



# Comprehensive Annual Financial Report For the Fiscal Year Ending September 30, 2010



**VILLAGE OF BISCAYNE PARK, FLORIDA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

PREPARED BY: CHARLES SMITH  
FINANCE DIRECTOR

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**TABLE OF CONTENTS**

	PAGE
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-iii
GFOA Certificate of Achievement	iv
List of Elected Officials	v-vi
Organizational Chart	vii
<b>II. FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)</b>	3-12
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets	13
Statement of Activities	14
<b>Fund Financial Statements:</b>	
Balance Sheet	15
Reconciliation of the Balance Sheet to the Statement of Net Assets- (Governmental Funds)	16
Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds)	17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Assets- Proprietary Fund	19
Statement of Revenues, Expenses and Changes in Net Assets-Proprietary Fund	20
Statement of Cash Flows- Proprietary Fund	21
Notes to Basic Financial Statements	22-35
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule – General Fund	36
Budgetary Comparison Schedule – Police Forfeiture Special Revenue Fund	37
Budgetary Comparison Schedule – CITT Special Revenue Fund	38
Notes to Budgetary Comparison Schedules	39
<b>COMBINING FINANCIAL STATEMENTS</b>	
Combining Balance Sheet – Non-major Governmental Funds	40
Combining Statements of Revenues, Expenditures and Changes in Fund Balances -Non-major Governmental Funds	41
Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget vs Actual -Stormwater Fund	42
Schedule of Revenues, Expenditures and Fund Changes in Balance- Budget vs Actual -Road Fund	43
Schedule of Revenues, Expenditures and Fund Changes in Balance- Budget vs Actual - Capital Improvement Fund	44
Schedule of Revenues, Expenditures and Fund Changes in Balance- Budget vs Actual - Sanitation Fund	45

# VILLAGE OF BISCAYNE PARK, FLORIDA

## TABLE OF CONTENTS

### III. STATISTICAL SECTION

Net Assets by Component	46
Changes in Net Assets	47
General Governmental Tax Revenues by Source	48
Fund Balances of Governmental Funds	49
Changes in Fund Balances of Governmental Funds	50
General Governmental Tax Revenues by Source	51
Assessed Value and Estimated Value of Taxable Property	52
Property Tax Rates Direct and Overlapping Governments	53
Principal Property Taxpayers	54
Property Tax Levies and Collections	55
Ratios of Outstanding Debt By Type	56
Direct and Overlapping Governmental Activities Debt	57
Demographic and Economic Statistics	58
Principal Employers	59
Full-Time Equivalent Village Government Employees by Function	60
Operating Indicators By Function	61
Capital Asset Statistics By Function/Program	62

### IV. COMPLIANCE SECTION

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>	63-64
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	65-66
Schedule of Findings and Responses	67-77

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## INTRODUCTORY SECTION

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# Village of Biscayne Park

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Biscayne Park, FL 33161

Tel: 305 899 8000  
Fax: 305 891 7241  
[www.biscayneparkfl.gov](http://www.biscayneparkfl.gov)

Roxanna Ross  
Mayor

Robert "Bob" Anderson  
Vice Mayor

Steve Bernard  
Commissioner

Albert Childress  
Commissioner

Bryan Cooper  
Commissioner

Ana M. Garcia  
Village Manager

John J. Hearn  
Village Attorney

Maria C. Camara  
Village Clerk

September 30, 2011

The Mayor and Members of the Village Commission  
640 Northeast 114<sup>th</sup> Street  
Biscayne Park, Florida 33161

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, 2010. 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 Albern, Caballero & Company, L.L.P. Certified Public Accountants. The independent auditor has issued an unqualified opinion that this report fairly represents the financial position of the Village in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the CAFR.

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. 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"). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the report of the independent certified public accountants.

## **PROFILE OF THE GOVERNMENT**

The Village of Biscayne Park is a political subdivision of the State of Florida located in Northeast Miami-Dade County incorporated in 1933. The Village has a year-round population estimated at 3,328 residents living within the .65 square mile jurisdiction. The Village is a residential-based community with no commercial district.

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

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

The annual budget serves as the foundation for the Village of Biscayne Park's financial planning and control. All departments of the Village are required to submit proposed budgets to the Village Manager, who then makes any necessary revisions. The Village Manager then presents to the Village Commission for their review, a budget estimate of the expenditures and revenues of all the Village's departments. Two public hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their questions of the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 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 42.

### **ECONOMIC CONDITION AND OUTLOOK**

During the past few years, various State tax initiatives have been passed in order to lower property taxes throughout the State. In addition, property values have dropped due to the economic downturn precipitated by the mortgage crises. For the Village of Biscayne Park, property values declined in 2010 with a decrease of \$11.4 million resulting in a decrease in property taxes of \$84,000. For 2011 property values further declined by \$33.6 million resulting in a property tax collection decrease of \$303,000. By reducing operating expenditures Management has been able to maintain the current level of services. Due to the economic downturn it is anticipated that assessed values within the Village will decline at a slower rate, and the impact of this housing market decline could further reduce property tax generated revenues.

Our external auditors have also performed the State mandated financial condition assessment for the fiscal year ending September 30, 2010, and the overall rating for FY2010 continues to be "Inconclusive". 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**

In 2005 fiscal year, Miami-Dade County voters approved a bond issue which will provide municipalities within the County with funding for specific projects. From this bond issue the Village of Biscayne Park received \$356,000 which was used to build a new Public Works facility. In the 2008 fiscal year the Village received a \$200,000 grant for stormwater drainage improvements and \$60,000 for improvements to the recreation building. In 2009 the Village received a Safe Neighborhood grant of \$55,000 for recreation improvements, a Transportation Stimulus Grant of \$74,073 for median improvements as well as a Forestry Grant. Village administration completed and closed out these capital infrastructure grants projects during 2010 and continues to actively seek new funding sources in order to continue the stormwater drainage project, improve the recreation facilities, and improve the Village medians.

### **FINANCIAL INFORMATION**

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

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Village maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Village Commission. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level within the General Fund and the fund level in all other funds.

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

### **CASH MANAGEMENT**

Cash that is temporarily idle during the year was primarily invested in money market accounts. The Village of Biscayne Park is fully charged with the security of the Village's funds and assets with the goal of maximizing return on surplus or idle cash. The Village follows the cash management policies and regulations defined by the laws of the State of Florida. The principal focus of cash management is to first ensure the safety of the Village's cash and then maximize the return on the Village's investments. During fiscal year 2010, the Village earned \$5,862 in investment income, as compared to \$12,836 earned in fiscal year 2009. The decline can be directly attributed to lower yields due to market conditions.

## **DEBT ADMINISTRATION**

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

- (A) approved by four Commissioners; and
- (B) provided the Commission has first received and approved a feasibility study from the Manager concluding that sufficient revenues are available to repay the indebtedness; and
- (C) the funds are borrowed for a valid public purpose.

Significant vehicle and equipment purchases are financed through capital leases, which are generally five years or less. The Village Administration makes every effort to obtain the lowest interest rates available by using leasing agents which work directly with governmental agencies. During the year ended September 30, 2009, the Village purchased five police vehicles for \$128,810. Long-term debt, related to leases, was \$110,257 at September 30, 2010.

## **RISK MANAGEMENT**

Risk management is a systematic, logical and continuous process which identifies exposures to different types of losses, evaluates the potential cost of these losses, and identifies the most cost effective method of mitigating those exposures. The Village purchases general liability, automobile, property and casualty, and worker's compensation insurance coverage through the Florida League of Cities program. The Village is continually reviewing cost effective risk exposures and determining the most cost effective method.

## **RETIREMENT BENEFITS**

All of the Village's full-time and regular part-time employees participate in the Florida Retirement System ("FRS"), a multiple employer cost sharing public employee retirement system, administered by the Florida Legislature and available to governmental units within Florida. Plan members do not contribute. The Village contribution rates for fiscal year 2010 ranged from 9.85% to 20.92%. The FRS issues a financial report that includes the financial statements and other statistically relevant financial information and may be obtained from the State of Florida, Division of Retirement, 2639 N. Monroe Street, Tallahassee, Florida 32399.

## **INDEPENDENT AUDIT**

In accordance with Florida Statutes Section 218.39, the Village has engaged the firm of Alberni, Caballero & Company, L.L.P., to perform the independent audit of the Village's financial statements for the year ended September 30, 2010. 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 three 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 has applied for 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, Alberni, Caballero & Company, L.L.P. 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,



Ana M. Garcia  
Village Manager



Charles Smith  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Biscayne Park,  
Florida

For its Comprehensive Annual  
Financial Report

for the Fiscal Year Ended  
September 30, 2009

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



A stylized, handwritten signature in black ink, appearing to read "H.R.", positioned above the title "President".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

# VILLAGE OF BISCAYNE PARK

## LIST OF APPOINTED OFFICIALS

September 30, 2010

### APPOINTED OFFICIALS

Village Manager.....Ana M. Garcia  
Village Clerk.....Maria Camara  
Village Attorney.....John J. Hearn

### DEPARTMENT HEADS

Finance Director.....Charles Smith  
Chief of Police.....Mitch Glansberg  
Public Works Director.....Bernard Pratt  
Recreation Coordinator.....Issa Thornell  
Building Official.....Salvatore Annese

### VILLAGE AUDITORS

Alberni Caballero & Company, L.L.P.

# Village of Biscayne Park, Florida

LIST OF ELECTED OFFICIALS  
SEPTEMBER 30, 2010

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**Mayor Roxanna Ross**



**Vice Mayor Bryan Cooper**



**Commissioner Steve Bernard**



**Commissioner Al Childress**

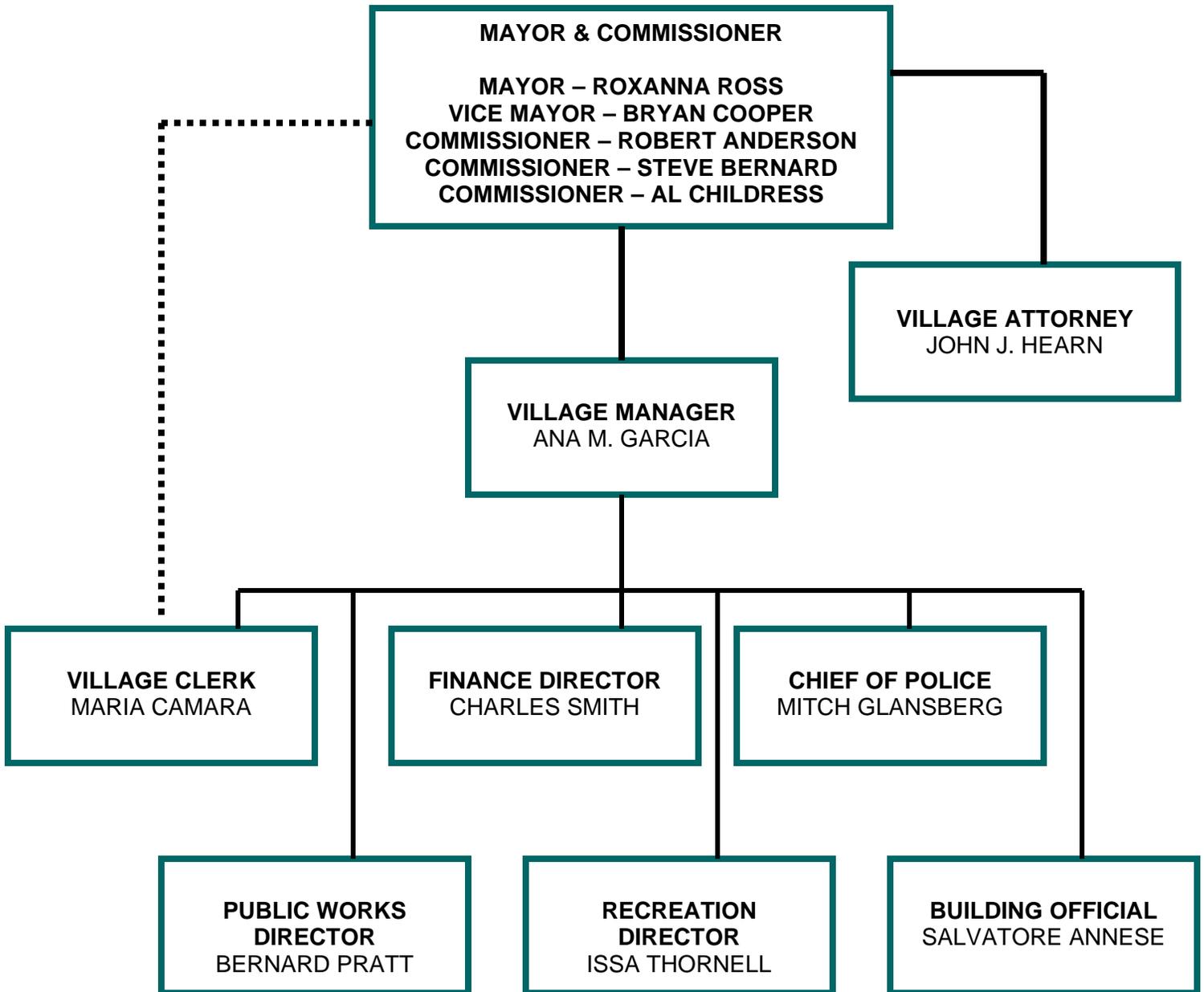


**Commissioner Robert Anderson**

# VILLAGE OF BISCAYNE PARK

Organization Chart

September 30, 2010



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**FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village") as of and for the fiscal year ended September 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 29, 2011 on our consideration of the Village's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining fund financial statements and schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Alberni Caballero & Company, LLP*

September 29, 2011  
Coral Gables, Florida

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

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## 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, 2010. 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 2010

- At September 30, 2010, the assets of the Village of Biscayne Park exceeded its liabilities by \$2,369,314 (*net assets*). Of this amount, \$1,446,181 was invested in capital assets, net of related debt. Additionally, \$141,554 was restricted by law, agreements, or for capital projects. The Village had \$781,579 (*unrestricted net assets*) which may be used to meet the Village's ongoing obligations to citizens and creditors.
- During the fiscal year 2010, net assets increased by \$428,411. The increase is attributable to the Village-wide construction projects that increased grant revenues. Of this increase, \$360,035 was in governmental activities and the remaining increase of \$68,376 was in business-type activities.
- At September 30, 2010, the Village of Biscayne Park's general fund reported an ending fund balance of \$850,742, a decrease of \$42,606 as compared with the prior year. Of the total fund balance, approximately \$726,319 or 85% of this total amount is available for spending at the government's discretion (*unreserved fund balance*). The unreserved fund balance represents 31% of total general fund operating expenditures.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Village of Biscayne Park that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Biscayne Park include general government, public safety, public works, parks and recreation, code enforcement, and building, planning, and zoning. The business-type activities of the Village include Sanitation.

