



# WEST MIAMI *Florida*

**Basic Financial Statements  
and  
Independent Auditor's Report  
September 30, 2020**



Serving our Citizens and  
the Community since 1947

# CITY OF WEST MIAMI, FLORIDA

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## FINANCIAL SECTION

# INDEPENDENT AUDITOR'S REPORT



GARCIA

| ESPINOSA

| MIYARES

| RODRIGUEZ

| TRUEBA

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members  
of the City Commission of the  
City of West Miami, Florida

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, Florida (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, Florida, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

GARCIA, ESPINOSA, MIYARES, RODRIGUEZ, TRUEBA & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, the budgetary comparison information on pages 47 through 59, and the pension schedules on pages 60 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

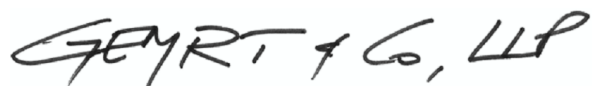
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Miami, Florida's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2021, on our consideration of the City of West Miami, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Miami, Florida's internal control over financial reporting and compliance.



Coral Gables, Florida

June 7, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS  
MD&A

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2020*

As management of the City of West Miami, Florida (the City”), we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

**Financial Highlights**

The assets of the City of West Miami exceeded its liabilities at the close of the fiscal years ended September 30, 2020 and 2019 by \$16,426,627 and \$17,002,196 (net position), respectively. Of this amount, unrestricted net position, which may be used to meet the ongoing obligations to citizens and creditors, were \$(4,586,836) and \$(4,566,441), respectively. During the fiscal years ended September 30, 2020 and 2019, the City's net position increased (decreased) by \$(575,569) and \$1,787,026, respectively.

As of the close of the fiscal years ended September 30, 2020 and 2019, the City of West Miami's governmental funds reported combined ending fund balances of \$4,942,264 and \$4,516,870, an increase of \$425,394 and \$1,114,207 in comparison with the prior year, respectively.

At the end of the fiscal years ended September 30, 2020 and 2019, unassigned fund balance for governmental funds was \$1,326,126 and \$975,256, or 17.65% and 10.6% of total governmental fund expenditures and 23.43% and 13.2% of general fund expenditures, respectively.

The City's financial indicators have remained stable over the last several years. Improvements in previous years were achieved through rate increases in the business-type activities, increases in red light camera revenues, passport revenues and property tax revenues, and reduction of costs where possible. The City has continued to be proactive in finding new revenue sources while attempting to reduce expenses without eliminating services. Other points of interest are as follows.

- **Real Estate Development in the City** – The City of West Miami has been able to attract new real estate development projects that increased its tax base and continued to add revenue through 2020. These projects included multifamily residential properties and additional commercial properties with important anchor tenants. The City must continue to secure these opportunities as the Miami-Dade demographics relating to real estate continue to change favorably in increasing City property values.
- **Financial Conditions** – The financial conditions are stable as a result of recurring income from red-light camera revenues and passport revenues, and increases in property tax revenues. However, the City has restricted and assigned amounts for various capital improvements and for contingencies related to insurance, general liability and retirement, which reduce the fund balances available to be used for operating expenditures. The City has proposed alternatives to increase revenues in order to continue to improve financial conditions. As real estate development decreases and winds down, certain revenues such as building permits will decrease. Management and the Commission continue to search for new sources of revenues.
- **Water and Sewer Systems** – The City's water and sewer systems are in need of significant improvements due to its age and deterioration. There is also concern for potential liability in the event there are repairs, improvements, and/or replacement needed to the shared storm/sewer line (Interlocal Agreement with the City of Miami). The general fund has subsidized losses that have accumulated over the years. This inhibits the City from increasing reserves in the general fund. The City will continue to explore federal, state, and/or local funding in an effort to improve the aging water and sewer systems, as well as other options. Estimated costs relating to repairing the water lines approximate \$6 - \$8 million.

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2020*

During 2020/2021 the City commenced the first phase of the potable water improvement project, which is being partially funded by the State.

- **Leadership Transition / Succession Plan** – The City should continue discussing and formalizing a long-term succession plan in its top management personnel. The succession plan should consider emergency, temporary, and permanent possibilities for changes in leadership.
  
- **Fund Balances** – At September 30, 2020, the City has positive fund balances in all its governmental funds. The existing unassigned fund balance in the general fund represents approximately two months of budgeted expenditures for the City. Acceptable levels average approximately three months; consequently, one of the City’s main objectives is to continue to increase fund balances during the next several years. At September 30, 2020, the City has negative unrestricted net position balances in three of its enterprise funds (Sewer System Fund, Stormwater Utility Fund, and Sanitation Fund). This has been caused by increases in operating expenses and costs to the sewer system, stormwater utility, and sanitation, and the City continues to incur significant repair expenditures to its aging sewer system. Stormwater fees and sanitation fees have remained consistent and are not sufficient to cover costs. An effort is being made to develop a long-term plan and provide solutions in order to reduce interfund balances and increase fund balances and net position.
  
- **Pandemic** – As a result of the COVID-19 pandemic, the City saw reductions in state revenue sharing, sales taxes, communication service taxes, fines and forfeitures, and passport revenues. Expenditure savings from lower public safety and transportation, roads, and streets costs contributed to an increase of approximately \$297,000 in fund balance in the general fund. Based on information from the Miami-Dade County Property Appraiser, the City’s tax rolls are stable and the market values on home sales have not been adversely affected. Management will further evaluate the economic impact on the City and will recommend measures as needed to mitigate any additional effects the pandemic may have on the City.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of West Miami’s basic financial statements. The City of West Miami’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) and notes to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* were designed to provide readers with a broad overview of the City of West Miami’s finances, in a manner similar to private-sector business.

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

**CITY OF WEST MIAMI, FLORIDA**  
**Management Discussion and Analysis**  
**For the Year Ended September 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 3,099,045	\$ 2,407,664	\$ 296,622	\$ 158,269	\$ 3,395,667	\$ 2,565,933
Restricted assets	2,516,390	2,866,782	435,250	402,787	2,951,640	3,269,569
Capital assets	10,872,932	10,717,910	9,393,304	10,061,258	20,266,236	20,779,168
Total assets	<u>\$ 16,488,367</u>	<u>\$ 15,992,356</u>	<u>\$ 10,125,176</u>	<u>\$ 10,622,314</u>	<u>\$ 26,613,543</u>	<u>\$ 26,614,670</u>
Deferred outflows of resources related to pension	<u>\$ 2,279,836</u>	<u>\$ 2,340,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,279,836</u>	<u>\$ 2,340,466</u>
Current and other liabilities	\$ 673,171	757,576	\$ 619,952	\$ 613,696	\$ 1,293,123	\$ 1,371,272
Long-term liabilities	9,739,886	8,991,628	790,619	963,009	10,530,505	9,954,637
Total liabilities	<u>\$ 10,413,057</u>	<u>\$ 9,749,204</u>	<u>\$ 1,410,571</u>	<u>\$ 1,576,705</u>	<u>\$ 11,823,628</u>	<u>\$ 11,325,909</u>
Deferred inflows of resources related to pension	<u>\$ 643,124</u>	<u>\$ 627,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,124</u>	<u>\$ 627,031</u>
Net position	<u>\$ 7,712,022</u>	<u>\$ 7,956,587</u>	<u>\$ 8,714,605</u>	<u>\$ 9,045,609</u>	<u>\$ 16,426,627</u>	<u>\$ 17,002,196</u>
Net investment in capital assets	\$ 9,624,046	\$ 9,358,048	\$ 8,602,685	\$ 9,098,249	\$ 18,226,731	\$ 18,456,297
Restricted	2,477,192	2,805,876	309,540	306,464	2,786,732	3,112,340
Unrestricted	<u>(4,389,216)</u>	<u>(4,207,337)</u>	<u>(197,620)</u>	<u>(359,104)</u>	<u>(4,586,836)</u>	<u>(4,566,441)</u>
Total net position	<u>\$ 7,712,022</u>	<u>\$ 7,956,587</u>	<u>\$ 8,714,605</u>	<u>\$ 9,045,609</u>	<u>\$ 16,426,627</u>	<u>\$ 17,002,196</u>

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,458,648	\$ 2,745,243	\$ 2,530,642	\$ 2,877,642	\$ 3,989,290	\$ 5,622,885
Operating grants and contributions	695,994	1,841,610	-	-	695,994	1,841,610
Capital grants and contributions	56,682	67,011	-	-	56,682	67,011
General revenues:						
Taxes	5,980,741	5,878,262	-	-	5,980,741	5,878,262
Other	496,960	322,352	16,367	8,271	513,327	330,623
Total revenues	<u>8,689,025</u>	<u>10,854,478</u>	<u>2,547,009</u>	<u>2,885,913</u>	<u>11,236,034</u>	<u>13,740,391</u>
Expenses:						
General government	2,264,224	2,077,648	-	-	2,264,224	2,077,648
Public safety	3,356,635	3,589,875	-	-	3,356,635	3,589,875
Parks and recreational	1,564,210	1,446,664	-	-	1,564,210	1,446,664
Transportation, roads and streets	968,175	1,088,147	-	-	968,175	1,088,147
Interest on long-term debt	30,346	62,472	-	-	30,346	62,472
Water	-	-	830,855	864,317	830,855	864,317
Sewer	-	-	1,125,032	1,065,312	1,125,032	1,065,312
Stormwater	-	-	727,793	710,348	727,793	710,348
Sanitation	-	-	729,551	689,547	729,551	689,547
Building/Code Compliance	-	-	214,782	359,035	214,782	359,035
Total expenses	<u>8,183,590</u>	<u>8,264,806</u>	<u>3,628,013</u>	<u>3,688,559</u>	<u>11,811,603</u>	<u>11,953,365</u>
Excess (deficiency) before transfers	505,435	2,589,672	(1,081,004)	(802,646)	(575,569)	1,787,026
Transfers	<u>(750,000)</u>	<u>(496,628)</u>	<u>750,000</u>	<u>496,628</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ (244,565)</u>	<u>\$ 2,093,044</u>	<u>\$ (331,004)</u>	<u>\$ (306,018)</u>	<u>\$ (575,569)</u>	<u>\$ 1,787,026</u>

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2020*

Both of the government-wide financial statements distinguish functions of the City of West Miami 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 City of West Miami include general government, public safety, parks and recreational, and transportation, roads and streets. The business-type activities of the City of West Miami include water, sewer, stormwater, sanitation, and building/code compliance operations. The government-wide financial statements can be found on pages 11-12 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 City of West Miami, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of West Miami 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 government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of West Miami maintains two governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and recreation fund, which are the two governmental funds considered to be major funds. All of the remaining special revenue funds have been combined and are presented as non-major funds.

The City of West Miami adopts an annual appropriated budget for its general fund and most of the special revenue funds. A budgetary comparison statement has been provided for the general fund and recreation fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 13-15 of this report.

**Proprietary funds.** The City of West Miami maintains one type of proprietary fund referred to as an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements and are used to account for water, sewer, sanitation, and code compliance operations.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, stormwater, sanitation, and building/code compliance operations, which are considered to be major funds of the City of West Miami. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

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*For the Year Ended September 30, 2020*

**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 basic financial statements can be found on pages 19-45 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of West Miami, total net position exceeded liabilities by \$16,426,627 and \$(17,002,196) at the close of September 30, 2020 and 2019, respectively.

The largest portion of the City of West Miami's net position reflects its net investment in capital assets (e.g., land, buildings, infrastructure, and machinery and equipment). The City of West Miami uses these capital assets to provide services to citizens; consequently, they are not available for future spending.

An additional portion of the City of West Miami's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2020 and 2019, the City of West Miami has positive balances in all categories of net position, except for unrestricted net position in its governmental activities and business-type activities. The deficit in governmental activities is directly caused by the net pension liability and related pension amounts for the multiple-employer cost sharing pension plan that is required to be recorded in accordance with governmental accounting standards. The deficit in business-type activities is caused by repairs and other expenses incurred as related to the City's aging water and sewer system. The City's net position (decreased) increased by \$(575,569) and \$1,787,026 during the fiscal years ended September 30, 2020 and 2019, respectively.

**Governmental activities.** Governmental activities (decreased) increased the net position of the City of West Miami by \$(244,565) and \$2,093,044 thereby accounting for a (3.1)% and 35.7% (decrease) increase in the governmental activities net position in 2020 and 2019, respectively. In fiscal year ended September 30, 2020, the decrease in net position was attributed to decreases in impact fee revenues and transfers to reduce deficits in the enterprise funds. In fiscal year ended September 30, 2019, the increase in net position was attributed to increases in property tax revenues and red-light camera revenues, and receipt of grant reimbursements related to Hurricane Irma.

**Business-type activities.** Business-type activities decreased the net position of the City of West Miami by \$(331,004) and \$(306,018) in 2020 and 2019, respectively. The net decreases were related to expenses incurred for depreciation and repairs.

