



Town of Miami Lakes, Florida

2020

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020

TOWN OF MIAMI LAKES, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

Prepared by:
THE FINANCE DEPARTMENT

www.miamilakes-fl.gov

TOWN OF MIAMI LAKES, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
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INTRODUCTORY SECTION



Town of Miami Lakes
6601 Main Street
Miami Lakes, FL 33014
(305) 364-6100
www.miamilakes-fl.gov

Mayor
Manny Cid

Vice Mayor
Luis E. Collazo

Councilmembers:

Carlos O. Alvarez

Luis E. Collazo

Josh Dieguez

Jeffrey Rodriguez

Marilyn Ruano

Tony Fernandez

Town Manager
Edward Pidermann

Town Clerk
Gina Inguanzo

March 22, 2021

The Honorable Manny Cid, Mayor
Members of the Town Council
Citizens of the Town of Miami Lakes

Ladies and Gentlemen:

We are pleased to present the Town of Miami Lakes, Florida (the "Town") Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year ended September 30, 2020, pursuant to Florida State Statute and of the Rules of the Auditor General. The financial statements included in the report conform to Generally Accepted Accounting Principles in the United States of America ("GAAP") as prescribed by the Government Accounting Standards Board ("GASB"). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

This report may be accessed via the internet at <http://www.miamilakes-fl.gov/finance/>

The financial statements have been audited by Garcia, Espinosa, Miyares, Rodriguez, Trueba & Co., LLC a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the Town's financial statements for the Fiscal Year ended September 30, 2020 are free of material misstatements. The independent audit involved examining (on a test basis) evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for Fiscal Year ended September 30, 2020, are fairly presented in conformity with the Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Miami Lakes was incorporated on December 5, 2000. It is one of the 34 municipalities in Miami-Dade County, Florida and is conveniently located just 18 miles north of Downtown Miami and only 15 miles from Miami International Airport. The Town encompasses about 6.8 square miles, bound by NW 170th Street and the Palmetto Expressway (SR 826) to the north, NW 138th Street to the south, NW 57th Avenue (Red Road) to the east, and Interstate 75 to the west.

Over the last 40 years, Miami Lakes has progressed from a dream on paper to a reality. This vibrant community is nationally recognized as one of the best examples of unique and innovative town planning. Land use in the Town is predominantly low-density residential. The next most prevalent uses are light industrial and office parks comprising 13% of the Town's area, and lakes and canals making up about 11%. The population of the Town of Miami Lakes has grown to around 32,000 residents and based on the 2010 census, it currently ranks 12th in population size within Miami-Dade County, within the middle of the range for city size. Comparable cities include Aventura on the high end of the population spectrum and Palmetto Bay on the lower end. The Town of Miami Lakes' residential areas are essentially built out with only a handful of large parcels that are undeveloped.

Government Structure and Services Provided

The Town operates under a Council-Manager form of government. The Town Council consists of the Mayor and six at-large members. The Mayor is a voting member of the Council. The members of the Council are limited to two consecutive four-year terms and they are responsible for policymaking and legislative authority, passing ordinances, resolutions, adopting the budget, and appointing committees. The Town Council is responsible for the selection and appointment of the Town Manager and the Town Attorney. The Town Manager is responsible for carrying out the policies and laws of the Town Council, for overseeing the daily operations of the Town, and for appointing and managing all department heads and their subordinates.

The Town of Miami Lakes provides a full range of municipal services including recreation and culture, public safety, public works and administrative services for its residents and businesses. The Town operates through nine departments: Administration, Building, Code Compliance, Parks & Community Services, Finance, Planning, Police, Public Works, and Community Outreach. With only around 50 full-time and 20 part-time/seasonal staff members, the Town relies heavily on contractors for the provision of various public services. The Town provides police protection through a contract with Miami-Dade County, wherein police officers are assigned to the Town, and act under the direction of a Police Major, reporting directly to the Town Manager. Fire-Rescue services and solid waste management services are provided by Miami-Dade County directly and assessed separately on property tax bills. Water and sewer service are provided and billed directly to users by the Miami-Dade County Water and Sewer Department.

ECONOMIC CONDITION AND OUTLOOK

The 2020 preliminary taxable property values for the Town of Miami Lakes increased to \$3,636,955,722 or an increase of 8.06% from the prior year taxable value of \$3,365,592,016. The average Town residential taxable value for 2020 is \$257,936 which is 10.79% higher than the prior year's \$232,816. This is an indication that property values continue to rise.

Based on the latest information from the U.S. Census Bureau, the Town's per capita income has remained strong and is significantly higher than the Miami-Dade Metropolitan Statistical Area ("Miami-Dade MSA") and the State of Florida (the "State"). The Town's per capita income as of 2020 was estimated at \$38,295 while Miami-Dade MSA and the State per capita personal income were \$28,224 and \$31,619, respectively. The Town has also benefitted from a relatively low unemployment rate. In September 2020, the unemployment rate was 12.6% in the County and 8.6% in the Town.

In December 2020, Fitch Ratings review affirmed the Town's Special Obligation Bond rating at AA+ with stable outlook. This rating reflects the Town's solid revenue framework and expenditure flexibility, nominal fixed carrying costs and a low long-term liability burden. Fitch believes the Town's superior inherent budget flexibility positions it to maintain a high level of financial resilience throughout economic cycles to counter current and future periods of revenue volatility.

LONG TERM FINANCIAL PLAN

A significant measure of the Town's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). Fiscal Year 2020 unassigned general fund balance is approximately \$4.0 million which is \$200,000 less than Fiscal Year 2019. The Fiscal Year 2020 millage rate reflects the Council's commitment to maintain a low tax rate. The continued low rates require the prioritization of resources exclusively to the core municipal government functions of public safety, code compliance, parks, road maintenance, drainage improvements and beautification of the Town's right of ways while maintaining strong internal controls. The Town updated and adopted a 10-year Strategic Plan in Fiscal Year 2015, continues to work on transparency and communication via "Imagine Miami Lakes 2025" which has a dedicated website by the same name. Please visit www.Imaginemiamilakes2025.com for more information.

The Town Council policy requires a minimum reserve of 20% of the operating expenditures in the General fund. The actual unassigned general fund balance at the end of fiscal year 2020 is \$4.0 million, representing 23% of the adopted general fund operating expenditures for the year, 3% above the established policy. The Town is in compliance with this policy as of September 30, 2020 and is in a solid financial position.

As previously mentioned, the Town is successful in managing operating costs effectively through a limited number of municipal staff administering private service contracts. This leaves the Town with no unions and limited pension liabilities. With relatively low unemployment rates and a stable revenue outlook, the Town is in a favorable position of financial strength. Since its inception, the Town has adopted a five-year capital improvement plan.

FINANCIAL INFORMATION

Accounting Control

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse; and to ensure that adequate accounting data is captured in the Town's financial management system to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state and local financial assistance, the Town is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with policy and implementation provisions embodied in the annual appropriated budget approved by the Town Council.

The financial management system provides financial controls for the Town. The implementation of MUNIS in 2012 coincided with the rewrite and implementation of the revised Town's Procurement Ordinance. As system implementation continues, the automation of processes will continue to improve, while specific policies and procedures will continue to be developed to support improved processes. Beginning in 2015, we continued making strides by improving our financial reporting capabilities. We also made several changes to our internal controls ensuring proper segregation of duties and made sure that our account structure followed state regulations. In 2016 we emphasized in streamlining and automating our procurement and accounts payable electronic process, while in 2017 we focused on user role securities, reporting and prepared plans to implement a transparency module.

In 2018 we purchased a financial transparency module which provides access to almost real-time data regarding funds, categories, departments, vendors payments and more. This module was implemented and publicly released in fiscal year 2020.

Budgetary Controls

The annual budget serves as the foundation for the Town's financial planning and control. Departmental allocations are based on long range planning efforts, such as the Town's Strategic Plan, Stormwater Master Plan, and the Transportation Master Plan. All Town departments are required to submit requests for appropriation to the Town's Administration Department prior to the presentation and setting of the preliminary millage by the Town Council. The Administration Department uses these requests as a starting point to assist the Town Manager in developing a Manager's Proposed Budget. A preliminary millage rate must be adopted no later than July 30th of each year. The Council is required to hold two public budget hearings on the Proposed Budget and to enact an Approved Budget no later than September 30th. The Approved Budget is prepared by fund, department, and line item within departments. The Town Manager may approve transfers of appropriations within a department up to a limit of \$700 per line item per month. Transfers of appropriations more than \$700 per month (cumulative), and between departments, require approval of the Town Council. Budget-to-Actual comparisons are provided in this report for the General Fund as part of the Required Supplementary Information. Comparisons for all other funds' budget-to-actual may be found in the Supplementary Information section. Line-item budget to actual comparisons may also be found on the Town's web site.

FINANCIAL INFORMATION (continuation)

Proprietary Funds Operations

The Town provides the following proprietary funds:

1. Stormwater Utility Fund – This Enterprise Fund is responsible for maintaining the Town’s Stormwater drains and conveyance system and planning and constructing system expansions.
2. Internal Service Fund – This fund accounts for activities that provides goods and/or services to other departments or cost centers. We specifically allocate to the police, building and administration departments.

Cash Management

The Town of Miami Lakes is charged with the security of the Town’s funds and assets with the goal of maximizing return on surplus cash. The Town adopted a formal Investment Policy and acquired financial advisory services in an ongoing effort to maximize investment income through broader investment opportunities, while preserving capital. As requested by the Council, we conducted an “Investment Policy Workshop” in fiscal year 2020, geared to review, educate, and clarify in detail our policy. The Town’s primary investment instruments for Fiscal Year 2020 were money market accounts and certificates of deposit. No investment is made for any commitment longer than a two-year period and during 2020, the Town earned \$ 164,839 in investment income, as compared to \$ 223,226 earned in Fiscal Year 2019. This reduction is attributed to the financial market downturn due to the COVID-19 pandemic. Our investments decisions are made by Town staff after considering the advice from our investment consultant and investment committee which meets triannually.

Risk Management

The Town purchases general liability, automobile, property, and casualty insurance, as well as workers’ compensation coverage through its agent. The Town continually reviews risk exposures and determines the most cost-effective method of mitigating those exposures, by providing safety training and maintaining infrastructure like sidewalks and roadways. For more information on insurance coverage, insurer, policy period and premium, please refer to the last page of our statistical section in the annual CAFR.

MAJOR CAPITAL PROJECTS INITIATIVES

1. THE FOLLOWING ARE SIGNIFICANT PROJECTS COMPLETED DURING FY2020:

- Royal Oaks Drainage and Roadway Improvement, Phase 1 - \$1,166,648
- Canal Bank Stabilization, Phase 2 - \$1,012,743
- NW 60th Avenue Complete Streets Implementation - \$1,340,770
- Palmetto and NW 67th Avenue Widening - \$633,910
- West Lake Neighborhood Reforestation, Phase 4 of 5 - \$82,940

2. OTHER SIGNIFICANT PROJECTS UNDERWAY IN FY2020 INCLUDE:

- **West Lake Drainage and Roadway Improvement, Phase 3**

Total Estimated Project Cost is \$2.18 million. The Stormwater Master Plan identified the West Lakes area as a priority for stormwater improvements. The project consists of a complete drainage system retrofit and installation of drainage pipes in residential local roads and exfiltration trenches (French Drains) connecting to existing underground infrastructure, leading to an outfall. New structures and inlets will increase capacity. The Town received \$600,000 in State Legislative funding towards Phases 1 and 2 which were completed in FY2016 and FY2017, respectively. The underground infrastructure installed during these Phases is the main system which West Lakes Drainage Improvements Phase 3 new structures and inlets will intersect, thus completing the drainage system.

In FY2018, the Town received \$1,462,499.95 in grant funding from the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) through the State of Florida for Phase 3, which was subsequently increased to \$1,555,872 in FY2020. Additionally, \$500,000 in State Legislative funds was also received for this project, and construction is expected to be completed in FY2021.

- **NW 59th Avenue Roadway Extension and Redevelopment**

Total Estimated Project Cost is \$8.1 million. The project includes the acquisition of .86-acre parcel from Miami-Dade Aviation Department and .84-acre of private property along NW 151st Street for the design and construction of a new bridge and roadway extending from NW 59th Avenue over the C-8 Canal south to NW 151st Street, thereby providing public access that will facilitate increased economic opportunities, commerce, and local jobs. The project will incorporate the Complete Streets elements on the bridge that includes 11 ft. travel lanes, 10 ft. shared use paths which will be separated from the roadway by a 12 ft. swale. The project also includes conceptual design for whole street concept and construction drawing from Complete Streets components and permitting on the NW 151st Street/NW 153rd Street corridor.

In FY2018 the Town was awarded a \$3.6 million competitive grant from FDOT for the construction of the NW 59th Avenue project. This includes design (\$240,500), land acquisition (900,000), construction (\$2,401,500), construction engineering and inspection (\$72,500). The grant requires a 50% match of which funds are earmarked from People's Transportation Plan (PTP 80%) (\$2.4 million), 3 Cents Gas Tax (\$300,000), and the remainder anticipated from Miami-Dade County Road Impact Fees (\$1.8 million). The Town is in the process of securing approval from the Florida Aviation Administration and South Florida Water Management District and acquiring the private property.

MAJOR CAPITAL PROJECTS INITIATIVES (continuation)

- **Miami Lakes Optimist Park Master Plan**

Total Estimated Project Cost is \$10 to \$17.5 million. The Town Council adopted the Miami Lakes Optimist Park Master Plan in 2003. While many of the proposed improvements have been completed, the Plan also includes concession stand and bathroom facility (\$1 million), rebuilding the tennis and basketball courts (\$350,000), new sports field lighting (\$1.2 million), field and fencing reconfiguration (\$3.5 million), a walking trail throughout the park with exercise amenities (\$700,000), new site furnishings (\$390,000), site earthwork and landscaping (\$2 million), additional parking area and resurface existing parking lot (\$815,000), optional airnasium (\$500,000) and a construction cost of approximately \$6 million. In FY2018, a contract for field design work was awarded for \$470,000 which is currently underway and is expected to be completed in FY2021.

- **Safe Routes to School (Miami Lakeway S)**

Total Estimated Project Cost is \$1.2 million. The Town was initially awarded a grant from FDOT through the Local Agency Program in 2014 in the amount of \$200,000 with a Town match of \$121,000 for a greenway trail along the east side of Miami Lakeway North/South between Miami Lakes K-8 and Miami Lakes Middle Schools. In FY17 FDOT awarded an additional \$18,073 towards the design and a bat survey which was completed. The design includes a meandering trail for bicyclists and pedestrians with high emphasis crosswalks and bollards to provide additional caution and limit access to motorized vehicles, as well as landscaping. Due to increased construction cost, FDOT awarded another \$502,484 towards construction with a Town match of \$126,461, and \$49,154 for construction engineering inspections. The project is expected to be completed in FY2021.

- **Bridge Park – Phase 1**

In FY2019, Town Council approved the conceptual design for Phase 1 of the 1-5-4 Bridge Park (Jakey Duque Park) located on the I-75 Highway overpass at the western boundary of NW 154th Street. The project would extend west from the Town's boundary into the City of Hialeah along NW 154th Street and connect to a planned large regional park in Hialeah. The Park will include bike lanes, walking paths and greenery and provide public green and recreational space to benefit existing residents and the adjacent new homes and commercial development. Phase 1 consists of constructing the Entry Plaza for the 1-5-4 Bridge Park & Greenway with shared use paths, central area with benches, feature canopy tree, landscape islands containing native trees and plants as well as lighting installation. Funds from Parks Impact Fee Open Space is allocated for this project which is expected to be completed in FY2021.

3. Other initiatives in the FY 2021 Budget include:

- NW 83rd Place Drainage and Roadway Improvement - \$338,525
- Senior Center Buildout - \$250,000
- Optimist Clubhouse Storage Facility Renovation - \$189,961
- Par 3 Park - \$150,000
- Streetlights Improvement - \$100,000
- Safe Routes to School-Bob Graham Education Center - \$56,267 (design)
- Freebee Service Expansion - \$128,798

AWARDS AND ACKNOWLEDGMENTS

The Town received the following awards during FY 2020:

Tree City USA Designation - 14th Consecutive Year

Tree City USA Award is provided by The Arbor Day Foundation, in cooperation with the National Association of State Foresters and the USDA Forest Service, to recognize environmental improvement and encourage higher levels of tree care throughout America. This award is designed not only to recognize achievement, but also to communicate new ideas and help the leaders of all Tree City USAs plan for improving community tree care.

Growth Award 12th Consecutive Year

Tree City USA Growth Award is given to communities that go beyond the four standards of Tree City USA that demonstrate improvement and growth of local tree care.

Excellence in Financial Reporting Recognition 8th Consecutive Year

Awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States for its comprehensive annual financial report for FY 2019.

Better Cities for Pets Program Award – 2nd Year

Named a Certified City in the Better Cities for Pets™ program. This program helps cities be pet-friendly so more people can enjoy the benefits of a life with pets. It was created by Mars Petcare and includes a playbook for cities, and assessment tool, a city certification program and free online resources.

All American City Finalist – 2010 | 2013 | 2020

The All-America City Award is a community recognition program in the United States given by the National Civic League. The award recognizes the work of communities in using inclusive civic engagement to address critical issues and create stronger connections among residents, businesses, non-profit and government leaders.

GRANTS AND GOVERNMENTAL AFFAIRS

The Mission of the Office of Grants and Governmental Affairs is to pursue, secure and administer federal, state, local, foundation, and legislative opportunities to assist in funding the Goals and Objectives of the Town's Strategic Plan. The Office attends grant application workshops and webinars, and coordinates with the Town's lobbying team to acquire appropriations funding for capital projects.

Due to the COVID-19 pandemic and the State's fiscal response to the coronavirus, the Town did not receive legislative appropriations in FY2020. However, the Office joined forces with Town Staff and the Finance Department to submit the Coronavirus Aid, Relief, and Economic Security (CARES) Act preliminary package to seek reimbursement for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Moreover, the Office capitalized on submitting the Florida Department of Law Enforcement (FDLE) FY2020 Coronavirus Emergency Supplemental Funds (CESF) Program package to assist in funding law enforcement overtime costs associated with the prevention, preparation, and response to the coronavirus. The FDLE CESF funds are anticipated for reimbursement in FY2021.

The Office works in partnership with the Finance Department and Project Managers to ensure the Town receives grant reimbursements through reconciliation of expenditures with awards.

In FY2020, cumulative grant awards surpassed \$1.23 million.

Grants Secured during October 1, 2019 – September 30, 2020: \$1.23 million

- \$1,000,000 – Florida Department of Transportation (FDOT) and the Miami-Dade Transportation Planning Organization (TPO) 2020 Transportation Alternatives (TA) Program for the Miami Lakes Park West Bicycle and Pedestrian Improvements Project.
- \$171,730 – Florida Department of Transportation (FDOT) Public Transit Service Development Program for the Freebee Public Transit Service Expansion Project.
- \$33,275 – Miami-Dade County (MDC) Neat Streets Miami 2020 Matching Street Trees Grants Program for the Miami Lakes West Lake Reforestation Phase 4 Project.
- \$25,000 – the Miami Foundation Public Space Challenge Grant for the Miami Lakes MiGlo Walking and Biking Trail
- \$5,000 (in-kind equipment value) – The Home Depot NW Dade Store for the Jerry's Squad Hurricane Preparedness Assistance Program

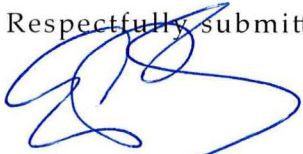
Grant closeouts are required to reconcile financial expenditures associated with awards. Grant closeouts ensure all applicable administrative actions and proposed work is completed by the grantee at the end of a contract or project term. Failure to submit timely and accurate reports affects reimbursement and impacts future funding for the organization.

Grants Closed ending September 30, 2020:

- \$500,000 – Department of Environmental Protection (DEP) for the Miami Lakes Royal Oaks Drainage Improvements
- \$40,000 – Miami-Dade Transportation Planning Organization (TPO) for the Miami Lakes SMART Mobility and Future Technology Transportation Study
- \$2,500 – Miami-Dade Age-Friendly Initiative Mini-Grant Program for the Opening Doors to Parks Project

In FY2020, the Office administered over \$8.6 million grant awarded contracts for the Town.

