</u></b>	<b><u>Road Fund</u></b>	<b><u>CITT Fund</u></b>	<b><u>Nonmajor Governmental Funds</u></b>	
Cash	\$ 427,924	\$ -	\$ 144,152	\$ 39,233	\$ 611,309
Investments	8,347	-	-	-	8,347
Accounts receivable - net	132,094	-	93	-	132,187
Accounts receivable - sanitation fees	37,519	-	-	-	37,519
Due from other funds	120,307	159,479	14,889	58,431	353,106
Inventories	2,000	-	-	-	2,000
Prepayments	85,223	-	-	-	85,223
Total assets	\$ 813,414	\$ 159,479	\$ 159,134	\$ 97,664	\$ 1,229,691
<b><u>LIABILITIES AND FUND BALANCE (DEFICIT)</u></b>					
Liabilities:					
Accounts payable	\$ 45,118	\$ -	\$ -	\$ -	\$ 45,118
Accrued payroll and benefits	55,077	-	-	-	55,077
Other liabilities	6,424	-	-	-	6,424
Due to other funds	174,368	-	63,636	101,664	339,668
Total liabilities	280,987	-	63,636	101,664	446,287
Fund balance (deficit):					
Nonspendable:					
Inventories, prepayments and other assets	87,223	-	-	-	87,223
Long-term receivables					
Accounts receivable - sanitation fees	37,519	-	-	-	37,519
Restricted for:					
Transportation	-	159,479	95,498	-	254,977
Unassigned	407,685	-	-	(4,000)	403,685
Total fund balance (deficit)	532,427	159,479	95,498	(4,000)	783,404
Total liabilities and fund balances	\$ 813,414	\$ 159,479	\$ 159,134	\$ 97,664	\$ 1,229,691

The accompanying notes are an integral part of the financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

Fund balance - total government funds (page 16)	\$	783,404
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets		3,682,382
Less accumulated depreciation		(2,052,192)

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

Capital leases		(26,544)
Compensated absences		(110,629)
OPEB Liability		<u>(41,968)</u>

Net position of governmental activities (Page 14)	\$	<u><u>2,234,453</u></u>
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**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Major Funds</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Road Fund</u>	<u>CITT Fund</u>	<u>Governmental</u> <u>Funds</u>	
<b>REVENUES:</b>					
Property taxes	\$ 1,187,503	\$ -	\$ -	\$ -	\$ 1,187,503
Franchise fees	112,685	-	-	-	112,685
Utility taxes	300,753	76,139	-	-	376,892
Charges for services	174,497	-	-	-	174,497
Intergovernmental	290,922	14,958	108,045	-	413,925
Licenses and permits	182,155	-	-	-	182,155
Fines and forfeitures	75,543	-	-	-	75,543
Interest	295	-	19	-	314
Miscellaneous	50,509	30,483	-	-	80,992
Total revenues	<u>2,374,862</u>	<u>121,580</u>	<u>108,064</u>	<u>-</u>	<u>2,604,506</u>
<b>EXPENDITURES:</b>					
Current:					
General government	644,543	-	-	-	644,543
Public safety	1,235,268	-	-	4,000	1,239,268
Physical environment	307,930	97,325	33,922	-	439,177
Culture and recreation	150,772	-	-	-	150,772
Total expenditures	<u>2,338,513</u>	<u>97,325</u>	<u>33,922</u>	<u>4,000</u>	<u>2,473,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,349</u>	<u>24,255</u>	<u>74,142</u>	<u>(4,000)</u>	<u>130,746</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital lease	26,544	-	-	-	26,544
Transfers in	-	-	-	67,544	67,544
Transfers out	(67,544)	-	-	-	(67,544)
Total other financing sources (uses)	<u>(41,000)</u>	<u>-</u>	<u>-</u>	<u>67,544</u>	<u>26,544</u>
Net change in fund balances	(4,651)	24,255	74,142	63,544	157,290
Fund balance (deficit), beginning	<u>537,078</u>	<u>135,224</u>	<u>21,356</u>	<u>(67,544)</u>	<u>626,114</u>
Fund balance (deficit), ending	<u>\$ 532,427</u>	<u>\$ 159,479</u>	<u>\$ 95,498</u>	<u>\$ (4,000)</u>	<u>\$ 783,404</u>

The accompanying notes are an integral part of the 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  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$	157,290
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Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlays	\$	65,777	
Less current year depreciation		<u>(158,156)</u>	\$ (92,379)

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

Capital leases		(26,544)
----------------	--	----------

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

Compensated absences		3,230	
OPEB Liability		<u>(7,252)</u>	

Change in net position of governmental activities (page 15)	\$	<u>34,345</u>
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VILLAGE OF BISCAYNE PARK, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2013

	<b>BUSINESS- TYPE ACTIVITIES ENTERPRISE FUND</b>
	<b><u>SANITATION FUND</u></b>
<b>ASSETS</b>	
Noncurrent assets	
Equipment	308,023
Less: Accumulated depreciation	<u>(236,747)</u>
Total noncurrent assets	<u>71,276</u>
Total Assets	<u><u>71,276</u></u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	666
Due to other funds	13,438
Current portion of capital lease	<u>7,656</u>
Total current liabilities	<u>21,760</u>
Noncurrent liabilities	
Capital lease	<u>25,731</u>
Total noncurrent liabilities	<u>25,731</u>
Total Liabilities	<u>47,491</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	37,889
Unrestricted	<u>(14,104)</u>
Total Net Position	<u><u>\$ 23,785</u></u>

The accompanying notes are an integral part of the financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>BUSINESS-  TYPE ACTIVITIES-  ENTERPRISE  FUND</b> <hr/> <b>SANITATION FUND</b> <hr/>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 721,196
Total Operating Revenues	<u>721,196</u>
<b>OPERATING EXPENSES</b>	
Operations and maintenance	486,566
Disposal costs	229,900
Depreciation	<u>21,546</u>
Total Operating Expenses	<u>738,012</u>
Operating loss	<u>(16,816)</u>
<b>NONOPERATING EXPENSES</b>	
Interest expenses	<u>(2,029)</u>
Total Nonoperating Expenses	<u>(2,029)</u>
Change in net position	(18,845)
TOTAL NET POSITION, OCTOBER 1	<u>42,630</u>
TOTAL NET POSITION, SEPTEMBER 30	<u>\$ 23,785</u>

The accompanying notes are an integral part of the financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>BUSINESS- TYPE ACTIVITIES- ENTERPRISE FUND</b> <hr/> <b>SANITATION FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers, governments, and other funds	\$ 721,203
Cash paid to interfund services used	(121,483)
Cash paid to suppliers	(350,996)
Cash paid to employees	(239,813)
Net Cash Provided By Operating Activities	8,911
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal retirement of capital debt	(6,882)
Interest paid on capital debt	(2,029)
Net Cash (Used in) Investing Activities	(8,911)
 <b>NET CHANGE IN CASH</b>	 -
<b>CASH, OCTOBER 1</b>	-
<b>CASH, SEPTEMBER 30</b>	\$ -
 <b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:</b>	
Operating (Loss)	\$ (16,816)
Adjustment to reconcile operating loss to cash provided by operating activities	
Depreciation	21,546
Change in Assets and Liabilities:	
Decrease in accounts receivables	7
Decrease in due from other funds	175,846
(Decrease) in accounts payable	(25,630)
(Decrease) in accrued payroll and benefits	(9,701)
(Decrease) in due to other funds	(136,341)
Total adjustments	25,727
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 8,911</b>
Purchase of vehicles through capital lease financing	\$ 40,269

The accompanying notes are an integral part of the financial statements



## **NOTES TO FINANCIAL STATEMENTS**

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**1. 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 was one entity evaluated for inclusion in the Village's reporting entity.

**Discretely Presented** - Biscayne Park Foundation, Inc. (the "Foundation") is a non-for-profit foundation created by the Village through passing of an Ordinance 2007-08 on April 10, 2007, as its fundraising arm. The Foundation is intended to enhance the Village's opportunities to raise monies through special events, sponsorship, donation and grants exclusively for charitable, educational, and scientific purposes which include raising the educational and social levels of its residents to foster and promote community-wide interest and concern for the history and preservation of the Village. The Foundation is a separate legal entity and is governed by a separate board consist of three to five members, nominated and appointed by the Village Commission for a term of five (5) years. Currently, the Village Commission serves as the Foundation's governing board. The Foundation has \$9,248 cash in bank at September 30, 2013 and has no significant transactions during the year 2013, as such; the Foundation has not been presented in the Village's financial statements. The Foundation does not publish individual component unit financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the 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. 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c. Measurement focus, basis of accounting, and financial statement presentation  
(Continued)**

The *Road fund* accounts for the collection of gas taxes used to fund construction and improvements of road, sidewalks, intersection and other existing transportation network.