**Financial Analysis of the City's Funds**

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

As of the end of the fiscal years ended September 30, 2020 and 2019, the City of West Miami's *governmental funds* reported combined ending fund balances of \$4,942,264 and \$4,516,870, an increase of \$425,394 and \$1,114,207 in comparison with the prior year, respectively. Approximately 24.4% and 21.6%

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of this total amount, \$1,326,126 and \$975,256, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate it is not available for new spending because it has already been restricted or committed for a variety of reasons, such as by external sources (creditors, grantors, laws or regulations, etc.) or the City Commission, or assigned for specific projects, capital improvements, and contingencies.

The general fund is the chief operating fund of the City. At the end of the fiscal years ended September 30, 2020 and 2019, unassigned fund balance of the general fund in the fund financial statements was \$1,326,126 and \$975,256, respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.4% and 13.2% of total general fund expenditures at the end of each year, respectively.

The fund balance of the City of West Miami's general fund in the fund financial statements increased by \$297,054 and \$1,114,207 during the fiscal years ended in 2020 and 2019, respectively. The increase in 2020 was attributed to expenses being less than budgeted, grant revenues from the CARES Act, and red-light camera revenues being greater than anticipated. The increase in 2019 was attributed to increases in property tax revenues and red-light camera revenues, and receipt of grant reimbursements related to Hurricane Irma.

**Proprietary funds.** The City of West Miami's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary funds at the end of fiscal years ended September 30, 2020 and 2019 amounted to \$8,714,605 and \$9,045,609, respectively. The proprietary fund financial statements can be found on pages 16-18 of the financial statements.

### **Capital Assets and Debt Administration**

**Capital Assets.** The City's capital assets, less accumulated depreciation, for its governmental and business-type activities as of September 30, 2020 and 2019 amounted to \$10,872,932 and \$10,717,910, and \$9,393,304 and \$10,061,258, respectively, and consist of land, land improvements, construction in progress, buildings, building improvements, infrastructure, and machinery and equipment. A more detailed schedule can be found on page 31 of the notes to the financial statements.

Significant capital asset events during the current fiscal year included improvements to City Hall and construction of the passport office for approximately \$290,000, and improvements to parks and the recreation center for approximately \$185,000.

**Debt.** The City's debt totaled approximately \$10.5 million and \$9.9 million at September 30, 2020 and 2019, respectively. The overall increase is attributable to the City's principal payments on notes payable and the payoff of the City National Bank hurricane line of credit. Although a more detailed schedule can be found on page 33 of the notes to the financial statements, outstanding debt as of September 30, 2020 and 2019 consisted of the following:

**CITY OF WEST MIAMI, FLORIDA**  
**Management Discussion and Analysis**  
**For the Year Ended September 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Notes from direct borrowings and direct placements	\$ 1,250,658	\$ 1,361,634	\$ 790,619	\$ 963,009	\$ 2,041,277	\$ 2,324,643
Other liabilities						
Compensated absences	332,507	334,527	-	-	332,507	334,527
Workmen's comp claims	498,012	401,574	-	-	498,012	401,574
Net pension liability	7,658,709	6,893,893	-	-	7,658,709	6,893,893
Total	<u>\$ 9,739,886</u>	<u>\$ 8,991,628</u>	<u>\$ 790,619</u>	<u>\$ 963,009</u>	<u>\$ 10,530,505</u>	<u>\$ 9,954,637</u>

**Budget Amendments**

The City provides in its Charter for the City Commission to authorize changes and transfers between departmental budgets as long as no appropriations are required from unassigned fund balances or unrestricted net position. During the fiscal years ended September 30, 2020 and 2019, all budget amendments were approved by the City Commission in accordance with the City Code.

During the fiscal year ended September 30, 2020 the City exceeded its expenditure appropriations in the community center fund due to the cost of additional meals provided by the City to seniors at the Community Center. These expenditures were approved by the City Commission and covered by a donation from the County for purposes of COVID-19 relief. In the general fund there were no expenditures over appropriations. The general fund and community center fund are the only governmental fund being reported as major funds.

During the fiscal year ended September 30, 2019 the City exceeded its law enforcement expenditure appropriations in the general fund due to capital outlay reclassification adjustments. These expenditures were approved by the City Commission. In the recreation fund there were no expenditures over appropriations. The general fund and recreation fund are the only governmental fund being reported as major funds.

**General Fund Budgetary Highlights**

- Overall revenues received were higher than amounts budgeted, predominantly due to increases in property tax revenues, red-light camera revenues, and revenues earned from impact fees.
- Ad Valorem taxes are, by law, projected at a 95% rate of actual anticipated revenue to provide an allowance for uncollected taxes; however, the City of West Miami frequently collects in excess of 100% of the budgeted amount.
- Expenditures were lower than amounts budgeted; predominantly due to anticipated expenditures for capital outlays other costs not being incurred and realized by year-end. The City was able to minimize costs where feasible.
- Budget amendments for expenditures were approved by the City Commission for the purpose of transferring amounts between departmental budgets; however, the total budgeted expenditure amount did not increase.

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2020*

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

The City of West Miami's main source of revenues are obtained from a combination of tax receipts from ad-valorem property taxes, state revenue sharing and other taxes, franchise fees, fines and forfeitures, and grant revenues. The budget for fiscal year ended September 30, 2021 is based on the City's best expectations of revenues from these sources and other smaller sources, and expenditures are based on historical data and known increases and expectations for the September 30, 2021 fiscal year.

The City will continue to propose alternatives to increase and/or obtain new sources of revenues in an effort to increase operating cash flow. An evaluation will also be made as to any additional effects the pandemic (COVIC-19) may have on the City's finances and revenues.

Additional factors were considered in preparing the City's budget for the fiscal year ended September 30, 2021:

- As of September 2020, the unemployment rate for Miami-Dade County was approximately 12.6 percent, which is an increase from a rate of 3.1 percent a year ago. This compares unfavorably to the state's average unemployment rate of 7.2 percent and favorably to the national average rate of 7.8 percent.
- The occupancy rate of the government's central business district and residential areas are expected to continue to increase as related to new construction and development of properties.

**Requests for Information**

This financial report is designed to provide a general overview of the City of West Miami's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager, City of West Miami, 901 SW 62<sup>nd</sup> Avenue, West Miami, FL, 33144.

# BASIC FINANCIAL STATEMENTS

**City of West Miami, Florida**  
Statement of Net Position  
September 30, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,177,026	\$ 269,556	\$ 1,446,582
Certificates of deposit	109,326	632,208	741,534
Receivables, net	669,481	515,519	1,185,000
Internal balances	1,143,212	(1,143,212)	-
Notes receivable	-	22,551	22,551
Restricted assets:			
Cash and cash equivalents	2,516,390	321,512	2,837,902
Certificates of deposit	-	113,738	113,738
Capital assets not being depreciated:			
Land	236,605	171,591	408,196
Construction in progress	9,450	139,904	149,354
Capital assets, net of accumulated depreciation	10,626,877	9,081,809	19,708,686
<b>Total Assets</b>	<b><u>16,488,367</u></b>	<b><u>10,125,176</u></b>	<b><u>26,613,543</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension	2,279,836	-	2,279,836
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 2,279,836</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,279,836</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 547,781	\$ 373,947	\$ 921,728
Customer deposits	-	246,005	246,005
Unearned revenue	125,390	-	125,390
Non-current liabilities:			
Due within one year	413,657	165,016	578,673
Due in more than one year	9,326,229	625,603	9,951,832
<b>Total Liabilities</b>	<b><u>10,413,057</u></b>	<b><u>1,410,571</u></b>	<b><u>11,823,628</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension	643,124	-	643,124
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 643,124</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 643,124</u></b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 9,624,046	\$ 8,602,685	\$ 18,226,731
Restricted for:			
Transportation	469,044	-	469,044
Public Safety Initiatives	128,283	-	128,283
Parks and Recreation	27,138	-	27,138
Capital Improvements	1,852,727	309,540	2,162,267
Unrestricted	(4,389,216)	(197,620)	(4,586,836)
<b>Total Net Position</b>	<b><u>\$ 7,712,022</u></b>	<b><u>\$ 8,714,605</u></b>	<b><u>\$ 16,426,627</u></b>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**  
Statement of Activities  
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ (2,264,224)	\$ 446,459	\$ 270,252	\$ 29,623	\$ (1,517,890)	\$ -	\$ (1,517,890)
Public safety	(3,356,635)	999,940	-	-	(2,356,695)	-	(2,356,695)
Parks and recreational	(1,564,210)	12,249	425,742	27,059	(1,099,160)	-	(1,099,160)
Transportation, roads and streets	(968,175)	-	-	-	(968,175)	-	(968,175)
Interest on long-term debt	(30,346)	-	-	-	(30,346)	-	(30,346)
<b>Total governmental activities</b>	<b>(8,183,590)</b>	<b>1,458,648</b>	<b>695,994</b>	<b>56,682</b>	<b>(5,972,266)</b>	<b>-</b>	<b>(5,972,266)</b>
<b>Business-type activities:</b>							
Water	(830,855)	818,548	-	-	-	(12,307)	(12,307)
Sewer	(1,125,032)	815,223	-	-	-	(309,809)	(309,809)
Stormwater	(727,793)	93,994	-	-	-	(633,799)	(633,799)
Sanitation	(729,551)	636,676	-	-	-	(92,875)	(92,875)
Building/Code Compliance	(214,782)	166,201	-	-	-	(48,581)	(48,581)
<b>Total business-type activity</b>	<b>(3,628,013)</b>	<b>2,530,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,097,371)</b>	<b>(1,097,371)</b>
<b>Total government</b>	<b>\$ (11,811,603)</b>	<b>\$ 3,989,290</b>	<b>\$ 695,994</b>	<b>\$ 56,682</b>	<b>\$ (5,972,266)</b>	<b>\$ (1,097,371)</b>	<b>\$ (7,069,637)</b>
<b>General revenues:</b>							
Property taxes					\$ 3,690,904	\$ -	\$ 3,690,904
Franchise, utility and other taxes					1,377,873	-	1,377,873
Intergovernmental taxes					911,964	-	911,964
Interest earnings and investment income					20,712	16,367	37,079
Miscellaneous					476,248	-	476,248
Transfers					(750,000)	750,000	-
					<u>5,727,701</u>	<u>766,367</u>	<u>6,494,068</u>
<b>Change in net position</b>					<b>(244,565)</b>	<b>(331,004)</b>	<b>(575,569)</b>
Net position - beginning					7,956,587	9,045,609	17,002,196
<b>Net position - ending</b>					<b>\$ 7,712,022</b>	<b>\$ 8,714,605</b>	<b>\$ 16,426,627</b>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**

Balance Sheet

Governmental Funds

September 30, 2020

	<u>General Fund</u>	<u>Community Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,084,897	\$ 87,504	\$ 4,625	\$ 1,177,026
Cash - Restricted	1,862,744	-	653,646	2,516,390
Certificates of Deposit	109,326	-	-	109,326
Receivables	417,873	60,086	191,522	669,481
Due from Other Funds	2,358,223	205,421	399,891	2,963,535
Total Assets	<u>\$ 5,833,063</u>	<u>\$ 353,011</u>	<u>\$ 1,249,684</u>	<u>\$ 7,435,758</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Expenses	\$ 407,828	\$ 136,353	\$ 3,600	\$ 547,781
Due to Other Funds	1,453,435	189,520	177,368	1,820,323
Unearned Revenue	120,661	-	4,729	125,390
Total Liabilities	<u>1,981,924</u>	<u>325,873</u>	<u>185,697</u>	<u>2,493,494</u>
<b>Fund Balances</b>				
<b>Restricted</b>				
Restricted for Transportation	-	-	469,044	469,044
Restricted for Public Safety Initiatives	-	-	128,283	128,283
Restricted for Community Center	-	27,138	-	27,138
Restricted for Capital Improvements	1,652,727	-	200,000	1,852,727
<b>Committed</b>				
Committed for Parks and Recreation	-	-	189,560	189,560
<b>Assigned</b>				
Assigned for Capital Outlay	-	-	77,100	77,100
Assigned for Specific Projects	15,350	-	-	15,350
Assigned for Comprehensive Plan	9,000	-	-	9,000
Assigned for Future Contingencies	375,000	-	-	375,000
Assigned for Water Bill Credit Due to COVID	135,000	-	-	135,000
Assigned for Capital Improvements	337,906	-	-	337,906
<b>Unassigned</b>				
General Fund	1,326,156	-	-	1,326,156
Total Fund Balances	<u>3,851,139</u>	<u>27,138</u>	<u>1,063,987</u>	<u>4,942,264</u>
Total Liabilities and Fund Balances	<u>\$ 5,833,063</u>	<u>\$ 353,011</u>	<u>\$ 1,249,684</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	10,872,932
Deferred outflows related to pension	2,279,836
Deferred inflows related to pension	(643,124)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	<u>(9,739,886)</u>
Net position of governmental activities	<u>\$ 7,712,022</u>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2020