Respectfully submitted,



Edward Pidermann
Town Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Miami Lakes
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

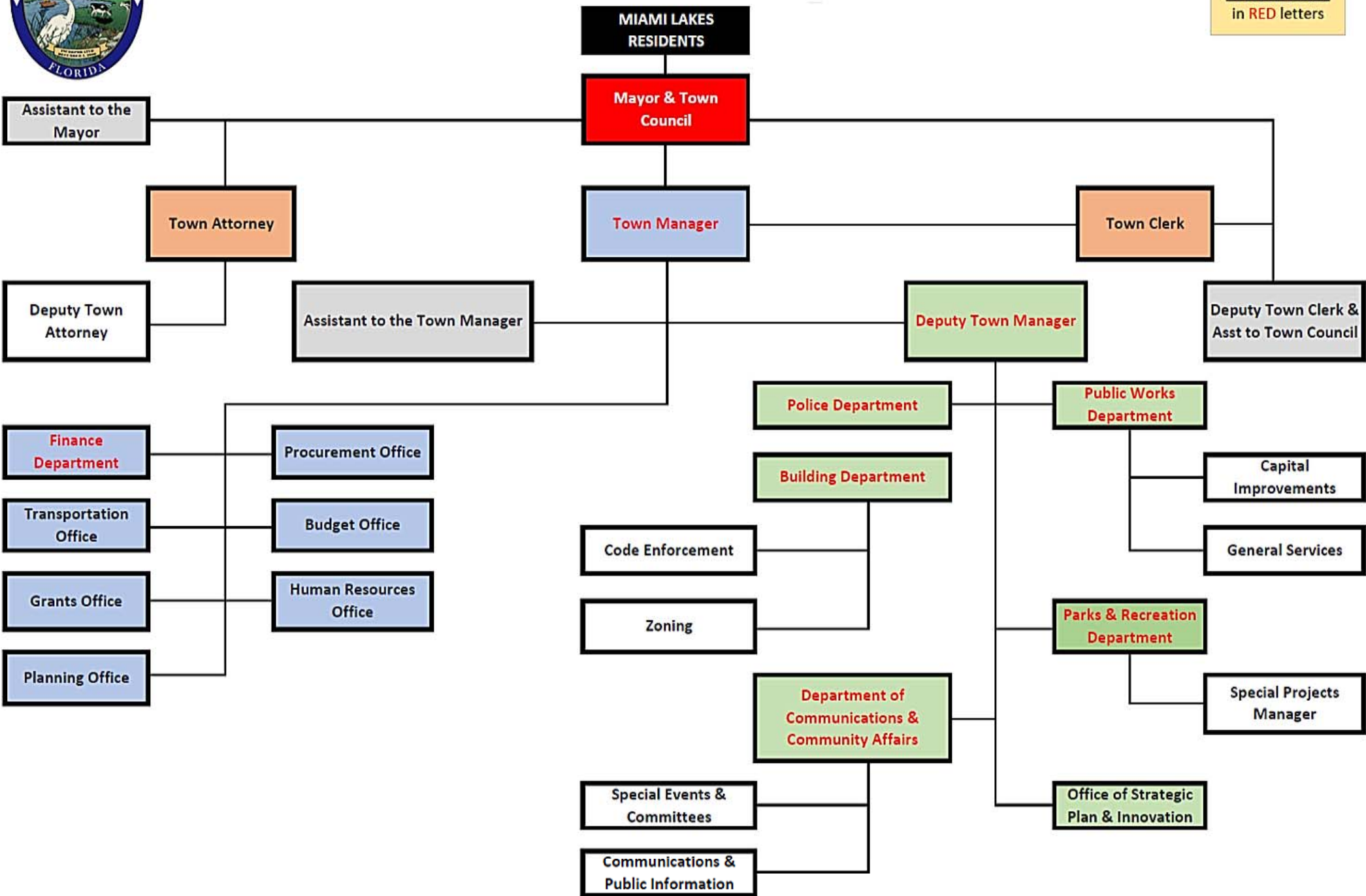
Christopher P. Morill

Executive Director/CEO



Town of Miami Lakes FUNCTIONAL ORGANIZATIONAL CHART

Executive Staff
in RED letters



TOWN OF MIAMI LAKES

CURRENT PRINCIPAL OFFICIALS

MAYOR AND TOWN COUNCIL

Manny Cid, Mayor
Luis E. Collazo, Vice Mayor
Carlos O. Alvarez, Councilmember
Josh Dieguez, Councilmember
Tony Fernandez, Councilmember
Jeffrey Rodriguez, Councilmember
Marilyn Ruano, Councilmember

APPOINTED OFFICIALS

Edward Pidermann, Town Manager
Gina M. Inguanzo, Town Clerk
Raul Gastesi, Esq., Town Attorney



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Town Council and Town Manager
Town of Miami Lakes, 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 Town of Miami Lakes, Florida (the "Town"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town'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.

Auditors' 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 of 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 auditors' 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Town of Miami Lakes, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, other post-employment benefits schedule, and pension schedules on pages 4-11, 52-54, 55, and 56-59, respectively, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget and actual schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget and actual schedules, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budget and actual schedules, and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

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

Coral Gables, Florida
March 22, 2021



**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The management of the Town of Miami Lakes offers the readers of our financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended September 30, 2020. We encourage our readers to consider the information presented in this discussion and analysis in conjunction with additional information that is provided in the letter of transmittal, the financial statements, and the accompanying notes to the financial statements.

Financial Highlights for Fiscal Year 2020

- At the close of the fiscal year the Town's assets exceeded its liabilities by \$49.5 million (net position). Of this amount, \$1.1 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by approximately \$596 thousand during the current fiscal year.
- Net position of the Town's business-type activities increased by approximately \$925 thousand and decreased by approximately \$329 thousand for governmental activities. Capital contributions from governmental activities to business-type activities accounted mainly for the increase in the business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined fund balances of \$11.9 million, a decrease of \$2.2 million in comparison with the prior year mainly due to the building department operations, principal debt payment, completion of capital projects and impact fees. Approximately \$4.0 million, or 34%, of the ending fund balances amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$4.3 million or 27% of total general fund expenditures. The unassigned fund balance for the general fund was \$4.0 million or 25% of total general fund expenditures. Non-spendable fund balance was \$307 thousand (7.0% of general fund ending fund balance). These designations follow the Town's fund balance and financial policies as explained in the notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Town of Miami Lakes, and is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the financial position to address subsequent year challenges, identify any material deviations from the approved budget and identify individual fund issues or concerns.

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information* and an additional section that presents *combining statements* for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements. Within the fund financial statements are government and proprietary fund statements.
- The governmental funds statements show how general government services, such as public safety, was financed in the short term as well as what remains for future spending.
- Proprietary fund, enterprise fund statement offers short-term and long-term financial information about the activities where the government operates like a business, in this case the Town's stormwater utility.
- Proprietary fund, Internal service funds are used to allocate costs internally among the Town's various functions. The Town uses an Internal Service Fund to account for its facilities maintenance.

Overview of the Financial Statements (Continued)

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, included is a section with combining statements that provides details about non-major governmental funds, each of which is added together and presented in a single column in the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements - Statement of net position and statement of activities found on pages 12 and 13 are designed to provide readers with a broad overview of the Town's finances, in a manner like a private sector business.

The statement of net position - Presents information on all the Town'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 Town is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the Town 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 Town include general government, public safety, transportation, parks and recreation, and comprehensive planning. The Town's business type activities consist of a Stormwater Utility.

The government-wide financial statements include only the Town itself (known as the *primary government*).

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. Each fund is a separate accounting entity. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town categorizes funds as governmental and proprietary.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds 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*.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Overview of the Financial Statements (Continued)

The Town's funds are presented in separate fund financial statements. These funds are presented in a Governmental Fund Financial Statement and a Proprietary Fund (Business-type) Financial Statement. The Town's major funds are presented in separate columns on the fund financial statements. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

At the closing of fiscal year ended September 30, 2020, the following were classified as major funds: The General Fund, the Building Department Fund and the Capital Projects Fund. All other governmental funds are combined into a single column on the governmental funds financial statements. Individual fund data for the non-major funds is found in the combining statements.

The Town adopts an annual appropriated budget for its General Fund as well as its other governmental funds, except for the Infrastructure Fund. Budgetary comparisons have been presented for funds which compare not only actual results to budget (budgetary basis), but also the original adopted budget to final budget. The budget to actual comparison for the General Fund and the Building Department Fund is presented on pages 52-53 of the required supplementary information and other governmental funds are presented beginning on page 60.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Proprietary Funds - *Proprietary funds* are those funds where the Town charges a user fee to recover costs. Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The Town maintains two proprietary funds, one considered an "Enterprise Fund" and an "Internal Service Fund".

Enterprise funds are used to finance and account for the acquisition, operation and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Stormwater Utility.

Internal Service Fund is defined as a fund that primarily provides either benefits or goods or services to other funds, departments, or agencies of government on a cost-reimbursement basis, with the goal to 'break-even' rather than make a profit.

The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 51 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules.

The combined statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and other schedules can be found on pages 60 through 66 of this report.

Government-Wide Financial Analysis

The Government-wide Financial Statements were designed so that the user can determine if the Town is in a better or worse financial condition from the prior year. The Town's overall assets and deferred outflows exceeded liabilities and deferred inflows by \$49.5 million at the close of the most recent fiscal year.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-Wide Financial Analysis (Continued)

Town of Miami Lakes, Florida
Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Current assets	\$16,080,715	\$17,431,314	\$399,607	\$355,555	\$16,480,322	\$17,786,869
Capital assets, net	36,192,871	34,485,850	12,796,511	12,046,649	48,989,382	46,532,499
Total assets	<u>52,273,586</u>	<u>51,917,164</u>	<u>13,196,118</u>	<u>12,402,204</u>	<u>65,469,704</u>	<u>64,319,368</u>
Deferred outflows of resources – pension	1,160,338	1,227,742	46,125	49,515	1,206,463	1,277,257
Current liabilities	4,369,102	3,571,533	153,850	232,508	4,522,952	3,804,041
Noncurrent liabilities	11,696,892	11,975,619	485,123	545,594	12,182,015	12,521,213
Total liabilities	<u>16,065,994</u>	<u>15,547,152</u>	<u>638,973</u>	<u>778,102</u>	<u>16,704,967</u>	<u>16,325,254</u>
Deferred inflows of resources - pension	491,151	392,377	21,719	16,752	512,870	409,129
Net investment in capital assets	28,533,023	26,298,602	12,461,397	11,642,537	40,994,420	37,941,139
Restricted	7,351,535	9,386,450	-	-	7,351,535	9,386,450
Unrestricted	992,221	1,520,325	120,154	14,328	1,112,375	1,534,653
Total net position	<u>\$36,876,779</u>	<u>\$37,205,377</u>	<u>\$12,581,551</u>	<u>\$11,656,865</u>	<u>\$49,458,330</u>	<u>\$48,862,242</u>

The net investment in capital assets, \$41 million or 83% is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because as previously mentioned, capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position of \$7.4 million or 15% represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position of \$1.1 million or 2%, may be used to meet the government's on-going obligations to citizens and creditors. At the end of the current year, the Town had positive balances in all three categories of net position, both for the government, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-Wide Financial Analysis (Continued)

There was a decrease in *unrestricted net position* for the governmental activities of \$528 thousand (35%) and an increase in the business-type activities of \$106 thousand (739%) due to planned transfers from the General Fund and the Stormwater Fund to the Capital Projects Fund to continue the capital pay-as-you-go projects. Also, a decrease in restricted net position of \$2.03 million (22%) is due mostly to the decrease in Building Department restricted fund balance (\$500 thousand), and completion of transportation capital projects.

The following schedule compares revenues and expenses for the Town's operations for Fiscal Years 2020 and 2019.

Town of Miami Lakes, Florida
Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Program Revenues:						
Charges for services	\$ 3,743,860	\$ 6,036,159	\$ 1,060,011	\$ 1,058,714	\$ 4,803,871	\$ 7,094,873
Operating grants and contributions	242,459	129,890	-	-	242,459	129,890
Capital grants and contributions	2,395,955	1,180,274	-	-	2,395,955	1,180,274
General Revenues:						
Property taxes	7,417,552	7,148,392	-	-	7,417,552	7,148,392
Utility taxes	4,683,314	4,702,764	-	-	4,683,314	4,702,764
Franchise taxes	455,233	1,130,788	-	-	455,233	1,130,788
Intergovernmental	4,663,162	5,226,964	-	-	4,663,162	5,226,964
Investments income and miscellaneous	549,844	682,351	2,537	6,116	552,381	688,467
Total revenues	24,151,379	26,237,582	1,062,548	1,064,830	25,213,927	27,302,412
Expenses:						
General government	6,024,434	5,855,914	-	-	6,024,434	5,855,914
Public safety	10,622,577	10,786,886	-	-	10,622,577	10,786,886
Parks and recreation	3,554,095	3,508,046	-	-	3,554,095	3,508,046
Transportation	2,795,296	2,890,902	-	-	2,795,296	2,890,902
Stormwater	-	-	1,093,919	1,272,487	1,093,919	1,272,487
Interest expense	527,518	550,747	-	-	527,518	550,747
Total expenses	23,523,920	23,592,495	1,093,919	1,272,487	24,617,839	24,864,982
Excess (deficiency) before transfers	627,459	2,645,087	(31,371)	(207,657)	596,088	2,437,430
Transfers and contributions	(956,057)	(880,050)	956,057	880,050	-	-
Changes in net position	\$ (328,598)	\$ 1,765,037	\$ 924,686	\$ 672,393	\$ 596,088	\$ 2,437,430
Net position - beginning	37,205,377	35,440,340	11,656,865	10,984,472	48,862,242	46,424,812
Net position - ending	\$ 36,876,779	\$ 37,205,377	\$ 12,581,551	\$ 11,656,865	\$ 49,458,330	\$ 48,862,242

Governmental activities: The Town's governmental revenues decreased by \$2.1 million from \$26.3 million to \$24.2 million, mostly attributable to charges for services. Approximately 31% of the Governmental Activities' revenues come from property taxes, 21% from other taxes, 16% from charges for services and the remainder from fines, investments, grants and contributions. Governmental expenses decreased slightly by \$69 thousand or .2% over last year. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-Wide Financial Analysis (Continued)

Revenues:

- Charges for various services provided by the Town decreased by approximately \$2.3 million, mostly attributed to a decrease in building department fees, taxing districts assessments, parks revenue, transportation, and impact fees.
- Total grants and contributions increased by \$1.3 million.
- Electric franchise fees decreased by \$676 thousand.
- Utility service tax decreased \$19 thousand.
- Intergovernmental revenues decreased \$564 thousand.
- Investment income decreased by \$133 thousand, attributable to lower interest rates due to the COVID-19 pandemic.

Expenses:

- The Town's administrative costs increased by \$169 thousand.
- Public safety expenses as compared to the prior year decreased by \$164 thousand due to operational savings in the building department.
- Parks and recreation increased by approximately \$46 thousand.
- Transportation expenses increased by \$96 thousand.
- Interest expenses decreased by \$23 thousand due to the Town's first principal payment on the special obligation bonds.

Business-type activities: The Town has a Stormwater Utility business-type activity. Business-type activities increased the Town's total net position by \$925 thousand, although the fiscal year operations yielded a \$31 thousand deficit.

Financial Analysis of the Town's Funds

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

The General Fund is the chief operating fund of the Town and is used to account for most of its governmental activities. The General Fund's total fund balance at September 30, 2020 was \$4.3 million. Of this amount, \$4.0 million or (93%) was unassigned. Non-spendable fund balance for prepayments was \$307 thousand (7.0%). The unassigned fund balance represents 25% of total general fund expenditures, while total fund balance represents 26% of that same amount. The General Fund's total fund balance decreased by \$170 thousand from the previous year.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$11.9 million, a decrease of \$2.2 million in comparison to the prior year. Approximately 34% of the combined fund balance, or \$4 million, constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2020, the capital projects fund had a total fund balance of \$1.8 million, with no remaining funds to be classified as unassigned. The \$535 thousand decrease in fund balance is due to the completion of drainage, parks, and transportation improvement projects.

Proprietary funds - The Town of Miami Lakes' proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Net position of the Stormwater Utility as of September 30, 2020, amounted to \$12.6 million. Of this amount, \$12.5 million is invested in capital assets and \$120 thousand is unrestricted. Net position increased by \$925 thousand from the prior year. Investment in capital assets increased by \$819 thousand because of an increase in construction.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

General Fund Budgetary Highlights

Over the course of the year, the Town amended the General Fund budget various times. Budget amendments typically fall into two categories: (1) Amendments approved for rollovers related to capital improvement projects, tasks and projects in progress, and prior year encumbrances; and (2) supplemental appropriations to recognize and appropriate grant revenues which were received after the adoption of the budget, and to provide appropriations for various other needs which had arisen since the adoption of the budget. At year end, the General Fund expenditures were less than the original adopted budget by \$712 thousand mostly due to a decrease in police, parks and public works expenses. The final amended budget to actual also resulted in a positive variance in expenditures of \$920 thousand, and actual revenues were \$162 thousand less than the final amended budget mostly due to a reduction of communication service tax, intergovernmental revenues and service charges.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2020, the Town's net investments in capital assets for its governmental and business-type activities amounted to \$41 million. This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. Total net investment in capital assets for governmental activities increased by \$2.2 million thousand and by \$819 thousand for business-type activities. Some projects contributing to the increase were the following:

- Canal Bank Stabilization, Phase 2
- Royal Oaks Drainage and Roadway Improvement, Phase 1
- Acquisition of Machinery and Equipment
- NW 60th Avenue Complete Streets Implementation
- Palmetto and NW 67th Avenue Widening
- West Lakes Reforestation PH 4

Town of Miami Lakes, Florida						
Capital Assets (Net of Depreciation)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Land	\$ 6,056,872	\$ 6,056,872	\$ -	\$ -	\$ 6,056,872	\$ 6,056,872
Building	6,578,436	6,872,687	-	-	6,578,436	6,872,687
Construction in Progress	1,674,837	1,747,097	1,114,547	1,156,833	2,789,384	2,903,930
Infrastructure	20,709,220	18,759,327	11,596,447	10,771,361	32,305,667	29,530,688
Furniture and Fixtures	1,173,506	1,049,867	85,517	118,455	1,259,023	1,168,322
Total Capital Assets, net	<u>\$ 36,192,871</u>	<u>\$ 34,485,850</u>	<u>\$ 12,796,511</u>	<u>\$ 12,046,649</u>	<u>\$ 48,989,382</u>	<u>\$ 46,532,499</u>

Additional details may be found on page 35 in the capital assets section of the notes to basic financial statements.

Through the use of MUNIS, a Tyler Technologies product, the Town has an automated process for tracking, inventorying, depreciating and reconciling the capital assets. This has significantly increased internal controls and loss prevention. In the prior year, fiscal year 2019, the Town implemented the online financial transparency module which allows residents, the staff and any external party to browse our financial condition in real-time.

TOWN OF MIAMI LAKES, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Long-Term Debt (Governmental Only)

At the end of the current fiscal year, the Town had \$7.5 million in bonds and notes payable. During Fiscal Year 2011, the Town issued \$7.33 million in Town of Miami Lakes, Florida Special Obligation Revenue Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”). Moody’s Investor Services and Fitch Ratings have rated these bonds Aa2 and AA+, respectively. Also included in long-term debt is the Town’s proportionate share of the FRS net pension liability of approximately \$3.7 million and roadway QNIP debt with the County for \$564 thousand. Additional information on these long-term debts can be found in Note 7 on pages 36 through 39 of this report.

Town of Miami Lakes, Florida
Outstanding Debt over \$500k (Governmental Only)

	FY 2020	FY 2019
Special Obligations Bonds	\$ 6,922,072	\$ 7,300,692
Net Pension Liability	3,718,321	3,594,061
QNIP	564,421	703,723
	\$ 11,204,814	\$11,598,476

Economic Factors and Next Year’s Budget

- The Town’s unemployment rate for 2020 was 8.6%, up from 2.7% in 2019 due to the COVID-19 pandemic.
- The Town’s residential property assessed value increased by \$218 million.
- The Town’s unassigned fund balance in the General Fund is \$4.0 million, a decrease of \$211 thousand from the previous year.
- The property tax millage rate for the 2020 fiscal year remained the same at 2.3127 mills (\$2.3127 per \$1,000 of taxable assessed valuation).