The *CITT fund* accounts for the proceeds of revenues from Citizen Independent Transportation Transit (CITT) of Miami Dade that is legally restricted for transportation and transit related activities.

The Village reports the following major proprietary fund:

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

Additionally, the Village reports the following nonmajor funds:

The *special revenue funds* account for the proceeds of specific revenue sources that are restricted legally to expenditures for specified purposes other than debt service or capital project.

The *capital improvement fund* accounts for funds used by the Village for construction of major projects and funds which are restricted for construction.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of administrative expense between the General Fund and Sanitation Fund. Elimination of these charges would distort the direct costs and program revenues for various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### d. Assets, liabilities and net position

#### 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.

State statutes requires all deposits of the Village, including demand deposit accounts, time deposit accounts and money market accounts be held in institutions designated by the Treasurer of the State of Florida as "qualified depositories" and accordingly, are covered by a collateral pool as required by that statute.

Investments for the Village are reported at fair value. The Village's investment in the State Board of Administration Investment Pool is divided into the Local Government Surplus Funds Trust Fund Investment Pool ("LGIP") and the Fund B Surplus Funds Trust Funds ("Fund B"). The LGIP is considered a SEC 2A-7-like fund, thus reported at its fair value of its position in the pool, which is the same as its value of the pool shares. The Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2013 was 1.13262284. The account balance in Fund B should be multiplied by the factor in order to calculate the fair value of the Village's investment in Fund B.

#### 2. 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 noncurrent 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".

All other receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trend and the period aging of receivables.

#### 3. Inventory and prepaid items

Inventories of governmental funds, which consist of expendable supplies held for consumption, are recorded as expenditures when consumed rather than when purchased (consumption method). The inventories of supplies, diesel fuel and gasoline are recorded at cost using the moving average method.

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.

#### 4. Restricted Assets

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Assets, liabilities and net position (Continued)**

**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, 2013, was 9.5 mills (\$9.50 per \$1,000 of taxable assessed valuation).

**6. Capital Assets**

Capital assets, which include land, property, equipment, and infrastructure assets (e.g., roads, sidewalks, culverts, light poles, and similar items), are reported in the applicable 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	20-25
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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### d. Assets, liabilities and net position (Continued)

#### 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 position.

#### 9. Equity classifications

*Government-wide statements and proprietary funds statements*

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
  - a. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

b. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

c. **Assets, liabilities and net position (Continued)**

9. **Equity classifications (Continued)**

Beginning with fiscal year 2011, the Village implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”. This Statement more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

- *Nonspendable fund balance* – amounts that cannot be spent either because they are not in spendable form (such as inventory) or because they are legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, Village Code, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Commission) through passing of an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- *Assigned fund balance* – amounts the Village intends to use for a specific purpose. Intent can be expressed by the management of the Village.
- *Unassigned fund balance* – amounts that are available for any purpose in the general fund, which are not included in any other spendable classifications.

When expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the Village considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Commission or Village Manager has provided otherwise in its commitment or assigned actions.

The Village will maintain a minimum unassigned fund balance in the General Fund, at each fiscal year end, ranging from 15% to 20% of the following year’s projected budgeted expenditures and outgoing transfers. In any fiscal year where the Village is unable to maintain a 15% minimum level of fund balance as required in this section, the Village manager shall prepare and submit in conjunction with the proposed budget a plan for expenditure reductions and/or revenue increases necessary to restore the minimum requirements. As part of the annual budget process, the Commission will review and if necessary, amend the plan submitted by the Village Manager for restoring the amounts of unassigned fund balance to the required minimum levels. Any deficit in the required minimum amount must be restored no later than the end of the second fiscal year following the occurrence.

d. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

e. **Assets, liabilities and net position (Continued)**

**10. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, 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.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the Village is subject to various federal, state, and local laws and contractual regulations. Except as reported in the schedule of findings and recommendations, 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
Federal Forfeitures	Law Enforcement

**3. DEPOSITS AND INVESTMENTS**

**Deposits**

As of September 30, 2013, the Village's carrying amount of deposits was approximately \$611,309 including petty cash of \$68. Bank balances before reconciling items were \$711,353 at that date, the total of which is collateralized or insured with securities held by the Village or by its agent in the Village's name as discussed below.

*Custodial Credit Risk.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All of the Village's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposit Act". Under this Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level.

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### Investments

In fiscal year 2011, the Village adopted a written investment policy allowing the following investments: U.S. Government obligations, U.S. agency obligation, U.S. instrumentality obligations, Certificate of Deposits, Savings and Loan Association Deposits, Investment-grade obligation of State, provincial and local governments and public authorities, money market mutual funds regulated by Securities and Exchange Commission and whose portfolios consist only of domestic securities, and Local Government Surplus Funds Trust Fund, or any intergovernmental, investment pool authorized through the Florida Interlocal Cooperation Act.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Life(Years)</u>
State Board of Administration —Fund B	<u>\$ 8,347</u>	4.04
	<u>\$ 8,347</u>	

The State Board of Administration (SBA) administers the Local Government Surplus Funds Trust Fund (LGIP) and the Fund B Surplus Funds Trust Fund (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the LGIP and the Fund B. The LGIP is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the LGIP is equal to the value of the pool shares. The Fund B is accounted for as a fluctuating NAV pool. As of September 30, 2013, the fair value for the Fund B was \$1.13262284 per share. The Fund B is not subject to participant withdrawal request. Distributions from the Fund B, as determined by the SBA, are affected by transferring eligible cash and securities to the LGIP, consistent with the pro rata allocation of pool shareholders of record at the creation of the Fund B.

One hundred percent of such distributions from the Fund B are available as liquid balance with the LGIP. The investments in the LGIP and the Fund B are not insured by FDIC or any other governmental agency.

*Interest Rate Risk* — Interest rate risk is 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 since it does not have any investments with long term maturity except for SBA Fund B. The weighted average life (WAL) of Fund B at September 30, 2013 is 4.04 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

### 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### Investments (Continued)

*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 Fund B is not rated by nationally recognized 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.

### 4. RECEIVABLES/PAYABLES

#### Receivables

Receivables at September 30, 2013, consisted of sanitation fees, franchise fees, and other receivables. The Village's receivables at September 30, 2013, were as follows:

	Sanitation Fees	Franchise Fees and Taxes	Other	Totals
<b>Governmental Funds</b>				
General fund	\$ 37,519	\$ 132,094	\$ -	\$ 169,613
CITT fund	-	-	93	93
	<u>\$ 37,519</u>	<u>\$ 132,094</u>	<u>\$ 93</u>	<u>\$ 169,706</u>

The \$37,519 in sanitation fees receivable in the General fund represents old receivables outstanding from prior years before the Village contracted Miami Dade County Office of the Property Appraiser to include the solid waste fees to the property tax billings. The sanitation fees receivable is net of \$27,811 estimated allowance to cover plea bargaining arrangements upon settlement of the accounts with the Village. During 2013, approximately \$19,000 was collected from the old sanitation fees receivable and the Village continues its efforts to collect these accounts. Liens have been placed or will be placed on properties with outstanding balances and the Village expects to collect portion of these funds. All franchise fees and taxes receivable are considered fully collectible.

**5. RECEIVABLES/PAYABLES (CONTINUED)**

**Payables**

	<u>Vendor</u>	<u>Due to Other Government</u>	<u>Others</u>	<u>Total</u>
<b>Governmental Funds</b>				
General Fund	\$ 42,808	\$ 2,310	\$ 6,424	\$ 51,542
<b>Proprietary Funds</b>				
Sanitation fund	666	-	-	666
	<u>\$ 43,474</u>	<u>\$ 2,310</u>	<u>\$ 6,424</u>	<u>\$ 52,208</u>

**6. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS**

Interfund balances as of September 30, 2013, were as follows:

	<u>Payable Fund</u>				
	<u>General Fund</u>	<u>CITT Fund</u>	<u>Sanitation Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
General fund	\$ -	\$ 5,205	\$ 13,438	\$ 101,664	\$ 120,307
Road fund	159,479	-	-	-	159,479
CITT Fund	14,889	-	-	-	14,889
Capital Improvement fund	-	58,431	-	-	58,431
	<u>\$ 174,368</u>	<u>\$ 63,636</u>	<u>\$ 13,438</u>	<u>\$ 101,664</u>	<u>\$ 353,106</u>

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

Interfund transfers for fiscal year ended September 30, 2013 were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General fund	\$ -	\$ 67,544
Nonmajor funds		
Police Forfeiture fund	23,341	-
Capital Improvement fund	44,203	-
	<u>\$ 67,544</u>	<u>\$ 67,544</u>

- The transfer to Police Forfeiture Fund and Capital Improvement Fund of \$23,341 and \$44,203, respectively, from General Fund was to finance the deficit in fund balance from prior year.