	<u>General Fund</u>	<u>Community Center Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes				
Property	\$ 3,149,561	\$ -	\$ 541,343	\$ 3,690,904
Franchise	348,183	-	-	348,183
Excise, Utility Service and Other	708,735	-	320,955	1,029,690
Licenses, Permits and Fees	45,442	-	-	45,442
Intergovernmental	911,964	-	-	911,964
Fines and Forfeitures	984,148	-	16,092	1,000,240
Grant Revenues/Contributions	299,875	374,985	77,816	752,676
Rent	227,521	-	12,249	239,770
Investment Earnings	20,099	-	613	20,712
Other	328,118	248,523	72,803	649,444
Total Revenues	<u>7,023,646</u>	<u>623,508</u>	<u>1,041,871</u>	<u>8,689,025</u>
<b>Expenditures</b>				
<b>Current</b>				
City Council	116,860	-	-	116,860
Legal	215,145	-	-	215,145
Executive	415,377	-	-	415,377
Finance and Administration	421,821	-	-	421,821
Law Enforcement	2,887,313	-	94,744	2,982,057
Transportation	-	-	149,632	149,632
Community Center	-	836,599	-	836,599
Streets	601,538	-	-	601,538
Garage	96,135	-	-	96,135
Recreation	-	-	499,084	499,084
Parks	93,625	-	-	93,625
Facilities Maintenance	180,338	-	-	180,338
Non-Departmental	186,080	-	-	186,080
<b>Capital Outlay</b>	319,326	3,979	254,713	578,018
<b>Debt Service</b>				
Principal Retirement	98,000	-	12,976	110,976
Interest	28,947	-	1,399	30,346
Total Expenditures	<u>5,660,505</u>	<u>840,578</u>	<u>1,012,548</u>	<u>7,513,631</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,363,141</u>	<u>(217,070)</u>	<u>29,323</u>	<u>1,175,394</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	31	225,000	91,118	316,149
Operating Transfers Out	<u>(1,066,118)</u>	<u>-</u>	<u>(31)</u>	<u>(1,066,149)</u>
Total Other Financing Sources (Uses)	<u>(1,066,087)</u>	<u>225,000</u>	<u>91,087</u>	<u>(750,000)</u>
Net Change in Fund Balances	297,054	7,930	120,410	425,394
<b>Fund Balances at Beginning of Year</b>	<u>3,554,085</u>	<u>19,208</u>	<u>943,577</u>	<u>4,516,870</u>
<b>Fund Balances at End of Year</b>	<u>\$ 3,851,139</u>	<u>\$ 27,138</u>	<u>\$ 1,063,987</u>	<u>\$ 4,942,264</u>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
 Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2020

**Net change in fund balances - total governmental funds (Page 14)** **\$ 425,394**

Amounts reported for governmental activities in the statement of activities are different because:

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 and reported as depreciation expense.

The details of the difference are as follows:

Capital outlay	578,018	
Depreciation expense	(422,996)	
	155,022	
Net adjustment		155,022

Loan proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

The details of the differences are as follows:

Principal payments	110,976	
	110,976	
Net adjustment		110,976

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

The details of the difference are as follows:

Change in long-term compensated absences	2,020	
Change in long-term workers' compensation claims	(96,438)	
Net pension liability	(841,539)	
	(935,957)	
		(935,957)

**Change in net position of governmental activities (Page 12)** **\$ (244,565)**

City of West Miami, Florida

Statement of Net Position

Enterprise Funds

September 30, 2020

	Business-Type Activities - Enterprise Funds					
	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Department / Code Compliance Fund	Total
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 256,805	\$ -	\$ -	\$ 2,392	\$ 10,359	\$ 269,556
Cash - Restricted	191,682	124,735	5,095	-	-	321,512
Certificates of Deposit	632,208	-	-	-	-	632,208
Certificates of Deposit - Restricted	-	113,738	-	-	-	113,738
Receivables	145,799	128,266	17,227	224,227	-	515,519
Due From Other Funds	659,686	1,453,661	371,804	415,234	335,790	3,236,175
Total Current Assets	<u>1,886,180</u>	<u>1,820,400</u>	<u>394,126</u>	<u>641,853</u>	<u>346,149</u>	<u>5,088,708</u>
<b>Notes Receivable - Non Current</b>	22,551	-	-	-	-	22,551
<b>Capital Assets</b>	2,393,744	283,663	6,550,545	165,352	-	9,393,304
Total Assets	<u>\$ 4,302,475</u>	<u>\$ 2,104,063</u>	<u>\$ 6,944,671</u>	<u>\$ 807,205</u>	<u>\$ 346,149</u>	<u>\$ 14,504,563</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Current Portion of Notes and Loans Payable	\$ 165,016	\$ -	\$ -	\$ -	\$ -	\$ 165,016
Accounts Payable and Accrued Expenses	16,989	223,904	3,500	9,804	119,750	373,947
Due To Other Funds	1,983,018	1,236,426	434,974	718,909	6,060	4,379,387
Total Current Liabilities	<u>2,165,023</u>	<u>1,460,330</u>	<u>438,474</u>	<u>728,713</u>	<u>125,810</u>	<u>4,918,350</u>
<b>Customer Deposits</b>	-	246,005	-	-	-	246,005
<b>Notes and Loans Payable - Long-Term Portion</b>	625,603	-	-	-	-	625,603
Total Liabilities	<u>2,790,626</u>	<u>1,706,335</u>	<u>438,474</u>	<u>728,713</u>	<u>125,810</u>	<u>5,789,958</u>
<b>Net Position</b>						
Net Investment in Capital Assets	1,603,125	283,663	6,550,545	165,352	-	8,602,685
Restricted - for Capital Improvements	309,540	-	-	-	-	309,540
Unrestricted	(400,816)	114,065	(44,348)	(86,860)	220,339	(197,620)
Total Net Position	<u>1,511,849</u>	<u>397,728</u>	<u>6,506,197</u>	<u>78,492</u>	<u>220,339</u>	<u>8,714,605</u>
Total Liabilities and Net Position	<u>\$ 4,302,475</u>	<u>\$ 2,104,063</u>	<u>\$ 6,944,671</u>	<u>\$ 807,205</u>	<u>\$ 346,149</u>	<u>\$ 14,504,563</u>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**  
Statement of Revenues, Expenses  
and Changes in Net Position  
Enterprise Funds  
For the Year Ended September 30, 2020

	<b>Business-Type Activities - Enterprise Funds</b>					
	<b>Sewer System Fund</b>	<b>Water System Fund</b>	<b>Stormwater Utility Fund</b>	<b>Sanitation Fund</b>	<b>Building Department / Code Compliance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>						
Water Sales	\$ -	\$ 799,263	\$ -	\$ -	\$ -	\$ 799,263
Sewer Service	806,989	-	-	-	-	806,989
Sanitation Fees	-	-	-	629,405	-	629,405
Licenses, Permits and Fees	4,105	-	93,994	-	163,745	261,844
Other	4,782	19,285	-	7,271	2,456	33,794
Total Operating Revenues	<u>815,876</u>	<u>818,548</u>	<u>93,994</u>	<u>636,676</u>	<u>166,201</u>	<u>2,531,295</u>
<b>Operating Expenses</b>						
Water Purchased	-	484,809	-	-	-	484,809
Salaries and Wages	74,932	166,546	47,865	188,956	41,851	520,150
Waste Disposal and Recycling	-	-	-	289,531	-	289,531
Drain Cleaning	-	-	11,792	-	-	11,792
Sewer Processing	607,698	-	-	-	-	607,698
Depreciation	199,840	3,933	587,969	16,116	-	807,858
Other	213,665	175,567	80,167	234,149	172,931	876,479
Total Operating Expenses	<u>1,096,135</u>	<u>830,855</u>	<u>727,793</u>	<u>728,752</u>	<u>214,782</u>	<u>3,598,317</u>
Operating Income (Loss)	(280,259)	(12,307)	(633,799)	(92,076)	(48,581)	(1,067,022)
<b>Non-Operating Revenues (Expenses)</b>						
Investment Income	15,974	393	-	-	-	16,367
Interest Expense	(29,550)	-	-	(799)	-	(30,349)
Total Non-Operating Revenues (Expenses)	<u>(13,576)</u>	<u>393</u>	<u>-</u>	<u>(799)</u>	<u>-</u>	<u>(13,982)</u>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	500,000	250,000	-	-	-	750,000
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
<b>Change in Net Position</b>	206,165	238,086	(633,799)	(92,875)	(48,581)	(331,004)
<b>Net Position at Beginning of Year</b>	1,305,684	159,642	7,139,996	171,367	268,920	9,045,609
<b>Net Position at End of Year</b>	<u>\$ 1,511,849</u>	<u>\$ 397,728</u>	<u>\$ 6,506,197</u>	<u>\$ 78,492</u>	<u>\$ 220,339</u>	<u>\$ 8,714,605</u>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**  
Statement of Cash Flows  
Enterprise Funds  
For the Year Ended September 30, 2020

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total</b>
	<b>Sewer System</b>	<b>Water System</b>	<b>Stormwater Utility</b>	<b>Sanitation</b>	<b>Building Department / Code Compliance</b>	
<b>Cash Flows from Operating Activities</b>						
Operating Income (Loss)	\$ (280,259)	\$ (12,307)	\$ (633,799)	\$ (92,076)	\$ (48,581)	\$ (1,067,022)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	199,840	3,933	587,969	16,116	-	807,858
Change in Assets and Liabilities:						
Decrease (Increase) in Receivables	(17,818)	(14,571)	(3,021)	7,591	-	(27,819)
Decrease (Increase) in Due To/From Other Funds	288,597	(96,766)	45,303	83,531	42,838	363,503
Decrease in Notes Receivable	9,234	-	-	-	-	9,234
Increase (Decrease) in Accounts Payable and Accrued Expenses	(4,720)	17,764	3,500	(19,994)	(14,264)	(17,714)
Increase in Customer Deposits	-	23,970	-	-	-	23,970
Net Cash Provided by (Used for) Operating Activities	<u>194,874</u>	<u>(77,977)</u>	<u>(48)</u>	<u>(4,832)</u>	<u>(20,007)</u>	<u>92,010</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating Transfers In (Out)	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition of Capital Assets	-	(139,904)	-	-	-	(139,904)
Interest Paid on Capital Debt	(29,550)	-	-	(799)	-	(30,349)
Principal Payments of Long-Term Debt	(159,300)	-	-	(13,090)	-	(172,390)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(188,850)</u>	<u>(139,904)</u>	<u>-</u>	<u>(13,889)</u>	<u>-</u>	<u>(342,643)</u>
<b>Cash Flows From Investing Activities</b>						
Redemption and Interest on Investments	<u>3,624</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,986</u>
Net Cash Provided by Investing Activities	<u>3,624</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,986</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,648	32,481	(48)	(18,721)	(20,007)	3,353
Cash and Cash Equivalents at Beginning of Year	<u>438,839</u>	<u>92,254</u>	<u>5,143</u>	<u>21,113</u>	<u>30,366</u>	<u>587,715</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 448,487</u>	<u>\$ 124,735</u>	<u>\$ 5,095</u>	<u>\$ 2,392</u>	<u>\$ 10,359</u>	<u>\$ 591,068</u>
<b>Non-Cash Transactions</b>						
Transfers - Forgiveness of Interfund Balances, Net	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2020*

**I. Summary of Significant Accounting Policies**

The financial statements of the City of West Miami, Florida (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The City was established under the laws of the State of Florida as a municipal corporation during 1947 and is governed by an elected mayor and a four-member commission. The City, under a Commission-Manager form of government, provides its residents with services including, but not be limited to, public safety (police), parks and recreation, public works, water, sanitation, sewer service and stormwater management, building, zoning and code enforcement.

**A. Reporting Entity**

In accordance with GASB pronouncements, the City's financial statements include all funds, departments, agencies, boards, and other organizations over which City officials are considered to be financially accountable.

Financial accountability includes such aspects as the appointment of a component unit's governing body members, budget review, and approval of property tax levies, whether any of the component unit's outstanding debt is secured by the full faith credit of the City or its revenue stream, and the City's responsibility for funding deficits.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards Board. Based upon the application of these criteria, the City has no funds, agencies, boards, commissions and authorities considered potential component units.

**B. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. 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 identifiable activity 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 that are not deemed to be program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**I. Summary of Significant Accounting Policies - (continued)**

**C. Basis of Presentation and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred as required by accrual accounting, except for debt service expenditures and compensated absences, which are recorded when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major *governmental* funds:

The ***general fund*** is the City'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 ***community center fund*** is one of the City's special revenue funds. It accounts for the City's community center facilities and related activities, as well as community center grant funds awarded to the City.

The City also reports the following major *proprietary* funds:

The ***water and sewer funds*** are used to account for water and sewer utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The ***stormwater fund*** is used to account for stormwater utility operations, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses excluding depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The City also accounts for grants related to stormwater drainage improvements through this fund.

The ***sanitation fund*** is used to account for waste operations and the collection and removal of garbage and recycling items, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2020*

**I. Summary of Significant Accounting Policies - (continued)**

**C. Basis of Presentation and Measurement Focus - (continued)**

The ***building department and code compliance fund*** is used to account for the City's code enforcement and permitting operations, which are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs (expenses excluding depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through fees.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the City follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government-wide and proprietary fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund services provided and used are not eliminated in the process of consolidation.

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, including special assessments. 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 City's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

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. The City's cash and cash equivalents and deposits include cash on hand, demand deposits, and investments consisting of Certificates of Deposit with banking institutions (Note IV – A).