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

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

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

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

The Village of Biscayne Park maintains six (6) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, police forfeiture fund, CITT fund, and capital improvement fund 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 15 to 18 of this report. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 40 to 41 of this report.

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

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 22 to 35 of this report.

### **Government-wide Financial Analysis**

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

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

At September 30, 2010, the Village of Biscayne Park's assets exceeded liabilities by \$2,369,314. A portion of the Village's net assets, \$1,446,181 or 61%, reflect its investment in capital assets (e.g., land and equipment). The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. An additional portion of the Village's net assets, \$141,554 or 6%, represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets, \$781,579 or 33%, may be used to meet the government's on-going obligations to citizens and creditors.

The Village of Biscayne Park is able to report positive balances in all three categories of net assets at September 30, 2010.

**Table 1**  
**Village of Biscayne Park**  
**Summary of Net Assets**

	Governmental activities		Business-Type activities		Total Primary Government		Change
	2010	2009	2010	2009	2010	2009	
Current and Other assets	\$ 1,221,576	\$ 1,199,756	\$ 52,145	\$ 7,348	\$ 1,273,721	\$ 1,207,104	5.5%
Capital Assets, net	1,478,851	1,060,595	77,587	90,105	1,556,438	1,150,700	35.3%
<b>Total Assets</b>	<b>\$ 2,700,427</b>	<b>\$ 2,260,351</b>	<b>\$ 129,732</b>	<b>\$ 97,453</b>	<b>\$ 2,830,159</b>	<b>\$ 2,357,804</b>	<b>20.0%</b>
Other Liabilities	245,802	139,101	2,321	6,194	248,123	145,295	70.8%
Long-term Debt	190,690	217,350	22,032	54,256	212,722	271,606	-21.7%
<b>Total Liabilities</b>	<b>\$ 436,492</b>	<b>\$ 356,451</b>	<b>\$ 24,353</b>	<b>\$ 60,450</b>	<b>\$ 460,845</b>	<b>\$ 416,901</b>	<b>10.5%</b>
Invested in capital assets							
Net of related debt	1,384,778	912,666	61,403	48,022	1,446,181	960,688	50.5%
Restricted	141,554	167,307	0	0	141,554	167,307	-15.4%
Unrestricted	737,603	823,927	43,976	(11,019)	781,579	812,908	-3.9%
<b>Total net assets</b>	<b>\$ 2,263,935</b>	<b>\$ 1,903,900</b>	<b>\$ 105,379</b>	<b>\$ 37,003</b>	<b>\$ 2,369,314</b>	<b>\$ 1,940,903</b>	<b>22.1%</b>

The Village of Biscayne Park's other liabilities increased \$102,828 due to increases in accounts payable. The Village's net investment in capital assets increased \$405,738 with a related decrease in long-term debt of \$58,884 due to the completion of projects. The decrease in restricted assets of \$25,753 is due to the reductions in available forfeitures funds. The decrease in unrestricted net assets of \$31,329 is attributable to current year operations. This decrease is due primarily to reductions in property taxes and investment income. The total net assets of the Village increased \$428,411 or 22.1% indicating that the current financial conditions of the Village are relatively stable.

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

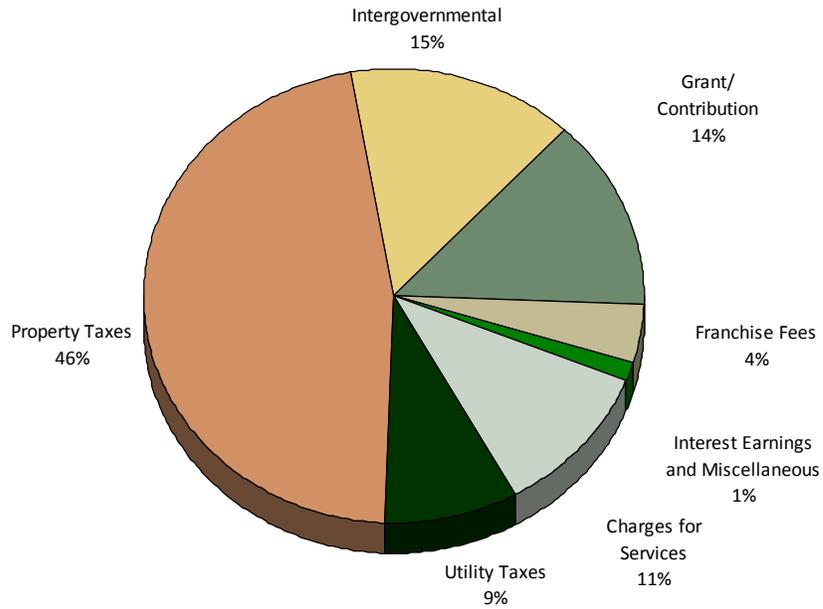
**Table 2**  
**Village of Biscayne Park**  
**Changes in Net Assets**

	Governmental activities		Business-type activities		Total primary government		Change
	2010	2009	2010	2009	2010	2009	
<b>Revenues:</b>							
Program Revenues:							
Charges for services	\$ 326,333	\$ 381,006	\$ 728,447	\$ 705,889	\$ 1,054,780	\$ 1,086,895	-3.0%
Operating grants & Contributions	2,463	97,336	-	-	2,463	97,336	-97.5%
Capital grants & Contributions	404,917	69,119	-	-	404,917	69,119	485.8%
General Revenues:							
Property taxes	1,399,864	1,568,450	-	-	1,399,864	1,568,450	-10.8%
Utility taxes	255,360	244,258	-	-	255,360	244,258	4.6%
Franchise fees	120,595	115,272	-	-	120,595	115,272	4.6%
Intergovernmental (unrestricted)	442,373	363,507	-	-	442,373	363,507	21.7%
Investment income	5,862	7,853	-	-	5,862	7,853	-25.4%
Miscellaneous	36,729	23,712	-	-	36,729	23,712	54.9%
<b>Total Revenues</b>	<b>\$ 2,994,496</b>	<b>\$ 2,870,513</b>	<b>\$ 728,447</b>	<b>\$ 705,889</b>	<b>\$ 3,722,943</b>	<b>\$ 3,576,402</b>	<b>4.1%</b>
<b>Expenses:</b>							
General government	673,004	687,230	-	-	673,004	687,230	-2.1%
Public safety	1,207,542	1,404,364	-	-	1,207,542	1,404,364	-14.0%
Building and code enforcement	180,355	178,535	-	-	180,355	178,535	1.0%
Physical environment	459,016	454,919	660,071	687,885	1,119,087	1,142,804	-2.1%
Culture and recreation	108,774	186,011	-	-	108,774	186,011	-41.5%
Interest on long-term debt	5,770	4,872	-	-	5,770	4,872	18.4%
<b>Total Expenses</b>	<b>\$ 2,634,461</b>	<b>\$ 2,915,931</b>	<b>\$ 660,071</b>	<b>\$ 687,885</b>	<b>\$ 3,294,532</b>	<b>\$ 3,603,816</b>	<b>-8.6%</b>
<b>Transfers:</b>	-	-	-	-	-	-	
<b>Increase (decrease) in net asset</b>	<b>360,035</b>	<b>(45,418)</b>	<b>68,376</b>	<b>18,004</b>	<b>428,411</b>	<b>(27,414)</b>	<b>-1662.8%</b>
<b>Net assets, beginning</b>	<b>1,903,900</b>	<b>1,949,318</b>	<b>37,003</b>	<b>18,999</b>	<b>1,940,903</b>	<b>1,968,317</b>	<b>-1.4%</b>
<b>Net assets, ending</b>	<b>\$ 2,263,935</b>	<b>\$ 1,903,900</b>	<b>\$ 105,379</b>	<b>\$ 37,003</b>	<b>\$ 2,369,314</b>	<b>\$ 1,940,903</b>	<b>22.1%</b>

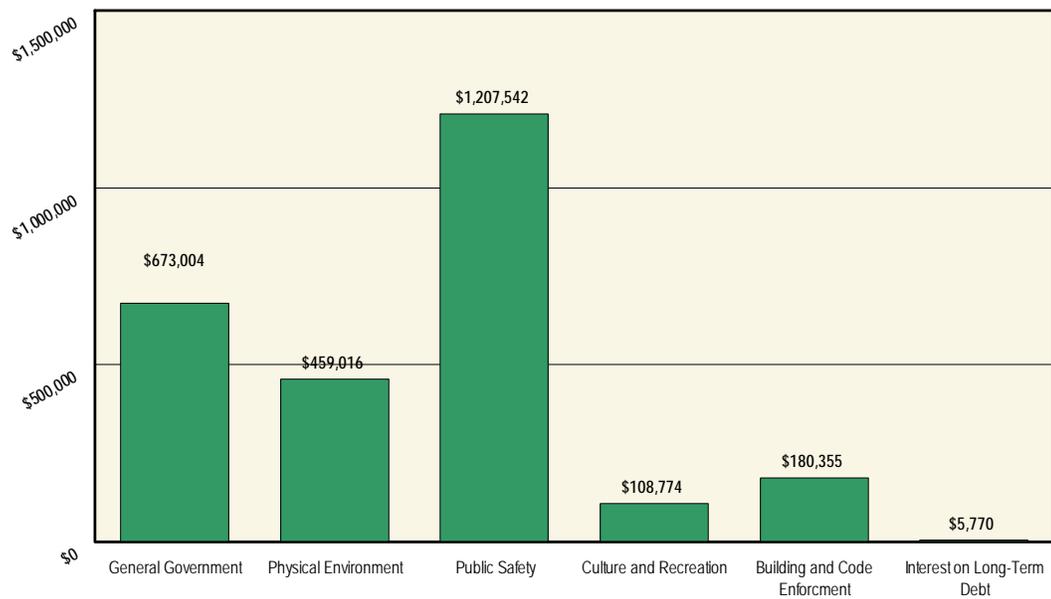
For FY 2010, total revenues increased \$146,541. Property tax revenues decreased \$168,586 or 10.8%, unrestricted intergovernmental revenues increased \$78,866 or 21.7% and investment income decreased \$1,991 or 25.4%. These changes are a direct result of the housing market crisis and the downturn in the economy.

The impact of the decrease in tax revenue was offset by an increase in capital grant revenue of \$335,798. In addition, expenses decreased \$309,284 or 8.6%. This decrease is attributable to reductions in staffing, reductions in police due to staffing reductions caused by workers compensation and disability claims, and reductions in culture and recreation due to the elimination of recreation programs.

**Figure A-1**  
**Village of Biscayne Park**  
**Revenues by Source – Governmental Activities**  
**For the Fiscal Year Ended September 30, 2010**

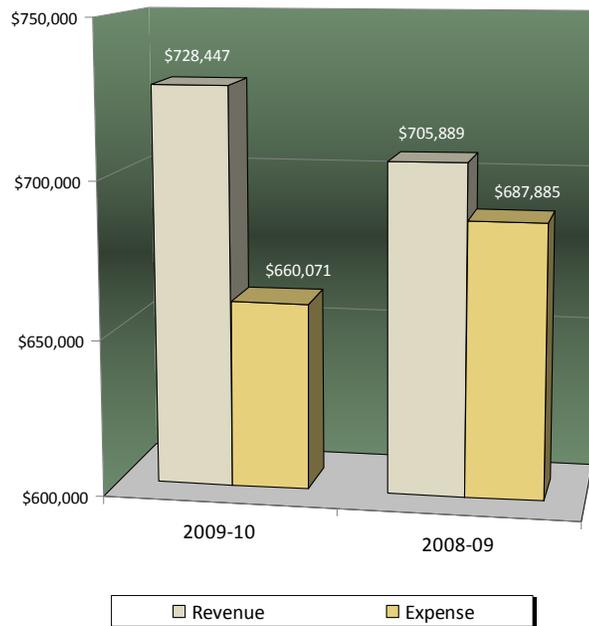


**Figure A-2**  
**Village of Biscayne Park**  
**Expenses – Governmental Activities**  
**For the Fiscal Year Ended September 30, 2010**



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

**Figure A-3**  
**Village of Biscayne Park**  
**Program Revenue and Expense – Business-type Activities**  
**For the Fiscal Years ended September 30, 2010 and 2009**



**Financial Analysis of the Government’s Funds**

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

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

As of the end of the current fiscal year, the governmental funds for the Village of Biscayne Park reported combined ending fund balances of \$975,774. Of this amount, \$726,319 reflects *unreserved fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance, \$249,455 is *reserved or designated* to indicate that it is *not* available for new spending as those dollars have already been committed: 1) for public safety, by law, agreements, and for capital projects, \$11,171, 2) reserved for inventories, \$1,366, 3) transportation, \$113,861 or 4) for long-term receivables, \$123,057. The fund balances show a decrease of \$84,881 as compared to the prior fiscal year. This decrease is mainly attributable to operating expenditures exceeding revenues.

**General fund.** The general fund is the primary operating fund of the Village of Biscayne Park. At the end of the current fiscal year, the Village’s general fund reported a fund balance of \$850,742, a decrease of \$42,506 in comparison with the prior fiscal year. Approximately 85% of the total fund balance, \$726,319, constitutes *unreserved fund balance*, which is available for spending at the Village’s discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) long-term receivables, \$123,057 and 2) inventories, \$1,366.