## 6. CAPITAL ASSETS

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

	Balance September 30, 2012	Additions	Adjustment/ Deletions	Balance September 30, 2013
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 157,490	\$ -	\$ -	\$ 157,490
Construction in progress	<u>-</u>	<u>10,633</u>	<u>-</u>	<u>10,633</u>
Total capital assets not being depreciated	<u>157,490</u>	<u>10,633</u>	<u>-</u>	<u>168,123</u>
Capital assets being depreciated:				
Building	896,946	-	-	896,946
Infrastructure	1,150,013	-	-	1,150,013
Furniture and equipment	<u>1,460,490</u>	<u>55,144</u>	<u>(48,333)</u>	<u>1,467,300</u>
Total capital assets being depreciated	<u>3,507,449</u>	<u>55,144</u>	<u>(48,333)</u>	<u>3,514,259</u>
Less accumulated depreciation for:				
Building	(281,414)	(29,899)	-	(311,313)
Infrastructure	(302,940)	(89,910)	-	(392,850)
Furniture and equipment	<u>(1,358,016)</u>	<u>(38,347)</u>	<u>48,333</u>	<u>(1,348,029)</u>
Total accumulated depreciation	<u>(1,942,370)</u>	<u>(158,156)</u>	<u>48,333</u>	<u>(2,052,192)</u>
Total capital assets being depreciated, net	<u>1,565,079</u>	<u>(103,012)</u>	<u>-</u>	<u>1,462,067</u>
Governmental activities capital assets, net	<u>\$ 1,722,569</u>	<u>\$ (92,379)</u>	<u>\$ -</u>	<u>\$ 1,630,190</u>
<b>Business-type activities</b>				
Capital assets being depreciated:				
Equipment	\$ 267,754	\$ 40,269	\$ -	\$ 308,023
Total capital assets being depreciated	<u>267,754</u>	<u>40,269</u>	<u>-</u>	<u>308,023</u>
Less accumulated depreciation for:				
Equipment	<u>(215,201)</u>	<u>(21,546)</u>	<u>-</u>	<u>(236,747)</u>
Total accumulated depreciation	<u>(215,201)</u>	<u>(21,546)</u>	<u>-</u>	<u>(236,747)</u>
Total capital assets being depreciated, net	<u>52,553</u>	<u>18,723</u>	<u>-</u>	<u>71,276</u>
Business-type activities capital assets, net	<u>\$ 52,553</u>	<u>\$ 18,723</u>	<u>\$ -</u>	<u>\$ 71,276</u>

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

General government	\$ 8,180
Public Safety	41,750
Physical Environment	75,288
Culture and Recreation	<u>32,938</u>
Total depreciation expense - governmental activities	<u>\$ 158,156</u>

## 7. CAPITAL LEASES/LONG-TERM DEBT

In fiscal year 2013, the Village entered into lease agreements as lessee for financing the acquisition of two (2) vehicles with aggregate value of approximately \$66,800. The vehicles have 5-years estimated useful life and during the fiscal year 2013, approximately \$8,000 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

Year ending September 30:	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>
2014	\$ 5,813	\$ 8,912
2015	5,813	8,912
2016	5,813	8,912
2017	5,813	8,912
2018	<u>5,811</u>	<u>749</u>
Total minimum lease payments	29,063	36,397
Less: amount representing interest	<u>(2,519)</u>	<u>(3,010)</u>
Present value of minimum lease payments	<u>\$ 26,544</u>	<u>\$ 33,387</u>

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

	Balance October 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2013</u>	<u>Due Within</u> <u>One year</u>
<i>Governmental activities</i>					
Compensated absences	\$113,859	\$ 59,697	\$ (54,552)	\$ 119,004	\$ 8,375
OPEB liability	34,716	7,252	-	41,968	-
Capital leases	<u>-</u>	<u>26,544</u>	<u>-</u>	<u>26,544</u>	<u>4,502</u>
	<u>148,575</u>	<u>93,493</u>	<u>(54,552)</u>	<u>187,516</u>	<u>12,877</u>
<i>Business-type activities</i>					
Capital leases	-	40,269	(6,882)	33,387	7,656
Compensated absences	<u>5,238</u>	<u>-</u>	<u>(5,238)</u>	<u>-</u>	<u>-</u>
	<u>5,238</u>	<u>40,269</u>	<u>(12,120)</u>	<u>33,387</u>	<u>7,656</u>
Total Primary Government	<u>\$ 153,813</u>	<u>\$ 133,762</u>	<u>\$ (66,672)</u>	<u>\$ 220,903</u>	<u>\$ 20,533</u>

## 8. RESTRICTED ASSETS

The balances of the restricted cash and cash equivalents account in the governmental activities at September 30, 2013 pertain to the following:

<u>Fund</u>	<u>Restricted for</u>	<u>Amount</u>
CITT Fund	Transportation and transit	\$ 144,152
Police Forfeitures Fund	Public safety	<u>39,233</u>
		<u>\$ 183,385</u>

## 9. FLORIDA RETIREMENT SYSTEM

Employees of the Village who are employed in a full-time or part-time regularly established position participate in the statewide Florida Retirement System (FRS), a multiple-employer, cost-sharing defined benefit plan. All rates, benefits and amendments are established by the State of Florida through its legislative body.

The FRS has various classes of memberships. Village employees fall under three of the classes, which are as follows:

Special Risk Class – All law enforcement officers of the Village are covered by this class.

Senior Management Service Class – The Village Manager is included in this class.

Regular Class – This class covers all Village employees who do not qualify for membership in the special risk service classes.

All members of the FRS Pension Plan actively employed on July 1, 2011, are vested upon completing six years of creditable service (including military leaves of absence), regardless of their membership class.

All members of the FRS Pension Plan initially enrolled on or after July 1, 2011, are vested upon completing eight years of creditable service (including military leaves of absence), regardless of their membership class.

Normal retirement requirements for members of the FRS Pension Plan are as follows:

Regular Class and Senior Management Service Class - For members initially enrolled before July 1, 2011, vested and age 62 or after 30 years of creditable service regardless of age. For members initially enrolled on or after July 1, 2011, vested and age 65 or after 33 years of creditable service regardless of age.

Special Risk Class – For members initially enrolled before July 1, 2011, six years of special risk service and age 55; or 25 total years of special risk service and age 52 (may include credits of up to four years of military service); or 25 years of special risk service regardless of age; or 30 years of any creditable service (may include credit for up to four years of military service). For members initially enrolled on or after July 1, 2011, eight years of special risk service and age 60; or after 30 total years of special risk service regardless of age; or after 33 years of any creditable service (may include optional service credit and service in other membership cases).

The monthly benefit a member will receive at retirement depends on his/her years of creditable service, percentage value for each year of creditable service, and average final compensation. *Years of creditable service* is the total years and parts of years a member works in positions covered by the FRS. *Average final compensation* for members initially enrolled before July 1, 2011 is the average of the five highest years of salary an employee earns during covered employment. For members initially enrolled on or after July 1, 2011, average final compensation is the average of the eight highest years of salary an employee earns during covered employment. *Percentage value* is the value a member receives for each year of creditable service.

**9. FLORIDA RETIREMENT SYSTEM (CONTINUED)**

The following are the percentage values for the FRS:

Special Risk Class	
Service from 12/1/70 through 9/30/74	2.00%
Service from 10/1/74 through 9/30/78	3.00%
Service on or after 10/1/78	3.00%
Past service with Village or special district purchased as special risk service	2.00%
Senior Management Service Class	
Service on and after 2/1/87	2.00%
Regular Class (members initially enrolled before July 1, 2011):	
Retirement up to age 62 or 30 years of service	1.60%
Retirement at age 63 or 31 years of service	1.63%
Retirement at age 64 or 32 years of service	1.65%
Retirement at age 65 or 33 years of service	1.68%
Regular Class (members initially enrolled on or after July 1, 2011):	
Retirement up to age 65 or 33 years of service	1.60%
Retirement at age 66 or 34 years of service	1.63%
Retirement at age 67 or 35 years of service	1.65%
Retirement at age 68 or 36 years of service	1.68%

Contributions to the FRS are calculated as a percentage of covered payrolls. Prior to July 1, 2011, such contributions were totally at the Village's expense. Effective July 1, 2011, however, members of the FRS are now required to make 3 percent pre-tax employee contributions. At year-end, the Village had 33 employees participating in the FRS.

The required contribution rates in effect at year end were:

	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
Special Risk Class	3%	14.90%	17.90%
Senior Management Service Class	3%	6.30%	9.30%
Regular Class	3%	5.18%	8.18%

The contribution requirements of covered payroll and actual contributions made for fiscal year 2013 and the two preceding years were as follows:

	FY 2013	FY 2012	FY 2011
Contributions requirements:			
Employer	\$ 123,031	\$ 113,405	\$ 192,002
Employee	36,964	37,819	9,832
	<u>\$ 159,995</u>	<u>\$ 151,224</u>	<u>\$ 201,834</u>
Contributions made (100%)	\$ 159,995	\$ 151,224	\$ 201,834
Total covered payroll	\$ 1,279,605	\$ 1,181,849	\$ 1,343,104
Percent of contributions to total covered payroll	<u>12.50%</u>	<u>12.8%</u>	<u>15.0%</u>

**9. FLORIDA RETIREMENT SYSTEM (CONTINUED)**

The FRS issues an annual report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000.