For the purpose of the statement of cash flows for the proprietary funds, cash equivalents mean short-term, highly liquid investments with an original maturity of three months or less.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2020*

**I. Summary of Significant Accounting Policies - (continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (continued)**

**2. Interfund Receivables and Payables**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received, as of September 30<sup>th</sup>, balances of interfund amounts receivable or payable have been reflected. As the City does not have any lending or borrowing arrangements between funds, all outstanding balances between funds are reported as "due to/from other funds". All amounts receivable from or payable to other funds are to be settled with expendable, available financial resources. Transactions which are recurring annual transfers between two or more funds are recorded as transfers in and out. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**3. Receivables**

***Property Taxes***

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mils. The tax rate to finance general governmental services for the fiscal year ended September 30, 2020 was \$6.8858 per \$1,000 of assessed taxable property value. The rate of \$6.8858 is allocated to the General Fund and Recreation Fund, with the General Fund receiving \$5.8858, and the Recreation Fund receiving \$1.00.

The tax levy of the City is established by the City Council prior to October 1 each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board, and special taxing districts. All property is reassessed according to its fair market value as of January 1 each year, at which time taxes become an enforceable lien on property. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes. State of Florida Amendment #10 to the Florida Constitution known as "Save Our Homes" limits assessment increases on homestead property to the lesser of 3% or the Consumer Price Index.

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and Miami-Dade County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at a rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property became delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. State law provides for enforcement of collection of personal property taxes by seizure of the property or by the sale of the property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2020*

**I. Summary of Significant Accounting Policies - (continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)**

**3. Receivables - (continued)**

***Components of Accounts Receivable***

The following are the significant components of the accounts receivable due to the City at September 30, 2020. The City considers all receivable amounts fully collectible; consequently, no allowance for doubtful accounts was estimated.

1. Water, Sewer and Waste Fees - This amount represents the unpaid, billed charges for various fines and municipal services;
2. Fines and Assessments - This amount represents the unpaid, billed charges for various fines and assessments levied for violations of various City code provisions;
3. Notes Receivable - This amount represents amounts due for sewer hookup fees as evidenced by loan agreements with users;
4. Delinquent Taxes and Other Taxes Receivable - This amount represents the amount of levied but uncollected delinquent property taxes outstanding at September 30, 2019 and amounts due from governmental agencies at year end; and
5. Government Grants/Contributions - This amount represents amounts due from grantor agencies and/or governmental agencies at year end.

**4. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method. Amounts, if any, reported in the governmental funds are offset by an equal nonspendable classification of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

**5. Restricted Assets**

Resources set aside for the repayment of certain debt and for capital improvements are classified as restricted assets on the statements of net position or the balance sheet because they are retained in separate bank accounts and/or their use is limited by applicable loan covenants or grantor restrictions.

**6. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., sidewalks and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 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.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

I. Summary of Significant Accounting Policies - (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)

6. Capital Assets - (continued)

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at acquisition value of the item at the date of its donation.

Land and construction in progress are not depreciated. The capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
<b>Governmental Activities:</b>	
Land Improvements	15-25
Buildings	40
Building Improvements	25-40
Infrastructure - Drainage	25-40
Infrastructure - Roads	25-40
Machinery and Equipment	5-10
<b>Business-type Activities:</b>	
Sewer Systems	40
Water - Main and Extensions	40
Stormwater Improvements	25
Machinery and Equipment	5-10

7. Unearned Revenues

Resources that do not meet revenue recognition requirements (effectively “not earned”) are recorded as unearned revenue in the government-wide and fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available, are recorded as unearned revenue in the governmental fund financial statements (e.g., grant related reimbursements not yet collected).

8. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet/statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of fund balance/net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pension benefits in this category in the statement of net position.

**I. Summary of Significant Accounting Policies - (continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)**

**8. Deferred Outflows/Inflows of Resources - (continued)**

The deferred outflows of pensions arise from differences between projected and actual earnings on pension plan investments and are amortized to pension expense using a systematic and rational method over a closed five year period, and also include differences between expected and actual experience with regard to economic or demographic factors that are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plan. Employer contributions to the pension plan made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the balance sheet/statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance/net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to pensions in this category in the statement of net position.

Deferred inflows on pensions are recorded when investment return on pension plan assets exceeds actuarial assumptions and are amortized using a systematic and rational method over a closed five-year period. Deferred inflows of pensions also include the difference between expected and actual experience with regard to economic or demographic factors and changes of assumptions or other inputs. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plan.

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

**9. Compensated Absences**

The City's vacation and sick leave policies grant a specific number of days of vacation and sick leave with pay. In some instances, these policies also provide for paying an employee for accumulated, unused leave upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements and reported as a fund liability. Vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the applicable governmental fund.

**10. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or propriety fund type statement of net position. Loan discounts are deferred and amortized over the life of the loans using the effective interest method. Loan issuance costs, if any, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Payments of principal and interest are reported as debt service expenditures.

**I. Summary of Significant Accounting Policies - (continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance - (cont.)**

**11. Net Position**

Net position represents the residual interest in the City's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

**12. Fund Balance**

In the fund financial statements, governmental funds report fund balance in classifications based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are to be used, it is the City's policy to use the committed amounts first, followed by assigned and unassigned amounts.

The non-spendable fund balance classification, if any, includes amounts not spendable in form, such as inventories or prepaid amounts.

The restricted fund balance classification includes amounts with constraints imposed by external sources such as creditors, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The committed fund balance classification includes amounts limited to specific purposes by formal action imposed by the City Commission. The City Commission is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation remains in place until a similar action is taken to remove or revise the limitation.

The assigned fund balance classification includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Commission, City Manager, and Finance Director are authorized to assign fund balance. All remaining governmental fund balances, except negative fund balances, which are reported in Special Revenue Funds that are not classified as non-spendable, restricted, or committed, are assigned.

The unassigned fund balance classification includes General Fund positive fund balances that are not otherwise classified. The General Fund is the only fund that reports a positive unassigned fund balance.

**13. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current, events and actions it may undertake in the future, actual results could differ from estimates.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

**II. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$10,872,932 difference are as follows:

Land	\$	236,605
Land Improvements		2,181,555
Construction in Progress		9,450
Buildings		3,489,545
Building Improvements		1,384,642
Infrastructure - Drainage		4,070,983
Infrastructure - Roads		8,811,814
Machinery and Equipment		2,357,173
		<u>22,541,767</u>
Less: Accumulated Depreciation		<u>11,668,835</u>
	\$	<u>10,872,932</u>

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$9,739,886 difference are as follows:

Promissory note payable -		
City National Bank	\$	1,237,000
Compensated absences		332,507
Workmen's comp. claims		498,012
Equipment installment obligations		13,658
Net pension liability		<u>7,658,709</u>
	\$	<u>9,739,886</u>

Other elements of the reconciliation are amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions. The details of those amounts are included in Note IV – G.

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures.” However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Another element that requires reconciliation is the principal payment of long-term liabilities, including notes payable, which are in part a reduction of notes payable in the government-wide financial statements, and not a use of financing resources in the current period. The details of the \$669,959 differences are in page 15 of the financial statements.

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. Budgets are legally adopted for the General Fund and most of the Special Revenue Funds. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. The City has no material violations of finance-related legal and contractual obligations, except as disclosed directly below.

**B. Excess of Expenditures over Appropriations**

The Community Center Fund community center expenditures exceeded appropriations by \$235,578. This unfavorable variance represented the cost of additional meals provided by the City to seniors at the Community Center, which was funded by a donation from the County for purposes of COVID-19 relief. The negative variances are disclosed in the Budgetary Comparison Statements and Schedules – Community Center Fund - page 58. The overall budget variance for the Community Center Fund ends with a positive variance of \$7,930, when combined with revenue and interfund transfer variances.

**C. Deficit Fund Equity**

The City's governmental activities is reporting a deficit in unrestricted net position. This is directly caused by the net pension liability for the multiple-employer cost sharing pension plan as recorded in accordance with GASB standards.

The City's Sewer System Fund is reporting a deficit in unrestricted net position which has been caused by continued increases in operating expenses and repairs to the sewer system.

The City's business-type activities is reporting a deficit in unrestricted net position as directly related to the unrestricted deficit in the Sewer System Fund.

**IV. Detailed Notes on all Funds**

**A. Deposits and Investments**

Generally accepted accounting principles are designed to inform financial statement users about deposit and investment risk that could affect a government's ability to provide services and meet its obligations as they become due. Accordingly, the City addresses common deposit and investment risks related to credit risk, custodial credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk and discloses deposit and investment policies related to the risk as follows.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds

A. Deposits and Investments - (continued)

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires every qualified public depository to deposit with the Treasurer, or another institution, eligible collateral equal to or in excess of the required collateral of the depository. The Treasurer, by rule, shall establish minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon any one or any combination of the formulas allowable under this Chapter. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized. The City's deposits include cash and cash equivalents with a total reported amount of \$4,284,484 and a bank balance of \$4,774,637, and certificates of deposit with a balance of \$855,272. The difference between the City's reported amount and the bank balance is due to outstanding checks and deposits in transit in these demand accounts.

Restricted Cash and Deposits

The City maintains separate bank accounts within the General Fund and for certain Special Revenue Funds. The City also maintains cash and deposit reserves required by the long-term debt covenants in the proprietary fund.

Restricted cash and deposit reserves at September 30, 2020 were as follows:

Note payable - State of Florida	\$ 191,683
Disaster recovery and repairs – Irma	18,563
Stormwater utility improvements	5,095
Federal and local forfeiture funds	226,654
Capital projects and improvements	1,635,465
Utility deposits	238,473
Building deposits and other miscellaneous	167,414
Transportation and other grantor restrictions	<u>468,293</u>
Total restricted cash and deposit reserves	<u>\$ 2,951,640</u>

Investments

The City has adopted an ordinance designating the investments which are allowable of its cash management activities. The authorized investments include US obligations, fully insured or collateralized certificates of deposit, Security Exchange Commission (“SEC”) Registered Money Market Funds, Local Government Investment Pools and certain Mutual Funds registered with the SEC and the Local Government Surplus Trust Fund (administered by the State of Florida Board of Administration). The investments follow the investment rules defined in Florida Statutes, Chapter 215. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

Credit risk and concentration of credit risk

Credit risk and concentration of credit risk disclosures exclude investments issued or explicitly guaranteed by the U.S. government. The City has no assets classified as investments; therefore, these disclosures are not applicable.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

A. Deposits and Investments – (continued)

Interest Rate Risk

The City purchases investments with maturities of less than or equal to twelve months in length. This policy reduces the City's exposure to fluctuations in interest rates over the life of the investments. In addition, it is the City's policy to hold investments to maturity.

At year end, the City's deposits balances were as follows:

	<u>Maturity Less Than 1 Year</u>	<u>Fair Value</u>
Deposits:		
Cash and cash equivalents	x	\$ 4,284,484
Certificates of deposit	x	855,272
		<u>\$ 5,139,756</u>

B. Receivables

Accounts receivable at September 30, 2020 are summarized as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Franchise and other taxes	\$ 139,759	\$ 49,647	\$ -	\$ 189,406
Government grants/contributions	278,114	201,961	-	480,075
Customers and other	-	-	515,519	515,519
	<u>\$ 417,873</u>	<u>\$ 251,608</u>	<u>\$ 515,519</u>	<u>\$ 1,185,000</u>

Notes Receivable

The City's notes receivable at September 30, 2020 are unsecured notes from commercial enterprises and residents that elected to finance the hook-up fees on the sewer system over periods ranging from twelve months to 15-year periods. The City receives monthly installments of principal and interest, ranging from 2% to 5%. As of September 30, 2020, the total balance remaining to be collected amounted to \$22,551.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 236,605	\$ -	\$ -	\$ 236,605
Construction in progress	104,623	9,450	104,623	9,450
Total capital assets not being depreciated	<u>341,228</u>	<u>9,450</u>	<u>104,623</u>	<u>246,055</u>
Capital Assets, being depreciated				
Land improvements	1,994,286	187,269	-	2,181,555
Buildings	3,489,545	-	-	3,489,545
Building improvements	1,094,961	289,681	-	1,384,642
Infrastructure - Drainage	4,070,983	-	-	4,070,983
Infrastructure - Roads	8,665,051	146,763	-	8,811,814
Machinery and equipment	2,362,608	49,478	54,913	2,357,173
Total capital assets being depreciated	<u>21,677,433</u>	<u>673,191</u>	<u>54,913</u>	<u>22,295,712</u>
Less accumulated depreciation for:				
Land improvements	456,256	93,503	-	549,759
Buildings	779,822	90,284	-	870,106
Building improvements	777,338	23,210	-	800,548
Infrastructure - Drainage	3,699,541	4,728	-	3,704,269
Infrastructure - Roads	3,609,734	78,119	-	3,687,853
Machinery and equipment	1,978,060	133,153	54,913	2,056,300
Total accumulated depreciation	<u>11,300,751</u>	<u>422,997</u>	<u>54,913</u>	<u>11,668,835</u>
Total capital assets, being depreciated, net	<u>10,376,682</u>	<u>250,194</u>	<u>-</u>	<u>10,626,877</u>
Governmental activities capital assets, net	<u>\$ 10,717,910</u>	<u>\$ 259,644</u>	<u>\$ 104,623</u>	<u>\$ 10,872,932</u>
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 171,591	\$ -	\$ -	\$ 171,591
Construction in progress	-	139,904	-	139,904
Total capital assets not being depreciated	<u>171,591</u>	<u>139,904</u>	<u>-</u>	<u>311,495</u>
Capital Assets, being depreciated				
Sewer systems	7,833,465	-	-	7,833,465
Water - main and extensions	637,982	-	-	637,982
Stormwater improvements	14,699,261	-	-	14,699,261
Machinery and equipment	1,036,198	-	-	1,036,198
Total capital assets being depreciated	<u>24,206,906</u>	<u>-</u>	<u>-</u>	<u>24,206,906</u>
Less accumulated depreciation for:				
Sewer systems	5,337,154	195,836	-	5,532,990
Water - main and extensions	491,681	3,933	-	495,614
Stormwater improvements	7,747,050	587,969	-	8,335,019
Machinery and equipment	741,354	20,120	-	761,474
Total accumulated depreciation	<u>14,317,239</u>	<u>807,858</u>	<u>-</u>	<u>15,125,097</u>
Total capital assets, being depreciated, net	<u>9,889,667</u>	<u>(807,858)</u>	<u>-</u>	<u>9,081,809</u>
Business-type activities capital assets, net	<u>\$ 10,061,258</u>	<u>\$ (667,954)</u>	<u>\$ -</u>	<u>\$ 9,393,304</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets - (continued)