At the end of the current fiscal year, unreserved fund balance of the general fund was \$726,319. As a measure of the general fund’s liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31% of total general fund expenditures, while total fund balance represents 36% 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, 2010 and 2009 is shown below:

**Table 3**  
**Village of Biscayne Park**  
**Summary of General Fund Balance Sheet**  
**as of September 30, 2010 and 2009**

	2010	2009	Change	Percent Change
Total assets	1,003,623	1,030,493	(26,870)	-2.61%
Total liabilities	152,881	137,145	15,736	11.47%
Reserved/Designated fund balance	124,423	181,485	(57,062)	-31.44%
Unreserved fund balance	726,319	711,863	14,456	2.03%
Total fund balance	850,742	893,348	(42,606)	-4.77%
<b>Total liabilities and fund balance</b>	<b>1,003,623</b>	<b>1,030,493</b>	<b>(26,870)</b>	<b>-2.61%</b>

The Village of Biscayne Park assets decreased \$26,870. This decrease was due to a reduction in accounts receivable at year end and the use of cash for ongoing Village Projects. Liabilities increased \$15,736 due to increases in accounts payable. The decrease in total fund balance of \$42,606 is due to operating expenditures exceeding revenues, mainly attributable to police overtime and worker's compensation.

**Table 4**  
**Village of Biscayne Park**  
**Summary of General Fund Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance**  
**as of September 30, 2010 and 2009**

	2010	2009	Change	Percent Change
Total revenues	2,378,442	2,450,724	(72,282)	-2.95%
Total expenditures	2,341,293	2,665,594	(324,301)	-12.17%
Excess of revenues over expenditures	37,149	(214,870)	252,019	117.29%
Other financing (uses) sources	(79,755)	88,770	(168,525)	-189.84%
Change in fund balance	(42,606)	(126,100)	83,494	66.21%
<b>Fund balance, beginning</b>	<b>893,348</b>	<b>1,019,448</b>	<b>(126,100)</b>	<b>-12.37%</b>
<b>Fund balance, ending</b>	<b>850,742</b>	<b>893,348</b>	<b>(42,606)</b>	<b>-4.77%</b>

The Village of Biscayne Park revenues decreased \$72,282. Property tax revenues decreased \$168,586 or 10.8%, which was offset by increase in other revenue sources, and investment income decreased \$1,991 or 25.35%. These decreases are a direct result of the housing market crisis and the downturn in the economy.

Total expenditures decreased \$324,301. The decrease in expenditures is a combination of a reduction in police of \$196,822 due to staffing reductions caused by workers compensation and disability claims and a reduction in culture and recreation of \$77,237 from the elimination of the recreation programs.

**Other Major Governmental Funds.** The Village of Biscayne Park has three other major funds, CITT Fund, the Police Forfeiture Fund, and the Capital Improvement Fund. The fund balance at September 30, 2010 for the Police Forfeiture Fund was \$27,693, a decrease of \$29,458 over the prior fiscal year. The fund balance for CITT Fund at September 30, 2010 was \$58,262, a decrease of \$2,061 over the prior fiscal year. The ending fund balance for Capital Projects at September 30, 2010 was (\$16,522) or a decrease of \$21,523.

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

Total net assets of the Sanitation Fund at the end of the year totaled \$105,379, an increase of \$68,376 compared to the prior year. Revenues and expenditures related to these activities were not significantly different from the prior fiscal year.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget increased appropriations by \$51,473 and can be briefly summarized as follows:

- \$70,000 increase in culture and recreation to cover unanticipated expenditures in the department
- \$16,855 increase in Public Safety to cover unanticipated expenditures in overtime
- (\$38,382) reduction in Finance and Physical Environment due to vacant positions

The budgetary comparison schedules are presented for the major governmental funds on page 36 for the general fund, page 37 for the Police Forfeiture Fund and page 38 for the CITT Fund.

**Capital Assets.** The Village of Biscayne Park's investment in capital assets for its governmental and business-type activities as of September 30, 2010 amounts to \$1,556,438 (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, 2010 and 2009**  
**(net of depreciation)**

Classification	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	157,490	157,490	-	-	157,490	157,490
Construction in progress	523,280	59,815	-	-	523,280	59,815
Building	60,506	64,900	-	-	60,506	64,900
Infrastructure	561,831	548,137	-	-	561,831	548,137
Furniture and equipment	175,744	230,253	77,587	90,105	253,331	320,358
Total capital assets	1,478,851	1,060,595	77,587	90,105	1,556,438	1,150,700

Increases in capital assets during fiscal year 2010 include construction of the new Public Works facility and renovation of the Parks and Recreation facility. Additional information on the Village of Biscayne Park's capital assets may be found in Note VI. on Page 30 of this report.

**Long-term Liabilities.** At September 30, 2010, the Village of Biscayne Park had \$212,722 in long-term liabilities which are summarized in Table 6. The amount due within one year is \$84,022 comprised of \$67,546 for governmental activities and \$16,476 for business-type activities. Additional information on the Village's long-term debt may be found in Note VII on Page 31 of this report.

**Table 6**  
**Village of Biscayne Park**  
**Outstanding Long-term Liabilities as of September 30, 2010 and 2009**

Classification	Governmental Activities		Business-type activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Compensated absences	85,654	69,421	5,848	12,173	91,502	81,594
OPEB Liability	10,963	-	-	-	10,963	-
Capital leases	<u>94,073</u>	<u>147,929</u>	<u>16,184</u>	<u>42,083</u>	<u>110,257</u>	<u>190,012</u>
Total long-term liabilities	<u>190,690</u>	<u>217,350</u>	<u>22,032</u>	<u>54,256</u>	<u>212,722</u>	<u>271,606</u>

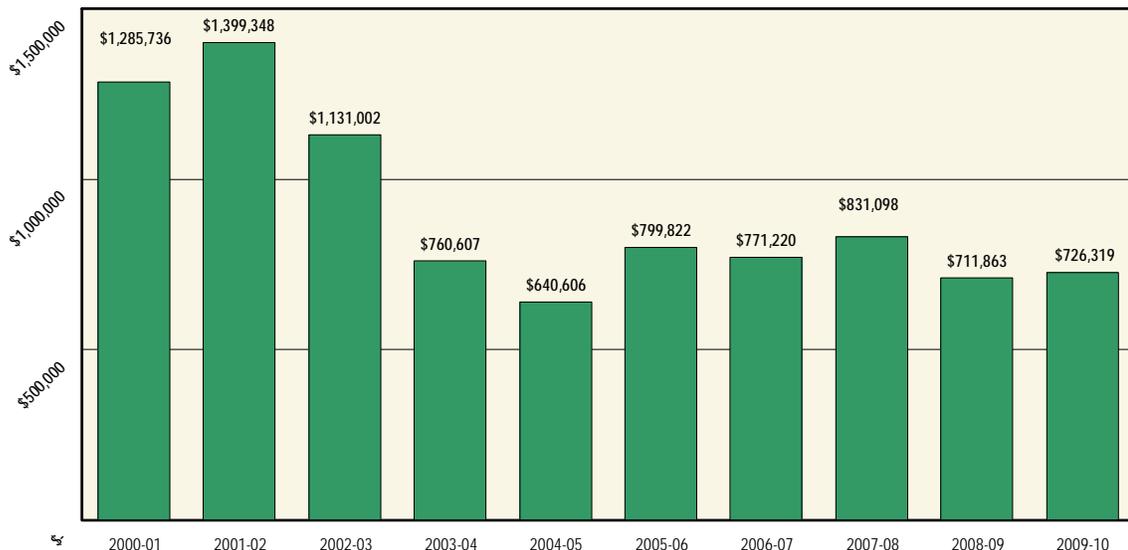
***Economic Factors and Next Year's Budgets and Rates***

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

The Village of Biscayne Park is a residential, single-family community with no commercial component. Property taxes comprise approximately 60% of total general fund revenues. As such, the Village relies heavily on the property values of single family homes. The housing market crisis and the resulting downturn in the economy have had a significant impact on the Village's revenue stream. Property values decreased \$12,965,848 or 7.3% between 2009 and 2010, resulting in a decrease in property tax revenue of \$98,262 or 6.2% with an increase in millage rate of 0.103.

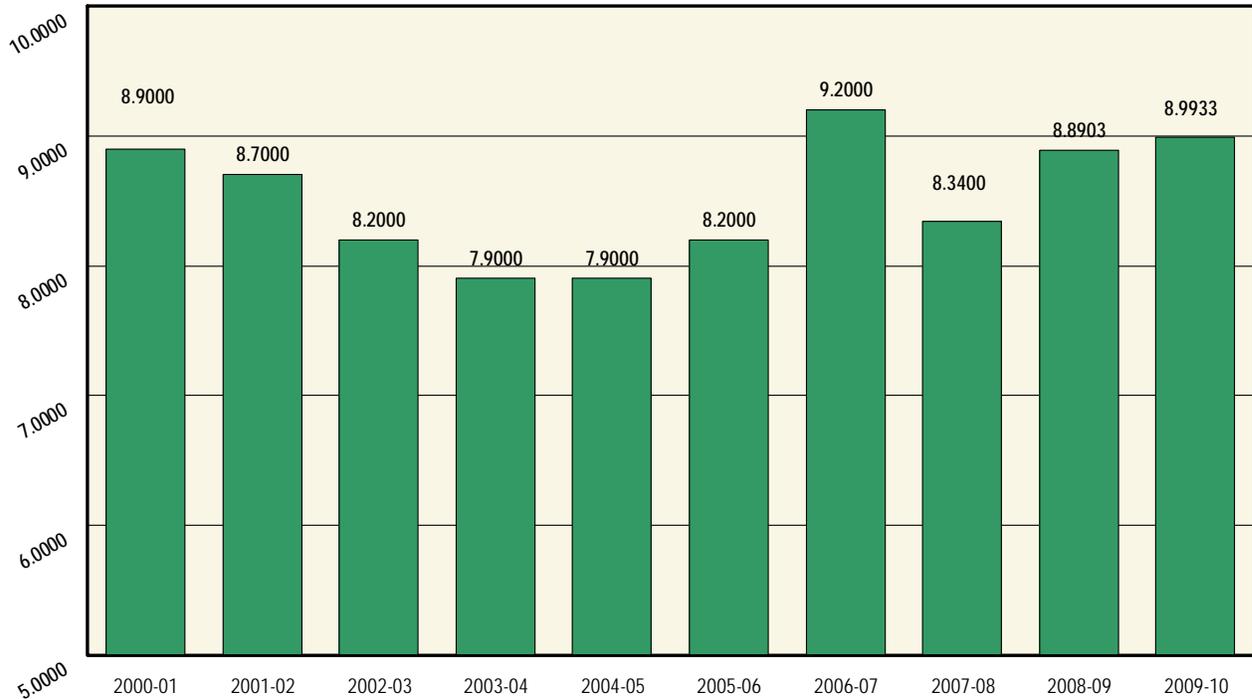
At September 30, 2010, unreserved fund balance in the General Fund was \$726,319 as compared to \$711,863 in 2009, an increase of \$14,456. This \$726,319 is approximately equal to 3.2 months of General Fund operating expenditures. The graph below shows the unrestricted surplus from 2001 to 2010. The Village has demonstrated significant improvement in unrestricted surplus since 2005 and is making every effort to maintain the current level of unrestricted surplus. As such, unrestricted surplus cannot be considered as a source of revenue to compensate for losses in tax revenues.

**Figure A-4**  
**Village of Biscayne Park**  
**General Fund Unrestricted Surplus**  
**For the fiscal years ended September 30, 2001-2010**



Millage rates are limited to 10 mills by state law. The graph below shows the Village of Biscayne Park millage rates from 2001 to 2010. The maximum millage rate over the ten year history was 9.2. The Village Commission has made every effort to maintain the millage rate at less than 9 mills. Therefore, the Village is reluctant to raise millage rates to increase property tax revenues.

**Table A-5**  
**Village of Biscayne Park**  
**Total Village Millage**  
**For the Fiscal Years ended September 30, 2001-2010**



The Village faces the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect, while at the same time maintaining both their unrestricted surplus and current millage rate. In order to achieve this, the Village has reduced budgeted expenditures from \$2,809,789 in 2009 to \$2,424,489 in 2010, a reduction of \$385,300 or 13.7%. This was accomplished by reviewing existing contracts, limiting expenditures, and a reduction in personnel.