Some of these factors were considered in preparing the Town’s budget for the 2021 fiscal year.

Coronavirus (COVID-19) Related Effects

As a result of the COVID-19 pandemic, the Town saw a reduction in state revenue sharing taxes such as sales tax, gas tax and communication services tax that was offset by an increase in ad valorem taxes and utility tax revenues. Additionally, expenditure savings from lower public safety, parks and recreation and public works costs contributed to approximately a \$150 thousand increase in general fund reserves at fiscal year-end. The full economic impact on the Town will be assessed and reported in the coming Fiscal Year 2021.

Requests for Information

This financial report is designed to provide a general overview of the Town of Miami Lakes’ finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Miami Lakes
 Finance Department
 6601 Main Street
 Miami Lakes, Florida 33014



BASIC FINANCIAL STATEMENTS

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,126,771	\$ 107,190	\$ 8,233,961
Investments	3,980,856	52,526	4,033,382
Accounts receivable, net	2,732,246	239,891	2,972,137
Prepays	324,832	-	324,832
Restricted assets:			
Cash and cash equivalents	370,038	-	370,038
Investments	545,972	-	545,972
Capital assets:			
Non-depreciable capital assets:			
Land	6,056,872	-	6,056,872
Contruction in progress	1,674,837	1,114,547	2,789,384
Total non-depreciable capital assets	7,731,709	1,114,547	8,846,256
Depreciable capital assets:			
Leasehold improvements	90,558	-	90,558
Furniture and equipment	4,362,251	322,359	4,684,610
Building	8,164,993	-	8,164,993
Infrastructure	31,945,007	14,349,458	46,294,465
Less: accumulated depreciation	(16,101,647)	(2,989,853)	(19,091,500)
Net depreciable capital assets	28,461,162	11,681,964	40,143,126
Total capital assets	36,192,871	12,796,511	48,989,382
Total assets	52,273,586	13,196,118	65,469,704
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	1,160,338	46,125	1,206,463
Total deferred outflows of resources	1,160,338	46,125	1,206,463
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	4,283,590	153,850	4,437,440
Deposits	85,512	-	85,512
Noncurrent liabilities:			
Due within one year	432,066	73,898	505,964
Due in more than one year	11,264,826	411,225	11,676,051
Total liabilities	16,065,994	638,973	16,704,967
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	491,151	21,719	512,870
Total deferred inflows of resources	491,151	21,719	512,870
<u>NET POSITION</u>			
Net investment in capital assets	28,533,023	12,461,397	40,994,420
Restricted for:			
Debt Service	963,686	-	963,686
Transit - CITT 20	6,340	-	6,340
Transportation - CITT 80	1,595	-	1,595
Transportation - Gas Tax	4,429	-	4,429
Transportation	853,138	-	853,138
Developer Contribution	300,000	-	300,000
Mobility	30,510	-	30,510
Building Department - Operational	1,349,732	-	1,349,732
Building Department - Technology	765,617	-	765,617
Parks	936,662	-	936,662
Tree Removal	68,945	-	68,945
Impact Fees:			
Public Safety (Police)	63,217	-	63,217
Parks improvement	221,048	-	221,048
Parks open space	1,068,913	-	1,068,913
Neighborhood Service Districts	317,818	-	317,818
Greenway 77th Court	200,000	-	200,000
Large Park LOS	199,885	-	199,885
Unrestricted	992,221	120,154	1,112,375
Total net position	\$ 36,876,779	\$ 12,581,551	\$ 49,458,330

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
Primary government:							
Governmental activities:							
General government	\$ 6,024,434	\$ 1,512,343	\$ 242,459	\$ 2,122,320	\$ (2,147,312)	\$ -	\$ (2,147,312)
Public safety	10,622,577	1,962,964	-	-	(8,659,613)	-	(8,659,613)
Parks and recreation	3,554,095	194,100	-	-	(3,359,995)	-	(3,359,995)
Transportation	2,795,296	74,453	-	273,635	(2,447,208)	-	(2,447,208)
Interest expense	527,518	-	-	-	(527,518)	-	(527,518)
Total governmental activities	<u>23,523,920</u>	<u>3,743,860</u>	<u>242,459</u>	<u>2,395,955</u>	<u>(17,141,646)</u>	<u>-</u>	<u>(17,141,646)</u>
Business-type activities:							
Stormwater	<u>1,093,919</u>	<u>1,060,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,908)</u>	<u>(33,908)</u>
Total business-type activities	<u>1,093,919</u>	<u>1,060,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,908)</u>	<u>(33,908)</u>
Total primary government	<u>\$ 24,617,839</u>	<u>\$ 4,803,871</u>	<u>\$ 242,459</u>	<u>\$ 2,395,955</u>	<u>\$ (17,141,646)</u>	<u>\$ (33,908)</u>	<u>\$ (17,175,554)</u>
General revenue:							
Property taxes					7,417,552	-	7,417,552
Utility taxes					3,655,546	-	3,655,546
Communication service tax					1,027,768	-	1,027,768
Franchise taxes					455,233	-	455,233
Other taxes					592,537	-	592,537
Intergovernmental not restricted to specific programs					4,070,625	-	4,070,625
Investment income					206,898	2,537	209,435
Other income					342,946	-	342,946
Transfers					(956,057)	956,057	-
Total general revenues and transfers					<u>16,813,048</u>	<u>958,594</u>	<u>17,771,642</u>
Change in net position					(328,598)	924,686	596,088
Net position, beginning					<u>37,205,377</u>	<u>11,656,865</u>	<u>48,862,242</u>
Net position, ending					<u>\$ 36,876,779</u>	<u>\$ 12,581,551</u>	<u>\$ 49,458,330</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Building Department	Capital Projects		
<u>ASSETS</u>					
Cash and cash equivalents	\$ 3,494,907	\$ 1,647,841	\$ 1,114,708	\$ 1,855,373	\$ 8,112,829
Investments	1,801,428	718,948	545,746	908,200	3,974,322
Accounts receivable, net	1,382,138	10,668	737,464	601,976	2,732,246
Due from other funds	253,120	-	-	45,676	298,796
Prepays	306,943	17,889	-	-	324,832
Restricted assets:					
Cash and cash equivalents	-	-	-	370,038	370,038
Investments	-	-	-	545,972	545,972
Total assets	\$ 7,238,536	\$ 2,395,346	\$ 2,397,918	\$ 4,327,235	\$ 16,359,035
<u>LIABILITIES</u>					
Accounts payable and other current liabilities	\$ 2,834,414	\$ 262,108	\$ 555,488	\$ 430,582	\$ 4,082,592
Deposits	85,512	-	-	-	85,512
Due to other funds	-	-	-	298,796	298,796
Total liabilities	2,919,926	262,108	555,488	729,378	4,466,900
<u>FUND BALANCES</u>					
Nonspendable:					
Prepays	306,943	17,889	-	-	324,832
Restricted:					
Debt service	-	-	-	963,686	963,686
Transit - CITT 20	-	-	-	6,340	6,340
Transportation - CITT 80	-	-	-	1,595	1,595
Transportation - Gas Tax	-	-	-	4,429	4,429
Transportation	-	-	853,138	-	853,138
Developer contribution	-	-	-	300,000	300,000
Mobility	-	-	-	30,510	30,510
Building department - Operational	-	1,349,732	-	-	1,349,732
Building department - Technology	-	765,617	-	-	765,617
Parks	-	-	936,662	-	936,662
Tree removal	-	-	-	68,945	68,945
Impact fees:					
Public Safety (Police)	-	-	-	63,217	63,217
Parks improvement	-	-	-	221,048	221,048
Parks open space	-	-	-	1,068,913	1,068,913
Government Center Facility	-	-	52,630	-	52,630
Neighborhood Service Districts	-	-	-	317,818	317,818
Greenway 77th Court	-	-	-	200,000	200,000
Large Park LOS	-	-	-	199,885	199,885
Committed for:					
Infrastructure projects	-	-	-	151,471	151,471
Unassigned	4,011,667	-	-	-	4,011,667
Total fund balances	4,318,610	2,133,238	1,842,430	3,597,857	11,892,135
Total liabilities and fund balances	\$ 7,238,536	\$ 2,395,346	\$ 2,397,918	\$ 4,327,235	\$ 16,359,035

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

Fund balances - total government funds (Page 14) \$ 11,892,135

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

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

Governmental capital assets	52,273,810	
Less: accumulated depreciation	<u>(16,099,729)</u>	
		36,174,081

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

Governmental bonds payable	(7,486,493)	
Compensated absences	<u>(368,188)</u>	
		(7,854,681)

Debt interest payable that will not be liquidated with current financial resources is not reported in the governmental funds		(173,355)
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OPEB obligations attributable to retiree benefits financed from governmental fund types		(123,890)
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Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(3,718,321)	
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Deferred outflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting	1,160,338	
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Deferred inflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting	<u>(491,151)</u>	
		(3,049,134)

Internal service funds are used by management to charge the costs of facilities maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>11,623</u>
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Net position of governmental activities (Page 12) \$ 36,876,779

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Building Department	Capital Projects		
Revenues:					
Ad valorem taxes	\$ 7,417,552	\$ -	\$ -	\$ -	\$ 7,417,552
Utility taxes	3,094,611	-	-	560,935	3,655,546
Franchise fees	455,233	-	-	-	455,233
Communication service tax	1,027,768	-	-	-	1,027,768
Other taxes	96,827	-	135,641	360,069	592,537
Licenses and permits	241,742	1,480,672	-	40,165	1,762,579
Intergovernmental	3,120,553	845	2,147,320	1,166,686	6,435,404
Fines and forfeitures	195,265	-	-	-	195,265
Service charges	86,681	-	-	-	86,681
Impact fees					
Public safety	-	-	-	49,917	49,917
Parks	-	-	-	151,521	151,521
Contributions in-lieu-of road impact fees	-	-	-	273,635	273,635
Investment income	122,079	24,219	8,622	51,978	206,898
Special assessments	-	-	-	1,497,897	1,497,897
Other	145,902	58	-	196,986	342,946
Total revenues	16,004,213	1,505,794	2,291,583	4,349,789	24,151,379
Expenditures:					
Current:					
General government					
Town council	514,578	-	-	-	514,578
Town administration and finance	2,759,199	-	-	-	2,759,199
Legal	351,476	-	-	-	351,476
Public safety	8,586,087	1,996,467	-	-	10,582,554
Parks and recreation	2,865,039	-	13,363	-	2,878,402
Transportation / public works	1,111,167	-	750	1,198,025	2,309,942
Debt service:					
Principal	139,302	-	-	380,000	519,302
Interest	1,892	-	-	535,104	536,996
Administrative				1,350,213	1,350,213
Capital outlay	19,196	24,690	4,041,868	237,240	4,322,994
Total expenditures	16,347,936	2,021,157	4,055,981	3,700,582	26,125,656
Excess (deficiency) of revenues over (under) expenditures	(343,723)	(515,363)	(1,764,398)	649,207	(1,974,277)
Other financing sources (uses)					
Transfers in	551,552	-	1,649,695	40,400	2,241,647
Transfers out	(377,508)	(45,367)	(420,000)	(1,582,747)	(2,425,622)
Total other financing sources (uses)	174,044	(45,367)	1,229,695	(1,542,347)	(183,975)
Net change in fund balances	(169,679)	(560,730)	(534,703)	(893,140)	(2,158,252)
Fund balances - beginning	4,488,289	2,693,968	2,377,133	4,490,997	14,050,387
Fund balances - ending	<u>\$ 4,318,610</u>	<u>\$ 2,133,238</u>	<u>\$ 1,842,430</u>	<u>\$ 3,597,857</u>	<u>\$ 11,892,135</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the statement of activities (on page 13) are different because:

Net change in fund balances - total governmental funds (Page 16) \$ (2,158,252)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays meeting the capitalization threshold	4,322,994	
Less current year depreciation	<u>(1,494,310)</u>	
		2,828,684

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

Contribution of capital assets to business-type activities (1,121,057)

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

Principal payments	519,302	
Amortization of discount on bonds issued	<u>(1,380)</u>	
		517,922

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.

Changes in accrued interest payable	9,478	
Change in compensated absences	(59,766)	
Change in OPEB liability	(55,169)	
Changes in net pension liability and other deferral amounts	<u>(290,438)</u>	
		(395,895)

The net change of internal service fund is reported with governmental activities on the statement of activities.

Change in net position of governmental activities (Page 13)	<u><u>\$ (328,598)</u></u>
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TOWN OF MIAMI LAKES, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	<u>Business-Type Activity Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Stormwater</u>	<u>Fund</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 107,190	\$ 13,942
Investments	52,526	6,534
Accounts receivable, net	239,891	-
Total current assets	399,607	20,476
Noncurrent assets:		
Construction in progress	1,114,547	-
Furniture and equipment	322,359	11,623
Infrastructure	14,349,458	9,085
Less: accumulated depreciation	(2,989,853)	(1,918)
Total noncurrent assets	12,796,511	18,790
Total assets	13,196,118	39,266
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension	46,125	-
Total deferred outflows of resources	46,125	-
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and other current liabilities	153,850	27,643
Compensated absences - current	2,140	-
Due to Miami-Dade County - current	14,518	-
Bond payable - current	57,240	-
Total current liabilities	227,748	27,643
Noncurrent liabilities:		
Compensated absences	6,419	-
Net pension liability	141,450	-
Due to Miami-Dade County	72,590	-
Bond payable	190,766	-
Total noncurrent liabilities	411,225	-
Total liabilities	638,973	27,643
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension	21,719	-
Total deferred inflows of resources	21,719	-
<u>NET POSITION</u>		
Net investment in capital assets	12,461,397	18,790
Unrestricted	120,154	(7,167)
Total net position	\$ 12,581,551	\$ 11,623

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activity Enterprise Fund	Internal Service Fund
	<u>Stormwater</u>	<u>Fund</u>
Operating revenues:		
Charges for services	\$ 1,060,011	\$ -
Total operating revenues	<u>1,060,011</u>	<u>-</u>
Operating expenses:		
Administrative expenses	358,123	295,494
Contractual services	133,844	-
Repairs and maintenance	208,366	52,875
Depreciation	376,867	606
Total operating expenses	<u>1,077,200</u>	<u>348,975</u>
Operating income (loss)	(17,189)	(348,975)
Nonoperating revenues (expenses):		
Investment earnings	2,537	-
Interest expense	(16,719)	-
Total nonoperating revenues (expenses)	<u>(14,182)</u>	<u>-</u>
Income (loss) before contributions and transfers	(31,371)	(348,975)
Contributions and transfers:		
Capital contributions	1,121,057	-
Transfers in	-	348,975
Transfers out	(165,000)	-
Net contributions and transfers	<u>956,057</u>	<u>348,975</u>
Change in net position	924,686	-
Net position, beginning	<u>11,656,865</u>	<u>11,623</u>
Net position, ending	<u>\$ 12,581,551</u>	<u>\$ 11,623</u>

See notes to basic financial statements

TOWN OF MIAMI LAKES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activity Enterprise Fund	Internal Service Fund
	Stormwater	Fund
Cash flows from operating activities:		
Cash received from customers, governments and other funds	\$ 1,055,457	\$ -
Cash paid to suppliers	(576,345)	(291,557)
Cash paid to employees	(185,762)	(73,056)
Net cash provided by (used in) operating activities	293,350	(364,613)
Cash flows from noncapital financing activities:		
Transfers in (out)	(165,000)	348,975
Net cash provided by (used in) operating activities	(165,000)	348,975
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets and furniture and equipment	(5,672)	-
Principal retirement of capital debt	(68,998)	-
Interest paid on capital debt	(16,719)	-
Net cash (used in) capital and related financing activities	(91,389)	-
Cash flows from investing activities:		
Purchase of investments	(21,077)	-
Redemption of investments	-	3,133
Interest and other income	2,537	-
Net cash (used in) investing activities	(18,540)	3,133
Net increase in cash and cash equivalents	18,421	(12,505)
Cash and cash equivalents, October 1	88,769	26,447
Cash and cash equivalents, September 30	\$ 107,190	\$ 13,942
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (17,189)	\$ (348,975)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	376,867	606
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(4,554)	-
Deferred outflows of resources for pension	3,390	-
Increase (decrease) in:		
Accounts payable and accrued payroll and benefits	(78,658)	(16,244)
Compensated absences	2,278	-
Net pension liability	6,249	-
Deferred inflows of resources for pension	4,967	-
Total adjustments	310,539	(15,638)
Net cash provided by (used in) operating activities	\$ 293,350	\$ (364,613)
Noncash investing, capital and related financing activities:		
Contribution of capital assets	\$ 1,121,057	\$ -

See notes to basic financial statements



**NOTES TO BASIC
FINANCIAL STATEMENTS**

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Town of Miami Lakes, Florida (the "Town") was incorporated in fiscal year 2001 and is a political subdivision of the State of Florida located in northwestern Miami-Dade County. The Town operates under a Mayor-Council-Manager form of government, with the legislative function being vested in a seven-member Council. The Town Council is governed by the Town Charter and by the state and local laws and regulations. The Town Council is responsible for establishment and adoption of policy. The Town provides the following range of municipal services authorized by its charter: public safety, streets, stormwater, health and social services, culture, recreation, bus transportation, planning and zoning, and general administrative services.

The accounting policies of the Town conform to Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

This summary of significant accounting policies is presented to assist the reader in interpreting the basic financial statements of the Town of Miami Lakes, Florida. The policies are considered essential and should be read in conjunction with the basic financial statements.

B. Financial Reporting Entity

The Town was incorporated in accordance with the Constitution of the State of Florida and the Home Rule Charter of Miami-Dade County on December 5, 2000, to carry on a centralized government. The Town Council is responsible for legislative and fiscal control of the Town. A Town Manager is appointed by the Council and is responsible for administrative and fiscal control of the resources of the Town.

The financial statements were prepared in accordance with GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its financial benefits to, or impose specific financial burdens on the Town. Based on the application of these criteria, there were no component units to the Town for fiscal year ended September 30, 2020.

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

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-Wide and Fund Financial Statements

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. The internal service fund is included in the proprietary fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting similar to the proprietary 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within six (6) months of the end of the current fiscal period, except for property taxes, for which the period is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Accounting principles generally accepted in the United State of America set forth minimum criteria (percentage of assets plus deferred outflows of resources, liabilities plus deferred outflows of resources, revenue or expenditures/expenses of the applicable fund category and the governmental and enterprise combined) for the determination of major funds. The non-major funds are presented in one column in the respective fund financial statements.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The Town reports the following major governmental funds:

General Fund – This fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Building Department Fund – This fund is used to account for and report the receipts of building permits and other fees that are restricted for building permitting and inspection activities. The department performs plan review for all commercial and residential construction, mandatory inspections for all phases of construction to ensure compliance with building safety regulations, collects permit fees and issues permits for residential and commercial construction, and issues certificates of completion and occupancy.

Capital Projects Fund – This fund is used to account for the construction of major capital projects, other than those financed by the proprietary funds, or the Series 2010 Special Obligation Bond Fund.

The Town reports the following major proprietary fund:

Stormwater Utility Fund – This fund used to account for the provision of stormwater maintenance and capital improvements within the Town.

Additionally, the Town reports the following fund types:

Special Revenue Fund – This fund is used to account for and report the receipts of local option fuel tax and county-shared fuel tax that are legally restricted for expenditures related to development, construction equipping, maintenance, operations or expansion of public transportation system, roads and bridges.

Neighborhood Service Districts Fund – This fund is used to account for the cost to provide public improvements and special services through a non-ad valorem assessment. Non-ad valorem assessments represent a cost share assigned to a group of properties to pay all or part of the cost associated with a specific public service or improvement, such as security guard services, lighting, lake, and landscape maintenance, primarily benefitting those properties.

Impact Fees Fund – This fund is used to account for the parks and public safety impact fees used to fund the cost of additional capital resources required to maintain and accommodate projected population growth due to new development.

Debt Service Fund – This fund is used to account for the accumulation of resources for and payment of principal, interest and related costs of the Town’s special obligation bonds.

Infrastructure Fund – This fund is used for purposes of accumulating resources to fund long-term capital expenditures.

Internal Service Fund – This fund is used to account for the Town’s facilities maintenance services, all of which are provided to other Town departments.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 Town's enterprise fund functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from user fees for providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the stormwater enterprise fund are charges to customers for services to maintain and refurbish the stormwater system. Operating expenses for the 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 Town's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, investments with the State Board of Administration (SBA) investment pools (Securities and Exchange Commission Rule 2A-7 Pool), certificates of deposit, money markets, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments are reported at fair value, which are based on quoted market prices. Investments owned by the Town are accounted for in the Town's investment pool. Income earned from this pool is allocated to the respective funds based on average monthly balances.