Depreciation expense for the fiscal year ended September 30, 2020 was charged to functions/programs as follows:

**Governmental Activities:**

General Government	\$	119,985
Public Safety		68,524
Parks and Recreational		133,515
Transportation, Roads and Streets		100,973
Total depreciation expense - governmental activities	\$	<u>422,997</u>

**Business-type Activities:**

Sewer System	\$	199,840
Water System		3,933
Sanitation		16,116
Stormwater Utility		587,969
Total depreciation expense - business-type activities	\$	<u>807,858</u>

D. Interfund Receivables, Payables, and Transfers

Amounts due from and due to other funds at September 30, 2020 are summarized as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,358,223	\$ 1,453,435
Special Revenue Funds:		
Recreation	361,728	37,421
Community Center	205,421	189,520
Transportation Surtax	38,163	43,524
Law Enforcement Grant	-	-
Police Law Forfeiture	-	96,423
Enterprise Funds:		
Sewer System	659,686	1,983,018
Water System	1,453,661	1,236,426
Stormwater Utility	371,804	434,974
Sanitation	415,234	718,909
Building Dept./Code Compliance	335,790	6,060
	<u>\$ 6,199,710</u>	<u>\$ 6,199,710</u>

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

Interfund transfers for the year ended September 30, 2020 consisted of transfers used to move revenues or expenditures based on the City budget, and forgiveness of interfund balances.

It is the City's practice to maintain interfund balances outstanding for more than a year. An analysis is prepared at year end to determine if any fund is unable to repay its interfund liabilities. If such determination is made, the City prepares the necessary adjustments to eliminate the interfund balance, if feasible.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt

Long-term debt activity for the year ended September 30, 2020 was as follows:

	October 1, 2019	Additions	Payments	September 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Notes from direct borrowings and direct placements	\$ 1,361,634	\$ -	\$ 110,976	\$ 1,250,658	\$ 113,657
Other liabilities					
Compensated absences	334,527	253,603	255,623	332,507	200,000
Workmen's comp. claims	401,574	196,438	100,000	498,012	100,000
Net pension liability	6,893,893	2,208,142	1,443,326	7,658,709	-
Total other liabilities	7,629,994	2,658,183	1,798,949	8,489,228	300,000
Total governmental activities long-term debt	8,991,628	2,658,183	1,909,925	9,739,886	413,657
<b>Business-Type Activities</b>					
Notes from direct borrowings and direct placements	963,009	-	172,390	790,619	165,016
Total Long-Term Debt	\$ 9,954,637	\$ 2,658,183	\$ 2,082,315	\$ 10,530,505	\$ 578,673

Combined aggregate maturities for all notes from direct borrowings and direct placements, for each of the next five years and to maturity, are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Notes from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements			
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 113,657	\$ 27,424	\$ 165,016	\$ 26,667	\$ 278,673	\$ 54,091
2022	102,000	24,435	170,938	20,745	272,938	45,180
2023	105,000	22,106	177,072	14,611	282,072	36,717
2024	107,000	19,721	183,426	8,257	290,426	27,978
2025	110,000	17,280	94,167	1,675	204,167	18,955
2026 - 2030	587,000	47,801	-	-	587,000	47,801
2031	126,001	1,417	-	-	126,001	1,417
	\$ 1,250,658	\$ 160,184	\$ 790,619	\$ 71,955	\$ 2,041,277	\$ 232,139

The City's total outstanding notes from direct borrowings and direct placements are \$2,041,277, as listed below.

Mortgage Note - State of Florida

The City has a revolving loan agreement with the State of Florida Department of Environmental Regulation for the construction of the Phase II wastewater collection and transmission facilities. The amount of the loan authorized was \$4,366,844 including capitalized interest of \$201,844. In September of 2004, the City Commission adopted a resolution authorizing the City Manager to execute an amendment to the mortgage note agreement with the State of Florida. The amendment and related promissory note was signed in October of 2004. Under the new terms, the existing aggregate principal amount outstanding of \$2,679,314 was to be repaid with semi-annual payments for 20 additional years. Each semi-annual payment shall be in the amount of \$95,842 and shall be received by the department beginning on April 15, 2005, and semiannually thereafter on October 15 and April 15 of each year until all amounts due have been paid. The rate of interest on the unpaid principal balance of the loan continued to be 3.57 percent per annum (except for \$180,000 which would be at the rate of 3.24 percent per annum) and may be adjusted, if appropriate, pursuant to the provisions of Section 17-503.430 of the Florida Administrative Code.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Mortgage Note - State of Florida - (continued)

The debt repayment reserve account requirement was changed to a total required deposit of \$191,683. The City is required to pledge revenues equal to 1.15 times the sum of semi-annual payments due in any fiscal year. Revenues pledged, related to rates and charges for services furnished by the Sewer System as well as connection charges, are required to serve as sufficient collateral for purposes of the agreement underlying the mortgage note. The revolving loan debt service requirements to maturity are as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>
2021	\$ 165,016	\$ 26,667
2022	170,938	20,745
2023	177,072	14,611
2024	183,426	8,257
2025	94,167	1,675
	<u>\$ 790,619</u>	<u>\$ 71,955</u>

The amount of long-term debt that can be incurred by the City is limited by state statute. Total outstanding long-term obligations during the year can be no greater than 15% of the assessed value of taxable property as of the beginning of the fiscal year. The City has not incurred debt in excess of the 15%.

Capital Improvement and Infrastructure Refunding Revenue Note, Series 2009 - U.S. Century Bank

In February 2009 the City entered into an agreement with U.S. Century Bank for the purpose of (1) refunding a promissory note payable to the City of Gulf Breeze, a loan payable to Colonial Bank, and the City's obligation under a lease purchase-agreement for a garbage truck; (2) financing the purchase of a tree trimming truck and road curbing and related transportation improvements; and (3) paying the cost of issuing the note. The amount of the Capital Improvement and Infrastructure Refunding Revenue Note, Series 2009 was \$2,250,000. Remaining proceeds and repayment of the note were being allocated to the enterprise fund - Sewer System Fund (78%) and the General Fund (22%). During 2012, the City created a Sanitation Fund and reallocated the repayment of the note to the enterprise funds - Sewer System Fund (78%) and Sanitation Fund (6.78%), and the General Fund (15.22%). Debt in the amount of \$119,085 was transferred accordingly during 2012 to account for the reallocation. Commencing on March 19, 2009, payments of principal and interest at 4.25% are due and payable in equal monthly installments of \$23,119. The remaining unpaid principal and interest was due and paid on February 19, 2019 (maturity date). The note was secured by a covenant to budget and appropriate non-ad valorem revenues for the payment of principal and interest on the note. As such, the City covenanted and agreed to appropriate, in its annual budget, sufficient amounts of non-ad valorem revenues for payments on the note as required until all principal and interest has been budgeted, appropriated and actually paid.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Capital Improvement Revenue Note, Series 2016 – City National Bank

In August 2016 the City entered into an agreement with City National Bank for the purpose of financing certain capital improvements consisting of construction of a one-story 2,400 square foot Service Building used to house the Code Enforcement, Building and Zoning Department, and Public Works Department; construction of the Motor Pool Area which serves all departments; enhancement of the Front Office Expansion in City Hall which caters to passport services and all municipal functions of the City; and paying the costs of issuing the note. The amount of the Capital Improvement Revenue Note, Series 2016 was \$1,525,000. Commencing on February 1, 2017, interest accruing at a rate of 2.25% shall be due and payable semiannually on the first day of February and August of each year. Commencing on February 1, 2018, payments of principal shall be due and payable in annual installments through maturity on February 1, 2031. The note is secured by a covenant to budget and appropriate non-ad valorem revenues for the payment of principal and interest on the note. As such, the City covenants and agrees to appropriate, in its annual budget, sufficient amounts of non-ad valorem revenues for payments of the principal and interest on the note as required until all principal and interest has been budgeted, appropriated and actually paid.

An event of default is a failure to make a payment of principal and/or interest when due and payable, if the City becomes insolvent or requests financial assistance or relief from the State of Florida under Section 218.503, Florida Statutes, or if the City is determined to be in a financial emergency under Section 218.503, Florida Statutes. In the event of default, the holder of the note may declare all payments of principal and accrued interest to be immediately due and payable and may pursue any available remedy to enforce the payment of principal and interest then outstanding.

The annual debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2021	\$ 100,000	\$ 26,707
2022	102,000	24,435
2023	105,000	22,107
2024	107,000	19,721
2025	110,000	17,281
2026 - 2030	587,000	47,801
2031	126,000	1,417
	<u>\$ 1,237,000</u>	<u>\$ 159,469</u>

Equipment Installment Obligations

During fiscal year ended September 30, 2013, the City entered into an equipment lease-purchase agreement for the amount of \$56,013. The purpose of the lease was to finance the cost of a tractor loader. The debt was secured by the vehicle acquired with the proceeds of the lease. Commencing in December 2012, the lease was payable in annual installments of \$9,318. After the initial payment, interest accrued at a rate of 5.40% per annum. The final installment was due and paid in December 2018.

During fiscal year ended September 30, 2014, the City entered into an equipment lease-purchase agreement for the amount of \$81,792. The purpose of the lease was to finance the cost of a new trash truck. The debt is secured by the vehicle acquired with the proceeds of the lease. Commencing in May 2014, the lease is payable in annual installments of \$13,889. After the initial payment, interest accrues at a rate of 6.10% per annum. The final installment is due in May 2020. The outstanding principal balance of the lease-purchase agreement at September 30, 2019 amounted to \$13,090.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Equipment Installment Obligations - (continued)

During fiscal year ended September 30, 2015, the City entered into an equipment lease-purchase agreement for the amount of \$86,755. The purpose of the lease was to finance the cost of a Jitney Bus. The debt is secured by the vehicle acquired with the proceeds of the lease. Commencing in April 2015, the lease was payable in annual installments of \$14,374. After the initial payment, interest accrued at a rate of 5.25% per annum. The final installment was due in April 2021. The outstanding principal balance of the lease-purchase agreement at September 30, 2020 amounted to \$13,657.

F. Segment Information for Enterprise Funds

The City maintains five enterprise funds. Segment information for the year ended September 30, 2020 is as follows:

	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Dept. / Code Compliance Fund	Total
Operating revenues	\$ 815,876	\$ 818,548	\$ 93,994	\$ 636,676	\$ 166,201	\$ 2,531,295
Depreciation and amortization	199,840	3,933	587,969	16,116	-	807,858
Operating income (loss)	(280,259)	(12,307)	(633,799)	(92,076)	(48,581)	(1,067,022)
Operating transfers						
In	500,000	250,000	-	-	-	750,000
(Out)	-	-	-	-	-	-
Change in net position	206,165	238,086	(633,799)	(92,875)	(48,581)	(331,004)
Capital assets						
Additions	-	139,904	-	-	-	139,904
Deletions	-	-	-	-	-	-
Net working capital	(278,843)	360,070	(44,348)	(86,860)	220,339	170,358
Total assets	4,302,475	2,104,063	6,944,671	807,205	346,149	14,504,563
Long-term debt payable from operating revenues	790,619	-	-	-	-	790,619
Total net position	\$ 1,511,849	\$ 397,728	\$ 6,506,197	\$ 78,492	\$ 220,339	\$ 8,714,605

G. Employee Retirement Plans

Florida Retirement System Plan

All budgeted City employees are eligible to participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple-employer defined benefit pension plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature establishes and may amend the contribution requirements and benefit terms of all FRS plans.

**IV. Detailed Notes on all Funds - (continued)**

**G. Employee Retirement Plans - (continued)**

**Florida Retirement System Plan - (continued)**

The plan administrator for the FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications or at the Division's website.

**Pension Plan**

Plan Description and Benefits Provided

The Pension Plan is a multiple-employer cost sharing Public Employee Retirement System ("PERS"). All budgeted City employees are eligible to participate in the Pension Plan. The City's covered payroll for employees covered by the System for the year ended September 30, 2019 was approximately \$3.702 million.

