

Miami Shores Village

A Florida Municipality

2019-2020

Comprehensive Annual Financial Report

**For the Fiscal Year ended
September 30, 2020**



**MIAMI SHORES VILLAGE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

PREPARED BY THE FINANCE DEPARTMENT

MIAMI SHORES VILLAGE, FLORIDA

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INTRODUCTORY SECTION



Miami Shores Village

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MIAMI SHORES, FLORIDA 33138-2382
TELEPHONE: (305) 795-2207
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Crystal Wagar
MAYOR

Alice Burch
VICE MAYOR

Sean Brady
COUNCILMAN

Stephen Loffredo
COUNCILMAN

Jonathan Meltz
COUNCILMAN

Tom Benton
VILLAGE MANAGER

Richard Sarafan
VILLAGE ATTORNEY

Ysabely Rodriguez
VILLAGE CLERK

May 25, 2021

The Mayor and Members of the Village Council
10050 Northeast Second Avenue
Miami Shores, Florida 33138

**Subject: FY 2019-20
Comprehensive Annual Financial Report**

To the Mayor and Members of the Village Council:

In compliance with Florida State Statute Chapter §11.45, Chapter §10.550 of the Rules of the Auditor General, and Chapter 34(3) of the Miami Shores Village Code of Ordinances, we are pleased to submit for your review and consideration the *Miami Shores Village Comprehensive Annual Financial Report* for the fiscal year ended September 30, 2020. The financial statements included in this report conform to generally accepted accounting principles in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Village.

This report consists of management's representations concerning the financial condition of Miami Shores Village ("The Village"). Consequently, management assumes full responsibility for the complete presentation, reliability, and accuracy of all of the information presented in this report. To provide a reasonable basis for making these representations, the Village's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformance with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements have been audited by Caballero Fierman Llerena & Garcia, LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Village in conformity with GAAP. Their audit was conducted in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards* issued by the Comptroller General of the United States and the Rules of the Auditor General, State of Florida. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the Village 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 the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of Miami Shores Village, for the fiscal year ended September 30, 2020, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The contents of the CAFR have been influenced by compliance with GASB pronouncements, including Statement 34 that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds as well as Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE GOVERNMENT

Miami Shores Village, a Florida municipal corporation incorporated in 1932, is located in Northeast Miami-Dade County. The Village has a year-round population estimated at 10,700 residents living within the 2.5 square mile jurisdiction. The Village generally begins at Biscayne Bay on the east and goes west to Northwest Second Avenue. The north and south boundaries are generally 115th Street and 91st Street respectively. The Village is a residential-based community with two (2) commercial districts located on Second Avenue and Biscayne Boulevard. Despite its close proximity to Downtown Miami, the Village maintains a suburban feel. With limited commercial presence, new growth will likely be limited to redevelopment. Wealth levels in the Village are above average, with per capita income at \$50,338 or 159% of the state, and median household income at \$123,478 or 222% of the state.

Operating under a Council-Manager form of government, the Council consists of five members elected at large. The Mayor is chosen by each of the newly formed councils. Historically, the individual receiving the highest number of votes during the election is chosen as the Mayor and the Vice-Mayor has received the second highest. Both the Mayor and Vice-Mayor serve four (4) year terms, two as mayor/vice-mayor and two as regular council members. The Village Council is responsible for the selection and appointment of the Village Manager, Village Clerk and Village Attorney. The Village Manager is responsible for engaging all department heads and their subordinates.

Miami Shores Village provides a full range of municipal services including recreation and culture, public safety through the police, public works and general administrative services for its residents and businesses. For the fiscal year ended September 30, 2020, no legally separate authorities or agencies operated under the auspices of the Village; therefore, no additional financial information will be incorporated into these statements.

FACTORS AFFECTING FINANCIAL CONDITIONS

The information presented in the Village's financial statements primarily focus on the financial position at the end of each fiscal year as measured by existing resources and claims against those resources. To better understand the Village's financial condition, readers should focus on both existing and future resources and potential claims (or liabilities) against those resources. This broader concept is used to assess the financial condition of the Village, reflecting the current financial position as well as the prospects that today's financial condition will improve or deteriorate. To achieve this objective, the Village uses a wide-range of information including local economic conditions and outlook; long-term debt management; capital construction and investments; cash management / investments; and, of course, risk controls.

ECONOMIC CONDITION AND OUTLOOK

Property values in the Village are expected to continue to increase. Although substantially built-out, the Village is experiencing a significant amount of residential renovation and teardown/rebuild activity. New construction, additions, and rehabilitative improvements continue with a net new taxable value of \$8.9 million reflected in fiscal year 2020. Building Permits continue to be issued at an all-time high. It is anticipated that property values will continue to increase due to the desirability of the area and the close proximity to Greater Downtown Miami. The Village experienced an increase in assessed property values of 6.3% for fiscal year 2019 and 6.8% for fiscal year 2020. It is anticipated that this trend will continue, but at slightly lower increases in property values.