**Requests for Information**

This financial report is designed to provide a general overview of the Village of Biscayne Park’s finances for all those with an interest in the Village’s finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Department at:

**VILLAGE OF BISCAYNE PARK**  
 Finance Department  
 640 Northeast 114<sup>th</sup> Street  
 Biscayne Park, Florida 33161

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## **BASIC FINANCIAL STATEMENTS**

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**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2010**

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 438,019	\$ -	\$ 438,019
Investments	8,354	-	8,354
Restricted cash and cash equivalents	44,025	-	44,025
Accounts receivable	651,221	-	651,221
Accounts receivable - sanitation fees	123,057	7,679	130,736
Inventories	1,366	-	1,366
Internal balances	(44,466)	44,466	-
Capital assets:			
Land	157,490	-	157,490
Construction in progress	523,280	-	523,280
Building	273,504	-	273,504
Furniture and equipment	1,478,345	267,753	1,746,098
Infrastructure	<u>774,974</u>	<u>-</u>	<u>774,974</u>
Total capital assets	3,207,593	267,753	3,475,346
Less accumulated depreciation	<u>(1,728,742)</u>	<u>(190,166)</u>	<u>(1,918,908)</u>
Total capital assets - net	<u>1,478,851</u>	<u>77,587</u>	<u>1,556,438</u>
Total assets	<u>2,700,427</u>	<u>129,732</u>	<u>2,830,159</u>
<u>LIABILITIES</u>			
Accounts payable	222,189	85	222,274
Accrued payroll	23,613	2,236	25,849
Noncurrent liabilities:			
The amount due in one year	67,546	16,476	84,022
The amount due in over one year	<u>123,144</u>	<u>5,556</u>	<u>128,700</u>
Total liabilities	<u>436,492</u>	<u>24,353</u>	<u>460,845</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,384,778	61,403	1,446,181
Restricted for:			
Public safety	27,693	-	27,693
Transportation	113,861	-	113,861
Unrestricted	<u>737,603</u>	<u>43,976</u>	<u>781,579</u>
Total net assets	<u>\$ 2,263,935</u>	<u>\$ 105,379</u>	<u>\$ 2,369,314</u>

See notes to basic financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

<u>Functions/programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<u>Governmental activities:</u>							
General government	\$ 673,004	\$ 5,501	\$ -	\$ -	\$ (667,503)	\$ -	\$ (667,503)
Public safety	1,207,542	118,993	2,463	-	(1,086,086)	-	(1,086,086)
Building and code enforcement	180,355	128,982	-	-	(51,373)	-	(51,373)
Physical environment	459,016	50,000	-	305,049	(103,967)	-	(103,967)
Culture and recreation	108,774	22,857	-	99,868	13,951	-	13,951
Interest on long-term debt	5,770	-	-	-	(5,770)	-	(5,770)
Total governmental activities	<u>2,634,461</u>	<u>326,333</u>	<u>2,463</u>	<u>404,917</u>	<u>(1,900,748)</u>	<u>-</u>	<u>(1,900,748)</u>
<u>Business-type activities</u>							
Sanitation	<u>660,071</u>	<u>728,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,376</u>	<u>68,376</u>
Total	<u>\$ 3,294,532</u>	<u>\$ 1,054,780</u>	<u>\$ 2,463</u>	<u>\$ 404,917</u>	<u>(1,900,748)</u>	<u>68,376</u>	<u>(1,832,372)</u>
<u>General revenues:</u>							
Property taxes					1,399,864	-	1,399,864
Utility taxes					255,360	-	255,360
Franchise fees on gross receipts					120,595	-	120,595
Intergovernmental (unrestricted)					442,373	-	442,373
Investment income					5,862	-	5,862
Miscellaneous					36,729	-	36,729
Total general revenues					<u>2,260,783</u>	<u>-</u>	<u>2,260,783</u>
Change in net assets					<u>360,035</u>	<u>68,376</u>	<u>428,411</u>
Net assets, October 1					<u>1,903,900</u>	<u>37,003</u>	<u>1,940,903</u>
Net assets, September 30					<u>\$ 2,263,935</u>	<u>\$ 105,379</u>	<u>\$ 2,369,314</u>

See notes to basic financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2010**

	Major Funds					Total Governmental Funds
	<u>General</u>	Police Forfeiture Fund	CITT Fund	Capital Improvement Fund	Other Governmental Funds	
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 328,036	\$ 42,581	\$ 109,943	\$ 40	\$ 1,444	\$ 482,044
Investments	8,354	-	-	-	-	8,354
Accounts receivable - net	152,084	56,715	23,448	411,036	7,938	651,221
Accounts receivable - sanitation fees	123,057					123,057
Inventories	1,366	-	-	-	-	1,366
Due from other funds	390,726	-	-	-	47,217	437,943
Total assets	<u>\$ 1,003,623</u>	<u>\$ 99,296</u>	<u>\$ 133,391</u>	<u>\$ 411,076</u>	<u>\$ 56,599</u>	<u>\$ 1,703,985</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Accounts payable	\$ 130,242	\$ -	\$ 3,000	\$ 88,916	\$ 31	\$ 222,189
Accrued payroll	22,639	-	-	-	974	23,613
Due to other funds	-	71,603	72,099	338,682	25	482,409
Total liabilities	<u>152,881</u>	<u>71,603</u>	<u>75,099</u>	<u>427,598</u>	<u>1,030</u>	<u>728,211</u>
<b><u>FUND BALANCES</u></b>						
Reserved for:						
Inventories	1,366	-	-	-	-	1,366
Long-term sanitation fees receivable	123,057	-	-	-	-	123,057
Capital projects	-	-	-	(16,522)	-	(16,522)
Transportation	-	-	58,292	-	55,569	113,861
Public safety	-	27,693	-	-	-	27,693
Unreserved, reported in:						
General fund, undesignated	726,319	-	-	-	-	726,319
Total fund balances	<u>850,742</u>	<u>27,693</u>	<u>58,292</u>	<u>(16,522)</u>	<u>55,569</u>	<u>975,774</u>
Total liabilities and fund balances	<u>\$ 1,003,623</u>	<u>\$ 99,296</u>	<u>\$ 133,391</u>	<u>\$ 411,076</u>	<u>\$ 56,599</u>	<u>\$ 1,703,985</u>

See notes to basic financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2010**

Fund balances - total government funds (Page 15)	\$	975,774
<p>Amounts reported for governmental activities in the statement of net assets are different as a result of:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets		3,207,593
Less accumulated depreciation		(1,728,742)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Capital leases		(94,073)
Compensated absences		(85,654)
OPEB liability		<u>(10,963)</u>
Net assets of governmental activities (Page 13)	\$	<u>2,263,935</u>

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	Major Funds					Total Governmental Funds
	General	Police Forfeiture Fund	CITT Fund	Capital Improvement Fund	Other Governmental Funds	
<b>Revenues:</b>						
Property taxes	\$ 1,399,864	\$ -	\$ -	\$ -	\$ -	\$ 1,399,864
Franchise fees	120,595	-	-	-	-	120,595
Utility taxes	255,360	-	-	-	-	255,360
Charges for services	78,358	-	-	-	-	78,358
Intergovernmental	242,253	-	97,948	404,917	104,635	849,753
Licenses and permits	128,982	-	-	-	-	128,982
Fines and forfeitures	110,993	8,000	-	-	-	118,993
Interest	5,493	125	156	-	88	5,862
Miscellaneous	36,544	-	10	-	175	36,729
Total revenues	<u>2,378,442</u>	<u>8,125</u>	<u>98,114</u>	<u>404,917</u>	<u>104,898</u>	<u>2,994,496</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	657,313	-	-	-	-	657,313
Public safety	1,121,540	37,583	-	-	-	1,159,123
Building and code enforcement	181,744	-	-	-	-	181,744
Physical environment	216,126	-	38,525	-	119,781	374,432
Culture and recreation	95,605	-	-	-	-	95,605
<b>Debt service:</b>						
Principal retirement	53,856	-	-	-	-	53,856
Interest	5,770	-	-	-	-	5,770
<b>Capital outlay:</b>						
General government	7,043	-	-	-	-	7,043
Public safety	2,200	-	-	-	-	2,200
Physical environment	-	-	-	542,195	-	542,195
Culture and recreation	96	-	-	-	-	96
Total expenditures	<u>2,341,293</u>	<u>37,583</u>	<u>38,525</u>	<u>542,195</u>	<u>119,781</u>	<u>3,079,377</u>
Excess (Deficiency) of revenues over expenditures before other financing sources (uses)	<u>37,149</u>	<u>(29,458)</u>	<u>59,589</u>	<u>(137,278)</u>	<u>(14,883)</u>	<u>(84,881)</u>
<b>Other financing sources:</b>						
Transfers	(79,755)	-	(61,650)	115,755	25,650	-
Total other financing sources	<u>(79,755)</u>	<u>-</u>	<u>(61,650)</u>	<u>115,755</u>	<u>25,650</u>	<u>-</u>
Net change in fund balances	(42,606)	(29,458)	(2,061)	(21,523)	10,767	(84,881)
Fund balances - beginning	893,348	57,151	60,353	5,001	44,802	1,060,655
Fund balances - ending	<u>\$ 850,742</u>	<u>\$ 27,693</u>	<u>\$ 58,292</u>	<u>\$ (16,522)</u>	<u>\$ 55,569</u>	<u>\$ 975,774</u>

See notes to basic financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

Net change in fund balances - total government funds (Page 17)	\$	(84,881)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays	\$ 551,534		
Less current year depreciation	<u>(97,629)</u>		453,905

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

Capital outlay which did not meet the threshold for capitalization		(35,649)
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The issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Principal payments on capital leases	53,856		
Compensated absences	(16,233)		
OPEB liability	<u>(10,963)</u>		<u>26,660</u>

Change in net assets of governmental activities (Page 14)	\$	<u>360,035</u>
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**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2010**

ASSETS

Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable	7,679
Due from other funds	<u>44,466</u>
Total current assets	<u>52,145</u>
Non-current assets:	
Capital assets:	
Equipment	<u>267,753</u>
Total capital assets	267,753
Less accumulated depreciation	<u>(190,166)</u>
Total capital assets - net	<u>77,587</u>
Total assets	<u>129,732</u>

LIABILITIES

Current liabilities:	
Accounts payable	85
Accrued payroll	2,236
Current portion of capital leases	16,184
Compensated absences	<u>292</u>
Total current liabilities	<u>18,797</u>
Non-current liabilities:	
Compensated absences	<u>5,556</u>
Total noncurrent liabilities	<u>5,556</u>
Total liabilities	<u>24,353</u>

NET ASSETS

Invested in capital assets, net of related debt	61,403
Unrestricted	<u>43,976</u>
Total net assets	<u>\$ 105,379</u>

See notes to basic financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

Operating revenues:	
Charges for services	\$ 728,447
Total operating revenues	<u>728,447</u>
Operating expenses:	
Operations and maintenance	429,244
Disposal costs	216,318
Depreciation	<u>12,518</u>
Total operating expenses	<u>658,080</u>
Operating income	<u>70,367</u>
Nonoperating (expenses):	
Interest expense and fees	<u>(1,991)</u>
Total nonoperating (expenses)	<u>(1,991)</u>
Change in net assets	68,376
Net assets, October 1	<u>37,003</u>
Net assets, September 30	<u>\$ 105,379</u>

See notes to basic financial statements

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

Cash Flows From Operating Activities:	
Cash received from customers, governments and other funds	\$ 736,992
Cash paid for interfund services used	(50,000)
Cash paid to suppliers	(326,653)
Cash paid to employees	<u>(332,449)</u>
Net cash provided by operating activities	<u>27,890</u>
Cash Flows From Capital And Related Financing Activities:	
Principal retirements of capital debt	(25,899)
Interest paid on capital debt	<u>(1,991)</u>
Net cash used in capital and related financing activities	<u>(27,890)</u>
Net (Decrease) In Cash and Cash Equivalents	-
Cash and Cash Equivalents, Beginning	<u>-</u>
Cash and Cash Equivalents, Ending	<u><u>\$ -</u></u>
Reconciliation Of Operating Income To Net Cash	
Provide By Operating Activities:	
Operating income	<u>\$ 70,367</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	12,518
Change in assets and liabilities:	
(Increase) decrease in customers' accounts receivable	8,545
(Increase) decrease in due from other funds	(44,466)
(Decrease) increase in accounts payable	(3,196)
(Decrease) increase in due to other funds	(8,876)
Increase (decrease) in accrued payroll	(677)
Increase (decrease) in compensated absences	<u>(6,325)</u>
Total adjustments	<u>(42,477)</u>
Net Cash Provided By Operating Activities	<u><u>\$ 27,890</u></u>

See notes to basic financial statements

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**a. Financial Reporting Entity**

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

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues resulting from expenditure driven transactions such as certain grants are considered collectible at the time the expenditure has been made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

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

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

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

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

The Village reports the following major proprietary fund:

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

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

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

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

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

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

**d. Assets, liabilities and net assets**

**1. Deposits and Investments**

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

Investments 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, 2010 was .707058094. 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. Prepaids**

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

**3. Receivables and Payables**

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

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

**4. Restricted Assets**

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

**5. Property Taxes**

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

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

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Village is established by the Village commission and the Miami-Dade County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Village for the fiscal year ended September 30, 2010, was 8.9933 mills (\$8.9933 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
Improvements other than buildings	5-10
Infrastructure	5-10
Furniture and equipment	5

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

**7. Compensated Absences**

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

**8. Long-Term Obligations**

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

**9. Grant Revenue**

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

## 10. Fund Balance/Net Assets

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

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

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

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

## 11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

## 12. New Accounting Pronouncement Adopted

At September 30, 2010, the Village adopted the provision of GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-based measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made to funding the plan.

## II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**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

For the year ended September 30, 2010, the Village complied, in all material respects, with these revenue restrictions.

**Excess of expenditures over appropriations**

For fiscal year ended September 30, 2010, expenditures exceeded appropriations in the following departments for the General Fund.

	<u>Final Budget</u>	<u>Actual</u>	<u>Amount in Excess of Final Budget</u>
Village Commission	\$ 21,478	\$ 22,327	\$ 849
Finance	\$ 138,982	\$ 143,845	\$ 4,863
Non-departmental	\$ 307,611	\$ 319,020	\$11,409
Public Safety	\$1,172,327	\$1,177,596	\$ 5,269
Physical Environment	\$ 221,902	\$ 225,881	\$ 3,979

These excess of expenditures were funded by surpluses in other departments.

**III. DEPOSITS AND INVESTMENTS**

**Deposits**

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State of Florida Chief Financial Officer, to hold public funds. Under Florida law, the State Chief Financial Officer requires all Florida qualified public depositories to deposit with the Chief Financial Officer or banking institution eligible collateral. In the event of a failure of a qualified depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the Village or its agent in the Village's name.

**Investments**

The Village does not have a written investment policy and follows the State of Florida investment policy as set forth in State Statute 218.415. In accordance with Section 218.415 of the Florida Statutes, the Village is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, which include the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA).

### III. DEPOSITS AND INVESTMENTS (Continued)

As of September 30, 2010, the Village had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Weighted Average Life(Years)</u>
Money market funds	\$336,004	1	n/a
State Board of Administration –LGIP	3,004	52	n/a
State Board of Administration –Fund B	<u>5,350</u>	n/a	7.49
	<u>\$344,358</u>		

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

- The Village does not have a written policy on interest rate risk; however, the Village manages its exposure to declines in fair values by limiting the weighed average monthly maturity of its investment portfolio to 1 day. At September 30, 2010 the portfolio weighted average maturity was 1 day for money market funds and 52 days for the LGIP. Except for the Village’s investment in Fund B which is 7.49 years.

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

The Village’s investments in the Florida State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. The State Pool is administered by the SBA, who provides regulatory oversight. During the year, the SBA reported that State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial markets. Consequently the SBA placed some restrictions on how participants could access portions of their surplus fund and ultimately restructured the State Pool into two separate pools (“LGIP” and “Fund B”). The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund.

The LGIP is rated AAAM by Standard and Poor’s and 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.