Normal retirement for members initially enrolled before July 1, 2011 is at 6 years of credited service and age 62 or at 30 years of credited service regardless of age for regular members. Normal retirement for special risk members (police) initially enrolled before July 1, 2011 is at 6 years of special risk service and age 55 or at 25 or 30 years of special risk or any creditable service regardless of age; these individuals are entitled to an annual retirement benefit equal to 2 to 3 percent for each year of credited service times their average final compensation.

Normal retirement for members initially enrolled on or after July 1, 2011 is at 8 years of credited service and age 65 or at 33 years of credited service regardless of age for regular members. Normal retirement for special risk members (police) initially enrolled on or after July 1, 2011 is at 8 years of special risk service and age 60 or at 30 or 33 years of special risk or any creditable service regardless of age; these individuals are entitled to an annual retirement benefit equal to 2 to 3 percent for each year of credited service times their average final compensation.

Benefits vest after six or eight years of credited service. Early retirement may be taken any time after vesting; however, there is a five percent benefit reduction for each year prior to normal retirement age or date. The System also provides disability and survivor benefits. Benefits are established by State statute.

Contributions and Funding Policy

The City required contribution rates are established by the Florida Legislature. Employees within 5 years of retirement may elect to participate in the DROP. The City contributes 12.94% of salaries for participants of the DROP. During 2019 the City had four employees participating in this program.

Commencing on July 1, 2011, employees are required to contribute 3% of salaries to the System. Prior to that date, employees could not contribute to the System. The employer contribution rates for regular employees, senior management, and special risk members applicable to the last three fiscal years are as follows:

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Contributions and Funding Policy - (continued)

Employer Contribution Rates	Regular Employees	Senior Management	Special Risk Members
Effective 7/1/18	6.54%	22.34%	33.26%
Effective 7/1/19	6.75%	23.69%	36.87%
Effective 7/1/20	8.28%	25.57%	34.12%

The City's contribution to the FRS for the last three years are as follows:

	2020	2019	2018
Employer contribution	\$ 610,686	\$ 672,501	\$ 629,615
Percentage contributed	100%	100%	100%

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$6,342,002 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was approximately 0.0146%, which was a decrease of approximately 0.0017% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$1,266,773. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 242,721	\$ -
Changes of assumptions	1,148,104	-
Net difference between projected and actual earnings on pension plan investments	377,609	-
Changes in proportion and differences between City contributions and proportionate share of contributions	109,583	492,423
City contributions subsequent to the measurement date	127,744	-
	<u>\$ 2,005,761</u>	<u>\$ 492,423</u>

The \$132,408 reported as deferred outflows of resources related to the Pension Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2020*

**IV. Detailed Notes on all Funds - (continued)**

**G. Employee Retirement Plans - (continued)**

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions - (cont.)

Year Ended September 30:	
2021	\$ 314,079
2022	\$ 494,032
2023	\$ 394,853
2024	\$ 193,843
2025	\$ (11,213)
Thereafter	\$ -

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial cost method	Individual entry age
Salary increases	3.25% average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense

Mortality rates were based on the Generational RP-2000 Mortality Table, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2020 were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013. Differences between assumptions used for June 30, 2020 measurement date calculations and June 30, 2019 measurement date calculations are limited to the new mortality tables for those in active employment, and the change in the discount rate for the Pension Plan from 6.90% as of June 30, 2019 to 7.00% for June 30, 2020. The 7.00% rate of return assumption used in the June 30, 2020 calculations was deemed reasonable and appropriate by the actuary per Actuarial Standards of Practice Number 27 (ASOP 27).

The long-term expected rate of return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Each asset class assumption is based on a consistent set of underlying assumptions. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Actuarial Assumptions - (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.0%	2.2%	2.2%
Fixed income	19.0%	3.0%	2.9%
Global equity	54.2%	8.0%	6.7%
Real estate (property)	10.3%	6.4%	5.8%
Private equity	11.1%	10.8%	8.1%
Strategic investments	4.4%	5.5%	5.3%
Total	<u>100.0%</u>		

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.80%) or one percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
City's proportionate share of the net pension liability	\$ 10,127,112	\$ 6,342,003	\$ 3,180,663

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

HIS Plan

Plan Description and Benefits Provided

The HIS Plan is a multiple-employer cost-sharing defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions and Funding Policy

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The employer contributions are a percentage of gross compensation for all active FRS members. The employer contribution rates for all classes through September 30, 2020 were 1.66%. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy to all participants, benefits may be reduced or cancelled.

The City's contribution to the HIS Plan for the last three years are as follows:

	2020	2019	2018
Employer contribution	\$ 60,271	\$ 65,787	\$ 61,592
Percentage contributed	100%	100%	100%

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$1,316,707 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was approximately 0.0108%, which was a decrease of approximately 0.0006% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$117,566. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions - (cont.)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 53,861	\$ 1,016
Changes of assumptions	141,585	76,561
Net difference between projected and actual earnings on pension plan investments	1,051	-
Changes in proportion and differences between City contributions and proportionate share of contributions	61,651	73,124
City contributions subsequent to the measurement date	15,927	-
	<u>\$ 274,075</u>	<u>\$ 150,701</u>

The \$15,927 reported as deferred outflows of resources related to the HIS Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30:	
2021	\$ 39,983
2022	\$ 29,684
2023	\$ 6,185
2024	\$ 13,509
2025	\$ 10,751
Thereafter	\$ 7,335

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial cost method	Individual entry age
Salary increases	3.25% average, including inflation
Investment rate of return	2.21%

Mortality rates were based on the Generational RP-2000 Mortality Table, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2020 were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013. Differences between assumptions used for June 30, 2020 measurement date calculations and June 30, 2019 measurement date calculations are limited to the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index used in the valuation of the HIS Plan (municipal rate decreased from 3.50 % to 2.21%), and the new mortality tables for those in active employment.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2020

**IV. Detailed Notes on all Funds - (continued)**

**G. Employee Retirement Plans - (continued)**

Discount Rate

The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (1.21%) or one percentage-point higher (3.21%) than the current rate:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
City's proportionate share of the net pension liability	\$ 1,522,053	\$ 1,316,706	\$ 1,148,630

**Section 457 Deferred Compensation Plan**

The City established a deferred compensation plan for the employees and elected officials of the City. The adopted deferred compensation plan was created in accordance with Internal Revenue Code Section 457. The plan is available for all employees and officials who elect to participate. The purpose of the plan is to provide additional benefits to City employees and officials who elect to voluntarily set aside and invest portions of their current income to meet future financial requirements and to supplement existing retirement programs. The plan is administered by an independent plan administrator through an administrative service agreement. The City’s administrative involvement is limited to transmitting amounts withheld from payroll to the Plan Administrator, who performs investing functions. Plan assets are held in trust for the benefit of the participants and their beneficiaries. The assets will not be diverted for any other purpose.

**H. Fund Equity**

Restrictions/Commitments/Assignments of Fund Balance include the following:

1. Restricted for Transportation - This amount represents the amount of fund equity in the transportation surtax fund which is to be used (externally imposed) only for specific transportation related expenditures.
2. Restricted for Conservation Project - This amount represents the amount of fund equity in the recreation fund which is to be used (externally imposed) for a land and water conservation project.
3. Restricted for Public Safety Initiatives - This amount represents the amount of fund equity in the law enforcement grant fund and the police law forfeiture fund which is to be used (externally imposed) only for specific expenditures.

**IV. Detailed Notes on all Funds - (continued)**

**H. Fund Equity - (continued)**

4. Restricted for Community Center - This amount represents the amount of fund equity in the community center fund which is to be used (externally imposed) only for specific expenditures at the City's community center.
5. Restricted for Capital Improvements - This amount represents the amount of fund equity, including unspent impact fees, in the general fund which is to be used (externally imposed) only for specific capital related improvements and projects.
6. Committed for Parks and Recreation - This amount represents the amount of fund equity in the recreation fund which is to be used (commission imposed) only for specific expenditures for the parks and recreation department.
7. Assigned for Capital Outlay - This amount represents the amount of fund equity in the recreation fund which is to be used, as assigned by management, for specific capital outlay expenditures.
8. Assigned for Future Contingencies - This amount represents the amount of fund equity in the general fund, as assigned by management, for general liability and pending claims which the City believes may not be covered by its insurance policies, and other amounts assigned by management for insurance premiums.
9. Assigned for Specific Projects - This amount represents the amount of fund equity in the general fund which is to be used, as assigned by management, for records destruction.
10. Assigned for Comprehensive Plan - This amount represents the amount of fund equity in the general fund which is to be used, as assigned by management, for the City's comprehensive plan.
11. Assigned for Improvements - This amount represents the amount of fund equity in the general fund, as assigned by management, for construction and improvements to the passport office and restroom facilities.

Restrictions of Net Position include the following:

1. Restricted for Stormwater - This amount represents the amount of earnings accumulated in the stormwater utility fund which is to be used (externally imposed) only for stormwater and drainage improvements.
2. Restricted for Capital Improvements - This amount represents the amount of unspent impact fees in the sewer system fund which is to be used (externally imposed) only for capital improvements.

**I. Risk Management**

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There were no significant reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2020*

**IV. Detailed Notes on all Funds - (continued)**

**I. Risk Management - (continued)**

The City is self-insured for workers' compensation claims. The total liability for reported claims and the incurred but not reported claims (IBNR), is accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated based on estimates provided by the claims administrator, Miami-Dade County. During fiscal years ended September 30, 2019 and 2019, the City estimated a portion of the liability for reported claims as long-term debt.

	<u>2020</u>	<u>2019</u>
Unpaid Claims, beginning	\$ 401,574	\$ 300,584
Incurred Claims (including IBNR)	196,438	149,467
Estimated Claim Reductions	<u>(100,000)</u>	<u>(48,477)</u>
Unpaid Claims, ending	<u>\$ 498,012</u>	<u>\$ 401,574</u>

**J. Commitments and Contingencies**

1. The City is involved in various proceedings involving certain claims which the City believes not to be covered by its general liability insurance policies. In the opinion of management and its legal counsel, the outcome of these claims should not have a significant impact on the City's financial condition. Proceedings involving several workmen's compensation claims are also closely monitored by the City's management and legal counsel. The City has assigned \$375,000 of fund balance for various possible future contingencies including retirement, general liability claims, and other contingencies.
2. The City receives several grants from governmental agencies that require compliance with certain provisions stated in the grant agreements. Failure to comply with the provisions could result in the return of funds to the grantors. Although that is a possibility, the City deems the contingency remote since, in management's opinion, the City has complied in all material respects with the provisions of the grants.
3. At September 30, 2020, the City had various construction projects in progress with remaining balances totaling approximately \$1,200,000.

**K. Subsequent Events**

During 2021, the ongoing COVID-19 pandemic is having negative effects on local, regional and global economies. The extent to which COVID-19 will continue to impact the City's operations is highly uncertain and cannot be predicted with confidence at this time. It is probable that the City's revenue sources such as red-light camera revenues, certain tax revenues, and passport revenues will be less than originally budgeted.

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Real Estate Taxes	\$ 3,186,234	\$ 3,186,234	\$ 3,149,561	\$ (36,673)
Franchise Taxes	328,600	328,600	348,183	19,583
Excise, Utility Service and Other Taxes	632,300	632,300	708,735	76,435
Licenses, Permits and Fees	25,500	25,500	45,442	19,942
Intergovernmental Revenue	946,761	946,761	911,964	(34,797)
Fines and Forfeitures	537,000	530,900	984,148	453,248
Grant Revenues	-	-	299,875	299,875
Rent	208,200	208,200	227,521	19,321
Interest	10,000	10,000	20,099	10,099
Other	433,887	433,887	328,118	(105,769)
Total Revenues	<u>6,308,482</u>	<u>6,302,382</u>	<u>7,023,646</u>	<u>721,264</u>
<b>Expenditures</b>				
<b>Current</b>				
City Council	132,222	132,222	116,860	15,362
Legal	218,008	218,008	215,145	2,863
Executive	422,597	422,597	415,377	7,220
Finance and Administration	418,799	422,099	421,821	278
Law Enforcement	2,970,782	2,980,447	2,887,313	93,134
Streets	589,429	601,899	601,538	361
Garage	106,977	106,977	96,135	10,842
Parks	93,410	94,140	93,625	515
Facilities Maintenance	189,256	187,446	180,338	7,108
Non-Departmental	453,569	399,527	186,080	213,447
Capital Outlay	487,700	523,562	319,326	204,236
<b>Balance Carried Forward</b>	<u>\$ 6,082,749</u>	<u>\$ 6,088,924</u>	<u>\$ 5,533,558</u>	<u>\$ 555,366</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended September 30, 2020  
(Continued)