**10. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

*Plan Description.* The Village of Biscayne Park provides health insurance benefits to its retired employees through a single-employer plan administered by the Village. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Village or its major component unit and eligible dependents, may continue to participate in the Village's fully-insured benefit plan for medical and prescription drug insurance coverage. The Village subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree's lifetime (or until such time at which retiree discontinues coverage under the Village sponsored plans, if earlier).

*Funding Policy.* Currently, the Village's Other Post-Employment Benefits are unfunded. That is, the Village has not determined if a separate Trust Fund or equivalent arrangement will be established into which the Village would make contributions to advance-fund the obligation. For the fiscal year 2013, no retirees received other postemployment benefits and, consequently, the Village did not provide any pay-as-you-go contributions toward the annual OPEB cost. Retirees are required to pay 100% of the blended premium in order to stay covered under the Village's group health insurance program.

*Annual OPEB Cost and Net OPEB Obligation.* The Village has elected to calculate the annual required contribution of the employer (ARC) and related information using the Alternative Measurement Method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The Village's annual other postemployment benefit cost (expense) is calculated based on the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Changes in the Village's net OPEB obligation to the retirees as of September 30, 2013 are as follows:

Annual required contribution	7,149
Interest on net OPEB obligation	1,389
Adjustment to annual required contribution	<u>(1,286)</u>
Annual OPEB cost	7,252
Employer contribution	-
Interest on employer contribution	<u>-</u>
Increase in net OPEB obligation	7,252
Net OPEB obligation, beginning of year	<u>34,716</u>
Net OPEB obligation, end of year	<u>\$ 41,968</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year ending September 30,

	2013	2012	2011
Annual OPEB cost	\$ 7,252	\$ 12,187	\$ 11,566
Percentage of OPEB cost contributed	0%	0%	0%
Net OPEB obligation	\$ 41,968	\$ 34,716	\$ 22,529

## 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

*Funded Status and Funding Progress.* As of the reporting date the plan assets were \$0, the actuarial accrued liability for benefits was \$44,017 the total unfunded actuarial liability is \$44,017, and the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) is 0%. The covered payroll (annual payroll of active employees covered by the plan) was \$1,102,498, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 4%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Based on the historical and expected returns of the Village's short-term investment portfolio, a discount rate of 4.00% was used. An inflation rate of 3.00% was assumed. In addition, the Entry Age Normal actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at September 30, 2013 was 27 years. Health insurance trends start at 8.00% for the fiscal year ending in 2014, grading down to 5.00% at the ultimate trend rate by 2022.

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL Entry Age (b)	Unfunded (AAL) (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll (b-a)/c
9/30/13	\$ -	\$ 44,017	\$ 44,017	0%	\$ 1,102,498	4%
9/30/10	\$ -	\$ 57,840	\$ 57,840	0%	\$ 1,147,141	5%

## 11. 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.

## **12. 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.

## **13. DEFICIT FUND BALANCE**

At September 30, 2013, the Village's Police Forfeiture Fund reported deficit fund balance of \$4,000, which will be funded by the General Fund in the next fiscal year.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**VILLAGE OF BISCAYNE PARK, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 1,182,602	\$ 1,178,752	\$ 1,187,503	\$ 8,751
Franchise fees	123,359	113,859	112,685	(1,174)
Utility taxes	280,229	303,729	300,753	(2,976)
Charges for services	232,060	203,060	204,133	1,073
Intergovernmental	283,127	276,127	282,962	6,835
Licenses and permits	149,923	182,623	188,506	5,883
Fines and forfeitures	29,500	75,512	75,543	31
Interest	1,500	200	293	93
Miscellaneous	<u>54,832</u>	<u>39,920</u>	<u>49,028</u>	<u>9,108</u>
Total revenues	<u>2,337,132</u>	<u>2,373,782</u>	<u>2,401,406</u>	<u>27,624</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Village Commission	22,370	18,370	18,370	-
Administration	209,274	232,274	231,600	674
Finance	140,997	157,497	157,012	485
Non-departmental	312,236	242,236	237,562	4,674
Public safety	1,015,716	1,023,216	1,049,216	(26,000)
Building and code enforcement	154,630	192,130	187,051	5,079
Physical environment	342,591	307,591	306,930	661
Culture and recreation	<u>139,318</u>	<u>151,818</u>	<u>150,772</u>	<u>1,046</u>
Total expenditures	<u>2,337,132</u>	<u>2,325,132</u>	<u>2,338,513</u>	<u>(13,381)</u>
Excess of revenues over expenditures	<u>-</u>	<u>48,650</u>	<u>62,893</u>	<u>14,243</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	18,894	-	(18,894)
Transfers out	<u>-</u>	<u>(67,544)</u>	<u>(67,544)</u>	<u>-</u>
Total other financing (uses)	<u>-</u>	<u>(48,650)</u>	<u>(67,544)</u>	<u>(18,894)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(4,651)</u>	<u>\$ (4,651)</u>
Fund balance, beginning			<u>537,078</u>	
Fund balance, ending			<u>\$ 532,427</u>	

Refer to the accompanying notes to budgetary comparison schedule

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GOVERNMENTAL FUND  
ROAD FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 103,281	\$ 103,281	\$ 91,097	\$ (12,184)
Miscellaneous	4,080	4,080	30,483	26,403
Total revenues	107,361	107,361	121,580	14,219
<b>EXPENDITURES:</b>				
Current:				
Physical environment	108,781	108,781	97,325	11,456
Total expenditures	108,781	108,781	97,325	11,456
Excess (deficiency) of revenues over expenditures	(1,420)	(1,420)	24,255	25,675
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,420	1,420	-	(1,420)
Total other financing sources (uses)	1,420	1,420	-	(1,420)
Net change in fund balances	\$ -	\$ -	24,255	\$ 24,255
Fund balance, beginning			135,224	
Fund balance, ending			\$ 159,479	

Refer to the accompanying notes to budgetary comparison schedule

**VILLAGE OF BISCAYNE PARK, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

CITT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 104,424	\$ 104,424	\$ 108,045	\$ 3,621
Interest	234	234	19	(215)
Total revenues	<u>104,658</u>	<u>104,658</u>	<u>108,064</u>	<u>3,406</u>
<b>EXPENDITURES:</b>				
Current:				
Physical environment	<u>104,658</u>	<u>104,658</u>	<u>33,922</u>	<u>70,736</u>
Total expenditures	<u>104,658</u>	<u>104,658</u>	<u>33,922</u>	<u>70,736</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>74,142</u>	<u>74,142</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	74,142	<u>\$ 74,142</u>
Fund balance, beginning			<u>21,356</u>	
Fund balance (deficit), ending			<u>\$ 95,498</u>	

Refer to the accompanying notes to budgetary comparison schedule

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED SEPTEMBER 30, 2013

1. 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.
2. 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:
  - a. 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.
  - b. *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.
  - c. *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.
  - d. The Village's department heads recommend transfers of appropriations within a department with approval of the Village Manager and Finance Director.
  - e. 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.
3. During the fiscal year, the Village Commission approved by ordinance several budget changes on the department level.
4. During the fiscal year 2013, the Police Department's (Public Safety) actual expenditures exceeded its budgetary appropriation by approximately \$26,000.