The reported value of the pool is the same as their fair value of the pool shares for participants in Pool A. Investments, including restricted investments, consist of securities of governmental agencies unconditionally guaranteed by the U.S. Government.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Receivables and Payables

Receivables include amounts due from other governments and others for services provided by the Town. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred based on the accounting basis required for that fund.

All trade receivables are shown net of an allowance for uncollectible accounts. An allowance for uncollectible accounts is provided when necessary for all trade receivables outstanding over 60 days.

G. Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds". Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances".

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. The governmental fund financial statements consider prepaid items to be nonspendable fund balance.

I. Property Taxes

Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the Office of the County Property Appraiser and County Tax Collector. The laws for 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 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Town for the year ended September 30, 2020 was 2.3127.

The Town's tax levy is established by the Town Council prior to October 1st of 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 certain other special taxing districts.

All real and tangible personal property taxes are due and payable on November 1st of each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails each property owner on the assessment roll a notice of the taxes due and collects the taxes for the Town. Taxes may be paid upon receipt of the notice from Miami-Dade County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 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 become delinquent and liens are placed on April 1st of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

Capital assets are defined by the Town as property, equipment and infrastructure with an initial, individual cost of more than \$2,000 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all depreciable assets is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5-20
Leasehold improvements	15
Infrastructure	40

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the 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 net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has pension amounts that qualify for reporting in this category on the government-wide statement of net position in the amount of \$1,206,463.

In addition to liabilities, the 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 net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The Town has pension amounts that qualify for reporting in this category in the amount of \$512,870.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick pay benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

All vacation and sick leave is accrued and reported as a fund liability when it is probable that the Town will compensate the employee with expendable available financial resources. Vacation and sick leave is accrued when incurred in proprietary funds and reported as a fund liability. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental funds, compensated absences are generally liquidated by the General Fund.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund type 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 proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which does not result in a material difference from the effective interest method. The face amount of the debt issued is reported net of bond premiums and discounts. Debt issuance cost are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditure.

N. Net Position

Total equity as of September 30, 2020 is classified into three components of net position:

Net investment in capital assets – consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

O. Fund Balance

The Town follows Governmental Accounting Standards for *Fund Balance Reporting and Governmental Type Definitions*, which requires that governmental fund financial statements present fund balance based on classification that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental fund can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable – Amounts that cannot be spent either because they are in not spendable form (such as inventory) or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes by their providers (such as grantors, bondholders, Town Code, and higher levels of government), through constitutional provisions, or by enabling legislation.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance (continued)

Committed – Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Town Council). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint. Amounts that can be used only for the specific purposes determined by a formal action (i.e., ordinance) of the Town Council, the Town’s highest level of decision-making authority. Commitments may only be changed or lifted by the Town Council taking the same formal action that imposed the constraint originally.

Assigned – Amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates the authority. Amounts that the Town intends to use for a specific purpose; the intent shall be expressed by the Town Council or may be delegated to the Town Manager.

Unassigned – This fund balance is the residual classification for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. It is also used to report negative fund balances in other governmental funds.

Minimum level of Unassigned Fund Balance Policy:

The Town’s reserve policy ordinance requires that the Town maintain 20% of budgeted general fund expenditures on hand as a reserve whenever possible. When expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the Town considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been first expended out of committed funds then assigned funds and finally unassigned funds, as needed, unless the Town Council or Town Manager has provided otherwise in its commitment or assignment actions.

The Town will use restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the Town will first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Use of Estimates

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

R. Restricted Assets

Certain resources set aside for the repayment of bonds are classified as restricted assets on the statement of net position because their use is limited by the applicable bond indenture covenants.

S. Capital Contributions

Capital contributions in proprietary fund financial statements arise from grants or outside contributions of resources restricted to capital acquisition and construction.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

1. Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

2. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

Revenue Source

Transportation & Gas Surtax

Legal Restrictions of Use

Roads, sidewalks, streets, busing, streetlights and other transportation expenses

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

2. Revenue Restrictions (continued)

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Mobility Fee	Multi-modal transportation improvements
Impact Fees (Parks & Police)	Capital projects, improvements and to offset additional costs
Building Permits and Fees	Building permitting and inspection activities

For the fiscal year ended September 30, 2020, the Town complied, in all material respects, with these revenue restrictions.

3. Excess of Expenditures Over Appropriations

For the year ended September 30, 2020, there were no excess of expenditures over appropriations to report.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents

As of September 30, 2020, the balance of the Town's cash deposits were \$8,981,304. All deposits are held in banking institutions approved by the State of Florida to hold public funds. The Town's deposits are considered insured and collateralized with securities held by the Town or by its agent in the Town's name as discussed below.

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

Investments

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. On December 13, 2011, the Town adopted Ordinance 11-139 which provides for a comprehensive investment policy pursuant to Section 218.415, Florida Statutes, and established permitted investments, issuer limits, credit rating requirements and maturity limits to protect the Town's cash and investment assets. The investment policy applies to all cash and investments held or controlled by the Town with the exception of funds related to the issuance of debt.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

The Town's investment policy allows for the following investments:

- Direct obligations of the U. S. Government, its Agencies or Instrumentalities;
- Securities and Exchange Commission registered money market mutual funds;
- Insured or fully collateralized Certificates of Deposit;
- Intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act functioning as a money market mutual;
- Financial institution deposits that are in Qualified Public Depositories of the State in accordance with Chapter 280.02, Florida Statutes;
- Repurchase agreements secured by direct obligations of the U.S. Government, its Agencies or Instrumentalities.

The Town's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds and maximizing investment income.

The Town invests in certificates of deposit. The certificates bear an interest rate ranging from .045% to .96%. The certificates of deposit with original maturities of greater than three months totaling approximately \$4,008,556 are presented as investments in the accompanying statement of net position.

The SBA administers Florida PRIME ("PRIME"), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 219 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures of the administration of PRIME. PRIME is not a registrant with the Securities and Exchange Commission; however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value ("NAV") of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. At September 30, 2020, the Town's investment in the Florida PRIME was that of \$11,263 which is presented as investments in the accompanying statement of net position. Thus, the Town's account balance in the SBA is its amortized cost.

Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial credit risk as these investments are not evidenced by securities that exist in physical or bank entry form.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Town's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. As a mean of limiting its exposure to fair value losses arising from rising interest rates, the Town’s investment policy limits the Town’s investment portfolio to maturities not to exceed two years for operating and debt service funds and not to exceed three years for capital project or special purpose funds. The weighted average days to maturity (WAM) of the Florida PRIME as of September 30, 2020 is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2020, is 63 days.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town’s investment policy specifically sets parameter to minimize the Town’s credit risk by:

- Limiting investment to the safest type of issuer
- Pre-qualifying the financial institution, pools, money market mutual funds, and broker/dealer with which the Town will do business, and
- Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

The Town’s investment in Florida PRIME was rated AAAM by Standard and Poor’s as of September 30, 2020.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

Custodial credit risk for investment is the risk that in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy requires that a bank or banks shall be contracted for the safekeeping or custody of securities owned by the Town as part of its investment portfolio or pledged to the Town as collateral. Securities owned by the Town shall be evidenced by safekeeping receipts of the institution holding the securities. All security transactions shall utilize the "delivery versus payment" procedures for settlement. All of the Town's investments at September 30, 2020 are being kept by a third-party commercial trust bank and are fully secured and collateralized under the name of the Town or its agent.

NOTE 4 - RECEIVABLES AND PAYABLES

Receivables as of September 30, 2020 were as follows:

	General Fund	Building Department Fund	Capital Projects Fund	Nonmajor Governmental Funds	Stormwater Fund
Due from other governments	\$ 808,969	\$ -	\$ 737,464	\$ 303,180	\$ 239,891
Other	573,169	10,668	-	298,796	-
Total receivables	<u>\$ 1,382,138</u>	<u>\$ 10,668</u>	<u>\$ 737,464</u>	<u>\$ 601,976</u>	<u>\$ 239,891</u>

Payables as of September 30, 2020 for the Town's governmental funds were as follows:

	General Fund	Building Department Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Vendors	\$ 2,834,414	\$ 262,108	\$ 555,488	\$ 430,582	\$ 4,082,592
Total (fund statements)	<u>\$ 2,834,414</u>	<u>\$ 262,108</u>	<u>\$ 555,488</u>	<u>\$ 430,582</u>	<u>\$ 4,082,592</u>

Payables as of September 30, 2020 for the Town's governmental activities (government-wide statements) were as follows:

	Fund Statements	Bond Interest Payable	Total Governmental Activities
Vendors	\$ 4,110,235	\$ 173,355	\$ 4,283,590
Total	<u>\$ 4,110,235</u>	<u>\$ 173,355</u>	<u>\$ 4,283,590</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 - RECEIVABLES AND PAYABLES (continued)

Payables as of September 30, 2020 for the Town's proprietary funds were as follows:

	<u>Stormwater Fund</u>	<u>Internal Service Fund</u>	<u>Total Proprietary Funds</u>
Vendors	\$ 153,850	\$ 27,643	\$ 181,493
Total (fund statements)	<u>\$ 153,850</u>	<u>\$ 27,643</u>	<u>\$ 181,493</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2020, consisted of the following:

<u>Transfer Out</u>	<u>Transfer In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Internal Service Fund</u>	
General Fund	\$ -	\$ 33,500	\$ 40,400	\$ 303,608	\$ 377,508
Building Department Fund	-	-	-	45,367	45,367
Capital Projects Fund	420,000	-	-	-	420,000
Nonmajor Funds	131,552	1,451,195	-	-	1,582,747
Stormwater Fund	-	165,000	-	-	165,000
	<u>\$ 551,552</u>	<u>\$ 1,649,695</u>	<u>\$ 40,400</u>	<u>\$ 348,975</u>	<u>\$ 2,590,622</u>

Purposes of significant transfers made during the 2020 fiscal year are as follows:

- The Special Revenue Fund transferred \$856,470 to the Capital Projects Fund to partially finance various ongoing capital projects of the Town.
- The Impact Fees Funds transferred \$594,725 to the Capital Projects Fund to finance various ongoing capital projects (public safety facilities and parks) of the Town.
- The Stormwater Fund transferred \$165,000 to the Capital Projects Fund to finance ongoing stormwater drainage capital improvements of the Town.
- The General Fund transferred \$303,608 to the Internal Service Fund to cover expenses.
- The Debt Service Fund transferred \$131,552 to the General Fund for interested earned from a CD.
- The Capital Project Fund transferred \$420,000 to the General Fund to return funds not used in the MLOP Master Plan project.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,056,872	\$ -	\$ -	\$ -	\$ 6,056,872
Construction in progress	1,747,097	3,861,657	(2,812,860)	(1,121,057)	1,674,837
Total capital assets not being depreciated	<u>7,803,969</u>	<u>3,861,657</u>	<u>(2,812,860)</u>	<u>(1,121,057)</u>	<u>7,731,709</u>
Capital assets being depreciated:					
Furniture and equipment	4,041,208	321,043	-	-	4,362,251
Buildings	8,164,993	-	-	-	8,164,993
Leasehold improvements	90,558	-	-	-	90,558
Infrastructure	28,991,853	2,953,154	-	-	31,945,007
Total capital assets being depreciated	<u>41,288,612</u>	<u>3,274,197</u>	<u>-</u>	<u>-</u>	<u>44,562,809</u>
Less accumulated depreciation for:					
Furniture and equipment	(2,991,341)	(197,404)	-	-	(3,188,745)
Buildings	(1,292,306)	(294,251)	-	-	(1,586,557)
Leasehold improvements	(90,558)	-	-	-	(90,558)
Infrastructure	(10,232,526)	(1,003,261)	-	-	(11,235,787)
Total accumulated depreciation	<u>(14,606,731)</u>	<u>(1,494,916)</u>	<u>-</u>	<u>-</u>	<u>(16,101,647)</u>
Total capital assets being depreciated, net	<u>26,681,881</u>	<u>1,779,281</u>	<u>-</u>	<u>-</u>	<u>28,461,162</u>
Governmental activities capital assets, net	<u>\$ 34,485,850</u>	<u>\$ 5,640,938</u>	<u>\$ (2,812,860)</u>	<u>\$ (1,121,057)</u>	<u>\$ 36,192,871</u>
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 1,156,833	\$ -	\$ (1,163,343)	\$ 1,121,057	\$ 1,114,547
Total capital assets not being depreciated	<u>1,156,833</u>	<u>-</u>	<u>(1,163,343)</u>	<u>1,121,057</u>	<u>1,114,547</u>
Capital assets being depreciated:					
Infrastructure	13,186,116	1,163,342	-	-	14,349,458
Furniture and equipment	316,686	5,673	-	-	322,359
Total capital assets being depreciated	<u>13,502,802</u>	<u>1,169,015</u>	<u>-</u>	<u>-</u>	<u>14,671,817</u>
Less accumulated depreciation for:					
Infrastructure	(2,414,755)	(338,256)	-	-	(2,753,011)
Furniture and equipment	(198,231)	(38,611)	-	-	(236,842)
Total accumulated depreciation	<u>(2,612,986)</u>	<u>(376,867)</u>	<u>-</u>	<u>-</u>	<u>(2,989,853)</u>
Total capital assets being depreciated, net	<u>10,889,816</u>	<u>792,148</u>	<u>-</u>	<u>-</u>	<u>11,681,964</u>
Business-type activities capital assets, net	<u>\$ 12,046,649</u>	<u>\$ 792,148</u>	<u>\$ (1,163,343)</u>	<u>\$ 1,121,057</u>	<u>\$ 12,796,511</u>

Depreciation expense charged to functions/programs of the primary government are as follows:

Governmental activities:	
General government	\$ 353,611
Public safety	40,023
Transportation	485,354
Parks and recreation	615,928
Total depreciation expense - governmental activities	<u>\$ 1,494,916</u>
Business-type activities:	
Stormwater utility	\$ 376,867
Total depreciation expense - business-type activities	<u>\$ 376,867</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 - LONG-TERM DEBT

Special Obligation Bonds, Series 2010

Pursuant to Ordinance Number 2010-127, Resolution Number 2010-857 and Resolution Number 2010-858, on December 16, 2010, the Town issued \$7.33 million of Town of Miami Lakes, Florida, Special Obligation Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”) to pay all the costs of purchasing, designing and construction of a new Government Center, pay capitalized interest, fund a debt service reserve and, together with other available funds, to pay costs of issuance.

The Series 2010 Bonds are collateralized by the Electric Utility Tax Revenues and are due serially beginning December 1, 2019 through the year 2040 with semi-annual interest due on June 1 and December 1 each year. Revenue requirements include at least 1.25 times the maximum principal and interest on all outstanding bonds.

Events of default include a failure to make a payment of principal or interest due on the bond. In the event of default, the owners of not less than the majority of the aggregate principal amount of the Bonds outstanding may, by written notice to the Town, declare the principal of all the outstanding Bonds to be due and payable immediately; and the owners of not less than 25% of the aggregate principal amount of the Bonds outstanding may, by suit or other proceedings, protect and enforce any and all rights of the bondholders under the laws of the State of Florida.

Under the American Recovery and Reinvestment Act of 2009 Congress added certain provisions to the Internal Revenue Code (the “Code”) which made it possible for state and local governments to potentially obtain lower net borrowing costs when issuing bonds that meet certain requirements of the Code and the related Treasury Regulations (“qualified bonds”). A Build America Bond is a “qualified bond” where the issuer has made an irrevocable election to have the special rules applicable to the qualified bonds.

A Build America Bond that constitutes a “qualified bond” entitles the issuer to receive direct subsidy payments from the United States Department of the Treasury, upon meeting certain other additional requirements, in the amount of 35% of the corresponding interest payable on the related bonds. The Series 2010 Bonds were issued as “qualified bonds”. Bonds bear interest rates ranging from 7.05% to 7.627%.

Arbitrage

Arbitrage refers to the profit earned by investing tax-exempt bond funds in higher yielding investments. Under federal arbitrage regulations, an issuer of tax-exempt bonds is allowed to earn this profit for a certain period of time during the construction period of the related project. Once this time period has expired, the profit realized on any recurring bond proceeds is subject to rebate to the federal government. These federal arbitrage regulations apply to all of tax-exempt issues. As of September 30, 2020, the Town is not subject to the rebate provisions of the arbitrage regulations on its Series 2010 Bonds.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 - LONG-TERM DEBT (continued)

Quality Neighborhood Improvement Program Bonds

Prior to the Town's incorporation, Miami-Dade County issued \$77,640,000 in Florida Public Service Tax Revenue Bonds (UMSA Public Improvements) Series 1999 (the Revenue Bonds). The County pledged the Unincorporated Municipal Service Area's (UMSA) utility tax revenues for debt service on the Revenue Bonds. Unlike other Miami-Dade municipalities that have incorporated subsequent to the issuance of the Revenue Bonds, there are no written agreements, contracts or other verified requirements for the Town's participation in the repayment of the Revenue Bonds. The County has asserted a claim that the Town should participate in yearly Quality Neighborhood Improvement Program (QNIP) Debt Service Payments through 2024. Under the County's assertions, the Town's QNIP Debt Service Payment would be based on utility tax revenue collected by the Town during the year as a percentage of the total UMSA utility tax revenues for that year multiplied by the total debt service payment due by the County on the Revenue Bonds for that year.

During fiscal year 2010, Town management worked with the County to achieve a settlement of this and other financial issues outstanding between the two governments. On January 28, 2010, the Town Council in a Special Call Meeting authorized the Town staff to move forward and enter into an agreement with Miami-Dade County pursuant to which the Town would agree to pay all outstanding QNIP payments owed to the County under a structured settlement plan which the County had proposed.

The settlement terms called for a payment plan by the Town of \$153,423 annually beginning in fiscal year 2010 through 2024. The County subsequently refinanced the QNIP bonds which resulted in an amendment to the interlocal agreement to reduce the Town's debt service share. Remaining annual debt service payments from 2021 through 2024 will approximate \$142,000. During fiscal year 2020, the Town paid \$139,302 of its QNIP share to Miami-Dade County.

Stormwater Utility Revenue Bonds

In October 2003, the County and the Town entered into an agreement to transfer to the Town the operations and the maintenance of the Town's Stormwater utility system located within the Town's boundaries. As part of the agreement, the billing and collection activities will remain under the administration of the County's Water and Sewer Department ("Department") for an administrative fee of \$1.04 per utility bill processed by the Department. The agreement is effective for a period of 5 years and is renewable by written mutual consent of both parties.

In addition, the agreement requires the Town to pay the County a yearly debt service payment through the year 2024 based on 2.4% of the Annual Debt Service Payment of the \$41,580,000 Miami-Dade County Stormwater Utility Revenue Bonds, Series 1999.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 - LONG-TERM DEBT (continued)

A summary of debt service requirements to maturity for the various bonds are as follows:

<u>September 30,</u>	<u>Special Obligation Bonds, Series 2010</u>		<u>Quality Neighborhood Improvement Program Bonds</u>		<u>Stormwater Utility Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 200,000	\$ 512,581	\$ 140,019	\$ 1,519	\$ 57,240	\$ 13,811
2022	210,000	497,241	140,741	1,120	60,120	11,903
2023	220,000	484,852	141,458	712	63,120	9,896
2024	230,000	471,580	142,203	271	67,526	6,501
2025	240,000	453,720	-	-	-	-
2026-2030	1,380,000	1,971,440	-	-	-	-
2031-2035	1,750,000	1,379,020	-	-	-	-
2036-2040	2,210,000	630,040	-	-	-	-
2041	510,000	19,380	-	-	-	-
Total	<u>\$ 6,950,000</u>	<u>\$ 6,419,854</u>	<u>\$ 564,421</u>	<u>\$ 3,622</u>	<u>\$ 248,006</u>	<u>\$ 42,111</u>

Due to Miami-Dade County – Canal Project

In October 2016 the Town entered into an interlocal agreement with the Miami-Dade County Stormwater Utility for cost sharing of stormwater drainage projects. The terms of the agreement call for a payment plan by the Town of \$15,734 annually, including interest of \$1,216, through 2026.