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Balance Brought Forward</b>	6,082,749	6,088,924	5,533,558	555,366
<b>Debt Service</b>				
Principal Retirement	117,799	105,484	98,000	7,484
Interest	28,934	28,954	28,947	7
Total Expenditures	6,229,482	6,223,362	5,660,505	562,857
Excess (Deficiency) of Revenues and Over (Under) Expenditures	79,000	79,020	1,363,141	1,284,121
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	1,396,000	1,396,000	31	(1,395,969)
Operating Transfers (Out)	(1,475,000)	(1,475,020)	(1,066,118)	408,902
Total Other Financing Sources (Uses)	(79,000)	(79,020)	(1,066,087)	(987,067)
Net Change in Fund Balances	\$ -	\$ -	\$ 297,054	\$ 297,054

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Revenues - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Real Estate Taxes</b>	\$ 3,186,234	\$ 3,149,561	\$ (36,673)
<b>Franchise Taxes</b>			
Electricity	313,000	332,061	19,061
Gas	10,000	10,522	522
Bus Benches	5,600	5,600	-
	<u>328,600</u>	<u>348,183</u>	<u>19,583</u>
<b>Excise, Utility Service and Other Taxes</b>			
Excise	418,300	485,652	67,352
Utility Service	180,000	162,517	(17,483)
BED	8,000	2,612	(5,388)
Local Business Tax	26,000	57,954	31,954
	<u>632,300</u>	<u>708,735</u>	<u>76,435</u>
<b>Licenses, Permits, and Fees</b>			
Building Permits	15,000	22,225	7,225
Alarm Permits	10,000	15,895	5,895
Impact Fees	-	3,172	3,172
Miscellaneous Permits	500	4,150	3,650
	<u>25,500</u>	<u>45,442</u>	<u>19,942</u>
<b>Intergovernmental</b>			
Sales Tax	575,000	532,311	(42,689)
Revenue Sharing	254,000	265,807	11,807
Fuel Tax	117,561	113,583	(3,978)
Mobile Homes	200	263	63
	<u>946,761</u>	<u>911,964</u>	<u>(34,797)</u>
<b>Fines and Forfeitures</b>			
Red Light Camera	468,900	910,125	441,225
Collected by Metro-Dade	60,000	73,723	13,723
Performance Bonds Forfeitures	2,000	300	(1,700)
	<u>530,900</u>	<u>984,148</u>	<u>453,248</u>
<b>Grant Revenues</b>	-	299,875	299,875
<b>Rent</b>	208,200	227,521	19,321
<b>Interest</b>	10,000	20,099	10,099
<b>Other</b>			
Accident Reports	2,500	6,653	4,153
False Alarms	500	140	(360)
Zoning Fees and Certificates of Use	10,000	22,237	12,237
Passport	263,000	144,166	(118,834)
Miscellaneous	157,887	154,922	(2,965)
	<u>433,887</u>	<u>328,118</u>	<u>(105,769)</u>
<b>Total Revenues</b>	<u>\$ 6,302,382</u>	<u>\$ 7,023,646</u>	<u>\$ 721,264</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>City Council</b>			
Salaries	\$ 2,880	\$ 2,880	\$ -
Medical and Life Insurance	94,651	94,651	-
Council Expense	6,400	6,400	-
Other Insurance Costs	500	500	-
Telephone	2,000	2,000	-
Postage	1,500	1,500	-
Office Supplies	5,770	3,572	2,198
Computer Service	2,871	2,871	-
Commission Representation	15,650	2,486	13,164
	<u>\$ 132,222</u>	<u>\$ 116,860</u>	<u>\$ 15,362</u>
<b>Legal</b>			
Salaries	\$ 166,269	\$ 166,257	\$ 12
Medical and Life Insurance	21,268	21,268	-
Training and Conference	400	400	-
Miscellaneous Legal	1,300	-	1,300
Code Enforcement	800	-	800
Legal Advertising	11,830	11,830	-
Office Supplies	600	600	-
Telephone Services	1,000	1,000	-
Postage	1,500	1,500	-
General Liability	8,500	8,500	-
Computer Service	2,571	2,571	-
Miscellaneous	1,000	500	500
Fuel and Lubricants	100	88	12
Protective Clothing Vehicle Repairs	150	-	150
Vehicle Repairs	720	631	89
	<u>\$ 218,008</u>	<u>\$ 215,145</u>	<u>\$ 2,863</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Executive</b>			
Salaries	\$ 262,482	\$ 260,541	\$ 1,941
Payroll Taxes	20,080	20,080	-
Retirement	50,304	50,304	-
Workers' Compensation	1,572	1,572	-
Medical and Life Insurance	33,298	33,298	-
Conferences and Training	1,290	1,100	190
Printed Forms	855	130	725
Car Allowance	5,785	5,160	625
Telephone Service	3,350	3,350	-
City Manager's Expenses	1,500	223	1,277
Other Insurance Costs	710	707	3
Repairs to Equipment	500	-	500
Other Miscellaneous	5,700	5,037	663
Postage	2,600	2,600	-
Computer Service	6,571	6,571	-
General Liability Insurance	7,000	7,000	-
ICMA	17,500	17,500	-
Channel 49 Expenses	1,500	204	1,296
	<u>\$ 422,597</u>	<u>\$ 415,377</u>	<u>\$ 7,220</u>
<b>Finance and Administration</b>			
Salaries	\$ 270,779	\$ 270,746	\$ 33
Payroll Taxes	21,032	21,032	-
Retirement	20,443	20,443	-
Workers' Compensation	1,900	1,900	-
Medical and Life Insurance	73,974	73,974	-
Office Supplies	4,200	4,200	-
Telephone Service	3,500	3,500	-
Postage	6,000	5,912	88
Printed Forms	4,100	4,077	23
General Liability	5,000	5,000	-
Other Insurance Costs	500	500	-
Repairs to Equipment	900	814	86
Rental of Equipment	2,600	2,552	48
Computer Service	7,171	7,171	-
	<u>\$ 422,099</u>	<u>\$ 421,821</u>	<u>\$ 278</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Law Enforcement</b>			
Salaries	\$ 1,835,699	\$ 1,727,579	\$ 108,120
Other Personal Services	43,600	42,680	920
Payroll Taxes	150,054	150,054	-
Retirement	432,441	432,441	-
Workers' Compensation	26,798	26,798	-
Medical and Life Insurance	283,274	283,274	-
Printed Forms	2,500	1,142	1,358
Fuel and Lubricants	75,000	57,181	17,819
Vehicle Repair Parts and Labor	25,900	25,834	66
Operating Equipment Repair Parts	7,000	5,706	1,294
Uniform Purchases	15,225	15,203	22
Telephone Services	3,000	3,000	-
General Liability Insurance	36,345	36,345	-
Other Insurance Costs	1,000	1,000	-
Repairs to Equipment	5,000	4,066	934
Other Miscellaneous	1,000	292	708
Office Supplies	5,820	5,801	19
Cleaning Supplies	1,000	34	966
Building and Maintenance Supplies	6,500	6,434	66
Small Tools and Minor Equipment	2,000	1,138	862
Postage	600	600	-
Dues and Subscriptions	1,620	1,610	10
Plaques, Awards, Recognition	1,000	943	57
Other Professional Services	5,000	17,958	(12,958)
Computer Service	10,571	37,920	(27,349)
Court Costs and Investigations	2,000	-	2,000
Information Expense	500	-	500
Rental Machine and Equipment	-	2,280	(2,280)
	<u>\$ 2,980,447</u>	<u>\$ 2,887,313</u>	<u>\$ 93,134</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Streets</b>			
Salaries	\$ 286,420	\$ 286,214	\$ 206
Payroll Taxes	25,461	25,461	-
Retirement	34,937	34,937	-
Workers' Compensation	11,800	11,800	-
Medical and Life Insurance	59,375	59,375	-
Fuel and Lubricants	9,060	9,054	6
Protective Clothing	2,630	2,512	118
Building Materials and Supplies	11,725	12,610	(885)
Small Tools and Minor Equipment	3,775	3,771	4
Vehicle Repair Parts and Labor	12,500	12,443	57
Operating Equipment Repair Parts	3,570	3,378	192
Telephone Service	2,000	2,000	-
General Liability Insurance	30,915	30,915	-
Street Lighting Electricity	61,000	61,000	-
Computer Service	3,521	3,521	-
Rental of Equipment	28,670	28,662	8
Landscape Maintenance	3,440	2,861	579
Other Miscellaneous	700	655	45
Office Supplies	3,300	3,300	-
Postage	800	800	-
Conference and Training Costs	100	90	10
Uniform Rental	6,200	6,179	21
	<u>\$ 601,899</u>	<u>\$ 601,538</u>	<u>\$ 361</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Garage</b>			
Salaries	\$ 57,845	\$ 56,373	\$ 1,472
Payroll Taxes	4,364	4,364	-
Retirement	4,747	4,747	-
Workers' Compensation	2,696	2,696	-
Medical and Life Insurance	9,875	9,875	-
Cleaning Supplies	300	-	300
Fuel and Lubricants	800	310	490
Protective Clothing	400	75	325
Small Tools and Minor Equipment	4,000	1,582	2,418
Vehicle Repair Parts	6,100	6,028	72
Operating Equipment Repair Parts	1,250	-	1,250
Uniform Rental	1,500	1,085	415
Hazardous Waste Disposal	1,000	-	1,000
General Liability Insurance	9,000	9,000	-
Other Miscellaneous	1,100	0	1,100
Special Permit Fees	2,000	-	2,000
	<u>\$ 106,977</u>	<u>\$ 96,135</u>	<u>\$ 10,842</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Parks</b>			
Salaries	\$ 44,178	\$ 44,170	\$ 8
Payroll Taxes	3,064	3,064	-
Retirement	2,028	2,028	-
Workers' Compensation	2,652	2,652	-
Medical and Life Insurance	9,558	9,558	-
Horticultural Supplies	3,700	3,683	17
Fuel and Lubricants	800	783	17
Protective Clothing	200	175	25
Small Tools and Minor Equipment	50	15	35
Vehicle Repair Parts and Labor	2,300	2,278	22
Operating Equipment Repair Parts	200	44	156
General Liability Insurance	9,000	9,000	-
Other Insurance	200	200	-
Other Miscellaneous	13,190	13,204	(14)
Rental of Equipment	200	-	200
Uniform Rental	1,050	1,003	47
Electricity	1,770	1,768	2
	<u>\$ 94,140</u>	<u>\$ 93,625</u>	<u>\$ 515</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Facilities Maintenance</b>			
Salaries	\$ 66,083	\$ 65,933	\$ 150
Payroll Taxes	4,795	4,795	-
Retirement	5,216	5,216	-
Workers' Compensation	2,511	2,511	-
Medical and Life Insurance	19,751	19,751	-
Horticultural Supplies	30	30	-
Cleaning and Sanitation Supplies	4,060	4,057	3
Fuel and Lubricants	200	195	5
Household and Institutional Supplies	4,800	4,795	5
Protective Clothing	1,025	1,023	2
Building Material and Supplies	30,410	30,364	46
Small Tools and Minor Equipment	1,950	1,949	1
Vehicle Repair Parts	300	226	74
Operating Equipment Repair Parts	160	-	160
Installed Building Equipment Repair Parts	2,000	576	1,424
Other Repairs and Maintenance Supplies	80	-	80
General Liability Insurance	10,000	10,000	-
Electricity	23,190	23,188	2
Water	5,000	1,377	3,623
Repairs to Building	1,500	-	1,500
Other Miscellaneous	870	868	2
Uniform Rental	1,830	1,819	11
Telephone Service	1,000	1,000	-
Other Insurance Building	500	500	-
Repairs to Equipment	20	-	20
Rental of Equipment	165	165	-
	<u>\$ 187,446</u>	<u>\$ 180,338</u>	<u>\$ 7,108</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Non-Departmental</b>			
Payroll Taxes	\$ 276,085	\$ 273,140	\$ 2,945
Retirement	585,516	584,054	1,462
Workers' Compensation	101,250	101,250	-
Medical and Life Insurance	858,412	858,410	2
Allowance to Board Members	1,000	510	490
Auditing Services	35,500	35,500	-
Engineer Services	22,420	22,420	-
Other Professional Services	58,174	47,264	10,910
Code Enforcement Allowance	1,000	270	730
Court Recordings	2,000	977	1,023
General Liability Insurance	266,062	266,062	-
Other Insurance Costs	5,000	742	4,258
Dues and Subscriptions	2,020	2,018	2
Contingency Fund	27,785	24,188	3,597
Real Estate Taxes	15,200	15,185	15
Office Supplies	25,000	20,616	4,384
Telephone	39,020	39,020	-
Postage	30,000	22,616	7,384
Computer Service	90,000	82,843	7,157
Retirement Deferred Payment	27,500	27,500	-
Reserve	277,335	108,542	168,793
Hurricane National Disaster	15,000	14,705	295
Interdepartmental Allocations	(2,361,752)	(2,361,752)	-
	<u>\$ 399,527</u>	<u>\$ 186,080</u>	<u>\$ 213,447</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Community Center Fund  
For the Year Ended September 30, 2020

	<b>Community Center Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grant Revenues	\$ 350,109	\$ 350,109	\$ 374,985	\$ 24,876
Other	33,000	33,000	248,523	215,523
Total Revenues	<u>383,109</u>	<u>383,109</u>	<u>623,508</u>	<u>240,399</u>
<b>Expenditures</b>				
<b>Current</b>				
Community Center	601,021	601,021	836,599	(235,578)
Capital Outlay	17,500	17,500	3,979	13,521
Total Expenditures	<u>618,521</u>	<u>618,521</u>	<u>840,578</u>	<u>(222,057)</u>
Excess (Deficiency) of Revenues and Over (Under) Expenditures	(235,412)	(235,412)	(217,070)	18,342
<b>Other Financing Sources (Uses)</b>				
Appropriation of Fund Balance	10,412	10,412	-	(10,412)
Operating Transfers In	225,000	225,000	225,000	-
Total Other Financing Sources (Uses)	<u>235,412</u>	<u>235,412</u>	<u>225,000</u>	<u>(10,412)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,930</u>	<u>\$ 7,930</u>

See accompanying notes to budgetary comparison schedules.