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

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

<u>Per Statement of Net Assets</u>		<u>By Category</u>	
Cash and cash equivalents	\$438,019	Deposits	\$146,040
Restricted- cash and cash equivalents	44,025	Investments	<u>344,358</u>
Investments	<u>8,354</u>		<u>\$490,398</u>
	<u>\$490,398</u>		

**IV. RECEIVABLES/PAYABLES**

**Receivables**

Receivables at September 30, 2010, consisted of sanitation fees, franchise fees and taxes, other and grant receivables. The Village's receivables at September 30, 2010, were as follows:

	Sanitation Fees	Franchise Fees and Taxes	Other	Grants	Totals
<b>Governmental Funds</b>					
General fund	\$123,057	\$133,397	\$18,687	\$ -	\$275,141
Police forfeiture fund	-	-	56,715	-	56,715
CITT fund		23,448			23,448
Capital Improvement fund	-	-	-	411,036	411,036
Non-major governmental funds	<u>-</u>	<u>-</u>	<u>7,938</u>	<u>-</u>	<u>7,938</u>
	<u>\$123,057</u>	<u>\$156,845</u>	<u>\$83,340</u>	<u>\$ 411,036</u>	<u>\$774,278</u>
<b>Proprietary Funds</b>					
Sanitation fund	<u>\$ 7,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,679</u>

The \$123,057 in sanitation fees receivable in the General fund represents old receivables outstanding from prior years before the Village contracted with Miami Dade County Office of the Property Appraiser to include the solid waste fees with the property tax billings. During 2010, approximately \$8,468 was collected from the old sanitation fees receivable and the Village continues its efforts to collect. Liens have been placed or will be placed on properties with outstanding balances and the Village expects to collect these funds. All franchise fees and taxes receivable are considered fully collectible.

**Payables**

	<u>Vendors</u>
<b>Governmental Funds</b>	
General fund	\$130,242
CITT fund	3,000
Capital Improvement fund	88,916
Non-major governmental funds	<u>31</u>
	<u>\$222,189</u>
<b>Proprietary Funds</b>	
Sanitation fund	<u>\$85</u>

**V. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS**

Interfund balances as of September 30, 2010, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$390,726	\$ -
Police forfeiture Fund	-	71,603
CITT fund	-	72,099
Capital Improvement fund	-	338,682
Non-major governmental funds	47,217	25
Sanitation fund	<u>44,466</u>	<u>-</u>
	<u>\$482,409</u>	<u>\$482,409</u>

**V. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS (Continued)**

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, 2010 were as follows:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ -	\$79,755
CITT fund	-	61,650
Capital Improvement fund	115,755	-
Non-major governmental funds	<u>25,650</u>	<u>-</u>
	<u>\$141,405</u>	<u>\$141,405</u>

- The transfer of \$9,755 from the General Fund to the Capital Improvement Fund was used to cover expenditures landscaping maintenance.

- The transfer of \$15,000 from the General Fund to the Capital Improvement Fund was used to cover expenditures for the entryway sign.

- The transfer of \$55,000 from the General Fund to the Capital Improvement Fund was used a match for SNP expenditures for the recreation center.

- The transfer of \$25,650 from the Citizen Independent Transportation Fund to the Road Fund was used for road maintenance and repairs.

- The transfer of \$36,000 from the Citizen Independent Transportation Fund to the Capital Improvement Fund was used to cover expenditures for median enhancements.

**VI. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2010 was as follows:

	Balance October 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2010</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 157,490	\$ -	\$ -	\$ 157,490
Construction in progress	59,815	463,465	-	523,280
Total capital assets not being depreciated	<u>217,305</u>	<u>463,465</u>	<u>-</u>	<u>680,770</u>
Capital assets being depreciated:				
Building	273,504	-	-	273,504
Infrastructure	722,554	52,420	-	774,974
Furniture and equipment	1,478,345	-	-	1,478,345
Total capital assets being depreciated	2,474,403	52,420	-	2,526,823
Less accumulated depreciation for:				
Building	(208,604)	(4,394)	-	(212,998)
Infrastructure	(174,417)	(38,726)	-	(213,143)
Furniture and equipment	(1,248,092)	(54,509)	-	(1,302,601)
Total accumulated depreciation	<u>(1,631,113)</u>	<u>(97,629)</u>	<u>-</u>	<u>(1,728,742)</u>
Total capital assets being depreciated, net	<u>843,290</u>	<u>(45,209)</u>	<u>-</u>	<u>798,081</u>
Governmental activities capital assets, net	<u>\$ 1,060,595</u>	<u>\$ 418,256</u>	<u>\$ -</u>	<u>\$ 1,478,851</u>

**VI. CAPITAL ASSETS (Continued)**

	Balance October 1, <u>2009</u>	Additions <u>/Transfers</u>	Deletions <u>/Transfers</u>	Balance September 30, <u>2010</u>
<b>Business-type activities</b>				
Capital assets being depreciated:				
Equipment	\$267,753	\$ -	\$ -	\$267,753
Total capital assets being depreciated	267,753	-	-	267,753
Less accumulated depreciation for:				
Equipment	(177,648)	(12,518)	-	(190,166)
Total accumulated depreciation	(177,648)	(12,518)	-	(190,166)
Total capital assets being depreciated, net	<u>90,105</u>	<u>(12,518)</u>	-	<u>77,587</u>
Business-type activities capital assets, net	<u>\$ 90,105</u>	<u>\$(12,518)</u>	<u>\$ -</u>	<u>\$ 77,587</u>

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

General government	\$ 9,157
Public Safety	36,360
Physical Environment	37,910
Culture and Recreation	<u>14,202</u>
Total depreciation expense – governmental activities	<u>\$97,629</u>

**VII. CAPITAL LEASES**

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

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

Future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010 are as follows:

<u>September 30,</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
2011	\$ 63,263	\$ 16,184	\$ 79,447
2012	<u>30,810</u>	-	<u>30,810</u>
Total	<u>\$ 94,073</u>	<u>\$ 16,184</u>	<u>\$110,257</u>

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

	Balance October 1, <u>2009</u>	Additions	Deletions	Balance September 30, <u>2010</u>	Due Within <u>One year</u>
<b>Governmental activities</b>					
Compensated absences	\$69,421	\$ 16,233	\$ -	\$85,654	\$ 4,283
OPEB liability	-	10,963	-	10,963	-
Capital leases	<u>147,929</u>	-	<u>53,856</u>	<u>94,073</u>	<u>63,263</u>
	<u>\$217,350</u>	<u>\$27,196</u>	<u>\$53,856</u>	<u>\$190,690</u>	<u>\$67,546</u>
<b>Business-type activities</b>					
Compensated absences	\$12,173	\$ -	\$6,325	\$5,848	\$ 292
Capital leases	<u>42,083</u>	-	<u>25,899</u>	<u>16,184</u>	<u>16,184</u>
	<u>\$54,256</u>	<u>\$ -</u>	<u>\$32,224</u>	<u>\$22,032</u>	<u>\$16,476</u>

**VIII. DEFINED BENEFIT PENSION PLAN**

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

*Funding Policy.* Plan members do not contribute. The Village contribution rates ranged from 9.85% to 20.92% of covered payroll. Article X, Section 14 of the State Constitution and Part VII, Chapter 112 of the Florida Statutes provide the authority to amend the contribution rates and obligations.

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

September 30,	Required Contribution	Contribution Rates
2010	\$ 198,000	9.85% - 20.92%
2009	\$ 223,525	9.85% - 20.92%
2008	\$ 228,199	9.85% - 20.92%

The most recent actuarial report was prepared as of July 1, 2010. Section 121.031(3) of the Florida Statutes requires that an actuarial review of the FRS be performed biannually. The conclusions of the review are included in the annual report of the FRS.

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

**IX. 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 2009-10 fiscal year, 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.

**IX. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

*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.

<b>Development of the Annual OPEB Cost and Net OPEB Obligation</b>	
<b>Employer FYE September 30</b>	<b><u>2010</u></b>
Annual Required Contribution (ARC)	\$ 10,963
Net OPEB Obligation (NOO) at beginning of year	-
Interest on Net OPEB Obligation (NOO)	-
Adjustment to Annual Required Contribution (ARC)	-
Annual OPEB Cost (Expense)	10,963
Employer Contributions Made	-
Increase (decrease) in Net OPEB Obligation (NOO)	10,963
Net OPEB Obligation (NOO) at end of year	<b>10,963</b>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

**Schedule of Village Contributions**

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 10,963	\$ -	0%	\$ 10,963

*Funded Status and Funding Progress.* As of the reporting date the plan assets were \$0, the actuarial accrued liability for benefits was \$57,840, the total unfunded actuarial liability is \$57,840, 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 \$1,147,141, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 5%.

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.

**IX. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

*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, 2010 was 30 years. Health insurance trends start at 8.00% for the fiscal year ending in 2011 and 9.00% for 2012, grading down to 5.00% at the ultimate trend rate by 2020.

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
9/30/2010	\$ -	\$57,840	\$57,840	0%	\$1,147,141	5%

**X. 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.

**XI. 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.

## **XII. SUBSEQUENT EVENTS**

Management evaluated subsequent events from October 1, 2010 through September 29, 2011, the date that the financial statements were available to be published. No events were identified during this review of subsequent events that required adjustment to or disclosure within these financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				<u>Positive/(Negative)</u>
Revenues:				
Property taxes	\$ 1,424,144	\$ 1,424,144	\$ 1,399,864	\$ (24,280)
Franchise fees	125,000	120,600	120,595	(5)
Utility taxes	274,822	257,421	255,360	(2,061)
Charges for services	71,000	79,244	78,358	(886)
Intergovernmental	242,591	225,834	242,253	16,419
Licenses and permits	128,400	145,243	128,982	(16,261)
Fines and forfeitures	70,250	110,993	110,993	-
Interest	-	4,810	5,493	683
Miscellaneous	13,000	42,956	36,544	(6,412)
Total revenues	<u>2,349,207</u>	<u>2,411,245</u>	<u>2,378,442</u>	<u>(32,803)</u>
Expenditures:				
Current:				
General government				
Village commission	19,963	21,478	22,327	(849)
Administration	205,059	203,544	179,164	24,380
Finance	130,105	138,982	143,845	(4,863)
Non-departmental	325,109	307,611	319,020	(11,409)
Public safety	1,155,472	1,172,327	1,177,596	(5,269)
Building and code enforcement	181,622	182,231	181,744	487
Physical environment	249,272	221,902	225,881	(3,979)
Culture and recreation	106,414	176,414	171,471	4,943
Total expenditures	<u>2,373,016</u>	<u>2,424,489</u>	<u>2,421,048</u>	<u>3,441</u>
(Deficiency) Excess of revenues under expenditures before other financing sources (uses)	<u>(23,809)</u>	<u>(13,244)</u>	<u>(42,606)</u>	<u>(29,362)</u>
Other financing sources (uses):				
Appropriation of prior year fund balance	<u>23,809</u>	<u>13,244</u>	<u>-</u>	<u>(13,244)</u>
Total other financing sources (uses)	<u>23,809</u>	<u>13,244</u>	<u>-</u>	<u>(13,244)</u>
Net change in fund balance	-	-	(42,606)	<u>\$ (42,606)</u>
Fund balances, October 1	<u>893,348</u>	<u>893,348</u>	<u>893,348</u>	
Fund balances, September 30	<u>\$ 893,348</u>	<u>\$ 893,348</u>	<u>\$ 850,742</u>	

See notes to budgetary comparison schedule

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**POLICE FORFEITURE FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures	\$ 10,000	\$ 51,247	\$ 8,000	\$ (43,247)
Interest	100	126	125	(1)
Miscellaneous	<u>29,600</u>	<u>9,600</u>	<u>-</u>	<u>(9,600)</u>
Total revenues	<u>39,700</u>	<u>60,973</u>	<u>8,125</u>	<u>(52,848)</u>
<b>Expenditures:</b>				
Current:				
Public safety	<u>39,700</u>	<u>60,973</u>	<u>37,583</u>	<u>23,390</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>(29,458)</u>	<u>(29,458)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(29,458)</u>	<u>\$ (29,458)</u>
Fund balances, October 1	<u>57,151</u>	<u>57,151</u>	<u>57,151</u>	
Fund balances, September 30	<u>\$ 57,151</u>	<u>\$ 57,151</u>	<u>\$ 27,693</u>	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**CITT FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 99,950	\$ 119,133	\$ 97,948	\$ (21,185)
Interest	<u>150</u>	<u>466</u>	<u>166</u>	<u>(300)</u>
Total revenues	<u>100,100</u>	<u>119,599</u>	<u>98,114</u>	<u>(21,485)</u>
<b>Expenditures:</b>				
Current:				
Physical environment	<u>36,000</u>	<u>116,637</u>	<u>38,525</u>	<u>78,112</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>64,100</u>	<u>2,962</u>	<u>59,589</u>	<u>56,627</u>
Other financing sources (uses)				
Appropriation of prior year fund balance	58,688	58,688	-	(58,688)
Transfers	<u>(122,788)</u>	<u>(61,650)</u>	<u>(61,650)</u>	<u>-</u>
Total other financing sources (uses)	<u>(64,100)</u>	<u>(2,962)</u>	<u>(61,650)</u>	<u>(58,688)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(2,061)</u>	<u>\$ (2,061)</u>
Fund balances, October 1	<u>60,353</u>	<u>60,353</u>	<u>60,353</u>	
Fund balances, September 30	<u>\$ 60,353</u>	<u>\$ 60,353</u>	<u>\$ 58,292</u>	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**Notes to Budgetary Comparison Schedule**

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

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

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

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

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

The Village's department heads recommend transfers of appropriations within a department with approval of the Village Manager and Finance Director.

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

During the fiscal year, the Village Commission approved by ordinance several budget changes on the department level. In addition, there were supplemental appropriations for the fiscal year ended September 30, 2010, totaling \$51,473 for the general fund.

For the year ended September 30, 2010 expenditures exceeded appropriations in the Village commission department by \$849, the finance department by \$4,863, non-departmental by \$11,409, the public safety department by \$5,269 and the physical environment department by \$3,979. These excess of expenditures were funded by surpluses in other departments.