A summary of debt service requirements to maturity is as follows:

<u>September 30,</u>	<u>Due to Miami-Dade County</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 14,518	\$ 1,216
2022	14,518	1,216
2023	14,518	1,216
2024	14,518	1,216
2025	29,036	3,648
Total	<u>\$ 87,108</u>	<u>\$ 8,512</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 - LONG-TERM DEBT (continued)

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Special obligation bonds payable	\$ 7,330,000	\$ -	\$ (380,000)	\$ 6,950,000	\$ 200,000
Less: discount on bonds issued	(29,308)	-	1,380	(27,928)	-
QNIP bonds	703,723	-	(139,302)	564,421	140,019
Net pension liability	3,594,061	418,031	(293,771)	3,718,321	-
OPEB	68,721	55,741	(572)	123,890	-
Compensated absences	308,422	105,179	(45,413)	368,188	92,047
Governmental activities long-term liabilities	<u>\$ 11,975,619</u>	<u>\$ 578,951</u>	<u>\$ (857,678)</u>	<u>\$ 11,696,892</u>	<u>\$ 432,066</u>
Business-Type Activities					
Stormwater utility revenue bonds	\$ 302,486	\$ -	\$ (54,480)	\$ 248,006	\$ 57,240
Due to Miami-Dade County	101,626	-	(14,518)	87,108	14,518
Net pension liability	135,201	21,021	(14,772)	141,450	-
Compensated absences	6,281	2,278	-	8,559	2,140
Business-type activities long-term liabilities	<u>\$ 545,594</u>	<u>\$ 23,299</u>	<u>\$ (83,770)</u>	<u>\$ 485,123</u>	<u>\$ 73,898</u>

The Town's compensated absences are generally liquidated by the General Fund. Currently, amounts 'Due within One Year' are estimated based on prior years' usage and known terminations resulting in payouts as of the date of the financial statement preparation.

Pledged Future Revenues

The Town has pledged the Electric Utility Tax revenues as payment for the Special Obligation Bond issued December 16, 2010. Monthly receipts are deposited into the Utility Tax Revenue Fund to be used to make the monthly debt service payment on the bonds. At the end of the month, unused revenues are then transferred to the General Fund for normal operating purposes. Below is a summary of pledged revenues:

	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Maximum Principal and Interest</u>	<u>Current Year Revenue</u>	<u>% of Revenue to Principal and Interest Paid</u>	<u>% of Revenues to Maximum Principal and Interest</u>
<u>Pledged Revenue</u>						
Electric utility tax	\$ 13,369,854	\$ 915,104	\$ 915,104	\$ 3,109,645	340%	340%

Line of Credit

The Town entered in a non-revolving line of credit agreement to borrow up to \$15,000,000 with BankUnited for the purpose of providing liquidity to the Town to enable the Town to better respond to an emergency event such as, but not limited to, hurricanes or other natural, biological, or man-made disasters that would require the payment of clean-up, collection and disposal of solid waste or other permitted costs, to assure public safety and provide cash flow relief to the Town's General Fund, including, without limitation, reimbursement to the Town for any such costs previously paid by the Town. The line of credit matures on November 30, 2022. Advances will bear interest equal lower of the rate of interest on 5-year U.S. Treasury Notes, plus one hundred and sixty-five basis points (1.65%) or 3.10%, but in no event less than 1.65%. As of September 31, 2020, this line of credit has not been used.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM

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

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

Special Risk Class – All certified law enforcement officers, certified firefighters/paramedics and certified firefighters/EMTs of the Town are covered by this class.

Senior Management Service Class – The Town Manager and certain senior management employees (department directors) are included in this class.

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

Elected Officers' Class – Town Councilmembers are covered under this class.

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

Type of Benefit

The Florida Retirement System Pension Plan (FRS) is a cost-sharing, multiple-employer qualified defined benefit plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by municipalities, special districts, charter schools, and metropolitan planning organizations is optional. The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Average Final Compensation

For members initially enrolled in the FRS before July 1, 2011, average final compensation (AFC) is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, AFC is the average of the eight highest fiscal years of salary earned during covered employment.

The following chart shows the percentage value for each year of service credit earned in relation to the general classes of membership that the Town participates in:

	% Value (per year of service)
<u>Regular Class members initially enrolled before July 1, 2011</u>	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
<u>Regular Class members initially enrolled on or after July 1, 2011</u>	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
<u>Special Risk Class</u>	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on and after October 1, 1974	3.00%
<u>Elected Officers' Class</u>	
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials	3.00%
<u>Senior Management Service Class</u>	2.00%

Vesting

The system provides for vesting of benefits, regardless of membership class, after six years of creditable service for members who are enrolled on or after July 1, 2001 through June 30, 2011 and eight years of creditable service for members who are enrolled on or after July 1, 2011. Vesting for the FRS Investment Plan occurs when an employee completes one year of service in the FRS Investment Plan.

Service Retirement

Normal retirement age in the regular, senior management service and elected officers' classes is 62 for members enrolled before July 1, 2011 and 65 for members enrolled on or after July 1, 2011. In the special risk service class, normal retirement age is 55 for members enrolled before July 1, 2011 and 60 for members enrolled on or after July 1, 2011. If a member is vested but has not reached normal retirement age, early retirement can be taken. The amount of the retirement benefit will be reduced 5% for each year prior to normal retirement.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Benefits are computed on the basis of age and/or years of service, average final compensation and service credit. The system also provides for death and disability benefits.

State law provides for all eligible FRS members to elect to participate in the Deferred Retirement Option Program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to a maximum of sixty months, and to continue employment with the Town. When the DROP period ends, the employee must terminate employment.

At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

Funding Policy

Contributions to the FRS are made by the Town as a percentage of covered payrolls. Effective July 1, 2012, state law instituted a requirement that employees in all classes make a contribution to the FRS of 3.00% of their covered payroll, in addition to the employer's contribution. The required contribution rates in effect at year end for the Town were 8.47% for regular class employees, 25.41% for senior management service class employees, 25.48% for special risk class employees, and 48.82% for elected officers' class. Additionally, the Town is required to contribute 14.60% for all DROP participants. These rates include the normal cost and unfunded actuarial liability contributions, the 1.66 percent contribution for the Retiree Health Insurance Subsidy, and the fee of 0.06 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2020 and the two preceding years were as follows:

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Contribution requirements:			
Employer	\$ 347,369	\$ 336,015	\$ 329,300
Employee	<u>116,181</u>	<u>111,058</u>	<u>108,473</u>
Total contribution requirements	\$ 463,550	\$ 447,073	\$ 437,773
Contributions made (100%)	\$ 347,369	\$ 336,015	\$ 329,300
Total covered payroll	\$ 4,161,693	\$ 4,036,102	\$ 3,947,898
Percent of contributions to total covered payroll	8.35%	8.33%	8.34%

The FRS issues a comprehensive annual financial report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737
<https://www.dms.myflorida.com>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2020, are shown below (in thousands):

	<u>FRS</u>	<u>HIS</u>
Total pension liability (A)	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position (B)	<u>(161,568,265)</u>	<u>(378,261)</u>
Net pension liability (A - B)	<u>\$ 43,341,474</u>	<u>\$ 12,209,837</u>
Plan fiduciary net position as a percentage of the total pension liability (B/A)	78.85%	3.00%

The total pension liability for each plan was determined by the Plans' actuary and reported in the Plans' valuations dated July 1, 2020. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plans' fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

The general fund is the primary governmental fund that is typically used to liquidate prior year pension liabilities.

The Town reported a liability of \$3,859,771 for its proportionate share of the net pension liability. The detail of proportion shares are as follows:

FRS Pension Plan					
		Employer		Employer	
Employer	Proportion at	Contribution	Proportion at	Proportionate Share	Employer
Contribution for	Prior	for Pension	Current	of Net Pension	Proportionate Share
Pension Plan	Measurement	Plan Funding	Measurement	Liability/Asset	of Net Pension
Funding	Date	for Current	Date	at Prior	Liability/Asset at
<u>for Prior Period</u>	<u>Date</u>	<u>Period</u>	<u>Date</u>	<u>Measurement Date</u>	<u>Measurement Date</u>
\$ 216,531	0.006983261%	\$ 193,601	0.005826864%	\$ 2,404,938	\$ 2,525,449

FRS Retiree Health Insurance Subsidy (HIS) Program					
		Employer		Employer	
Employer	Proportion at	Contribution	Proportion at	Proportionate Share	Employer
Contribution for	Prior	for Pension	Current	of Net Pension	Proportionate Share
Pension Plan	Measurement	Plan Funding	Measurement	Liability/Asset	of Net Pension
Funding	Date	for Current	Date	at Prior	Liability/Asset at
<u>for Prior Period</u>	<u>Date</u>	<u>Period</u>	<u>Date</u>	<u>Measurement Date</u>	<u>Measurement Date</u>
\$ 65,724	0.011835942%	\$ 62,974	0.010928255%	\$ 1,324,323	\$ 1,334,322

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2018/2019 and 2019/2020. Although GASB 68 encourages the use of the employers projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Basis of Allocation (continued)

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense. For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan covered the period from July 1, 2008 through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2020, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2020:

HIS: The total pension liability is calculated on a single equivalent discount rate as required by GASB Statement No. 67. The discount rate used was decreased from 3.50% to 2.21% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond Municipal Bond Index.

In general, the discount rate for calculating the total pension liability under GASB 67 is equivalent to the single rate equivalent to discounting at the long-term expected rate of return 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 plan sponsor. The discount rates used at the two dates differ due to changes in the applicable municipal bond rate.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Actuarial Methods and Assumptions (continued)

FRS: The discount rate and long-term expected rate of return was increased from 6.90% to 7.09%, and the active member mortality assumption was updated. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 7.09% rate of return assumption used in the June 30, 2020 calculations was deemed reasonable and appropriate by the actuary per Actuarial Standard of Practice Number 27 (ASOP 27).

The benefits received by retirees and beneficiaries are increased by a COLA each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011 will not have a COLA after retirement.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2019 the FRS Actuarial Assumption Conference reviewed long-term assumptions developed by capital market assumptions teams from both Milliman and Aon Hewitt Investment Consulting, investment consultants to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation *	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash equivalents	1.00%	2.20%	2.20%	1.20%
Fixed income	19.00%	3.00%	2.90%	3.50%
Global equity	54.20%	8.00%	6.70%	17.10%
Real estate (property)	10.30%	6.40%	5.80%	11.70%
Private equity	11.10%	10.80%	8.10%	25.70%
Strategic investments	4.40%	5.50%	5.30%	6.90%
Assumed inflation - mean			2.40%	1.70%

* As outlined in the Plan's investment policy

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2020.

	FRS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>5.80%</u>	<u>6.80%</u>	<u>7.80%</u>
Total pension liability	\$ 13,447,081	\$ 11,939,813	\$ 10,680,935
Less: fiduciary net position	<u>(9,414,364)</u>	<u>(9,414,364)</u>	<u>(9,414,364)</u>
Net pension liability	<u>\$ 4,032,717</u>	<u>\$ 2,525,449</u>	<u>\$ 1,266,572</u>
	HIS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total pension liability	\$ 1,583,754	\$ 1,375,659	\$ 1,205,335
Less: fiduciary net position	<u>(41,337)</u>	<u>(41,337)</u>	<u>(41,337)</u>
Net pension liability	<u>\$ 1,542,417</u>	<u>\$ 1,334,322</u>	<u>\$ 1,163,997</u>

Pension Expense and Deferred Outflows/(Inflows) of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes in proportion and differences between contributions and proportionate share of contributions amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Differences between expected and actual earnings on pension plan investments – amortized over five years contributions to the pension plans from employers are not included in collective pension expense.

For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$471,643 and \$116,637 for FRS and HIS, respectively. Additionally, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Pension Expense and Deferred Outflows/(Inflows) of Resources (continued)

	FRS Pension		<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	
Changes in:			
Contributions, subsequent to measurement date	\$ 68,033	\$ -	\$ 68,033
Experience expected/actual	96,654	-	96,654
Assumptions/inputs	457,187	-	457,187
Projected/actual earnings	150,370	-	150,370
Changes in proportion, NPL	<u>100,015</u>	<u>(338,240)</u>	<u>(238,225)</u>
Total	<u>\$ 872,259</u>	<u>\$ (338,240)</u>	<u>\$ 534,019</u>
	HIS Program		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Changes in:			
Contributions, subsequent to measurement date	\$ 16,932	\$ -	\$ 16,932
Experience expected/actual	54,582	(1,029)	53,553
Assumptions/inputs	143,478	(77,586)	65,892
Projected/actual earnings	1,065	-	1,065
Changes in proportion, NPL	<u>118,147</u>	<u>(96,015)</u>	<u>22,132</u>
Total	<u>\$ 334,204</u>	<u>\$ (174,630)</u>	<u>\$ 159,574</u>

The Town contributions subsequent to the measurement date of \$68,033 and \$16,932 for FRS and HIS, respectively, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period	<u>FRS Expense</u>	<u>HIS Expense</u>
<u>Ending September 30,</u>		
2021	\$ 106,070	\$ 49,138
2022	187,410	43,607
2023	146,185	16,121
2024	53,218	21,400
2025	(26,897)	10,292
Thereafter	-	2,084
Total	<u>\$ 465,986</u>	<u>\$ 142,642</u>

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)

Pension Expense and Deferred Outflows/(Inflows) of Resources (continued)

The required contribution rates in effect at year-end were:

	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Total Contribution</u>
	Rate	Rate	Rate
Special Risk Class	3.00%	23.76%	26.76%
Senior Management Service Class	3.00%	23.69%	26.69%
Regular Class	3.00%	6.75%	9.75%
Elected Officer's Class	3.00%	47.10%	50.10%
DROP from FRS	0.00%	12.94%	12.94%

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The Town offers to retiring employees a one-time opportunity to participate in the Town's employee group health and life insurance program pursuant to Section 112.0801, Florida Statutes. This required participation for retirees and their eligible dependents in the health and life insurance program and other coverage listed in the statute of the Town is at a premium cost to the retiree that is no more than the premium cost applicable to active employees. A retiring member who rejects this initial opportunity to continue to participate in the health and life insurance program will not be entitled to another opportunity to renew participation at any time in the future. The coverage provided under this program is supplemental and/or secondary to coverage under any and all other health insurance plans or programs that are provided to or carried by the retiring member from any other source. As of September 30, 2020, there was 1 participant receiving these post-employment benefits.

The Town's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the Town. The Plan, which is administered by the Town, allows employees who retire and meet retirement eligibility requirements under the Florida Retirement System to continue medical insurance coverage as a participant in the Town's Plan. The Town does not issue separate financial statements for its post-employment health and life insurance program.

Funding Policy

The Town currently pays for post-employment healthcare and life insurance benefits program on a pay-as-you go basis. As of September 30, 2020, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post-employment benefits, which would require the reporting of a trust fund in accordance with GASB requirements. The contribution requirements are provided for in the collective bargaining agreements negotiated with various unions representing the employees. Life insurance coverage for retiree and spouse is 100% retiree paid.

Employees Covered by Benefit Terms

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the Town are eligible to receive postemployment health care benefits. All retiree and dependent coverage are at the expense of the retiree.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (continued)

As of the October 1, 2019 actuarial valuation, the following employees were covered by the benefit terms of the Plan:

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	53
	54

Total OPEB Liability

The Town's total OPEB liability of \$123,890 was measured as of September 30, 2020 and was determined based on an actuarial valuation performed as of October 1, 2019.

The general fund is the primary governmental fund that is typically used to liquidate prior year OPEB liabilities.

Actuarial Assumptions

The Total OPEB liability was determined using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.14%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

For all lives, mortality rates were PubG-2010 Healthy Mortality Tables projected to the valuation date using Projection Scale MP-2019.

Discount Rate

Given the Town's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index (the "Index") as published by S&P Dow Jones Indices. The Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard & Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense. For the year ended September 30, 2020, the Town recognized OPEB expense of \$58,541.

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in Total OPEB Liability

	Increased and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2019	\$ 68,721
Changes for the Year:	
Service Cost	5,657
Interest	2,857
Differences Between Expected and Actual Experience	5,684
Changes of Assumptions	41,543
Benefit Payments	(572)
Net Changes	55,169
Reporting Period Ending September 30, 2020	\$ 123,890

Changes of assumptions reflect a change in the discount rate from 3.58% for the fiscal year ending September 30, 2019 to 2.14% for the fiscal year ending September 30, 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 1.14%	Current Discount Rate 2.14%	1% Increase 3.14%
Total OPEB Liability	\$ 154,776	\$ 123,890	\$ 99,928

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00% - 6.50%	Current Healthcare Cost Trend Rates 4.00% - 7.50%	1% Increase 5.00% - 8.50%
Total OPEB Liability	\$ 96,825	\$ 123,890	\$ 159,031

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Agreement with Miami-Dade County for Local Police Patrol Services

Effective November 14, 2004, the Town executed an agreement with Miami-Dade County for local police patrol services provided by the County. Consideration for the services is based utilizing the actual costs of officers and equipment. Services are due on a quarterly basis in accordance with the Town's annual budget. The last payment of the fiscal year is adjusted to actual costs for the year. Additional payments are required for optional law enforcement services. On February 19, 2020, the Town approved a new contract effective October 1, 2019 and expiring September 30, 2024. The Town paid approximately \$8,000,000 to the County for local police patrol services during the fiscal year ended September 30, 2020.

Litigation

The Town is involved in several lawsuits incidental to its operations, the outcome of which, in the opinion of management and legal counsel, should not have a material adverse effect on the financial position of the Town.

The Town could be liable for some of the former Mayor's attorney fees and costs in defending his federal criminal charges for a demanded amount of approximately \$2,510,000. The Town's legal counsel and management feels that the outcome of this case is difficult to assess due to various factors including that there are other entities involved that may share the risk of an unfavorable outcome and that some of the criminal charges brought against the former Mayor were incurred out of the scope of his duty as Mayor of the Town, and therefore, not entitled to be reimbursed. The Town's legal counsel believes that the Town, in a worst-case scenario, would only be liable for a portion of the former Mayor's legal costs, since the indictment included actions in performance of duties as the attorney for another municipality and the demanded amount for reimbursement is dependent upon a court determination. To date, the case was successfully defended in trial court, resulting in dismissal with prejudice; however, the appellate court overturned the trial court's order dismissing the case and the matter is now before the trial court once again. Based on language in the appellate court's ruling, although there is no certainty, management and legal counsel believe the Town has a fair chance of success in the trial court. The case is currently pending in the trial court and settlement discussions are taking place. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Grants

The Town has ongoing major initiatives partially funded by grants that are subject to compliance requirements. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, the Town has complied with grant requirements and future disallowances of grant expenditures, if any, would not have a material adverse effect on the Town's financial condition.

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the Town carries commercial insurance. The Town also provides employee medical benefits through commercial insurance coverage. There were no reductions in insurance coverage from coverage in the prior year. Settled claims did not exceed coverage for the past three years.