## **COMBINING STATEMENTS**

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	<u>Special Revenue</u> <u>Fund -</u> <u>Police Forfeiture</u> <u>Fund</u>	<u>Capital Project</u> <u>Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 39,233	\$ -	\$ 39,233
Due from other funds	-	58,431	58,431
Total assets	<u>\$ 39,233</u>	<u>\$ 58,431</u>	<u>\$ 97,664</u>
<b><u>LIABILITIES AND FUND BALANCE (DEFICIT)</u></b>			
Liabilities:			
Due to other funds	\$ 43,233	\$ 58,431	\$ 101,664
Total liabilities	<u>43,233</u>	<u>58,431</u>	<u>101,664</u>
Fund balance (deficit):			
Unassigned	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>
Total fund balance (deficit)	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>
Total liabilities and fund balances (deficit)	<u>\$ 39,233</u>	<u>\$ 58,431</u>	<u>\$ 97,664</u>

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Special Revenue Fund - <u>Police Forfeiture</u> <u>Fund</u></b>	<b><u>Capital Project</u> <u>Fund</u></b>	<b><u>Total</u></b>
<b>REVENUES:</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Miscellaneous	-	-	-
Total revenues	-	-	-
<b>EXPENDITURES:</b>			
Current:			
Public safety	4,000	-	4,000
Total expenditures	4,000	-	4,000
(Deficit) of revenues over expenditures	(4,000)	-	(4,000)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	23,341	44,203	67,544
Total other financing sources	23,341	44,203	67,544
Net change in fund balances	19,341	44,203	63,544
Fund balance (deficit), beginning	(23,341)	(44,203)	(67,544)
Fund balance (deficit), ending	\$ (4,000)	\$ -	\$ (4,000)

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUND  
POLICE FORFEITURE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Orginal	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Interest	55	55	-	(55)
Total revenues	2,055	2,055	-	(2,055)
<b>EXPENDITURES:</b>				
Current:				
Public safety	2,055	2,055	4,000	(1,945)
Total expenditures	2,055	2,055	4,000	(1,945)
(Deficiency) of revenues (under) expenditures	-	-	(4,000)	(4,000)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	23,341	-
Total other financing sources	-	-	23,341	-
Net change in fund balances	\$ -	\$ -	19,341	\$ (4,000)
Fund balance (deficit), beginning			(23,341)	
Fund balance (deficit), ending			\$ (4,000)	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)  
 BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Physical environment	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	44,203	44,203	-
Total other financing sources	-	44,203	44,203	-
Net change in fund balances	\$ -	\$ 44,203	44,203	\$ -
Fund balance (deficit), beginning			(44,203)	
Fund balance, ending			\$ -	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 BUDGET AND ACTUAL - PROPRIETARY FUNDS  
 SANITATION FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				<u>Positive (Negative)</u>
Operating revenues:				
Charges for services	\$ 708,234	\$ 708,234	\$ 721,196	\$ 12,962
Total revenues	<u>708,234</u>	<u>708,234</u>	<u>721,196</u>	<u>12,962</u>
Operating expenses:				
Personal services	218,034	218,034	230,112	(12,078)
Material, supplies and services	477,682	477,682	488,383	(10,701)
Depreciation	<u>12,518</u>	<u>12,518</u>	<u>21,546</u>	<u>(9,028)</u>
Total expenditures	<u>708,234</u>	<u>708,234</u>	<u>740,041</u>	<u>(31,807)</u>
Operating loss	<u>-</u>	<u>-</u>	<u>(18,845)</u>	<u>(18,845)</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>(18,845)</u>	<u>\$ (18,845)</u>
Net position, beginning			<u>42,630</u>	
Net position, ending			<u>\$ 23,785</u>	



## **STATISTICAL SECTION**

**VILLAGE OF BISCAYNE PARK, FLORIDA  
STATISTICAL SECTION**

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

Contents

	Page
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	<b>50-54</b>
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	<b>55-58</b>
<b>Debt Capacity</b>	
<i>These schedules contain information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in future.</i>	<b>59-60</b>
<b>Demographic and Economic Information</b>	
<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>	<b>61-62</b>
<b>Operating Information</b>	
<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>	<b>63-65</b>
 <i>Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.</i>	

VILLAGE OF BISCAYNE PARK, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 518,703	\$ 574,368	\$ 511,655	\$ 880,881	\$ 876,032	\$ 912,666	\$ 1,384,778	\$ 1,578,502	\$ 1,722,569	\$ 1,603,646
Restricted	194,122	255,247	318,153	220,838	154,152	167,307	141,554	89,944	156,580	254,977
Unrestricted	1,056,956	640,606	799,822	910,925	919,134	823,927	737,603	405,672	320,960	375,830
Total governmental activities net position	<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>	<u>\$ 2,263,935</u>	<u>\$ 2,074,118</u>	<u>\$ 2,200,109</u>	<u>\$ 2,234,453</u>
Business-Type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 40,797	\$ 48,022	\$ 61,403	\$ 65,070	\$ 52,553	\$ 37,889
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	(21,798)	(11,019)	43,976	68,957	(9,923)	(14,104)
Total business type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,999</u>	<u>\$ 37,003</u>	<u>\$ 105,379</u>	<u>\$ 134,027</u>	<u>\$ 42,630</u>	<u>\$ 23,785</u>
Primary government										
Invested in capital assets, net of related debt	\$ 518,703	\$ 574,368	\$ 511,655	\$ 880,881	\$ 916,829	\$ 960,688	\$ 1,446,181	\$ 1,643,572	\$ 1,775,122	\$ 1,641,535
Restricted	194,122	255,247	318,153	220,838	154,152	167,307	141,554	89,944	156,580	254,977
Unrestricted	1,056,956	640,606	799,822	910,925	897,336	812,908	781,579	474,629	311,037	361,726
Total primary governmental activities net position	<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>	<u>\$ 2,369,314</u>	<u>\$ 2,208,145</u>	<u>\$ 2,242,739</u>	<u>\$ 2,258,238</u>

VILLAGE OF BISCAYNE PARK, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 703,731	\$ 643,498	\$ 644,968	\$ 677,103	\$ 692,448	\$ 687,230	\$ 673,004	\$ 577,793	\$ 588,779	\$ 643,734
Public safety	953,050	965,936	1,091,907	1,525,175	1,559,133	1,582,899	1,387,897	1,331,851	1,237,027	1,250,941
Physical environment	830,443	1,214,443	2,189,251	1,262,831	566,017	454,919	459,016	538,098	489,362	491,336
Culture and recreation	258,618	307,648	316,284	293,470	298,812	186,011	108,774	135,283	138,429	184,150
Interest on long-term debt	1,733	2,552	2,567	3,683	2,772	4,872	5,770	4,723	1,823	-
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>	<u>2,634,461</u>	<u>2,587,748</u>	<u>2,455,420</u>	<u>\$ 2,570,161</u>
Business-type activities:										
Sanitation	-	-	-	-	690,416	687,885	660,071	670,655	758,357	740,041
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>	<u>\$ 3,294,532</u>	<u>\$ 3,258,403</u>	<u>\$ 3,213,777</u>	<u>\$ 3,310,202</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	4,771	5,390	6,372	6,023	4,358	3,765	5,501	57,794	163,592	149,730
Public safety	126,112	216,373	180,917	316,589	252,645	283,957	247,975	146,857	46,550	257,698
Public works	503,118	384,151	558,007	638,872	-	50,000	50,000	208,040	139,516	7,960
Culture and recreation	91,825	107,391	155,696	146,219	99,632	43,284	22,857	23,776	33,094	24,767
Operating grants and contributions	3,980	217,550	1,181,810	323,635	39,367	166,455	407,380	184,650	180,060	11,967
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>	<u>733,713</u>	<u>621,117</u>	<u>562,812</u>	<u>452,122</u>
Business-type activities:										
Sanitation	-	-	-	-	702,519	705,889	728,447	699,303	666,960	721,196
Net (expense)/revenue										
Governmental activities	\$ (2,017,769)	\$ (2,203,272)	\$ (2,162,175)	\$ (2,330,924)	\$ (2,723,180)	\$ (2,368,470)	\$ (1,900,748)	\$ (1,966,631)	\$ (1,892,608)	\$ (2,118,039)
Business-type activities	-	-	-	-	12,103	18,004	68,376	28,648	(91,397)	(18,845)
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>	<u>\$ (1,832,372)</u>	<u>\$ (1,937,983)</u>	<u>\$ (1,984,005)</u>	<u>(2,136,884)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	985,944	1,052,454	1,289,887	1,707,948	1,692,975	1,568,450	1,399,864	1,138,854	1,129,241	1,187,503
Utility taxes	212,504	215,844	228,549	225,643	273,866	244,258	255,360	271,317	290,045	376,892
Franchise fees on gross receipts	132,785	87,524	122,750	125,523	115,686	115,272	120,595	122,163	111,947	112,685
Intergovernmental (unrestricted)	393,885	509,223	610,060	530,968	544,248	363,507	442,373	243,365	480,692	393,998
Investment income	32,078	29,746	62,219	65,388	24,048	7,853	5,862	1,115	6,674	81,306
Miscellaneous	-	5,921	11,119	58,468	15,927	23,712	36,729	-	-	-
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>	<u>\$ 2,260,783</u>	<u>\$ 1,776,814</u>	<u>\$ 2,018,599</u>	<u>2,152,384</u>
Business-type activities:										
Sanitation	-	-	-	-	-	-	-	-	-	-
<b>Change in Net Position</b>										
Governmental activities	\$ (260,573)	\$ (302,560)	\$ 162,409	\$ 383,014	\$ (56,430)	\$ (45,418)	\$ 360,035	\$ (189,817)	\$ 125,991	\$ 34,345
Business-type activities	-	-	-	-	12,103	18,004	68,376	28,648	(91,397)	(18,845)
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>	<u>\$ 428,411</u>	<u>\$ (161,169)</u>	<u>\$ 34,594</u>	<u>15,500</u>