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## **COMBINING FINANCIAL STATEMENTS**

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**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2010**

	Special Revenue Funds		
	<u>Road Fund</u>	<u>Stormwater Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,419	\$ 25	\$ 1,444
Accounts receivable - net	7,938	-	7,938
Due from other funds	47,217	-	47,217
Total assets	\$ 56,574	\$ 25	\$ 56,599
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 31	\$ -	\$ 31
Due to other funds	-	25	25
Accrued payroll	974	-	974
Total liabilities	1,005	25	1,030
<b><u>FUND BALANCES</u></b>			
Unreserved:			
Undesignated	55,569	-	55,569
Total fund balances	55,569	-	55,569
Total liabilities and fund balances	\$ 56,574	\$ 25	\$ 56,599

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Special Revenue Funds</u>		Total
	<u>Road</u>	<u>Stormwater</u>	Nonmajor
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Revenues:			
Intergovernmental	\$ 104,635	\$ -	\$ 104,635
Interest	88	-	88
Miscellaneous	<u>-</u>	<u>175</u>	<u>175</u>
Total revenues	<u>104,723</u>	<u>175</u>	<u>104,898</u>
Expenditures:			
Current:			
Physical environment	119,606	175	119,781
Capital outlay:			
Physical environment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>119,606</u>	<u>175</u>	<u>119,781</u>
Excess (Deficiency) of revenues over expenditures before other financing sources	<u>(14,883)</u>	<u>-</u>	<u>(14,883)</u>
Other financing sources (uses)			
Transfers	<u>25,650</u>	<u>-</u>	<u>25,650</u>
Total other financing sources (uses)	<u>25,650</u>	<u>-</u>	<u>25,650</u>
Net change in fund balance	<u>10,767</u>	<u>-</u>	<u>10,767</u>
Fund balances, October 1	<u>44,802</u>	<u>-</u>	<u>44,802</u>
Fund balances, September 30	<u>\$ 55,569</u>	<u>\$ -</u>	<u>\$ 55,569</u>

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	Special Revenue Fund			
	Stormwater Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			
Revenues:				
Intergovernmental	\$ 61,138	\$ 61,138	\$ -	\$ (61,138)
Miscellaneous	-	-	175	175
Total revenues	<u>61,138</u>	<u>61,138</u>	<u>175</u>	<u>(60,963)</u>
Expenditures:				
Current:				
Physical environment	<u>122,276</u>	<u>122,276</u>	<u>175</u>	<u>122,101</u>
(Deficiency) of revenues over expenditures before other financing sources	<u>(61,138)</u>	<u>(61,138)</u>	<u>-</u>	<u>61,138</u>
Other financing sources				
Transfers	<u>61,138</u>	<u>61,138</u>	<u>-</u>	<u>(61,138)</u>
Total other financing sources	<u>61,138</u>	<u>61,138</u>	<u>-</u>	<u>(61,138)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balances, October 1	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Road Fund			
	Budgeted Amounts		Actual	
	Original	Final	Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ 116,656	\$ 103,877	\$ 104,635	\$ 758
Interest	100	88	88	-
Total revenues	<u>116,756</u>	<u>103,965</u>	<u>104,723</u>	<u>758</u>
<b>Expenditures:</b>				
Current:				
Physical environment	<u>171,787</u>	<u>129,615</u>	<u>119,606</u>	<u>10,009</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(55,031)</u>	<u>(25,650)</u>	<u>(14,883)</u>	<u>10,767</u>
<b>Other financing sources</b>				
Appropriation of prior year fund balance	29,381	-	-	-
Transfers in	<u>25,650</u>	<u>25,650</u>	<u>25,650</u>	<u>-</u>
Total other financing sources	<u>55,031</u>	<u>25,650</u>	<u>25,650</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>10,767</u>	<u>\$ 10,767</u>
Fund balances, October 1	<u>44,802</u>	<u>44,802</u>	<u>44,802</u>	
Fund balances, September 30	<u>\$ 44,802</u>	<u>\$ 44,802</u>	<u>\$ 55,569</u>	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE-BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Intergovernmental	\$ 579,573	\$ 579,583	\$ 404,917	\$ (174,666)
Total revenues	579,573	579,583	404,917	(174,666)
Expenditures:				
Current:				
Physical environment	670,573	670,583	542,195	128,388
Excess (deficiency) of revenues over expenditures before other financing sources	(91,000)	(91,000)	(137,278)	(46,278)
Other financing sources				
Transfers	86,000	86,000	115,755	29,755
Appropriation of prior year fund balance	5,000	5,000	-	(5,000)
Total other financing sources	91,000	91,000	115,755	24,755
Net change in fund balance	-	-	(21,523)	\$ (21,523)
Fund balances, October 1	-	-	5,001	
Fund balances, September 30	\$ -	\$ -	\$ (16,522)	

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND NET ASSETS-BUDGET AND ACTUAL PROPRIETARY FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	Sanitation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Operating revenues:				
Charges for services	\$ 738,190	\$ 737,767	\$ 728,447	\$ (9,320)
Total operating revenues	<u>738,190</u>	<u>737,767</u>	<u>728,447</u>	<u>(9,320)</u>
Operating expenses:				
Personal services	346,659	330,894	325,447	5,447
Materials, supplies, and services	356,751	366,382	320,115	46,267
Depreciation	<u>12,600</u>	<u>12,600</u>	<u>12,518</u>	<u>82</u>
Total operating expenses	<u>716,010</u>	<u>709,876</u>	<u>658,080</u>	<u>51,796</u>
Operating income	<u>22,180</u>	<u>27,891</u>	<u>70,367</u>	<u>42,476</u>
Nonoperating (expenses):				
Interest expense and fees	<u>(22,180)</u>	<u>(27,891)</u>	<u>(1,991)</u>	<u>25,900</u>
Total nonoperating (expenses)	<u>(22,180)</u>	<u>(27,891)</u>	<u>(1,991)</u>	<u>25,900</u>
Change in net assets	-	-	68,376	<u>\$ 68,376</u>
Net assets, October 1	<u>37,003</u>	<u>37,003</u>	<u>37,003</u>	
Net assets, September 30	<u>\$ 37,003</u>	<u>\$ 37,003</u>	<u>\$ 105,379</u>	

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**STATISTICAL SECTION**

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# 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

	<u>Page</u>
<b>Financial Trends</b>	<b>46-48</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>Revenue Capacity</b>	<b>49-55</b>
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	<b>56-57</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>Demographic and Economic Information</b>	<b>58-59</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>Operating Information</b>	<b>60-62</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>	

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

VILLAGE OF BISCAYNE PARK, FLORIDA

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

	Fiscal Year						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</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
Restricted	194,122	255,247	318,153	220,838	154,152	167,307	141,554
Unrestricted	1,056,956	640,606	799,822	910,925	919,134	823,927	737,603
Total governmental activities net assets	<u>\$ 1,769,781</u>	<u>\$ 1,470,221</u>	<u>\$ 1,629,630</u>	<u>\$ 2,012,644</u>	<u>\$ 1,949,318</u>	<u>\$ 1,903,900</u>	<u>\$ 2,263,935</u>
Business-Type activities							
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 40,797	\$ 48,022	\$ 61,403
Restricted	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	(21,798)	(11,019)	43,976
Total business type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,999</u>	<u>\$ 37,003</u>	<u>\$ 105,379</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
Restricted	194,122	255,247	318,153	220,838	154,152	167,307	141,554
Unrestricted	1,056,956	640,606	799,822	910,925	897,336	812,908	781,579
Total primary governmental activities net assets	<u>\$ 1,769,781</u>	<u>\$ 1,470,221</u>	<u>\$ 1,629,630</u>	<u>\$ 2,012,644</u>	<u>\$ 1,968,317</u>	<u>\$ 1,940,903</u>	<u>\$ 2,369,314</u>

(1) Information for fiscal years ending September 30, 2000-2003 are unavailable in this format since the Village implemented *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

VILLAGE OF BISCAIYNE PARK, FLORIDA

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<b>EXPENSES</b>							
Governmental activities:							
General government	\$ 703,731	\$ 643,498	\$ 644,968	\$ 677,103	\$ 692,448	\$ 687,230	\$ 673,004
Public safety	953,050	965,936	1,091,907	1,525,175	1,559,133	1,582,899	1,387,897
Public works	830,443	1,214,493	2,189,251	1,262,831	566,017	454,919	459,016
Culture and recreation	258,618	307,648	316,284	293,470	298,812	186,011	108,774
Non-departmental							
Interest on long-term debt	1,733	2,552	2,567	3,683	2,772	4,872	5,770
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>
Business-type activities:							
Sanitation	-	-	-	-	690,416	687,885	660,071
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>
<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
Public safety	126,112	216,373	180,917	316,589	252,645	283,957	247,975
Public works	503,118	384,151	558,007	638,872	-	50,000	50,000
Culture and recreation	91,825	107,391	155,696	146,219	99,632	43,284	22,857
Operating and capital grants and contributions	3,980	217,550	1,181,810	323,635	39,367	166,455	407,380
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>
Business-type activities:							
Sanitation	-	-	-	-	702,519	705,889	728,447
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)
Business-type activities	-	-	-	-	12,103	18,004	68,376
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>
<b>General Revenues and Other Changes in Net Assets</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
Utility taxes	212,504	215,844	228,549	225,643	273,866	244,258	255,360
Franchise fees on gross receipts	132,785	87,524	122,750	125,523	115,686	115,272	120,595
Intergovernmental (unrestricted)	393,885	509,223	610,060	530,968	544,248	363,507	442,373
Investment income	32,078	29,746	62,219	65,388	24,048	7,853	5,862
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>
Business-type activities:							
Sanitation	-	-	-	-	-	-	-
<b>Change in Net Assets</b>							
Governmental activities	\$ (260,573)	\$ (302,560)	\$ 162,409	\$ 383,014	\$ (56,430)	\$ (45,418)	\$ 360,035
Business-type activities	-	-	-	-	12,103	18,004	68,376
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>

(1) Information for fiscal years ending September 30, 2000-2003 are unavailable in this format since the Village implements *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS (1)**  
 (accrual basis of accounting)

<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

(1) Information for fiscal years ending September 30, 2000-2003 are unavailable in this format since the Village implemented *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund										
Reserved	\$ 170,170	\$ 164,668	\$ 246,602	240,287	\$ 199,411	\$ 210,159	\$ 224,013	\$ 188,350	\$ 181,485	\$ 124,423
Unreserved	1,285,736	1,399,348	1,131,002	760,607	476,846	680,541	771,220	831,098	711,863	726,319
Total general fund	<u>\$ 1,455,906</u>	<u>\$ 1,564,016</u>	<u>\$ 1,377,604</u>	<u>\$ 1,000,894</u>	<u>\$ 676,257</u>	<u>\$ 890,700</u>	<u>\$ 995,233</u>	<u>\$ 1,019,448</u>	<u>\$ 893,348</u>	<u>\$ 850,742</u>
All other governmental funds										
Reserved	\$ -	\$ 142,757	\$ 219,622	\$ 194,122	\$ 252,247	\$ 318,153	\$ 220,838	\$ 154,152	\$ 167,307	\$ 125,032
Unreserved, reported in:										
Special revenue funds	440,340	294,639	187,578	56,062	(35,651)	-	-	-	-	-
Total all other governmental funds	<u>\$ 440,340</u>	<u>\$ 437,396</u>	<u>\$ 407,200</u>	<u>\$ 250,184</u>	<u>\$ 216,596</u>	<u>\$ 318,153</u>	<u>\$ 220,838</u>	<u>\$ 154,152</u>	<u>\$ 167,307</u>	<u>\$ 125,032</u>

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>REVENUES</b>										
Taxes and franchise fees	\$ 1,172,055	\$ 1,179,359	\$ 1,196,112	\$ 1,254,990	\$ 1,139,978	\$ 1,412,637	\$ 1,833,471	\$ 1,808,661	\$ 1,683,722	\$ 1,520,459
Charges for services	557,094	587,845	671,499	599,714	496,932	720,075	791,114	103,990	97,049	78,358
Utility taxes				212,504	215,844	228,549	225,643	273,866	244,258	255,360
Intergovernmental	252,634	354,339	380,785	261,604	726,773	1,791,870	854,603	583,615	529,962	849,753
Licenses and permits	61,748	91,919	110,634	88,071	116,726	122,988	177,539	148,170	118,324	128,982
Fines and forfeitures	38,547	69,989	178,903	38,041	99,647	57,929	139,050	104,475	165,633	118,993
Interest					29,746	62,219	65,388	24,048	7,853	5,862
Grants	66,293	72,658	48,521	32,078						
Miscellaneous	93,655	43,832	26,250	-	5,921	11,119	58,468	15,927	23,712	36,729
Total revenues	<u>2,242,026</u>	<u>2,399,941</u>	<u>2,612,704</u>	<u>2,487,002</u>	<u>2,831,567</u>	<u>4,407,386</u>	<u>4,145,276</u>	<u>3,062,752</u>	<u>2,870,513</u>	<u>2,994,496</u>
<b>EXPENDITURES</b>										
General government	537,214	568,186	807,766	660,728	620,034	623,866	657,669	667,210	687,901	657,313
Public safety	648,344	748,086	803,286	943,042	938,564	1,064,035	1,502,846	1,516,388	1,538,248	1,340,867
Public works	686,450	702,452	706,334	779,813	1,145,603	2,132,671	1,178,395	502,128	392,136	374,432
Culture and recreation	142,854	151,799	169,486	225,836	264,256	264,651	242,839	250,619	184,846	95,605
Non-departmental			4,224							
Debt service:										
Principal retirement	11,691	40,830	41,146	41,035	38,311	30,163	49,951	9,319	33,526	53,856
Interest and fiscal charges	2,199	3,287	2,970	1,733	2,552	2,567	3,683	2,772	4,872	5,770
Capital outlay:										
General government	140,804	126,652	294,101	440,522	204,132	64,259	689,693	156,786	270,739	551,534
Total expenditures	<u>2,169,556</u>	<u>2,341,292</u>	<u>2,829,313</u>	<u>3,092,709</u>	<u>3,213,452</u>	<u>4,182,212</u>	<u>4,325,076</u>	<u>3,105,222</u>	<u>3,112,268</u>	<u>3,079,377</u>
Excess(deficiency) of revenues over expenditures	72,470	58,649	(216,609)	(605,707)	(381,885)	225,174	(179,800)	(42,470)	(241,755)	(84,881)
Other financing (uses) sources:										
Transfers in	-	-	-	15,000	54,229	154,245	-	86,667	-	-
Transfers out	-	-	-	(15,000)	(54,229)	(154,245)	-	(86,667)	-	-
Proceeds from note payable and contingencies										
Proceeds from capital lease	75,882	46,520	-	71,981	23,662	-	187,012	-	128,810	-
Total other financing sources (uses)	<u>75,882</u>	<u>46,520</u>	<u>-</u>	<u>71,981</u>	<u>23,662</u>	<u>-</u>	<u>187,012</u>	<u>-</u>	<u>128,810</u>	<u>-</u>
Net change in fund balances	<u>\$ 148,352</u>	<u>\$ 105,169</u>	<u>\$ (216,609)</u>	<u>\$ (533,726)</u>	<u>\$ (358,223)</u>	<u>\$ 225,174</u>	<u>\$ 7,212</u>	<u>\$ (42,470)</u>	<u>\$ (112,945)</u>	<u>\$ (84,881)</u>
Debt service as a percentage of noncapital expenditures	0.7%	2.0%	1.8%	1.6%	1.4%	0.8%	1.5%	0.4%	1.4%	2.4%