**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 7,444,424	\$ 7,444,424	\$ 7,417,552	\$ (26,872)
Utility taxes	2,889,601	2,889,601	3,094,611	205,010
Franchise fees	390,000	390,000	455,233	65,233
Communication service tax	1,181,000	1,181,000	1,027,768	(153,232)
Other taxes	160,000	160,000	96,827	(63,173)
Licenses and permits	236,500	236,500	241,742	5,242
Intergovernmental	3,345,000	3,345,000	3,120,553	(224,447)
Fines and forfeitures	185,000	185,000	195,265	10,265
Service charges	174,000	174,000	86,681	(87,319)
Investment income	58,000	58,000	122,079	64,079
Other	102,650	102,650	145,902	43,252
Total revenues	<u>16,166,175</u>	<u>16,166,175</u>	<u>16,004,213</u>	<u>(161,962)</u>
Expenditures:				
General government:				
Town council	567,855	567,855	514,578	53,277
Town administration and finance	2,992,687	3,158,102	2,914,189	243,913
Legal	215,000	358,800	351,476	7,324
Total general government	<u>3,775,542</u>	<u>4,084,757</u>	<u>3,780,243</u>	<u>304,514</u>
Public safety:				
Police	8,819,440	8,613,030	8,497,360	115,670
Zoning	117,982	117,982	88,727	29,255
Parks and recreation	3,066,665	3,170,171	2,870,439	299,732
Public works	1,280,599	1,280,599	1,111,167	169,432
Total expenditures	<u>17,060,228</u>	<u>17,266,539</u>	<u>16,347,936</u>	<u>918,603</u>
Excess (deficiency) of revenues over (under) expenditures	(894,053)	(1,100,364)	(343,723)	756,641
Other financing (uses):				
Transfers in	420,000	551,551	551,552	1
Transfers out	(299,764)	(371,664)	(377,508)	(5,844)
Total other financing sources (uses)	<u>120,236</u>	<u>179,887</u>	<u>174,044</u>	<u>(5,843)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(773,817)	(920,477)	(169,679)	750,798
Fund balance appropriated	<u>773,817</u>	<u>920,477</u>	<u>-</u>	<u>(920,477)</u>
Net change in fund balance	-	-	(169,679)	(169,679)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>4,488,289</u>	<u>4,488,289</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,318,610</u>	<u>\$ 4,318,610</u>

See notes to budgetary comparison schedules

TOWN OF MIAMI LAKES, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DEPARTMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
Permits and fees	\$ 1,398,000	\$ 1,398,000	\$ 1,480,672	\$ 82,672
Intergovernmental	-	-	845	845
Investment income	40,000	40,000	24,219	(15,781)
Other	-	-	58	58
Total revenues	<u>1,438,000</u>	<u>1,438,000</u>	<u>1,505,794</u>	<u>67,794</u>
Expenditures:				
Current:				
Building	3,869,270	3,962,795	1,996,467	1,966,328
Capital outlay	124,380	124,380	24,690	99,690
Total expenditures	<u>3,993,650</u>	<u>4,087,175</u>	<u>2,021,157</u>	<u>2,066,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,555,650)</u>	<u>(2,649,175)</u>	<u>(515,363)</u>	<u>2,133,812</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(44,792)	(44,792)	(45,367)	(575)
Total other financing sources (uses)	<u>(44,792)</u>	<u>(44,792)</u>	<u>(45,367)</u>	<u>(575)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(2,600,442)	(2,693,967)	(560,730)	2,133,237
Fund balance appropriated	<u>2,600,442</u>	<u>2,693,967</u>	<u>-</u>	<u>(2,693,967)</u>
Net change in fund balance	-	-	(560,730)	(560,730)
Fund balance, beginning	-	-	2,693,968	2,693,968
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,133,238</u>	<u>\$ 2,133,238</u>

See notes to budgetary comparison schedules

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BUDGETARY INFORMATION

Annual budgets are adopted for all governmental funds, except the Infrastructure Fund, on a basis consistent with accounting principles generally accepted in the United States. The following procedures are used to establish the budgetary data reflected in the financial statements:

- a. Prior to July 30 of each year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and means of financing such expenditures.
- b. Public hearings are held to obtain tax payers comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. The level of control at which expenditures may not exceed budget is at the departmental level. The Town Council approves these levels by passing an ordinance. Any revisions that alter the total expenditures of any appropriation center within a fund must be approved by the Town Council.

TOWN OF MIAMI LAKES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 5,657	\$ 5,430	\$ 5,861
Interest	2,857	2,663	2,654
Difference between expected and actual experience	5,684	-	-
Changes of assumptions	41,543	7,968	(6,625)
Benefit payments	<u>(572)</u>	<u>(11,129)</u>	<u>(10,257)</u>
Net change in total OPEB liability	55,169	4,932	(8,367)
Total OPEB liability - beginning	<u>68,721</u>	<u>63,789</u>	<u>72,156</u>
Total OPEB liability - ending	<u>\$ 123,890</u>	<u>\$ 68,721</u>	<u>\$ 63,789</u>
Covered payroll	\$ 3,647,116	\$ 3,471,781	\$ 3,387,103
Total OPEB liability as a percentage of covered payroll	3.40%	1.98%	1.88%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S 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>
The Town's proportion of the net pension liability	0.005826864%	0.006983261%	0.007624456%	0.006862616%	0.006556569%	0.006230023%	0.006870141%
The Town's proportionate share of the net pension liability	\$ 2,525,449	\$ 2,404,938	\$ 2,296,526	\$ 2,029,916	\$ 1,655,539	\$ 804,691	\$ 419,180
The Town's covered payroll	\$ 3,998,274	\$ 4,021,387	\$ 3,908,760	\$ 3,455,365	\$ 3,085,052	\$ 2,922,198	\$ 2,817,529
The Town's proportionate share of the net pension liability as a percentage of its covered payroll	63.16%	59.80%	58.75%	58.75%	53.66%	27.54%	14.88%
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). The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S 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	\$ 281,360	\$ 272,172	\$ 265,449	\$ 222,786	\$ 191,426	\$ 187,579	\$ 188,515
Contributions in relation to the contractually required contribution	<u>\$ (281,360)</u>	<u>\$ (272,172)</u>	<u>\$ (265,449)</u>	<u>\$ (222,786)</u>	<u>\$ (191,426)</u>	<u>\$ (187,579)</u>	<u>\$ (188,515)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered payroll	\$ 4,161,693	\$ 4,036,102	\$ 3,947,898	\$ 3,489,915	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Contributions as a percentage of covered payroll	6.76%	6.74%	6.72%	6.38%	6.14%	6.35%	6.62%

* The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 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>
The Town's proportion of the net pension liability	0.010928255%	0.011835942%	0.011956689%	0.010492759%	0.010380367%	0.009449186%	0.009533181%
The Town's proportionate share of the net pension liability	\$ 1,334,322	\$ 1,324,323	\$ 1,265,509	\$ 1,121,934	\$ 1,209,789	\$ 963,668	\$ 891,376
The Town's covered payroll	\$ 3,998,274	\$ 4,021,387	\$ 3,908,760	\$ 3,455,365	\$ 3,085,052	\$ 2,922,198	\$ 2,817,529
The Town's proportionate share of the net pension liability as a percentage of its covered payroll	33.37%	32.93%	32.38%	32.47%	39.21%	32.98%	31.64%
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). The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

TOWN OF MIAMI LAKES, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 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	\$ 66,797	\$ 63,843	\$ 63,851	\$ 56,045	\$ 51,723	\$ 37,192	\$ 34,152
Contributions in relation to the contractually required contribution	<u>\$ (66,797)</u>	<u>\$ (63,843)</u>	<u>\$ (63,851)</u>	<u>\$ (56,045)</u>	<u>\$ (51,723)</u>	<u>\$ (37,192)</u>	<u>\$ (34,152)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered payroll	\$ 4,161,603	\$ 4,036,102	\$ 3,947,898	\$ 3,489,915	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Contributions as a percentage of covered payroll	1.61%	1.58%	1.62%	1.61%	1.66%	1.26%	1.20%

* The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.



COMBINING FINANCIAL STATEMENTS



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

Special Revenue Fund – This fund is used to account for and report the receipts of local option fuel tax and county-shared fuel tax that are legally restricted for expenditures related to development, construction equipping, maintenance, operations or expansion of public transportation system, roads and bridges.

Neighborhood Service Districts Fund – This fund is used to account for the cost to provide public improvements and special services through a non-ad valorem assessment. Non-ad valorem assessments represent a cost share assigned to a group of properties to pay all or part of the cost associated with a specific public service or improvement, such as security guard services, lighting, lake, and landscape maintenance, primarily benefitting those properties.

Impact Fees Fund – This fund accounts for both parks and public safety impact fees used to fund the cost of additional capital resources required to maintain and accommodate projected population growth due to new development.

Debt Service Fund

Debt Service Fund – This fund accounts for the payment of the current year's principal and interest requirements on the Special Obligation Bond issued for the Government Center; it is funded by the Electric Utility Tax revenues.

Capital Projects Fund

Infrastructure Fund – This fund is used for purposes of accumulating resources to fund long-term capital expenditures.

TOWN OF MIAMI LAKES, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Nonmajor Governmental Funds					Total Nonmajor Governmental Funds
	Special Revenue			Debt Service	Capital Projects	
	Special Revenue	Neighborhood Service Districts	Impact Fees	Debt Service	Infrastructure	
ASSETS						
Cash and cash equivalents	\$ 421,193	\$ 425,351	\$ 905,172	\$ 2,000	\$ 101,657	\$ 1,855,373
Investments	206,396	208,433	443,557	-	49,814	908,200
Accounts receivables, net	298,731	-	4,449	298,796	-	601,976
Due from other funds	-	-	-	45,676	-	45,676
Restricted assets:						
Cash and cash equivalents	-	-	-	370,038	-	370,038
Investments	-	-	-	545,972	-	545,972
Total assets	<u>\$ 926,320</u>	<u>\$ 633,784</u>	<u>\$ 1,353,178</u>	<u>\$ 1,262,482</u>	<u>\$ 151,471</u>	<u>\$ 4,327,235</u>
LIABILITIES						
Accounts payable	\$ 114,616	\$ 315,966	\$ -	\$ -	\$ -	\$ 430,582
Due to other funds	-	-	-	298,796	-	298,796
Total liabilities	<u>114,616</u>	<u>315,966</u>	<u>-</u>	<u>298,796</u>	<u>-</u>	<u>729,378</u>
FUND BALANCES						
Restricted for:						
Debt service	-	-	-	963,686	-	963,686
Transit - CITT 20	6,340	-	-	-	-	6,340
Transportation - CITT 80	1,595	-	-	-	-	1,595
Transportation - Gas Tax	4,429	-	-	-	-	4,429
Developer contribution	300,000	-	-	-	-	300,000
Mobility	30,510	-	-	-	-	30,510
Tree removal	68,945	-	-	-	-	68,945
Impact fees:						
Public safety	-	-	63,217	-	-	63,217
Parks improvement	-	-	221,048	-	-	221,048
Parks open space	-	-	1,068,913	-	-	1,068,913
Neighborhood Service Districts	-	317,818	-	-	-	317,818
Greenway 77th Court	200,000	-	-	-	-	200,000
Large Park LOS	199,885	-	-	-	-	199,885
Committed for:						
Infrastructure projects	-	-	-	-	151,471	151,471
Total fund balances	<u>811,704</u>	<u>317,818</u>	<u>1,353,178</u>	<u>963,686</u>	<u>151,471</u>	<u>3,597,857</u>
Total liabilities and fund balances	<u>\$ 926,320</u>	<u>\$ 633,784</u>	<u>\$ 1,353,178</u>	<u>\$ 1,262,482</u>	<u>\$ 151,471</u>	<u>\$ 4,327,235</u>

TOWN OF MIAMI LAKES, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Nonmajor Governmental Funds					Total Nonmajor Governmental Funds
	Special Revenue			Debt Service	Capital Projects	
	Special Revenue	Neighborhood Service Districts	Impact Fees	Debt Service	Infrastructure	
Revenues:						
Utility taxes	\$ -	\$ -	\$ -	\$ 560,935	\$ -	\$ 560,935
Other taxes	360,069	-	-	-	-	360,069
Licenses and permits	40,165	-	-	-	-	40,165
Intergovernmental	1,165,132	1,554	-	-	-	1,166,686
Impact fees:						
Public safety	-	-	49,917	-	-	49,917
Parks	-	-	151,521	-	-	151,521
Contributions in-lieu-of road impact fees	-	-	273,635	-	-	273,635
Investment income	11,713	10,238	16,942	11,614	1,471	51,978
Special assessments	-	1,497,897	-	-	-	1,497,897
Other	17,500	3,250	-	176,236	-	196,986
Total revenues	<u>1,594,579</u>	<u>1,512,939</u>	<u>492,015</u>	<u>748,785</u>	<u>1,471</u>	<u>4,349,789</u>
Expenditures:						
Current:						
Transportation	1,194,474	-	-	3,551	-	1,198,025
Debt service:						
Principal	-	-	-	380,000	-	380,000
Interest	-	-	-	535,104	-	535,104
Administrative	-	1,350,213	-	-	-	1,350,213
Capital outlay	-	156,008	81,232	-	-	237,240
Total expenditures	<u>1,194,474</u>	<u>1,506,221</u>	<u>81,232</u>	<u>918,655</u>	<u>-</u>	<u>3,700,582</u>
Excess of revenues over expenditures	<u>400,105</u>	<u>6,718</u>	<u>410,783</u>	<u>(169,870)</u>	<u>1,471</u>	<u>649,207</u>
Other financing sources (uses)						
Transfers in	38,400	-	-	2,000	-	40,400
Transfers out	(856,470)	-	(594,725)	(131,552)	-	(1,582,747)
Total other financing sources (uses)	<u>(818,070)</u>	<u>-</u>	<u>(594,725)</u>	<u>(129,552)</u>	<u>-</u>	<u>(1,542,347)</u>
Net change in fund balances	(417,965)	6,718	(183,942)	(299,422)	1,471	(893,140)
Fund balances, beginning	<u>1,229,669</u>	<u>311,100</u>	<u>1,537,120</u>	<u>1,263,108</u>	<u>150,000</u>	<u>4,490,997</u>
Fund balances, ending	<u>\$ 811,704</u>	<u>\$ 317,818</u>	<u>\$ 1,353,178</u>	<u>\$ 963,686</u>	<u>\$ 151,471</u>	<u>\$ 3,597,857</u>



**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL**

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
Revenues:				
Gas tax 6 cents	\$ 390,645	\$ 390,645	\$ 360,069	\$ (30,576)
CITT transit sales tax 20%	270,000	270,000	232,723	(37,277)
CITT transportation sales tax 80%	1,080,000	1,080,000	930,894	(149,106)
Tree program, Greenway and Large Parks LOS	10,000	10,000	35,818	25,818
Mobility	217,750	217,750	4,347	(213,403)
Investment income	10,000	10,000	11,713	1,713
Intergovernmental	-	-	1,515	1,515
Other	30,000	30,000	17,500	(12,500)
Total revenues	<u>2,008,395</u>	<u>2,008,395</u>	<u>1,594,579</u>	<u>(413,816)</u>
Expenditures:				
Current:				
Tree program	37,370	48,514	5,386	43,128
Transportation	879,102	1,020,626	841,633	178,993
Transit	393,371	402,058	347,455	54,603
Contingency	417,750	943,798	-	943,798
Total expenditures	<u>1,727,593</u>	<u>2,414,996</u>	<u>1,194,474</u>	<u>1,220,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>280,802</u>	<u>(406,601)</u>	<u>400,105</u>	<u>806,706</u>
Other financing sources (uses)				
Transfers out	(820,000)	(861,470)	(856,470)	5,000
Total other financing sources (uses)	<u>(820,000)</u>	<u>(823,070)</u>	<u>(818,070)</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	<u>(539,198)</u>	<u>(1,229,671)</u>	<u>(417,965)</u>	<u>811,706</u>
Fund balance appropriated	<u>539,198</u>	<u>1,229,671</u>	<u>-</u>	<u>(1,229,671)</u>
Net change in fund balance	-	-	(417,965)	(417,965)
Fund balance, beginning	-	-	1,229,669	1,229,669
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811,704</u>	<u>\$ 811,704</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NEIGHBORHOOD SERVICE DISTRICTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues:				
Special assessment	\$ 1,490,725	\$ 1,490,725	\$ 1,497,897	\$ 7,172
Intergovernmental	-	-	1,554	1,554
Investment income	-	-	10,238	10,238
Other	3,000	3,000	3,250	250
Total revenues	<u>1,493,725</u>	<u>1,493,725</u>	<u>1,512,939</u>	<u>19,214</u>
Expenditures:				
Current:				
Administrative	1,623,916	1,638,848	1,350,213	288,635
Capital outlay:				
Transit	115,862	165,978	156,008	9,970
Total expenditures	<u>1,739,778</u>	<u>1,804,826</u>	<u>1,506,221</u>	<u>298,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(246,053)</u>	<u>(311,101)</u>	<u>6,718</u>	<u>317,819</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(246,053)	(311,101)	6,718	317,819
Fund balance appropriated	<u>246,053</u>	<u>311,101</u>	<u>-</u>	<u>(311,101)</u>
Net change in fund balance	-	-	6,718	6,718
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>311,100</u>	<u>311,100</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,818</u>	<u>\$ 317,818</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - IMPACT FEES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Impact Fees				
Public safety	\$ 66,700	\$ 66,700	\$ 49,917	\$ (16,783)
Parks	350,000	350,000	151,521	(198,479)
Developer contributions	273,634	360,254	273,635	(86,619)
Investment income	-	-	16,942	16,942
Total revenues	<u>690,334</u>	<u>776,954</u>	<u>492,015</u>	<u>(284,939)</u>
Expenditures:				
Current:				
Parks	1,282,896	1,472,913	-	1,472,913
Capital outlay - public safety	143,889	159,816	81,232	78,584
Total expenditures	<u>1,426,785</u>	<u>1,632,729</u>	<u>81,232</u>	<u>1,551,497</u>
Excess (deficiency) of revenues over (under) expenditures	(736,451)	(855,775)	410,783	1,266,558
Other financing (uses):				
Transfers out	(473,634)	(681,344)	(594,725)	86,619
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(1,210,085)	(1,537,119)	(183,942)	1,353,177
Fund balance appropriated	<u>1,210,085</u>	<u>1,537,119</u>	<u>-</u>	<u>(1,537,119)</u>
Net change in fund balance	-	-	(183,942)	(183,942)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>1,537,120</u>	<u>1,537,120</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,353,178</u>	<u>\$ 1,353,178</u>

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Electric utility taxes	\$ 585,399	\$ 585,399	\$ 560,935	\$ (24,464)
Investment income	-	-	11,614	11,614
Other	169,448	169,448	176,236	6,788
Total revenues	754,847	754,847	748,785	(6,062)
Expenditures:				
Current:				
Transportation	208,057	208,057	3,551	204,506
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	521,709	521,709	535,104	(13,395)
Total expenditures	1,109,766	1,109,766	918,655	191,111
Excess (deficiency) of revenues over (under) expenditures	(354,919)	(354,919)	(169,870)	185,049
Other financing sources (uses):				
Transfers in	-	-	(129,552)	(129,552)
Total other financing sources (uses)	-	-	(129,552)	(129,552)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(354,919)	(354,919)	(299,422)	55,497
Fund balance appropriated	354,919	354,919	-	(354,919)
Net change in fund balance	-	-	(299,422)	(299,422)
Fund balance, beginning	-	-	1,263,108	1,263,108
Fund balance, ending	\$ -	\$ -	\$ 963,686	\$ 963,686

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Gas tax 3 cents	\$ 155,000	\$ 155,000	\$ 135,641	\$ (19,359)
Intergovernmental	8,516,138	8,647,588	2,147,320	(6,500,268)
Investment income	25,000	25,000	8,622	(16,378)
Total revenues	8,696,138	8,827,588	2,291,583	(6,536,005)
Expenditures:				
Current:				
Transportation / public works	14,362	62,980	750	62,230
Parks and recreation	8,966	-	13,363	(13,363)
Capital outlay:				
Drainage improvements	2,839,907	3,078,655	1,121,056	1,957,599
Transportation improvements	7,290,158	8,039,459	2,611,491	5,427,968
Parks and recreation	1,052,197	1,269,462	286,470	982,992
Facilities and equipment	-	75,480	22,851	52,629
Total expenditures	11,205,590	12,526,036	4,055,981	8,470,055
(Deficiency) of revenues (under) expenditures	(2,509,452)	(3,698,448)	(1,764,398)	1,934,050
Other financing sources (uses)				
Transfers in	1,458,634	1,741,314	1,649,695	(91,619)
Transfers out	(420,000)	(420,000)	(420,000)	-
Total other financing sources (uses)	1,038,634	1,321,314	1,229,695	(91,619)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(1,470,818)	(2,377,134)	(534,703)	1,842,431
Fund balance appropriated	1,470,818	2,377,134	-	(2,377,134)
Net change in fund balance	-	-	(534,703)	(534,703)
Fund balance, beginning	-	-	2,377,133	2,377,133
Fund balance, ending	\$ -	\$ -	\$ 1,842,430	\$ 1,842,430