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

<b>Fiscal Year</b>	<b>Ad-Valorem Taxes General Purpose</b>	<b>Local Option Gas Tax</b>	<b>2nd Local Option Gas Tax</b>	<b>People's Transportation Tax</b>	<b>State Revenue Sharing Tax</b>	<b>Half Cent Sales tax</b>	<b>Franchise Taxes</b>	<b>Utility Taxes</b>	<b>Total</b>
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
2010	1,399,864	54,436	20,671	97,948	85,446	178,987	120,595	255,360	2,213,307
2011	1,138,854	56,591	22,060	100,460	86,480	195,951	122,163	271,317	1,993,876
2012	1,129,241	54,194	20,888	104,231	68,290	198,372	111,947	290,045	1,977,208
2013	1,187,503	55,242	20,897	93,180	58,492	210,625	112,685	300,752	2,039,376

**VILLAGE OF BISCAYNE PARK, FLORIDA**

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> (1)	<u>2012</u> (1)	<u>2013</u> (1)
General fund										
Reserved	\$ 240,287	\$ 199,411	\$ 210,159	\$ 224,013	\$ 188,350	\$ 181,485	\$ 124,423	\$ -	\$ -	\$ -
Unreserved	760,607	476,846	680,541	771,220	831,098	711,863	726,319	-	-	-
Nonspendable	-	-	-	-	-	-	-	108,415	58,167	124,742
Assigned	-	-	-	-	-	-	-	113,531	-	-
Unassigned	-	-	-	-	-	-	-	369,798	478,911	407,685
<b>Total general fund</b>	<b>\$ 1,000,894</b>	<b>\$ 676,257</b>	<b>\$ 890,700</b>	<b>\$ 995,233</b>	<b>\$ 1,019,448</b>	<b>\$ 893,348</b>	<b>\$ 850,742</b>	<b>\$ 591,744</b>	<b>\$ 537,078</b>	<b>\$ 532,427</b>
All other governmental funds										
Reserved	\$ 194,122	\$ 252,247	\$ 318,153	\$ 220,838	\$ 154,152	\$ 167,307	\$ 125,032	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	56,062	(35,651)	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	46,720	-	-
Restricted	-	-	-	-	-	-	-	69,560	156,580	254,977
Assigned	-	-	-	-	-	-	-	15,709	-	-
Unassigned	-	-	-	-	-	-	-	(95,207)	(67,544)	(4,000)
<b>Total all other governmental funds</b>	<b>\$ 250,184</b>	<b>\$ 216,596</b>	<b>\$ 318,153</b>	<b>\$ 220,838</b>	<b>\$ 154,152</b>	<b>\$ 167,307</b>	<b>\$ 125,032</b>	<b>\$ 36,782</b>	<b>\$ 89,036</b>	<b>\$ 250,977</b>

(1) GASB Statement No. 54 changes in fund balances information presented in this section were limited to fiscal year 2011. Fund balances prior to fiscal year 2011 were not reclassified because this was deemed impractical. The nature of the difference between the fiscal year 2011 and all prior years relates to fund balances for the years prior to fiscal year 2011 not being reclassified to GASB Statement No. 54 fund classifications. For additional information on fund balance classification, see Note 1.d.10.

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>REVENUES</b>										
Taxes and franchise fees	\$ 1,254,990	\$ 1,139,978	\$ 1,412,637	\$ 1,833,471	\$ 1,808,661	\$ 1,683,722	\$ 1,520,459	\$ 1,261,017	\$ 1,241,188	\$ 1,300,188
Charges for services	599,714	496,932	720,075	791,114	103,990	97,049	78,358	207,083	219,057	174,497
Utility taxes	212,504	215,844	228,549	225,643	273,866	244,258	255,360	271,317	290,045	376,892
Intergovernmental	261,604	726,773	1,791,870	854,603	583,615	529,962	849,753	529,715	632,752	413,925
Licenses and permits	88,071	116,726	122,988	177,539	148,170	118,324	128,982	107,539	139,516	182,155
Fines and forfeitures	38,041	99,647	57,929	139,050	104,475	165,633	118,993	26,291	46,550	75,543
Interest		29,746	62,219	65,388	24,048	7,853	5,862	3,430	1,538	314
Grants	32,078									
Miscellaneous	-	5,921	11,119	58,468	15,927	23,712	36,729	5,685	853	80,992
Total revenues	<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>	<u>2,994,496</u>	<u>2,412,077</u>	<u>2,571,499</u>	<u>2,604,506</u>
<b>EXPENDITURES</b>										
Current:										
General government	660,728	620,034	623,866	657,669	667,210	687,901	657,313	581,597	768,214	644,543
Public safety	943,042	938,564	1,064,035	1,502,846	1,516,388	1,538,248	1,340,867	1,286,063	1,190,818	1,239,268
Public works	779,813	1,145,603	2,132,671	1,178,395	502,128	392,136	374,432	481,449	387,601	439,177
Culture and recreation	225,836	264,256	264,651	242,839	250,619	184,846	95,605	106,807	108,690	150,772
Debt service:										
Principal retirement	41,035	38,311	30,163	49,951	9,319	33,526	53,856	67,433	22,355	-
Interest and fiscal charges	1,733	2,552	2,567	3,683	2,772	4,872	5,770	4,725	1,823	-
Capital outlay:										
General government	440,522	204,132	64,259	689,693	156,786	270,739	551,534	231,251	94,410	-
Total expenditures	<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>	<u>3,079,377</u>	<u>2,759,325</u>	<u>2,573,911</u>	<u>2,473,760</u>
Excess(deficiency) of revenues over expenditures	(605,707)	(381,885)	225,174	(179,800)	(42,470)	(241,755)	(84,881)	(347,248)	(2,412)	130,746
Other financing (uses) sources:										
Transfers in	15,000	54,229	154,245	-	86,667	-	-	170,000	170,653	67,544
Transfers out	(15,000)	(54,229)	(154,245)	-	(86,667)	-	-	(170,000)	(170,653)	(67,544)
Proceeds from capital lease	71,981	23,662	-	187,012	-	128,810	-	-	-	26,544
Total other financing sources	<u>71,981</u>	<u>23,662</u>	<u>-</u>	<u>187,012</u>	<u>-</u>	<u>128,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,544</u>
Net change in fund balances	<u>\$ (533,726)</u>	<u>\$ (358,223)</u>	<u>\$ 225,174</u>	<u>\$ 7,212</u>	<u>\$ (42,470)</u>	<u>\$ (112,945)</u>	<u>\$ (84,881)</u>	<u>\$ (347,248)</u>	<u>\$ (2,412)</u>	<u>\$ 157,290</u>
Debt service as a percentage of noncapital expenditures	1.6%	1.4%	0.8%	1.5%	0.4%	1.4%	2.4%	2.9%	1.0%	0.0%

**VILLAGE OF BISCAYNE PARK, FLORIDA**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Net Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Net assessed Value as a Percentage of Estimated Actual Value (1)</b>
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%
2010	166,107,320	2,514,600	168,621,920	8.933	332,752,428	50.67%
2011	127,665,858	2,589,894	130,255,752	8.900	297,352,428	43.81%
2012	126,499,102	2,758,550	129,257,652	8.900	209,908,989	60.23%
2013	137,884,021	3,006,820	140,890,841	9.500	228,800,798	61.58%

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	County Debt Service	County Fire	Library	Schools	State*	
2004	8.0000	6.4690	0.2850	2.6610	-	9.1000	0.7355	27.2505
2005	8.0000	6.3792	0.2850	2.6610	-	8.6870	0.7355	26.7477
2006	8.5000	6.2638	0.2850	2.6610	-	8.4380	0.7355	26.8833
2007	9.2000	6.0373	0.2850	2.6510	-	8.1050	0.7355	27.0138
2008	8.3400	5.0019	0.2850	2.2477	-	7.9480	0.6585	24.4811
2009	8.8903	5.2945	0.2850	2.2487	-	7.7970	0.6585	25.1740
2010	8.9933	5.3370	0.2850	2.2271	-	7.9950	0.6585	25.4959
2011	8.9000	5.9275	0.2850	2.5953	-	8.2490	0.6585	26.6153
2012	8.9000	4.8050	0.2850	2.4627	-	8.0050	0.9708	25.4285
2013	9.5000	4.7035	0.2850	2.4627	-	7.9980	0.9634	25.9126

(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 NINE YEARS AGO

(amounts expressed in thousands)

2013				2004(1)			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
MATTHEW KAMINSKY	\$610,553	1	0.5%				
ROBERT W SMITH & W BARBARA	606,851	2	0.5%				
ALEXIS JUSTO & ROSEALENA SAYRE	572,672	3	0.4%				
MASSIELL RAMIREZ	454,261	4	0.4%				
GAVIN MCKENZIE	410,809	5	0.3%				
ROGER J. VALLCORSE & W MITCHELL	400,316	6	0.3%				
LOURDES MARIANO	385,241	7	0.3%				
HOWARD BUSHMAN & W. ORLEE	380,961	8	0.3%				
JEREMIAH JONES	366,367	9	0.3%				
VAUGHN R. GOLDSTEIN	260,349	10	0.2%				
	<u>\$4,448,380</u>		<u>3.4%</u>		<u>\$ -</u>		<u>0.0%</u>

Sources: Miami-Dade County Tax Assessors' Office  
 2012 Tax Roll  
 Real/personal property adjusted taxable value of \$129,257,652

(1) 2004 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
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	1,285,818	100.0%		1,285,818	100.0%
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%
2010	1,485,061	1,399,864	94.3%		1,399,864	94.3%
2011	1,182,565	1,138,854	96.3%		1,138,854	96.3%
2012	1,220,451	1,129,241	92.5%		1,129,241	92.5%
2013	1,182,602	1,187,503	100.4%		1,187,503	100.4%

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>Business-Type Activities Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
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	52,645	61,826	114,471	0.14%	34.396
2009	147,929	42,083	190,012	0.25%	57.095
2010	94,073	16,184	110,257	0.14%	33.130
2011	26,638	-	26,638	0.03%	8.719
2012	-	-	-	-	-
2013	26,544	33,387	59,931	0.06%	19.617

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 61 for the personal income and population data.