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

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Local Option Gas Tax</u>	<u>2nd Local Option Gas Tax (1)</u>	<u>People's Transportation Tax (2)</u>	<u>State Revenue Sharing Tax</u>	<u>Half Cent Sales tax</u>	<u>Franchise Taxes</u>	<u>Utility Taxes</u>	<u>Total</u>
2001	746,002	88,037	-	-	65,841	183,356	87,563	246,474	1,417,273
2002	792,962	64,497	27,036	-	72,575	190,230	104,324	282,072	1,533,696
2003	835,239	71,781	24,250	-	77,420	207,334	99,693	261,180	1,576,897
2004	898,761	61,708	25,474	136,261	75,312	182,312	132,785	212,504	1,725,117
2005	1,052,454	66,013	25,058	101,011	102,902	214,238	87,524	215,844	1,865,044
2006	1,289,887	67,710	25,153	134,276	106,338	252,074	122,750	228,549	2,226,737
2007	1,707,948	61,210	23,124	121,133	102,909	220,632	125,523	225,643	2,588,122
2008	1,692,975	59,648	23,251	104,862	103,170	210,944	115,686	273,866	2,584,402
2009	1,568,450	55,918	21,827	97,255	79,150	189,114	115,272	244,258	2,371,244
2010	1,399,864	54,436	20,671	97,948	85,446	178,987	120,595	255,360	2,213,307

(1) FY 2002 was the first year for this tax source  
(2) FY 2004 was the first year for this tax source

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<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>
2001	83,946,758	1,901,188	85,847,946	8.900	127,896,607	67.12%
2002	92,136,906	1,858,859	93,995,765	8.700	157,543,542	59.66%
2003	103,086,572	1,925,183	105,011,755	8.200	185,688,334	56.55%
2004	114,629,189	2,061,870	116,691,059	7.900	229,069,673	50.94%
2005	134,270,987	2,108,710	136,379,697	7.900	275,753,002	49.46%
2006	155,647,938	2,124,806	157,772,744	8.200	366,933,528	43.00%
2007	191,151,456	2,228,951	193,380,407	9.200	401,124,516	48.21%
2008	208,024,116	2,587,452	210,611,568	8.340	401,124,516	52.51%
2009	175,588,028	2,507,495	178,095,523	8.890	347,136,428	51.30%
2010	166,107,320	2,514,600	168,621,920	8.933	332,752,428	50.67%

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	Direct Rate	Overlapping Rates						Total Direct & Overlapping Rates
	Village of Biscayne Park	County			Special Districts			
		County Wide	County Debt Service	County Fire	Library	Schools	State*	
2001	8.9000	5.7130	0.5520	2.7520	0.4510	9.3760	0.7355	28.4795
2002	8.7000	5.8890	0.3900	2.6610	0.4860	9.2520	0.7355	28.1135
2003	8.2000	6.4690	0.2850	2.6610	0.4860	9.1000	0.7360	27.9370
2004	8.0000	6.3792	0.2850	2.6610	0.4860	8.6870	0.7360	27.2342
2005	8.0000	6.2638	0.2850	2.6610	0.4860	8.4380	0.7360	26.8698
2006	8.5000	6.0373	0.2850	2.6510	0.4860	8.1500	0.7355	26.8448
2007	9.2000	5.0019	0.2850	2.2477	0.3842	7.9480	0.6595	25.7263
2008	8.3400	5.2945	0.2850	2.2487	0.3842	7.7970	0.6585	25.0079
2009	8.8903	5.3370	0.2850	2.2271	0.3822	7.9950	0.6585	25.7751
2010	8.9933	5.4275	0.4450	2.5753	2.8400	7.8640	0.6586	28.8037

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

Additional information:

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

Tax rate limits:

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

Source: Miami-Dade County  
Department of Property Appraisal

\*South Florida Water Management District

VILLAGE OF BISCAYNE PARK, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

(amounts expressed in thousands)

2010				2001 (1)			
Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Rank	Percentage Total Assessed Valuation
MATTHEW KAMINSKY	\$650,321	1	0.4%				
ROBERT W SMITH & W BARBARA	632,802	2	0.4%				
VAUGHN R. GOLDSTEIN	568,896	3	0.3%				
JORGE R. SIMUNOVIC & W NELDA	484,730	4	0.3%				
JOSEPH S & CLARA LOMAZZO TRS	457,214	5	0.3%				
AMOS & SOEURETTE BRUNY	450,958	6	0.3%				
ALEXIS JUSTO & ROSEALENA SAYRE	448,978	7	0.3%				
WILFRED JOSEPH & W ELIZABETH	443,403	8	0.3%				
DONALD PENNING	430,899	9	0.3%				
JOYCE SILVER TR	410,679	10	0.2%				
	<u>\$ 4,978,880</u>		<u>3.0%</u>		<u>\$ -</u>		<u>0.0%</u>

Sources: Miami-Dade County Tax Assessors' Office  
 2010 Tax Roll  
 Real/personal property adjusted taxable value of \$168,621,920  
 (1) 2001 information was unavailable

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTION**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

<b>Fiscal Year Ended September 30,</b>	<b>Total taxes Levied for Fiscal Year(1)</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years (N/A)</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2001	763,948	746,002	97.7%		746,002	97.7%
2002	817,825	792,962	97.0%		792,962	97.0%
2003	862,524	835,239	96.8%		835,239	96.8%
2004	920,693	898,761	97.6%		898,761	97.6%
2005	1,070,117	1,052,454	98.3%		1,052,454	98.3%
2006	1,285,818	1,285,387	100.0%		1,285,387	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%

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>
2001	64,191	-	64,191	0.07%	19.517
2002	69,881	-	69,881	0.08%	21.344
2003	28,735	-	28,735	0.03%	8.245
2004	59,682	-	59,682	0.06%	16.788
2005	43,330	-	43,330	0.06%	13.020
2006	13,167	-	13,167	0.02%	3.956
2007	149,509	-	149,509	0.19%	44.925
2008	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

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 58 for the personal income and population data.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**  
(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)	\$ 3,445,003	0.09%	\$ 3,190
Miami-Dade County (3)	<u>859,492</u>	0.09%	<u>796</u>
Subtotal overlapping debt	4,304,495		3,986
Village of Biscayne Park direct debt	110	100.00%	<u>110</u>
Total direct and overlapping debt	\$ 4,304,605		\$ 4,096

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>
2001	3,289	86,862,490	26,410	6.0
2002	3,274	88,381,630	26,995	6.6
2003	3,485	96,161,605	27,593	6.0
2004	3,555	103,365,180	29,076	5.6
2005	3,328	72,956,416	21,922	5.1
2006	3,328	74,523,904	22,393	4.5
2007	3,328	77,539,072	23,299	4.1
2008	3,328	79,479,296	23,882	6.0
2009	3,328	76,577,280	23,010	11.3
2010	3,328	76,287,744	22,923	8.6

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**

<b><u>EMPLOYER</u></b>	<b><u>2010</u></b>			<b><u>2001</u></b>		
	<b><u>EMPLOYEES</u></b>	<b><u>RANK</u></b>	<b><u>Percentage of Total County Employment</u></b>	<b><u>EMPLOYEES</u></b>	<b><u>RANK</u></b>	<b><u>Percentage of Total County Employment</u></b>
Miami-Dade County Public Schools	48,571	1	3.81%	37,500	1	3.41%
Miami-Dade County, Florida	29,000	2	2.28%	30,000	2	2.73%
Federal Government	19,500	3	1.53%	18,276	3	1.66%
Florida State Government	17,100	4	1.34%	18,100	4	1.65%
University of Miami	16,000	5	1.26%	8,000	7	0.73%
Baptist Health South Florida	13,376	6	1.05%	7,500	8	0.68%
Jackson Health System	12,871	7	0.99%	10,000	5	0.91%
Publix Super Markets	10,800	8	0.85%	4,000	10	0.36%
American Airlines	9,000	9	0.71%	9,000	6	0.82%
Florida International University	8,000	10	0.63%	2,591	13	0.24%
Miami-Dade College	6,200	11	0.49%	2,400	14	0.22%
Precision Response Corp.	5,000	12	0.39%	4,360	9	0.40%
City of Miami	4,309	13	0.34%	3,400	12	0.31%
Florida Power & Light	3,840	14	0.30%	3,823	11	0.35%
Carnival Cruise Lines	3,500	15	0.27%	2,000	15	0.18%
	<b><u>207,067</u></b>		<b><u>16.24%</u></b>	<b><u>160,950</u></b>		<b><u>14.65%</u></b>

Source: The Beacon Council

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Function</b>										
General government	2	2	2	2	3	3	2	2	3	3
Public safety										
Police										
Officers	9	10	10	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
Building & Zoning	1	1	1	1	1	1	1	1	1	1
Recreation	2	2	2	2	2	2	2	2	1	1
Public Works				9	9	9	9	8	7	7
Sanitation	-	-	-	9	9	9	9	9	8	8
	<u>16</u>	<u>17</u>	<u>17</u>	<u>36</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>35</u>	<u>33</u>	<u>33</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>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Public Safety</b>										
Police:										
Burglaries	49	53	83	43	38	63	60	32	28	46
Robberies	2	-	4	-	3	3	5	7	3	-
Number of uniformed officers	9	10	10	11	11	11	11	11	10	11
Building & Zoning:										
Number of building permits issued	475	529	606	458	469	474	490	434	422	480
License/Permit revenue generated	\$ 46,044	\$ 85,119	\$ 104,363	\$ 84,253	\$ 97,456	\$ 97,876	\$ 140,533	\$ 107,626	\$ 100,522	\$ 116,530
<b>Culture and recreation</b>										
Children enrolled in programs	98	114	187	220	287	310	294	123	N/A	N/A
Recreation revenues collected	N/A	\$ 36,389	\$ 60,261	\$ 75,479	\$ 90,420	\$ 133,970	\$ 127,861	\$ 84,951	N/A	N/A
<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>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Public Safety</b>										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	10	11	12	13	14	15	15	15	12	12
<b>Public works</b>										
Streets (Miles-paved)	17	17	17	17	17	17	17	17	17	17
<b>Culture and recreation</b>										
Racketball courts	1	1	1	1	1	1	1	1	1	1
Baseball/Soccer fields	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.

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**COMPLIANCE SECTION**

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Biscayne Park, Florida (the "Village") as of and for the fiscal year ended September 30, 2010, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses, listed as items 2010-1 and 2010-2.

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. We consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies, listed as items 2010-3, 2010-4, 2009-1, 2008-1, 2008-2, 2008-3, 2005-2, 2000-7, and 2000-9.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as items 2009-1 and 2008-1.

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

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

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

*Alberni Caballero & Company, LLP*

September 29, 2011  
Coral Gables, Florida



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

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

We have audited the financial statements of the Village of Biscayne Park, Florida, as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated September 29, 2011.

We conducted our audit in accordance with United States generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over financial reporting and on Compliance and Other Matters. Disclosures in that report, which is dated September 29, 2011, should be considered in conjunction with this management letter.

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

- ❖ Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted below under the heading prior year findings and recommendations.
- ❖ Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village of Biscayne Park, Florida complied with Section 218.415, Florida Statutes.
- ❖ Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. See current year recommendations under the heading current year findings and recommendations.
- ❖ Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

- ❖ Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, the following matters required to be disclosed:
  - Status of Prior Year Findings and Recommendations: **No. 2009-1, 2008-1, 2008-2, 2008-3, 2005-2, 2000-7 and 2000-9**
  - Current Year Findings and Recommendations: **No. 2010-1, 2010-2, 2010-3, 2010-4, 2010-5 and 2010-6**
- ❖ Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Village was incorporated in accordance with the laws of the State of Florida 16319 of 1933. There are no component units related to the Village.
- ❖ Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village of Biscayne Park did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- ❖ Section 10.554(1)(i)7.b., Rules of the Auditor General, we determined that the annual financial report for the Village of Biscayne Park, Florida for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.
- ❖ Sections 10.554(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial assessment procedures. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

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

*Alberni Caballero & Company, LLP*

September 29, 2011  
Coral Gables, Florida

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

**MATERIAL WEAKNESSES**

**2010-1- Bank Reconciliations**

**Condition:**

During our audit we noted that the Village had not timely completed its bank reconciliations for the fiscal year ended September 30, 2010 and has not prepared the bank reconciliations for the fiscal year ended September 30, 2011.

Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Also, it is generally easier and less time-consuming to reconcile accounts while transactions are fresh in mind. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

**Cause:**

The Village experienced high turnover of personnel in the finance department during the fiscal year ended September 30, 2010 and 2011 including several months without a finance director.

**Effect:**

The Village did not complete its bank reconciliations timely for the fiscal year ended September 30, 2010 and is still behind in the completion of the bank reconciliations for the fiscal year ended September 30, 2011.