STATISTICAL SECTION

TOWN OF MIAMI LAKES, FLORIDA
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	67-71
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	72-76
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	77-78
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	79-80
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information and Insurance in Force	81-84
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
NET POSITION BY COMPONENT
LAST TEN YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Net investment in capital assets	\$ 18,197,702	\$ 20,557,318	\$ 21,814,437	\$ 22,471,538	\$ 23,189,174	\$ 24,384,954	\$ 25,025,518	\$ 25,989,505	\$ 26,298,602	\$ 28,533,023
Restricted	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581	4,316,340	6,815,901	6,923,570	8,677,308	7,351,535
Unrestricted	6,230,900	5,883,351	6,797,024	7,228,689	3,794,639	3,497,638	2,929,081	2,527,265	2,229,467	992,221
Total governmental activities net position	\$ 32,469,706	\$ 33,029,607	\$ 33,633,440	\$ 34,451,079	\$ 32,358,394	\$ 32,198,932	\$ 34,770,500	\$ 35,440,340	\$ 37,205,377	\$ 36,876,779
Business-type activities:										
Net investment in capital assets	\$ 4,086,787	\$ 4,734,099	\$ 6,486,581	\$ 7,092,272	\$ 7,641,072	\$ 8,865,688	\$ 9,743,318	\$ 10,777,658	\$ 11,642,537	\$ 12,461,397
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	899,610	410,351	380,542	648,868	221,981	571,384	420,691	206,814	14,328	120,154
Total business-type activities net position	\$ 4,986,397	\$ 5,144,450	\$ 6,867,123	\$ 7,741,140	\$ 7,863,053	\$ 9,437,072	\$ 10,164,009	\$ 10,984,472	\$ 11,656,865	\$ 12,581,551
Primary government										
Net investment in capital assets	\$ 22,284,489	\$ 25,291,417	\$ 28,301,018	\$ 29,563,810	\$ 30,830,246	\$ 33,250,642	\$ 34,768,836	\$ 36,767,163	\$ 37,941,139	\$ 40,994,420
Restricted	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581	4,316,340	6,815,901	6,923,570	8,677,308	7,351,535
Unrestricted	7,130,510	6,293,702	7,177,566	7,877,557	4,016,620	4,069,022	3,349,772	2,734,079	2,243,795	1,112,375
Total primary government net position	\$ 37,456,103	\$ 38,174,057	\$ 40,500,563	\$ 42,192,219	\$ 40,221,447	\$ 41,636,004	\$ 44,934,509	\$ 46,424,812	\$ 48,862,242	\$ 49,458,330

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN NET POSITION
LAST TEN YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 4,006,694	\$ 3,241,018	\$ 3,505,665	\$ 3,359,809	\$ 4,504,066	\$ 5,466,296	\$ 5,918,945	\$ 5,439,496	\$ 5,855,914	\$ 6,024,434
Public safety	6,566,778	6,234,271	6,287,319	6,365,715	7,972,810	8,014,737	9,640,653	10,202,073	10,786,886	10,622,577
Parks and recreation	2,667,382	2,798,627	2,703,496	3,051,793	3,306,152	3,481,695	4,772,220	6,405,543	3,508,046	3,554,095
Public works	1,746,804	2,353,479	2,831,483	2,527,545	2,691,114	2,631,509	2,624,862	2,883,959	2,890,902	2,795,296
Comprehensive planning	1,452,701	1,636,965	1,622,645	1,679,697	-	-	-	-	-	-
Physical environment	-	-	-	-	4,307	-	-	-	-	-
Interest expense	260,156	561,402	528,383	603,123	600,247	654,998	596,942	551,077	550,747	527,518
Total governmental activities expenses	16,700,515	16,825,762	17,478,991	17,587,682	19,078,696	20,249,235	23,553,622	25,482,148	23,592,495	23,523,920
Business-type activities:										
Stormwater utilities	630,757	892,995	877,397	783,596	1,033,870	818,380	937,656	1,369,005	1,272,487	1,093,919
Total business-type activities expenses	630,757	892,995	877,397	783,596	1,033,870	818,380	937,656	1,369,005	1,272,487	1,093,919
Total primary government expenses	17,331,272	17,718,757	18,356,388	18,371,278	20,112,566	21,067,615	24,491,278	26,851,153	24,864,982	24,617,839
Program Revenues										
Governmental activities:										
Charges for services:										
General government	109,411	229,955	181,927	251,688	926,044	13,079	14,004	23,550	1,726,515	1,512,343
Public safety	277,300	215,183	324,720	536,168	318,413	2,046,763	3,869,723	3,327,193	2,738,436	1,962,964
Parks and recreation	-	7,085	11,705	43,139	85,024	131,628	1,146,389	1,129,490	814,497	194,100
Public works	-	-	-	-	304,848	719,774	49,342	168,554	756,711	74,453
Comprehensive planning	1,063,299	1,064,408	1,003,083	1,197,885	-	-	-	-	-	-
Operating grants and contributions	655,345	564,774	178,071	3,392	70,759	2,075,665	2,816,820	2,955,170	129,890	242,459
Capital grants and contributions	2,023,000	-	1,978,459	36,655	259,538	442,691	50,348	-	1,180,274	2,395,955
Total governmental activities program revenues	4,128,355	2,081,405	3,677,965	2,068,927	1,964,626	5,429,600	7,946,626	7,603,957	7,346,323	6,382,274
Business-type activities:										
Charges for services										
Stormwater utility	1,011,821	978,961	970,188	850,864	942,089	953,982	1,034,314	1,043,899	1,058,714	1,060,011
Operating grants and contributions	-	-	-	-	-	-	1,052,142	1,286,662	-	-
Total business-type activities program revenues	1,011,821	978,961	970,188	850,864	942,089	953,982	2,086,456	2,330,561	1,058,714	1,060,011
Total primary government program revenues	\$ 5,140,176	\$ 3,060,366	\$ 4,648,153	\$ 2,919,791	\$ 2,906,715	\$ 6,383,582	\$ 10,033,082	\$ 9,934,518	\$ 8,405,037	\$ 7,442,285

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (Expense) Revenue										
Governmental activities	\$ (12,572,160)	\$ (14,744,356)	\$ (13,801,027)	\$ (15,518,755)	\$ (17,114,070)	\$ (14,819,635)	\$ (15,606,996)	\$ (17,878,191)	\$ (16,246,172)	\$ (17,141,646)
Business-type activities	381,064	85,966	92,791	67,268	(91,781)	135,602	1,148,800	961,556	(213,773)	(33,908)
Total primary government net expense	(12,191,096)	(14,658,390)	(13,708,236)	(15,451,487)	(17,205,851)	(14,684,033)	(14,458,196)	(16,916,635)	(16,459,945)	(17,175,554)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	5,660,784	5,441,776	5,432,333	5,525,235	5,784,851	5,967,817	6,267,177	6,753,219	7,148,392	7,417,552
Utility service taxes	2,802,104	2,845,651	3,016,183	3,254,550	3,230,117	3,297,894	3,407,508	3,432,608	3,572,032	3,655,546
Communication services tax	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736	1,245,617	1,166,035	1,209,860	1,130,732	1,027,768
Franchise taxes	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066	1,179,362	925,699	1,272,507	1,130,788	455,233
Other taxes					713,520	702,897	716,927	724,429	680,132	592,537
Intergovernmental not restricted to specific programs	3,595,274	4,167,906	4,565,197	4,596,066	4,202,536	4,307,731	4,323,130	4,493,335	4,546,832	4,070,625
Investment and miscellaneous income	54,466	80,198	103,153	99,441	83,792	77,678	136,894	219,534	246,949	206,898
Gain (loss) on disposal	-	-	-	-	-	(17,084)	-	-	-	-
Special items/Other income	-	-	-	797,614	264,769	272,221	766,227	348,459	435,402	342,946
Transfers	1,565,914	(70,776)	(1,629,485)	(804,131)	(251,946)	(1,267,755)	468,967	150,629	(880,050)	(956,057)
Total governmental activities	16,545,229	15,487,257	14,404,859	16,554,429	16,565,441	15,766,378	18,178,564	18,604,580	18,011,209	16,813,048
Business-type activities:										
General Revenues										
Investment income	5,521	1,311	397	2,618	32,138	39,094	47,104	8,276	6,116	2,537
Investment and miscellaneous income	-	-	1,629,485	-	-	-	-	1,260	-	-
Transfers	(1,565,914)	70,776	-	804,131	251,946	1,267,755	(468,967)	(150,629)	880,050	956,057
Total business-type activities	(1,560,393)	72,087	1,629,882	806,749	284,084	1,306,849	(421,863)	(141,093)	886,166	958,594
Total primary government	14,984,836	15,559,344	16,034,741	17,361,178	16,849,525	17,073,227	17,756,701	18,463,487	18,897,375	17,771,642
Change in Net Position										
Governmental activities	3,973,069	742,901	603,832	1,035,674	(548,629)	946,743	2,571,568	726,389	1,765,037	(328,598)
Business-type activities	(1,179,329)	158,053	1,722,673	874,017	192,303	1,442,451	726,937	820,463	672,393	924,686
Total primary government	\$ 2,793,740	\$ 900,954	\$ 2,326,505	\$ 1,909,691	\$ (356,326)	\$ 2,389,194	\$ 3,298,505	\$ 1,546,852	\$ 2,437,430	\$ 596,088

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Non Spendable	\$ -	\$ 27,798	\$ 95,039	\$ 118,803	\$ 153,892	\$ 222,531	\$ 220,012	\$ 225,260	\$ 265,331	\$ 306,943
Restricted	28,283	33,735	-	-	-	-	-	-	-	-
Unassigned	8,361,930	3,936,392	4,088,844	4,776,905	4,412,605	4,553,946	4,349,056	5,048,869	4,222,958	4,011,667
Total General Fund	\$ 8,390,213	\$ 3,997,925	\$ 4,183,883	\$ 4,895,708	\$ 4,566,497	\$ 4,776,477	\$ 4,569,068	\$ 5,274,129	\$ 4,488,289	\$ 4,318,610
All Other Governmental Funds										
Non Spendable	\$ -	\$ -	\$ 33,452	\$ 25,862	\$ 24,781	\$ -	\$ 430	\$ -	\$ 25,648	\$ 17,889
Restricted, reported in:										
Special Revenue Fund	1,087,962	1,011,206	3,630,535	727,446	914,553	1,571,737	1,481,522	945,176	1,229,669	811,704
Capital Projects Fund	2,358,772	2,535,947	-	2,942,843	3,553,535	1,831,041	2,267,781	1,374,174	2,377,133	1,842,430
Town Government Center	3,665,450	2,131,416	1,296,471	-	-	-	-	-	-	-
Roadway Improvement	-	-	8,700	8,700	-	-	-	-	-	-
Debt Service Fund	900,637	876,634	909,899	1,071,863	906,493	875,282	888,486	900,912	1,263,108	963,686
Impact Fee Fund (Public Safety & Parks)	-	-	-	-	-	38,280	351,233	1,174,598	1,537,120	1,353,178
Building Department Fund	-	-	-	-	-	-	1,826,879	2,528,710	2,668,320	2,115,349
Neighborhood Service Districts	-	-	-	-	-	-	-	-	311,100	317,818
Committed, reported in:										
Infrastructure Fund	-	-	-	-	-	-	-	-	150,000	151,471
Assigned, reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	2,322,592	5,392,655	3,974,673	3,566,111	1,961,499	786,094	836,648	-	-	-
Unassigned	-	-	-	-	-	-	(2,273)	(1,843)	-	-
Total all other governmental funds	\$ 10,335,413	\$ 11,947,858	\$ 9,853,730	\$ 8,342,825	\$ 7,360,861	\$ 5,102,434	\$ 7,650,706	\$ 6,921,727	\$ 9,562,098	\$ 7,573,525

TOWN OF MIAMI LAKES, FLORIDA
FINANCIAL TRENDS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Ad valorem taxes	5,660,784	\$ 5,441,776	\$ 5,432,333	\$ 5,525,235	\$ 5,784,851	\$ 5,967,817	\$ 6,267,177	\$ 6,753,219	\$ 7,148,392	\$ 7,417,552
Utility taxes	2,802,104	2,845,651	3,016,184	3,254,550	3,230,117	3,297,894	3,407,508	3,432,608	3,572,032	3,655,546
Franchise fees	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066	1,179,362	925,699	1,272,507	1,130,788	455,233
Communication service tax	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736	1,245,617	1,166,035	1,209,860	1,130,732	1,027,768
Other taxes	-	-	-	-	-	-	-	-	680,132	592,537
Licenses and permits	1,063,299	1,064,408	1,003,083	1,197,885	1,188,917	2,385,033	3,469,773	3,042,388	3,154,814	1,762,579
Intergovernmental	4,334,874	4,924,656	6,905,351	4,813,430	4,532,833	4,797,353	6,890,298	7,448,505	5,496,742	6,435,404
Fines and forfeitures	277,300	215,183	324,720	536,168	312,466	274,594	224,887	193,841	195,518	195,265
Service charges	-	-	-	-	-	-	183,369	192,653	189,557	86,681
Impact fees	-	-	-	-	-	70,092	1,201,429	1,219,905	775,241	475,073
Investment income	46,636	66,720	103,150	99,441	83,792	77,678	136,894	219,534	246,949	206,898
Developers contributions	-	-	-	-	-	2,028,734	300,000	-	360,254	-
Special assessments	-	-	-	-	-	-	-	-	1,721,029	1,497,897
Others	32,988	58,545	10,008	915,125	1,111,235	1,156,643	1,483,154	1,072,888	435,402	342,946
Total Revenues	17,084,672	17,639,441	19,712,307	19,427,488	18,782,013	22,480,817	25,656,223	26,057,908	26,237,582	24,151,379
Expenditures										
General government:										
Town Council	805,975	404,915	427,733	354,820	628,992	516,371	536,680	507,664	539,328	514,578
Town Administration and Finance	2,483,915	2,420,844	2,367,698	2,212,155	2,645,746	3,775,637	4,272,614	2,419,721	2,401,870	2,759,199
Legal	475,202	458,525	292,506	268,987	639,785	410,545	559,652	321,686	257,448	351,476
Total general government	3,765,092	3,284,284	3,087,937	2,835,962	3,914,523	4,702,553	5,368,946	3,249,071	3,198,646	3,625,253
Public safety	6,558,600	6,234,271	6,306,601	6,350,819	7,973,823	7,917,265	8,092,524	10,173,706	10,734,392	10,582,554
Parks and recreation	2,194,546	2,248,811	2,183,242	2,495,685	2,721,909	2,826,779	4,140,497	5,764,672	3,005,764	2,878,402
Public works/transportation	1,469,459	2,018,943	2,485,634	2,175,948	2,345,948	2,255,619	2,254,540	2,441,236	2,415,559	2,309,942
Comprehensive planning	1,456,088	1,439,318	1,635,458	1,679,697	-	-	-	-	-	-
Debt service:										
Principal	128,379	201,663	-	100,000	105,000	1,750,050	104,980	150,845	46,607	519,302
Interest	251,046	551,948	549,039	599,573	600,247	654,998	596,942	551,077	550,747	536,996
Cost of issuance	-	-	53,650	-	-	-	-	-	-	-
Administrative	242,260	-	-	-	2,406	-	-	-	1,467,844	1,350,213
Capital outlay	3,743,887	5,140,046	7,442,013	3,988,884	3,355,986	4,483,437	2,899,836	3,619,695	2,877,291	4,322,994
Total Expenditures	19,809,357	21,119,284	23,743,574	20,226,568	21,019,842	24,590,701	23,458,265	25,950,302	24,296,850	26,125,656
Other Financing Sources (Uses)										
Proceeds from debt issuance	7,329,999	-	1,855,000	-	-	-	-	-	-	-
Discount on debt issued	(41,384)	-	-	-	-	-	-	-	-	-
Transfer in	3,025,816	4,826,300	1,277,865	1,768,223	1,974,371	2,684,153	3,424,979	1,660,069	2,997,898	2,241,647
Transfer out	\$ (1,425,816)	(4,126,300)	(1,009,768)	(1,768,223)	(1,474,371)	(2,684,153)	(3,282,074)	(1,791,593)	(3,084,099)	(2,425,622)
Total Other Financing Sources (Uses)	8,888,615	700,000	2,123,097	-	500,000	-	142,905	(131,524)	(86,201)	(183,975)
Net change in fund balance	\$ 6,163,930	\$ (2,779,843)	\$ (1,908,170)	\$ (799,080)	\$ (1,737,829)	\$ (2,109,884)	\$ 2,340,863	\$ (23,918)	\$ 1,854,531	\$ (2,158,252)
Ratio of total debt service to noncapital expenditures	2.36%	4.72%	3.37%	4.31%	3.99%	11.96%	3.41%	3.14%	2.79%	4.84%

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(IN THOUSANDS)

Fiscal year	Property Tax	Utility Service Tax	Communication		Franchise fees	Total
			Service Tax			
2011	\$ 5,661	\$ 2,802	\$ 1,423	\$ 1,444	\$ 11,330	
2012	5,442	2,846	1,349	1,674	11,311	
2013	5,432	3,016	1,367	1,551	11,366	
2014	5,525	3,255	1,938	1,148	11,866	
2015	5,785	3,230	1,378	1,160	11,553	
2016	5,968	3,297	1,246	1,179	11,690	
2017	6,267	3,407	1,166	926	11,766	
2018	6,753	3,065	1,210	1,273	12,301	
2019	7,148	3,572	1,131	1,131	12,982	
2020	7,418	3,656	1,028	455	12,557	

TOWN OF MIAMI LAKES, FLORIDA
 REVENUE CAPACITY
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (IN THOUSANDS)

Calendar Year Ended December 31,	Real Property				Billions	Exemptions (a)				
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Personal Property	Total Actual & Just Value of Taxable Property	Real Property - Amendment 10 Excluded Value (b)	Real Property - Other Exemptions	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	1,903,646	1,032,709	258,263	194,083	3,388,701	209,587	690,396	19,733	2,468,985	2.3518
2012	1,874,949	1,042,206	256,502	191,859	3,365,516	167,191	511,365	14,560	2,672,400	2.3518
2013	1,907,261	1,042,902	250,187	201,117	3,401,467	282,618	604,260	17,619	2,496,970	2.3518
2014	2,137,641	1,058,802	267,240	185,585	3,649,268	454,180	602,557	18,893	2,573,638	2.3518
2015	2,388,913	1,058,745	271,135	180,874	3,899,667	628,869	611,211	18,311	2,641,276	2.3518
2016	2,577,848	1,110,765	299,061	190,323	4,177,997	749,453	630,582	18,649	2,779,313	2.3518
2017	2,702,800	1,211,433	312,785	185,169	4,412,187	710,706	691,978	19,289	2,990,214	2.3353
2018	2,964,740	1,224,963	312,704	191,529	4,693,936	729,019	760,004	19,436	3,185,477	2.3127
2019	2,997,709	1,252,265	316,975	192,054	4,759,003	656,523	761,054	19,732	3,321,694	2.3127
2020	3,216,157	1,094,617	320,962	207,565	4,839,301	N/A	N/A	N/A	3,636,956	2.3127

NOTES:

* 2020 - Based on preliminary values as final values are NOT yet available.

** Property in the Town is reassessed each year. Property is assessed at actual market value. Tax rates are per \$1,000 of assessed value.

*** Source: Miami-Dade County Property Appraiser

**** N/A - Information not available as of the issuance of this report

TOWN OF MIAMI LAKES, FLORIDA
 REVENUE CAPACITY
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN YEARS
 (PER \$1,000 OF ASSESSED VALUE)

<u>Town of Miami Lakes</u>			<u>Overlapping Rates:</u>															
			<u>Miami-Dade County</u>			<u>Miami-Dade Fire & Rescue</u>			<u>Miami-Dade School Board</u>			<u>State and Other</u>						
Calendar Year	Operating	Total Town	Operating	Debt	Total	Operating	Debt	Total Fire	Operating	Debt	Total	Public	Children's	South Florida	Environmental	Florida Inland	Total State	Total Direct &
Ended	Millage		Millage	Service	County	Millage	Service	Millage	Millage	Service	School	Library	Trust	Water	Projects	Navigation	and Other	Overlapping
December 31,				Millage	Millage		Millage			Millage	Millage			Management		District	Millage	Rates
2011	2.3702	2.3702	5.4275	0.4450	5.8725	2.5750	0.0200	2.5950	7.8640	0.3850	8.2490	0.3500	0.5000	0.5346	0.0894	0.0345	1.5085	20.5952
2012	2.3518	2.3518	4.7035	0.5180	5.2215	2.4500	0.0127	2.4627	7.7650	0.2330	7.9980	0.1725	0.5000	0.3676	0.0613	0.0345	1.1359	19.1699
2013	2.3518	2.3518	4.7035	0.7550	5.4585	2.4500	0.0127	2.4627	7.7650	0.2330	7.9980	0.1725	0.5000	0.3523	0.0587	0.0345	1.1180	19.3890
2014	2.3518	2.3518	4.7035	0.4220	5.1255	2.4496	0.0127	2.4623	7.6440	0.3330	7.9770	0.1725	0.5000	0.3583	0.0587	0.0345	1.1240	19.0406
2015	2.3518	2.3518	4.6669	0.4500	5.1169	2.4207	0.0114	2.4321	7.7780	0.1990	7.9770	0.2840	0.5000	0.1577	0.0548	0.0345	1.0310	18.9088
2016	2.3518	2.3518	4.6669	0.4500	5.1169	2.4207	0.0090	2.4297	7.4130	0.1990	7.6120	0.2840	0.5000	0.1459	0.0506	0.0320	1.0125	18.5229
2017	2.3353	2.3353	4.6669	0.4000	5.0669	2.4207	0.0080	2.4287	7.1380	0.1840	7.3220	0.2840	0.5000	0.1359	0.0471	0.0320	0.9990	18.1519
2018	2.3127	2.3127	4.6669	0.4644	5.1313	2.4207	0.0080	2.4287	6.5040	0.2290	6.7330	0.2840	0.4415	0.2519	0.0417	0.0320	1.0511	17.6568
2019	2.3127	2.3127	4.6669	0.4780	5.1449	2.4207	0.0000	2.4207	7.0250	0.1230	7.1480	0.2840	0.4680	0.2398	0.0397	0.0320	1.0635	18.0898
2020	2.3127	2.3127	4.6669	0.4780	5.1449	2.4207	0.0000	2.4207	6.9360	0.1930	7.1290	0.2840	0.4507	0.2295	0.0380	0.0320	1.0342	18.0415

Source: Miami-Dade County, Finance Department, Tax Collector's Division.