**VILLAGE OF BISCAYNE PARK, FLORIDA**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

FISCAL YEAR ENDED SEPTEMBER 30, 2013

(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)	\$ 173,605	0.09%	\$ 161
Miami-Dade County (3)	<u>1,023,586</u>	0.09%	<u>948</u>
Subtotal overlapping debt	1,197,191		1,109
Village of Biscayne Park direct debt	<u>59,931</u>	100.00%	<u>59,931</u>
Total direct and overlapping debt	\$ 1,257,122		\$ 61,040

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per capita Personal Income (2)</b>	<b>Unemployment rate (3)</b>
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
2010	3,328	76,287,744	22,923	8.6
2011	3,055	78,134,680	25,576	8.4
2012	3,055	102,754,925	33,635	8.4
2013	3,055	100,688,604	38,860	8.4

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>2013</u>			<u>2004</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>Percentage of Total County Employment</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	48,571	1	3.39%	37,500	1	3.47%
Miami-Dade County, Florida	29,000	2	2.03%	30,000	2	2.78%
Federal Government	19,500	3	1.49%	18,416	4	1.71%
Florida State Government	17,100	4	1.35%	19,958	3	1.85%
University of Miami	16,000	5	1.02%	8,000	7	0.74%
Baptist Health South Florida	13,376	6	1.14%	7,500	8	0.69%
Jackson Health System	12,571	7	0.83%	10,000	5	0.93%
Publix Supermarket	10,800	8	0.83%	4,000	10	0.37%
American Airlines	9,000	9	0.69%	9,000	6	0.83%
Florida International University	8,000	10	0.62%	2,591	13	0.24%
Precision Response Corporation				4,346	9	0.40%
	<u>183,918</u>			<u>151,311</u>		

Source: The Beacon Council

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

	<b>FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30,</b>										
<b>Function</b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
General government	2	3	3	2	2	3	3	3	3	4	4
Public safety											
Police											
Officers	11	11	11	11	11	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	1
Building & Zoning	1	1	1	1	1	1	1	1	1	1	1
Recreation	2	2	2	2	2	1	1	1	1	1	2
Public Works	9	9	9	9	8	7	7	7	7	7	5
Sanitation	9	9	9	9	9	8	8	6	6	6	5
	<u>36</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>35</u>	<u>33</u>	<u>33</u>	<u>31</u>	<u>31</u>	<u>32</u>	<u>29</u>

Source: Village of Biscayne Park Finance department

VILLAGE OF BISCAYNE PARK, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Public Safety</b>										
Police:										
Burglaries	43	38	63	60	32	28	46	28	22	19
Robberies	-	3	3	5	7	3	-	3	1	-
Number of uniformed officers	11	11	11	11	11	10	11	11	11	11
Building & Zoning:										
Number of building permits issued	458	469	474	490	434	422	480	469	680	669
License/Permit revenue generated	\$ 84,253	\$ 97,456	\$ 97,876	\$ 140,533	\$ 107,626	\$ 100,522	\$ 116,530	\$ 98,318	\$ 127,583	\$ 182,155
<b>Culture and recreation</b>										
Children enrolled in programs	220	287	310	294	123	N/A	N/A	N/A	N/A	N/A
Recreation revenues collected	\$ 75,479	\$ 90,420	\$ 133,970	\$ 127,861	\$ 84,951	N/A	N/A	\$ 28,186	\$ 33,094	\$ 24,766
<b>Sanitation:</b>										
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**

<b>Function/Program</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Public Safety</b>										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	13	14	15	15	15	12	12	12	12	12
<b>Public works</b>										
Streets (Miles-paved)	17	17	17	17	17	17	17	17	17	17
<b>Culture and recreation</b>										
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
<b>Sanitation</b>										
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**



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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 23, 2014.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Letter to Management that we consider to be significant deficiencies as items 2011-01 and 2010-05.

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 of Biscayne Park'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Letter to Management as items 2013-01, and 2012-01.

### **Village of Biscayne Park's Response to Findings**

The Village of Biscayne Park's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village of Biscayne Park's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

GLSC & Company, PLLC

June 23, 2014





**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

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

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village"), as of and for the year ended September 30, 2013, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 23, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated June 23, 2014, should be considered in conjunction with this management letter.

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

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended and should not be used by anyone other than these specified parties.

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

*GLSC & Company, PLLC*

June 23, 2014

## LETTER TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

#### 2013-01 Cash Receipts

- Condition:** We noted during our audit several instances where cash receipts were not deposited promptly.
- Cause:** The Village implemented several internal control procedures during the year including the segregation of duties between cashiering, bookkeeping, and depositing of cash receipts, however, the personnel assigned to perform the depositing of cash receipts is a third party consultant who reports to Village only once or twice a week. As a result, a delay between collection and deposit of cash receipts ranging from three days to a week.
- Effect:** Though weekly cash receipts are not a significant amount, the Village is exposed to potential loss either due to misplacement of checks or fraud scheme known as deposit lapping. In addition, the Village is missing the opportunity to earn interest on days that the funds are not deposited into the bank account.
- Recommendation:** We recommend that the Village promptly deposits all cash receipts by the next business day.
- Management's Response:** Effective October 1, 2014, this has been corrected through our third party consultant responsible for cash receipts is at the Village every Tuesday and Thursday. Checks received are immediately scanned and deposited to the bank account. Any checks received which are over the limit to be scanned are carried to the bank on the day received by one of the Village's police officers.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**2012-01            Sub-Contractors**

**Condition:**                      Our audit disclosed that the Village currently has no written formal contracts with any of its subcontractors performing permit inspections.

**Cause:**                              It has been long standing practice of the Village that inspectors are subcontracted based on mutual agreement of both parties and did not require formal written contract.

**Effect:**                              The Village may face potential exposure to liability for which sub-contractors may be deemed as employees in absence of a written agreement. The Village may also be named as a party to a lawsuit due to ambiguity of its relationship with its subcontractors or other potential issues related to unemployment compensation and payroll taxes.

**Recommendation:**              We recommend that the Village develop and enter into a formal contract with all its subcontractors detailing responsibilities of each party, compensation, and other key elements of a contract.

**Current Year Status:**            The Village has not implemented formal contracts with all contractors detailing responsibilities among all parties. Comments will be repeated.

**Corrective Action Plan:**        The formal contracts were drafted and are in the process of review by the Village Attorney and will be presented to the Village Commission in the near future.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS**

**2011-01          Journal Entries**

**Condition:**                      Our review of journal entries disclosed that the Village does not print, file and attach supporting documents of all journal entries posted in the general ledger.

**Cause:**                              Documents supporting the journal entries posted in the general ledger are filed separately by the Finance Director depending on the type of the transaction (i.e. state remittances, etc.).

**Effect:**                              Lack of systematic filing of journal entries and supporting documents creates confusion during the management review process resulting into numerous unnecessary adjusting entries correcting the previously entered journal entries.

**Recommendation:**              We recommend that the Village create a journal entry binder to sequentially file all journal entries and supporting documents to facilitate efficient and effective review of the accounts. This binder will also provide document trail that will minimize confusion and mitigate double booking of transaction requiring reversal entries of previously posted entries in the general ledger.