**Recommendation:**

Completion of all bank reconciliations for the fiscal year ended September 30, 2011 should be the Village's finance department's first priority. The Village may need to hire a financial consultant to assist the finance department in completing the bank reconciliations and bringing the financial records up to date.

**Management's Response (unaudited):**

Draft procedures were developed in the draft Finance Manual's Bank Reconciliation Section to require the Finance Department to reconcile bank statements monthly and will include the outstanding check list, cleared check list, check register and bank statement. In order for the department to catch up a CPA has been hired to begin the reconciliation process and monies are available for an additional part time staffer with the specific job responsibility of bank statement reconciliation.

**2010-2 - Miss-posting of Revenue and Expenditure Transactions**

**Condition:**

During our testing of revenues and expenditures, we noted several misspostings of revenue and expenditure transactions. These misspostings caused reclassifications to be made between revenue and expenditure accounts as well as between departments and funds. Many of the misspostings were recorded in the miscellaneous revenue account in the General fund.

**Cause:**

The Village experienced high turnover of personnel in the finance department during the fiscal year ended September 30, 2010 and 2011 including several months without a finance director.

**Effect:**

Some revenues were overstated while others understated. Expenditures for some line items were overstated while others understated.

**Recommendation:**

We recommend that the Village review its postings of revenues and expenditures to ensure recording in proper general ledger accounts. A review of revenues and expenditure postings and classifications should be performed for the 2011 fiscal year to ensure proper recording.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (Continued)**

**MATERIAL WEAKNESSES (Continued)**

**2010-2 - Miss-posting of Revenue and Expenditure Transactions (Continued)**

**Management's Response (unaudited):**

Both revenues and expenditures will be reviewed monthly as part of producing the month-end financial statements. Spreadsheets have been developed for monthly use to determine if specific account lines are being calculated correctly. At year end reconciliation schedules have been developed that will compare confirmations, bank statements and the general ledger. These spreadsheets will be reconciled, used for year-end entries, and submitted as work papers during audit. In this manner entries will be corrected prior to the audit process.

**SIGNIFICANT DEFICIENCIES**

**2010-3 - Reporting and Record Retention**

**Condition:**

During our audit we noted that the Village did not file or could not locate several reports required by local, state and/or federal agencies. For example the Public Depositor Annual Report to the Chief Financial Officer, the Public Deposit Identification and Acknowledgement forms, the Local Highway Finance Report FHWA-536 and an annual independent audit report for the Building Better Communities General Obligation (GOB) Bond Program were either not filed or the filed document was not located.

Also, due to the audit journal entries and corrections of miss-postings some reports may have not been filed correctly and may have to be amended. For example the Federal Forfeiture Annual Report was filed timely; however, due to audit journal entries the amounts reported on the report do not agree with the Village's general ledger.

**Cause:**

The Village experienced high turnover of personnel in the finance department during the fiscal year ended September 30, 2010 and 2011 including several months without a finance director. Reports filed and/or supporting documentation completed by the previous finance directors could not be easily located.

**Effect:**

Reports required by local, state and/or federal agencies may not have been filed and/or filed correctly.

**Recommendation:**

The current finance personnel is aware of the filing requirements and the reports that may need to be amended. However, we recommend that controls be implemented and formalized in policies and procedures document that would address policies and controls over reporting and proper record retention.

**Management's Response (unaudited):**

With increased staff continuity, the Finance Department will develop organized records retention policies and work with the Village Clerk to better maintain required reports. This records retention program will include transition to the Village-wide IT project that will update and greatly improve the Finance Department's capacity to retain, maintain and search for records on the designated server.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (Continued)**

**SIGNIFICANT DEFICIENCIES (Continued)**

**2010-4– Compensated Absences**

**Condition:**

During our testing of compensated absences we tested a sample of eight (8) employee balances based on what each employee should have earned in accordance with the Village's collective bargaining agreements and/or the personnel rules and regulations manual. Of the eight (8) employee balances tested we could not locate the approval for leave request on 50.50 hours of the 301.50 sick and vacation hours taken for three (3) employees. We also noted that for some employees the benefits earned and numbers of hours allowed to carry over were partly based on the collective bargaining agreement and the personnel rules and regulations manual.

We also noted that the schedule which tracks and records the compensated absence balances liability is not updated timely. The schedule is updated and provided for the audit and not updated on a monthly or quarterly basis.

**Cause:**

The Village experienced high turnover of personnel in the finance department during the fiscal year ended September 30, 2010 and 2011 including several months without a finance director. The Village currently does not have an accounting policies and procedures manual in place to guide employees on the proper accounting and tracking of compensated absences liability. Also, the current personnel rules and regulations manual does not provide the guidance on how to account for certain employees that may not be subject to the bargaining agreements.

**Effect:**

There may be employees with accumulated sick and vacation balances in excess of amounts that they are entitled to depending on which document (collective bargaining agreement or personnel rules and regulations manual) they are required to follow.

**Recommendation:**

We recommend that the Village strengthen internal controls over the recording and tracking of the compensated absences liability. The Village should seek legal guidance on which document (collective bargaining agreement or personnel rules and regulations manual) it should follow for those employees in which the guidance is not clear.

Village personnel should also review the collective bargaining agreements and the personnel rules and regulations document and include the key assumptions for sick and vacation reporting in their accounting policies and procedures manual. The manual should include what employees and or department directors are covered under which agreements or document. It should also include other items such the approval process for the carryover of either sick or vacation and the approval process for vacation leave for department directors and the Village Manager.

We also recommend that controls be implemented for maintaining and updating the schedule of compensated absences liability. One employee should be assigned the responsibility of maintaining the schedule at least on a quarterly basis and the schedule should be reviewed by the Finance Director.

**Management's Response (unaudited):**

Similarly to other sections of the Finance Department, a procedures manual will be developed inclusive of all guidelines provided in the collective bargaining agreements. Staff will utilize the expertise of the Village attorney to develop a better understanding of the contracts. The Finance Clerk will work with employees and department directors to provide a calendar for the audit process.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (Continued)**

**OTHER MATTERS**

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

**Condition:**

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.

These instructions should include the following:

- The purpose of all closing procedures.
- Timetables outlining appropriate due dates.
- Sample formats.
- Instructions for schedules to be prepared.

**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 should be provided for notation of actual dates on which the item is completed. Such information will aid in management's review of the information and timely follow-up of matters questioned. The Village Manager should assign to one individual, such as the Finance Director, the overall responsibility for monitoring each employee's compliance with the instructions.

**Management's Response (unaudited):**

Similar to the Budget Calendar, a calendar will be developed for the audit process. Included in this calendar are scheduled meetings with the auditors, physical inventory policy, timetables for developing necessary schedules and budget amendments, and arrangement of the current year work schedule to allow for time management within the year-end process.

**2010-6 – Government Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions**

**Condition:**

The Objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The hierarchy is as follows: Restricted, committed, assigned, and unassigned.

The statement is effective for fiscal years beginning after June 15, 2010.

**Recommendation:**

We recommend that the Village obtain a thorough understanding of the requirements and initiate implementation for the September 30, 2011 fiscal year.

**Management's Response (unaudited):**

Management will research the GASB 54 statement and work with the auditors to implement the standard as of September 30, 2011.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

**SIGNIFICANT DEFICIENCIES**

**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 as follows:

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

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

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

The Village amended the budget for fiscal year ended September 30, 2009 on January 5, 2010 passed the 60 day period allowed under FS 166.241 (4).

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

**Cause:**

The Village amended the budget after the 60 day period allowed by FS Section 166.241 (4). Also, purchases were made before the budget increases were approved as required by Section 2-136 (d) of the Village's Code of Ordinance.

**Effect:**

The Village did not comply with FS Section 166.241(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. However, unforeseen expenditures and year end accruals could continue to cause violations of Section 2-136 of the Code.

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

**Current Year Status:**

The Village amended the budget for fiscal year ended September 30, 2010 on January 11, 2011 passed the 60 day period allowed under FS 166.241 (4). The Village passed the budget amendments on January 11, 2011; therefore, purchases were made before the budget increases were approved. **This recommendation will be repeated.**

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

**SIGNIFICANT DEFICIENCIES (Continued)**

**2009-1 –Budgeting (Continued)**

**Management’s Response (unaudited):**

Draft procedures were developed during the 2010-11 fiscal year that specifically addressed this issue. Included in the Finance Manual's Budget Section is the reference to a deadline of November 30 for the completion of Budget Amendments as part of the year-end closing process. To meet this deadline the Finance Department will emphasize on-going monitoring of the financial statements and utilization of the newly developed monthly reports which are easier to track and project from. To further assist, during year-end closing the process of reconciling all revenues and expenditures will begin in mid-October.

**2008-1 –Budgeting**

**Condition:**

Section 166.241 (2) of the Florida Statutes states that “The governing body of each municipality shall adopt a budget each fiscal year. The budget must be adopted by ordinance unless otherwise specified in the respective municipality's charter. The amount available from taxation and other sources, including amounts carried over from prior fiscal years, must equal the total appropriations for expenditures and reserves. The budget must regulate expenditures of the municipality, and it is unlawful for any officer of a municipal government to expend or contract for expenditures in any fiscal year except in pursuance of budgeted appropriations.”

Section 166.241 (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.”

For the year ended September 30, 2008, expenditures exceeded appropriations in the physical environment department by \$2,270, the Village’s budgetary level of control. Also, the 2007-08 budget was amended after the 60 day period allowed by FS Section 166.241 (4).

**Cause:**

The Village had overexpenditures in the physical environment department and the budget was amended after the 60 day period allowed by FS Section 166.241 (4).

**Effect:**

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

**Recommendation:**

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

**Current Year Status:**

For the year ended September 30, 2010, expenditures exceeded appropriations in the Village commission department by \$849, finance department by \$4,863, non-departmental by \$11,409, public safety department by \$5,269 and the physical environment department by \$3,979, the Village’s budgetary level of control. Also, the 2009-10 budget was amended after the 60 day period allowed by FS Section 166.241 (4); see finding 2009-1. **This recommendation will be repeated.**

**Management’s Response (unaudited):**

Draft procedures were developed during the 2010-11 fiscal year that specifically addressed this issue. Included in the Finance Manual's Budget Section is the reference to a deadline of November 30 for the completion of Budget Amendments as part of the year-end closing process. During the fiscal year departments will be monitored to project any budget balance deficits. Also, the Finance Manual's Accounts Payables Section includes the requirement that requisitions are approved by both the Finance Department and Village Manager to verify whether there is an existing balance in the designated account line or whether an amendment will be necessary during the fiscal year.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

**SIGNIFICANT DEFICIENCIES (Continued)**

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

**Condition:**

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

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

**Recommendations**

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

**Current Year Status:**

- 1) The Village did not prepare and implement a formal accounting policies and procedures manual during the fiscal year ended September 30, 2010. **This recommendation will be repeated.**
- 2) The Parks and Recreation Department continues to accept cash for facility rentals. **This recommendation will be repeated.**
- 3) This recommendation is no longer applicable as the Village has contracted out the summer programs.
- 4) This recommendation is no longer applicable as the Village has contracted out the summer programs.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

**SIGNIFICANT DEFICIENCIES (Continued)**

**2008-2 –Internal Controls Over Recreation Center- Summer Camp Program (Continued)**

**Management's Response (unaudited):**

Included in the draft Finance Manual's Accounts Receivable Section, procedures were developed to eliminate the acceptance of cash and retaining any cash over the weekend. Implementation includes the close out of registers at 3:00 pm on Friday and the counting of drawers down for a manual total to be transferred to Finance before the weekend. Payment for recreation programs and facility rental will only be accepted in checks or credit cards and during the week payment for facility rental will take place at Village Hall.

**2008-3 –Internal Controls Over Recreation Center- Concession**

**Condition:**

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

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

**Recommendations:**

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

**Current Year Status:**

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

**Management's Response (unaudited):**

Included in the draft Finance Manual's Accounting Procedures are references to the Concession Facility. Procedures referenced in the Finance Manual include cash handling, segregation of duties, inventory, and suggested equipment that will improve checks and balances and potentially streamline the process.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

**SIGNIFICANT DEFICIENCIES (Continued)**

**No. 2005-2 Develop and Document a Disaster Recovery Plan**

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

**Recommendation:**

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

**Current Year Status:**

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

**Management's Response (unaudited):**

For the Fiscal Year 2010-11 a Village-wide disaster recovery plan was developed by the Police Department and submitted to Miami-Dade County for approval. Included in the draft Finance Manual is a section on how the Finance Department will implement Hurricane Preparedness and will be implemented during the next emergency situation.

**No. 2000-7 Capital Assets**

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

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

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

**Recommendation:**

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

**Current Year Status:**

All of the recommendations above have been implemented except for #4. The Village did not take a physical inventory count as of September 30, 2010 and tag the current year asset additions. **This recommendation will be repeated.**

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

**SIGNIFICANT DEFICIENCIES (Continued)**

**No. 2000-7 Capital Assets (Continued)**

**Management's Response (unaudited):**

During the Fiscal Year 2010-11 a Village-wide asset tagging program was implemented. In reference to the draft Finance Manual's section on Fixed Assets, the Finance Department will coordinate with department directors all inventory control procedures including physical inventory, transfer and disposal of assets, and tagging newly acquired items.

**No. 2000-9 Compliance with Laws and Regulations**

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

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

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

**Recommendation:**

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

**Current Year Status:**

The Village has not established written policies to ensure compliance with laws and regulations. **Comment #1 and #2 above, will not be repeated, but Comment #3 will be repeated (Also see comment 2009-1, 2010-4 and 2010-5).**

**Management's Response (unaudited):**

During Fiscal Year 2010-11 a draft Finance Manual was developed to include sections on budget, investment policy, accounts payable, requisition process, accounts receivable including cash receipts for Village Hall and Recreation, bank reconciliation, purchasing, fixed assets, payroll, grants, lien searches, travel policy and hurricane preparedness. To further improve Village financial checks and balances procedures this manual will be periodically updated.

**VILLAGE OF BISCAYNE PARK, FLORIDA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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

**OTHER MATTERS**

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

**Condition:**

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

**Recommendation:**

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

**Current Year Status:**

The Village implemented GASB Statement No. 45 for the fiscal year ended September 30, 2010. **This recommendation will not be repeated.**