TOWN OF MIAMI LAKES, FLORIDA
REVENUE CAPACITY
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(IN THOUSANDS)

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
<u>Taxpayer</u>						
THE GRAHAM COMPANIES	\$ 448,748	1	13.51%	\$ 289,838	1	11.74%
SENGRA CORPORATION	105,799	2	3.19%	99,386	2	
FLORIDA POWER & LIGHT COMPANY	31,217	3	0.94%	20,748	6	0.84%
CORDIS CORPORATION	23,071	4	0.69%	26,055	3	1.06%
ROYAL OAKS PLAZA INC	23,000	5	0.69%	17,120	8	0.69%
MIAMI LAKES COUNTRY CLUB INC	21,066	6	0.63%	16,335	9	0.66%
MIAMI LAKE AM LLC	20,320	7	0.61%			0.00%
CATERPILLAR TRACTOR CO	19,100	8	0.58%	20,805	5	
TGC INDUSTRIAL LLC	16,632	9	0.50%			0.00%
COSTCO WHOLESALE CORP	15,710	10	0.47%	17,175	7	
CAP EAST ASSOCIATES				25,031	4	1.01%
BRE/MIAMI LAKES INDUSTRIAL LLC				13,560	10	0.55%
Total	<u>724,663</u>		<u>21.82%</u>	<u>546,054</u>		<u>16.55%</u>
Total Taxable Assessed Value (in thousands)	\$ 3,321,694			\$ 2,468,985		

Source: Miami-Dade County Property Appraiser

TOWN OF MIAMI LAKES, FLORIDA
 REVENUE CAPACITY
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARAS
 (IN THOUSANDS)

Fiscal Year ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Net Amount Levied	Percentage of Levy		Amount	Percentage of Levy
2011	6,060	5,757	95.00%	51	5,808	95.84%
2012	5,807	5,258	90.55%	n/a	n/a	n/a
2013	5,517	4,785	86.73%	473	5,258	95.31%
2014	5,904	5,525	93.58%	n/a	n/a	n/a
2015	6,056	5,785	95.53%	85	5,870	96.93%
2016	6,329	5,872	92.78%	95	5,967	94.28%
2017	6,607	6,164	93.29%	103	6,267	94.85%
2018	7,046	6,601	93.69%	152	6,753	95.84%
2019	7,433	6,980	93.90%	169	7,148	96.17%
2020	7,784	7,244	93.06%	174	7,418	95.30%

Source: Miami-Dade County Property Tax Collector

TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Government Activities				Business-Type Activities			Debt Coverage					
	Government Activities Notes Payable	Special Obligation Bonds Payable, Series 2010	Roadway Improvement Special Obligation Loan Payable	Quality Neighborhood Improvement Program (QNIP) Roadway	Stormwater Utility Revenue Bonds	Other Obligations	Total Primary Government	Population	Per Capita Personal Income	Percentage of Personal Income	Debt Per Capita	Pledged Revenue	Coverage
2011	\$ 201,663	\$ 7,289,652	\$ -	\$ -	\$ -	\$ -	\$ 7,491,315	29,369	29,670	0.86%	255.08	\$ 2,439,328	4.45
2012	-	7,291,032	-	-	-	-	7,291,032	30,057	28,756	0.84%	242.57	2,502,818	4.56
2013	-	7,292,412	1,855,000	-	-	-	9,147,412	30,396	28,410	1.06%	300.94	2,670,036	4.87
2014	-	7,293,792	1,755,000	-	-	-	9,048,792	30,161	27,042	1.11%	300.02	2,849,187	5.19
2015	-	7,295,172	1,650,000	-	-	-	8,945,172	30,791	28,006	1.04%	290.51	2,805,937	5.12
2016	-	7,296,552	-	1,006,155	449,760	-	8,752,467	30,456	28,888	0.99%	287.38	2,833,279	5.17
2017	-	7,297,932	-	901,175	403,886	130,662	8,733,655	30,873	31,020	0.91%	282.89	2,924,957	5.33
2018	-	7,299,312	-	750,330	354,446	116,144	8,520,232	31,087	33,074	0.83%	274.08	2,965,913	5.41
2019	-	7,300,692	-	703,723	302,486	101,626	8,408,527	31,628	35,026	0.76%	265.86	3,076,152	5.61
2020	-	6,922,072	-	564,421	248,006	87,108	7,821,607	31,367	38,295	0.65%	249.36	3,109,645	3.40

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

The Series 2010 Electric Utility Tax Revenue Bonds provided that pledged revenue shall be adequate to cover at least 125% of the next succeeding year Annual Debt Service Requirement for all bonds outstanding.

	Next Succeeding Year				
	Electric Utility Tax	Principal	Interest	Total Debt Service Requirements	Coverage
2012	2,502,818	-	548,499	548,499	456%
2013	2,670,036	-	548,499	548,499	550%
2014	2,849,187	-	548,499	548,499	519%
2015	2,805,937	-	548,499	548,499	512%
2016	2,833,279	-	548,499	548,499	517%
2017	2,924,957	-	548,499	548,499	533%
2018	2,965,913	-	548,499	548,499	541%
2019	3,076,152	-	548,499	548,499	561%
2020	3,109,645	380,000	535,104	915,104	340%

TOWN OF MIAMI LAKES, FLORIDA
DEBT CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>% of Debt Applied to Miami Lakes (1)</u>	<u>Amount of Debt Applied to Miami Lakes</u>
Miami-Dade County Schools (2)	\$ 935,644,000	1.12%	\$ 10,491,011
Miami-Dade County (3)	2,282,020,000	1.12%	25,587,400
Sub-total overlapping debt	<u>3,217,664,000</u>		<u>36,078,412</u>
Town of Miami Lakes direct debt	7,821,607	100.00%	7,821,607
Total direct and overlapping debt	<u>\$ 3,225,485,607</u>		<u>\$ 43,900,019</u>

Sources:

- (1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the County's taxable property value that is within the Town's boundaries and dividing it by the County's total taxable property value.
- (2) Based on Miami-Dade County percentage of County's taxable property.
- (3) Miami-Dade County, Finance Department (General Obligation Bonds)

TOWN OF MIAMI LAKES, FLORIDA
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Calendar Year	Population	Median Household Income (\$)	Total Personal Income (in 000's)	Unemployment Rate	Per Capita Personal Income	Median Age	School Enrollment
2011	29,369	63,794	871,378	5.70%	29,670	38	8,005
2012	30,057	(1)	(1)	9.10%	(1)	(1)	7823
2013	30,396	64,497	863,550	7.00%	28,410	38	7973
2014	30,161	63,754	815,614	7.40%	27,042	39	7668
2015	30,791	65,269	862,333	5.70%	28,006	39	7,774
2016	30,456	66,601	879,813	5.10%	28,888	39	8,082
2017	30,873	72,225	957,680	3.90%	31,020	38	8,077
2018	31,087	72,545	1,028,171	3.60%	33,074	39	8,222
2019	31,628	73,527	1,107,802	2.70%	35,026	39	8,465
2020	31,367	75,762	1,201,199	8.60%	38,295	39	8,465

Sources:

Per Capita and Median Household Income information provided by U.S. Bureau of the Census.

School enrollment data provided by U.S. Census Bureau for 2000, 2005-2009, and 2008-2011 American Community Survey Estimates.

Unemployment rate data provided by the U.S. Bureau of the Census or derived from Local Area Unemployment Statistics.

Population information provided by the U.S. Bureau of the Census (2000 and 2011) or Florida's Bureau Economic and Business Research (BEBR).

Note:

(1) Information unavailable

TOWN OF MIAMI LAKES, FLORIDA
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 PRINCIPAL EMPLOYERS
 CURRENT AND TEN YEARS AGO

Employer	2020			2011		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
BANK UNITED	726	1	4.30%	(a)		-
CORDIS CORP	505	2	2.99%	(a)		-
KELLSTROM MATERIALS	396	3	2.35%	(a)		-
GRAHAM COMPANIES (ML)	344	4	2.04%	335	3	1.98%
CATERPILLAR LOGISTICS SERVICES, INC.	220	5	1.30%	(a)		-
NATIONAL MOLDING, LLC	205	6	1.21%	(a)		-
WALGREENS #1219-2	202	7	1.20%	(a)		-
PUBLIX SUPER MARKETS #1129	201	8	1.19%	(a)		-
ANDY FRAIN SERVICES, INC.	200	9	1.18%	(a)		-
ISACO INTERNATIONAL CORPORATION	200	10	1.18%	(a)		-
	<u>2,473</u>		<u>14.65%</u>	<u>335</u>		<u>1.98%</u>
Total Employed	16,881	(1)		14,563	(2)	

Note (1) U.S. Census Bureau, Selected Economic Characteristics 2008-2011 American Community Survey
 Note (2) U.S. Census Bureau - Census 2000 Summary
 Note (a) Information unavailable

TOWN OF MIAMI LAKES, FLORIDA
 OPERATING INFORMATION
 FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Town Clerk's Office	5	4	1	1	1	1	1	1	1	1
Town Administration	8	12	14	12	14	17	12	15	15	14
Building Department	4	12	19	12	9	10	10	12	13	13
Planning, Code Compliance and Development	5	5	5	4	4	8	3	4	3	3
Parks/Recreation and Community Affairs	7	16	26	13	8	8	11	12	13	12
Public Works, Stormwater, Facilities & Transit	2	6	7	6	4	4	6	6	7	7
Total	31	55	72	48	40	48	43	50	52	50

Source: Town of Miami Lakes, Florida Adopted Budget (various years).

TOWN OF MIAMI LAKES, FLORIDA
 OPERATING INFORMATION
 OPERATING INDICATORS BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>General Government</u>										
Building permits issued	673	699	749	948	799	909	4,622	3,598	4,108	3,269
Business Tax Receipts	1,171	1,250	973	1,394	1,541	1,483	1,422	1,328	1,372	1,156
<u>Police</u>										
Physical arrests	362	332	357	273	166	148	177	121	140	63
<u>Culture and Recreation</u>										
Summer camp participants - per week	215	150	20	100	100	135	135	225	201	30
Community programs - per year	146	93	91	83	47	51	73	66	67	53
Special events - per year	n/a	47	48	75	65	65	97	202	165	54
<u>Stormwater Utility</u>										
Stormwater system linear feet cleaned	43,905	24,500	34,180	26,617	25,383	28,602	32,312	37,733	37,999	23,642
Number of Stormwater drains cleaned	676	185		380	328	429	536	706	617	408
<u>Public Works</u>										
Road miles (maintained)	60	60	60	60	60	77	77	77	77	77
Street lights (maintained)	540	801	1,032	491	485	915	915	915	915	915

Sources: Various Town departments and Miami-Dade County Police Department

Notes: n/a indicates information for those years is not available

TOWN OF MIAMI LAKES, FLORIDA
 OPERATING INFORMATION
 CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Police (4)</u>										
Police Personnel	49	49	49	49	46	49	46	47	51	49
<u>Culture and Recreation (3)</u>										
Number of parks	99	99	101	101	101	101	102	102	102	102
Park acreage	118.3	118.3	127.17	127.17	127.17	127.17	127.24	127.24	127.24	127.24
Community center	3	3	3	3	3	3	4	4	4	4
<u>Stormwater Drainage (1)</u>										
Stormwater system - linear feet	86,087	88,894	88,894	90,824	90,824	98,835	98,914	104,700	110,498	114,810
Stormwater drains - catchbasins & manholes	1,464	1,560	1,324	1,335	1,335	1,376	1,377	1,396	1,505	1,564
<u>Public Works (2)</u>										
Road miles	77	77	77	77	77	77	77	77	77	77
Street lights	2,890	2,084	2,975	2,362	2,362	2,047	2,047	2,047	2,047	2,047

(1) Town of Miami Lakes, Stormwater Master Plan Update and GIS analysis performed during fiscal year 2011. Prior years have been adjusted to reflect corrected information.

(2) Public Works annual state report on road miles, streetlights from Florida Power & Light. Street lights reflect corrections made after an audit with FP & L.

(3) Town of Miami Lakes Parks Department

(4) Miami-Dade Police Department (represents total units 24 hours, 7 days)

TOWN OF MIAMI LAKES, FLORIDA
 MISCELLANEOUS INFORMATION
 INSURANCE IN FORCE

Type of Coverage	Insurer	Policy Period	Premium
Property	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	\$ 84,083
General Liability	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	108,760
Public Officials & Employment Practices Liability	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	119,586
Automobile Insurance	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	14,325
Inland Marine	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	2,030
Crime/Fidelity	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	791
Workers Compensation	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	18,137
Government Crime	Preferred Governmental Insurance Trust	10/1/2019 - 09/30/2020	500
Agency Fee	Brown & Brown of Florida, Inc	10/1/2019 - 09/30/2020	20,000
		Total Policies	<u>\$ 368,212</u>



COMPLIANCE SECTION



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

To the Honorable Mayor, Town Council and Town Manager
Town of Miami Lakes, 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 Town of Miami Lakes, Florida (the “Town”), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’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 Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’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

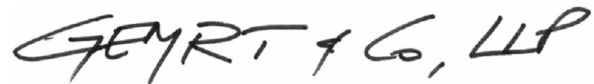
As part of obtaining reasonable assurance about whether the Town’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 Town'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
March 22, 2021



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

To the Honorable Mayor, Town Council and Town Manager
Town of Miami Lakes, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Miami Lakes, Florida (the “Town”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 22, 2021.

Auditors’ Responsibility

We conducted our audit in accordance 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ 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*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ 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 March 22, 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 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 Town was established pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There were no component units related to the Town.

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 Town 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 Town 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 Town. The assessment was completed as of the fiscal year end. It is management's responsibility to monitor the Town'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 recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires 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 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, State and other granting agencies, members of the Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Coral Gables, Florida
March 22, 2021



**INDEPENDENT ACCOUNTANTS' 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**

To the Honorable Mayor, Town Council and Town Manager
Town of Miami Lakes, Florida

We have examined the Town of Miami Lakes, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management of the Town is responsible for the Town's compliance with those specified requirements. Our responsibility is to express an opinion on the Town'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 Town'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 Town's compliance with specified requirements.

In our opinion, the Town 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 Town management, members of the Town Council, others within the Town, 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 "GENVRT & Co, LLP". The signature is written in a cursive, slightly slanted style.

Coral Gables, Florida
March 22, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor, Town Council and Town Manager
Town of Miami Lakes, Florida

Report on Compliance for Each Major Federal Program

We have audited the Town of Miami Lakes, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town's major Federal programs for the fiscal year ended September 30, 2020. The Town's major Federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Coral Gables, Florida
March 22, 2021

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Federal Agency Pass-Through Entity Federal Program	CFDA Number	Contract/ Grant Number	Expenditures
<u>FEDERAL AGENCY NAME</u>			
U.S. Department of Transportation			
<i>Pass through Florida Department of Transportation</i>			
Highway Planning and Construction Program	20.205	G1505	\$ 940,968
Highway Planning and Construction Program	20.205	G0L28	<u>711,305</u>
Total U.S. Department of Transportation			<u><u>1,652,273</u></u>
U.S. Department of Energy			
<i>Pass through Florida Department of Agriculture and Consumer Services Office of Energy</i>			
State Energy Program	81.041	LG005	<u>17,066</u>
U.S. Department of Homeland Security Federal Emergency Management Assistance			
Flood Mitigation Assistance Program	97.029	B0004	<u>60,275</u>
U.S. Department of Justice			
<i>Pass through Florida Department of Law Enforcement</i>			
Coronavirus Emergency Supplemental Funding Program	16.034	2021-CESF-DADE-10-C9-134	<u>122,700</u>
U.S. Department of Treasury			
<i>Pass through Miami-Dade County</i>			
Coronavirus Aid, Relief, and Economic Security Act - Coronavirus Relief Fund for COVID-19	21.019	Unknown	<u>94,758</u>
Total Expenditures for Federal Awards			\$ <u><u>1,947,072</u></u>

The accompanying notes are an integral part of this schedule

TOWN OF MIAMI LAKES, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the Town of Miami Lakes. For purposes of this schedule, federal awards include federal assistance received directly from a federal agency, as well as federal funds received indirectly by the Town from state and non-state organizations.

NOTE 2 – BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the Town.

The expenditures in the accompanying schedule are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the Town becomes obligated for a payment as a result of the receipt of the related goods or services.

NOTE 3 – CONTINGENCY

The grant revenues received by the Town are subject to review by grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. If any expenditures are disallowed by grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Town. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

NOTE 4 – INDIRECT COST RATE

The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

TOWN OF MIAMI LAKES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	No

Identification of major Federal programs:

<u>Federal Program</u>	<u>Federal CFDA No.</u>
Highway Planning and Construction	20.205
Dollar threshold used to distinguish between Type A and Type B Federal programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	No

SECTION II – FINDINGS - FINANCIAL STATEMENTS

None.

SECTION III – FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None.

SECTION IV – OTHER ISSUES

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



Town of Miami Lakes

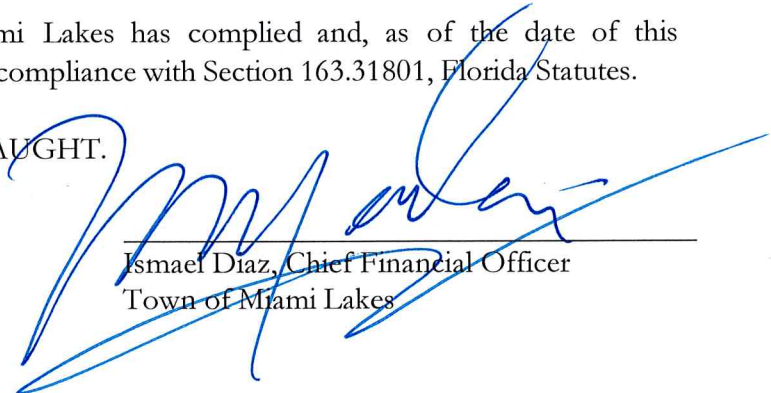
6601 Main Street • Miami Lakes, Florida 33014
Tel: (305) 364-6100 / Fax (305) 558-6066
www.miamilakes-fl.gov

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Ismael Diaz, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the Town of Miami Lakes which is a local governmental entity of the State of Florida;
2. The governing body of the Town of Miami Lakes entered into a contract with Miami-Dade County which authorized the Town of Miami Lakes to receive and expend proceeds of an impact fee implemented by Miami-Dade County adopted through Ordinances 90-31 and 90-59 implementing impact fees; and
3. The Town of Miami Lakes has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



Ismael Diaz, Chief Financial Officer
Town of Miami Lakes

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 26 day of May, 2021.



Rosa M Marrero
Comm. # GG952788
Expires: Jan. 29, 2024
Bonded Thru Aeron Notary



NOTARY PUBLIC
Print Name ROSA MARRERO

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

Jan 29, 2024.