CITY OF WEST MIAMI, FLORIDA  
*Notes to Budgetary Comparison Schedules*  
*September 30, 2020*

**Note 1. Budgets and Budgetary Accounting**

The City legally adopts annual budgets for the General Fund and most of the Special Revenue Funds. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. The following procedures are used by the City in establishing the budgetary data reflected in the financial statements.

- a) At least 45 days prior to the close of the fiscal year, the City Commission is presented with a proposed budget including proposed expenditures and the means of financing them.
- b) After Commission review and public hearings, the budget is adopted prior to October 1<sup>st</sup> of each year.
- c) Budgets are approved on a fund-by-fund basis and management may transfer amounts between line items or departments as long as the transfer does not result in an increase in total fund budget. Expenditures may not legally exceed appropriations at the departmental level.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the City. Appropriations not encumbered lapse at year-end. The Commission did not make supplemental budgetary appropriations during the year.

**Note 2. Excess of Expenditures over Appropriations**

The Community Center Fund community center expenditures exceeded appropriations by \$235,578. This unfavorable variance represented the cost of additional meals provided by the City to seniors at the Community Center, which was funded by a donation from the County for purposes of COVID-19 relief. The negative variances are disclosed in the Budgetary Comparison Statements and Schedules – Community Center Fund - page 58. The overall budget variance for the Community Center Fund ends with a positive variance of \$7,930, when combined with revenue and interfund transfer variances.

**Note 3. Budget/GAAP Reconciliation**

There are no differences to be reconciled between the budgetary comparison schedules and the statement of revenues, expenditures and changes in fund balances - governmental funds.

**City of West Miami, Florida**  
 Required Supplementary Information  
 Schedule of the Proportionate Share of the Net Pension Liability  
 Florida Retirement System Pension Plan  
 Last 7 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.01463264%	0.01632755%	0.01719487%	0.01666302%	0.01686092%	0.01493958%	0.01523259%
City's proportionate share of the net pension liability (asset)	\$ 6,342,003	\$ 5,622,982	\$ 5,179,185	\$ 4,928,811	\$ 4,257,396	\$ 1,929,647	\$ 929,412
City's covered payroll	\$ 3,763,343	\$ 3,833,099	\$ 3,798,323	\$ 3,471,017	\$ 3,367,100	\$ 3,141,772	\$ 3,039,259
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.52%	146.70%	136.35%	142.00%	126.44%	61.42%	30.58%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

\* The amounts presented for each fiscal year were determined as of 6/30 (measurement date of the collective net pension liability). GASB 68 requires information for 10 years; until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

City of West Miami, Florida  
Required Supplementary Information  
Schedule of Contributions  
Florida Retirement System Pension Plan  
Last 7 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 610,686	\$ 672,501	\$ 629,615	\$ 584,053	\$ 531,919	\$ 430,873	\$ 446,081
Contributions in relation to the contractually required contribution	\$ (610,686)	\$ (672,501)	\$ (629,615)	\$ (584,053)	\$ (531,919)	\$ (430,873)	\$ (446,081)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,702,409	\$ 3,854,435	\$ 3,781,302	\$ 3,592,483	\$ 3,392,770	\$ 3,226,000	\$ 3,170,000
Contributions as a percentage of covered payroll	16.49%	17.45%	16.65%	16.26%	15.68%	13.36%	14.07%

\* GASB 68 requires information for 10 years; until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

**City of West Miami, Florida**  
 Required Supplementary Information  
 Schedule of the Proportionate Share of the Net Pension Liability  
 Florida Retirement System Health Insurance Subsidy Pension Plan  
 Last 7 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.01078398%	0.01135858%	0.01162931%	0.01088950%	0.01087716%	0.01035583%	0.01022926%
City's proportionate share of the net pension liability (asset)	\$ 1,316,706	\$ 1,270,911	\$ 1,230,859	\$ 1,164,356	\$ 1,267,687	\$ 1,056,132	\$ 956,461
City's covered payroll	\$ 3,763,343	\$ 3,833,099	\$ 3,798,323	\$ 3,471,017	\$ 3,367,100	\$ 3,141,772	\$ 3,039,259
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.99%	33.16%	32.41%	33.55%	37.65%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* The amounts presented for each fiscal year were determined as of 6/30 (measurement date of the collective net pension liability). GASB 68 requires information for 10 years; until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

City of West Miami, Florida  
 Required Supplementary Information  
 Schedule of Contributions  
 Florida Retirement System Health Insurance Subsidy Pension Plan  
 Last 7 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 60,271	\$ 65,787	\$ 61,592	\$ 57,135	\$ 53,820	\$ 50,552	\$ 47,622
Contributions in relation to the contractually required contribution	<u>\$ (60,271)</u>	<u>\$ (65,787)</u>	<u>\$ (61,592)</u>	<u>\$ (57,135)</u>	<u>\$ (53,820)</u>	<u>\$ (50,552)</u>	<u>\$ (47,622)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,702,409	\$ 3,854,435	\$ 3,781,302	\$ 3,592,483	\$ 3,392,770	\$ 3,226,000	\$ 3,170,000
Contributions as a percentage of covered payroll	1.63%	1.71%	1.63%	1.59%	1.59%	1.57%	1.50%

\* GASB 68 requires information for 10 years; until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

## COMBINING FINANCIAL STATEMENTS

**City of West Miami, Florida**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2020

	<b>Special Revenue</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Recreation Fund</b>	<b>Transportation Surtax Fund</b>	<b>Law Enforcement Grant Fund</b>	<b>Police Law Forfeiture Fund</b>	
<b>Assets</b>					
Cash and Cash Equivalents	\$ 4,625	\$ -	\$ -	\$ -	\$ 4,625
Cash - Restricted	-	428,940	-	224,706	653,646
Receivables	142,457	49,065	-	-	191,522
Due From Other Funds	361,728	38,163	-	-	399,891
Total Assets	<u>\$ 508,810</u>	<u>\$ 516,168</u>	<u>\$ -</u>	<u>\$ 224,706</u>	<u>\$ 1,249,684</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Expenses	\$ -	\$ 3,600	\$ -	\$ -	\$ 3,600
Due To Other Funds	37,421	43,524	-	96,423	177,368
Unearned Revenue	4,729	-	-	-	4,729
Total Liabilities	<u>42,150</u>	<u>47,124</u>	<u>-</u>	<u>96,423</u>	<u>185,697</u>
<b>Fund Balances</b>					
Restricted for Public Safety Initiatives	-	-	-	128,283	128,283
Restricted - for Capital Improvements	200,000	-	-	-	200,000
Restricted for Transportation	-	469,044	-	-	469,044
Committed for Parks and Recreation	189,560	-	-	-	189,560
Assigned for Capital Outlay	77,100	-	-	-	77,100
Total Fund Balances	<u>466,660</u>	<u>469,044</u>	<u>-</u>	<u>128,283</u>	<u>1,063,987</u>
Total Liabilities and Fund Balances	<u>\$ 508,810</u>	<u>\$ 516,168</u>	<u>\$ -</u>	<u>\$ 224,706</u>	<u>\$ 1,249,684</u>

The notes to the financial statements are an integral part of this statement.

**City of West Miami, Florida**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2020

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Recreation Fund</b>	<b>Transportation Surtax Fund</b>	<b>Law Enforcement Grant Fund</b>	<b>Police Law Forfeiture Fund</b>	
<b>Revenues</b>					
Real Estate Taxes	\$ 541,343	\$ -	\$ -	\$ -	\$ 541,343
Government Grants/Contributions	77,816	-	-	-	77,816
Surtax	-	320,955	-	-	320,955
Fines and Forfeitures	-	-	-	16,092	16,092
Interest	-	424	-	189	613
Other	85,052	-	-	-	85,052
Total Revenues	<u>704,211</u>	<u>321,379</u>	<u>-</u>	<u>16,281</u>	<u>1,041,871</u>
<b>Expenditures</b>					
Salaries and Wages	253,991	63,428	-	92,944	410,363
Personnel Benefits	106,920	22,359	-	-	129,279
Other	138,173	63,845	-	1,800	203,818
Capital Outlay	107,950	146,763	-	-	254,713
Debit Service					
Principal retirement	-	12,976	-	-	12,976
Interest	-	1,399	-	-	1,399
Total Expenditures	<u>607,034</u>	<u>310,770</u>	<u>-</u>	<u>94,744</u>	<u>1,012,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	97,177	10,609	-	(78,463)	29,323
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	91,118	-	-	-	91,118
Total Other Financing Sources (Uses)	<u>91,118</u>	<u>-</u>	<u>(31)</u>	<u>-</u>	<u>91,087</u>
Net Change in Fund Balances	188,295	10,609	(31)	(78,463)	120,410
<b>Fund Balances at Beginning of Year</b>	<u>278,365</u>	<u>458,435</u>	<u>31</u>	<u>206,746</u>	<u>943,577</u>
<b>Fund Balances at End of Year</b>	<u>\$ 466,660</u>	<u>\$ 469,044</u>	<u>\$ -</u>	<u>\$ 128,283</u>	<u>\$ 1,063,987</u>

The notes to the financial statements are an integral part of this statement.

## COMPLIANCE SECTION



GARCIA

ESPINOSA

MIYARES

RODRIGUEZ

TRUEBA

**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and  
Members of the City Commission  
City of West Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, Florida (the “City”), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 7, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

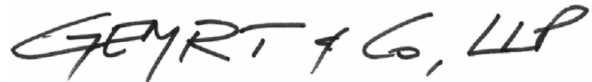
As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

GARCIA, ESPINOSA, MIYARES, RODRIGUEZ, TRUEBA & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

2600 Douglas Road, Suite 800 Coral Gables, FL 33134 | P 305 529 5440 | F 305 529 5441 | www.gemrtcpa.com

### **Purpose of this Report**

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

Handwritten signature in black ink that reads "GEMRT & Co, LLP". The letters are cursive and somewhat stylized.

Coral Gables, Florida  
June 7, 2021



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

**Independent Accountant’s Report on Compliance with the Requirements of  
Section 218.415, Florida Statutes in Accordance with Chapter 10.550,  
Rules of the Auditor General of the State of Florida**

Honorable Mayor and  
Members of the City Commission  
City of West Miami, Florida

We have examined the City of West Miami, Florida’s (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the City’s compliance with those specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

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

In our opinion, the City of West Miami, Florida complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of City management, members of the City Council, others within the City, 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.

A handwritten signature in black ink that reads 'GEMRT &amp; Co., LLP'.

Coral Gables, Florida  
June 7, 2021

**Management Letter Required by Section 10.550 of the Rules of the Auditor General of the State of Florida**

Honorable Mayor, City Commission, and City Manager  
City of West Miami, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of West Miami, Florida (the “City”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 7, 2021.

**Auditor’s Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 7, 2021, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of West Miami was established by Section 14 of Article I, Laws of Florida 1949, Ch. 26301. There were no component units related to the City of West Miami, Florida.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. The assessment was completed as of the fiscal year end. It is management's responsibility to monitor the City'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.

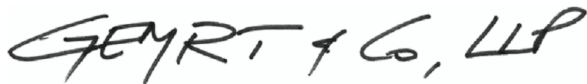
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Purpose of this Letter**

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



Coral Gables, Florida  
June 7, 2021

CITY OF WEST MIAMI, FLORIDA  
*Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2020*

**PART I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**PART II. FINDINGS – FINANCIAL STATEMENTS**

None.

**PART III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS**

Federal Single Audit not required for the fiscal year ended September 30, 2020.

**PART IV. FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS**

Florida Single Audit not required for the fiscal year ended September 30, 2020.

**PART V. OTHER ISSUES**

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or State projects.

**IMPACT FEE ORDINANCE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Yolanda Aguilar, City Manager, who being duly sworn, deposes and says on oath that:


1. I am the City Manager of the City of West Miami which is a local governmental entity of the State of Florida;
2. The governing body of the City of West Miami adopted Ordinance No. 2007-02, 2013-03, and 2013-05 implementing and amending impact fees; and
3. The City of West Miami has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
 \_\_\_\_\_  
 Yolanda Aguilar, City Manager  
 City of West Miami

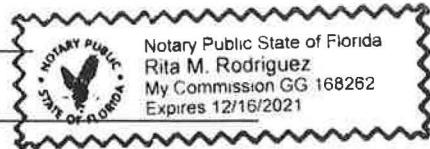
STATE OF FLORIDA  
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 7 day of June, 2021.

  
 \_\_\_\_\_  
 NOTARY PUBLIC  
 Print Name Rita M. Rodriguez

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_



My Commission Expires:

12/16/2021