**Current Year Status:**            Journal entry binder containing all signed journal entries and supporting documentation was still not available during the year 2013. **Comments will be repeated.**

**Corrective Action Plan:**        The Finance Department will keep a binder of all journal entries made along with the supporting documentation.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**2011-02 Report Submission**

**Condition:** Our test of compliance disclosed instances of non-compliance with reporting requirements during the fiscal year 2012 as follows:

<u>Agency/Report</u>	<u>Due Date</u>
Florida Department of Financial Services Annual Financial Report for FY2011	No later than June 30 <sup>th</sup>
Florida Department of Revenues Employer Quarterly Report	30 days after each quarter end

**Cause:** The Village has no tracking system to monitor timely submission of the required reports.

**Effect:** The Village may be penalized for submitting the reports late.

**Recommendation:** We recommend that the Village develop a tracking system in order to comply with the reporting requirements and their due dates and designate a responsible employee to monitor timely submission of the reports.

**Current Year Status:** The Village implemented a report tracking system and in compliance with the report submission deadlines during the fiscal year 2013. Comments will not be repeated.

**2011-03 Financial Accounting and Reporting**

**Condition:** During the fiscal year 2011 and 2012, the Village implemented an accounting and reporting system that is generally used by the property management industry. The accounting system posed challenges on recording of interfund transactions, and most of the Village's transactions involve multiple funds such as payroll and disbursements. Several errors were noted during the year-end closing process and the annual audit which include:

- 1) Several asset accounts with credit balances and liability accounts with debit balances.
- 2) Some transactions were not recorded in the proper fund during the year and were subsequently corrected during the audit process.

**Cause:** Village's personnel lack of familiarity and training with the financial accounting and reporting system. The Village also does not have a formal process to review significant accounts and activity on a monthly basis.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**2011-03 Financial Accounting and Reporting (Continued)**

**Effect:** Significant amount of time and effort spent by the Village personnel analyzing and adjusting the account balances. In addition, numerous adjusting entries were proposed and included as part of the audit process, which could have been minimized, to a certain extent, had there been monthly analysis, review, and reconciliations of significant accounts and activities throughout the year.

**Current Year Status:** In fiscal year 2013, the Village implemented new accounting software that is designed for municipal entities. Accordingly, various reports were generated on regular basis facilitating the review and reconciliation of accounts on timely manner. As a result, there was no significant audit adjustments were proposed during the fiscal year 2013. This comment will not be repeated.

**2011-04 Fixed Assets**

**Condition:** In 2011, we noted that the fixed assets register was not updated and there were several capital expenditures incurred during the fiscal year that met the Village's capitalization policy. We also noted that there were projects completed during the fiscal year but were still classified as "Construction in Progress" in the fixed assets register.

**Cause:** Lack of year-end review process and procedures.

**Effect:** Misclassification of capital expenses and construction in progress accounts, and understatement of fixed assets.

**Recommendation:** We recommend that the Village include the review of capital expenditures account in its year-end procedures in determining disbursements that meet the Village's capitalization threshold and properly account for its fixed assets.

**Current Year Status:** The Village implemented a new financial accounting system during the fiscal year 2013 that includes a fixed asset module. As a result, the Village was able to properly track its fixed asset activities during the year. This comment will not be repeated.

In addition, the Village completed its fixed assets inventory inspection and is in the process of reconciling actual results with the general ledger balance. Once reconciliation is complete, inventory results will be uploaded into the system and regular reconciliation will be performed from then on.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**2010-2 – Mispostings of Revenue and Expenditure Transactions**

<b>Condition:</b>	Several mispostings of transactions related to revenue and expenditure were noted upon review of the accounts. These mispostings caused reclassifications between revenue and expenditure accounts as well as between departments and funds. Many of the mispostings were recorded as miscellaneous revenue account in the General fund.
<b>Cause:</b>	The Village experienced high turnover of personnel in the finance department during the fiscal year 2010 and 2011, including several months without a Finance Director.
<b>Effect:</b>	Overstatement or understatement of revenues and expenditures, and possible non-compliance with budgetary appropriations.
<b>Recommendation:</b>	We recommend detailed monthly analysis of all cash receipts and disbursements transactions to ensure accuracy of the accounts used. We also recommend monthly preparation and review of financial statements in comparison with budget, and investigate any unexpected variances which possibly could have resulted from incorrect postings of revenues and expenditures.
<b>Current Year Status:</b>	The Village hired a consultant in January 2013 to assume responsibilities of the Finance Director position. Appropriate internal controls and several accounting procedures were implemented during the year 2013, no similar instances of mispostings of revenues and expenditures were noted during the year. This comment will not be repeated.

**2010-5 - Develop Instructions for Year-end Closing Procedures and Budgeting Process**

<b>Condition:</b>	<p>To ensure effective completion of the annual year-end closing procedures and to ensure that the overall reporting timetable to management, legislative bodies and the Government Finance Officers Association are met, we recommend that formal closing instructions and related accounting practices be developed and, perhaps, included in the Village's accounting policies and procedures manual.</p> <p>These instructions should include the following:</p> <ul style="list-style-type: none"><li>• The purpose of all closing procedures.</li><li>• Timetables outlining appropriate due dates.</li><li>• Sample formats.</li><li>• Instructions for schedules to be prepared.</li></ul>
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**LETTER TO MANAGEMENT  
(CONTINUED)**

**II. PRIOR YEARS' FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**Recommendation:** We recommend that the timetable cover the period beginning with the preparation for pre-audit meetings and physical inventories through the completion of the data required for the financial statements. The procedures should also include a chronological listing of the original due dates for the item required and space for notation of actual dates completed. The Village Manager should assign an individual, such as the Finance Director, the overall responsibility for monitoring each employee's compliance with assigned year-end tasks.

**Current Year Status:** Though no formal written year-end closing policies and procedures were implemented during the year 2013, through regular review and reconciliation of accounts, very minimal adjustments were needed to adjust the general ledger balances for the year ended September 30, 2013. Comments will not be repeated.

**2009-1 —Budgeting**

**Condition:** Section 166.241 (4) 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.

In fiscal year ended 2010, 2011 and 2012, the Village amended the budget passed the 60 day period allowed under FS 166.241 (4).

**Cause:** The Village amended the budget after the 60 day period allowed by FS Section 166.241 (4).

**Effect:** The Village did not comply with FS Section 166.241(4) 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(4) 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.

**Current Year Status:** The final amended budget for fiscal year 2013 was passed by the Village Commission on November 6, 2013, which is within the 60 days period allowed by Florida Statute. Comments will not be repeated.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

1. Unless otherwise required to be reported in the auditors' report on internal control over financial reporting and on compliance and other matters, the management letter shall include, but not be limited to a statement as to whether or not corrective actions have been taken to address significant findings and recommendations in the preceding annual financial audit report pursuant to Rule 10.557(3)(b)2. If the audit findings in the preceding financial audit report are uncorrected, the auditor must identify those that were also included in the second preceding fiscal audit report. The Village has not fully implemented the corrective actions to address the significant deficiencies and other findings in the preceding annual financial reports identified as 2012-01, 2011-01, and 201-05 in the Letter to Management. Findings 2011-01 and 2010-05 were also included as findings in the second preceding fiscal year audit report.
2. The Village of Biscayne Park, Florida complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were significant findings and recommendations to improve the Village's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2013, see items 2011-01 and 2010-05 in the Letter to Management.
4. There were no violations of provisions of contracts or grant agreements, or abuse that have occurred, or were likely to have occurred, that have an effect on the financial statement amounts that is less than material but which warrants the attention of those charged with governance.
5. The Village of Biscayne Park, Florida was incorporated in accordance with the laws of the State of Florida 16319 in 1933. The Village operates under a Commission / Village Manager form of government. The Village is financially independent as evidenced by the authority to make and approve its own budget, the power to tax, the authority to buy and sell property, and the authority to incur debt. The Village has one component unit that was not included in the financial statements due to the insignificance to the primary government.
6. The Village of Biscayne Park, Florida has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
7. The annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1) (a), Florida Statutes agrees with the September 30, 2013 financial audit report.

**LETTER TO MANAGEMENT  
(CONTINUED)**

**III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA (CONTINUED)**

8. We applied financial condition assessment procedures pursuant to Rule 10.556(7) to assess the financial condition of the Village. The Village currently had an “Unfavorable” results, however, does not meet any of the financial emergency conditions defined by Section 218.503, Florida Statutes. All three (3) critical factors of the Village’s financial condition assessments indicated unfavorable results, these critical factors measures the Village’s liquidity and equity fund level. Factors that contributed to these unfavorable results were the decline of unassigned/unreserved fund balance in the general fund in prior years and the declining relationship between available cash and investment over the Village’s current liabilities in prior years. Significant drop in available fund balance over the years resulted from the Village’s capital projects such as the improvements on recreation building, construction of public works building and Stormwater drainage projects, though partially financed by capital grants from the State and Miami-Dade County, had to be initially funded by the Village, subject for reimbursements. The Village’s fund balance was also depleted by unexpected disbursements related to legal costs and settlement of old worker’s compensation claims in the past years.

Management expects that the cost savings efforts and budgetary changes it implemented on fiscal year 2013-14 will strengthen these critical ratios for the coming fiscal years.