Management continues to make capital improvements that will maintain and further enhance the lifestyle of the residents and improve services. During fiscal year 2020, the Village, like all other jurisdictions suffered from the COVID-19 pandemic. As a result of the pandemic, few projects were undertaken. The biggest project completed was the construction of a new aquatics playground, Wild Waters Aquatic Park, at the Village's municipal aquatic facility. In order to continue to provide the high level of services that have become a hallmark of the community, Management continues to control costs by closely monitoring purchasing procedures and levels of staffing. Due to these efforts the general fund unassigned fund balance for fiscal year 2020 is \$6.3 million plus an additional pending receivable of \$3.3 million awaiting FEMA resolution. This surplus will enable the Village to continue to provide the same level of services to the residents in the upcoming fiscal years, and to address continuing capital improvement requirements, and to fund any Hurricane IRMA expenses not recovered from FEMA.

The Village maintains a strong financial position with adequate reserve levels, modest tax base with above average socioeconomic indices, and a manageable debt profile. The stable financial operations are a result of management's commitment to conservative budgeting and controlling costs.

FINANCIAL INFORMATION

Accounting Control

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

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Village maintains extensive budgetary controls. The objective of these controls is to ensure compliance with policy and implementation procedures embodied in the annual appropriated budget approved by Village Council. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is the department level within each fund. The Village also maintains an encumbrance accounting system.

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

Budgetary Control

Florida State Statute §200.065 requires that all municipal governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound fiscal practices. In compliance with this Statute as well as other state regulatory items, the Village adopts an annual operating budget into which funds are either formally appropriated by resolution or non-appropriated in nature, depending upon the fund (i.e. – general, special revenue, debt service, enterprise, internal service or trust funds). However, in practice, all funds that have regularly occurring expenses, receive annual budgets and corresponding appropriations.

The annual budget serves as a foundation for the financial planning, guidance and control of the Village. Funds which require legal appropriations cannot exceed their original and amended budgets. All departments are required to annually submit requests for appropriations to the Village Manager by mid-May of each year. The Village Manager then uses those requests as the base from which the annual operating and capital budgets are developed. The budget is presented to the Village Council following the release of the tentatively assessed property values in early July of each year. A workshop is held in July during which council members are free to address department staff with general and specific issues proposed in the budget. Following the summer workshop, the Council adopts a resolution which sets the tentative millage rates which are subsequently sent to the County using Florida Form DR420 for inclusion on the *Proposed Tax Bills*. Two public hearings are held in September of each year during which members of the public are offered the opportunity to provide insight and solicit information regarding the operations of their municipality. After the second public hearing, resolutions presenting the final operating and debt service millage rates, along with corresponding budgets for the fiscal year, are subsequently adopted by the Village Council.

The annual budget is adopted at the fund and general fund department level. Line-item transfers are permitted with the approval of the Finance Director and Village Manager; however, changes to the bottom line of department or fund totals require council approval and are executed by resolution. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. As shown by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

LONG-TERM FINANCIAL PLANNING

Management maintains financial stability with fiscal management controls by constantly reviewing and monitoring staff levels, and by comparing budget appropriations to actual expenditures, and estimated revenues to actual revenues. The Village maintains a level of revenue sufficient to meet operating expenditures. Due to the COVID-19 pandemic, much uncertainty remains with respect to the economy. The Village is closely monitoring and taking a conservative approach in order to continue to provide basic services to our residents and to ensure the quality of life style our residents currently enjoy. The Village maintains a strong fund balance in order to address many of these issues.

Although the Village is a highly desirable place to live, management has plans to continue making improvements to our Community. The Village continues to work on an age friendly initiative to make our community more livable for our senior citizens. The library has begun an expansion of the children's section of our library which will be completed in early FY2022. A drainage project in Shores Estates, consisting of a pump station and new piping, will begin using grant funding from FEMA. We are also finalizing a septic to sewer project in Shores Estates using Florida Department of Environmental Protection grant funds.

AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Miami Shores Village for its comprehensive annual financial report for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Miami Shores Village for its Popular Annual

Financial Report for the fiscal year ended September 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Credit must also be given to the members of the Village Council for their unfailing support for maintaining the highest standards of professionalism in the financial and operational management of Miami Shores Village. And, finally, we would like to express our sincere thanks and appreciation to the management and staff of our auditing firm, Caballero Fierman Llerena & Garcia, LLP. Their dedication to ensuring the accuracy of the data presented to you in this report was greatly evident during the past several weeks.

Respectfully submitted,
MIAMI SHORES VILLAGE



THOMAS J. BENTON
Village Manager



Holly Hugdahl, CPA, CGMA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Miami Shores Village
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

MIAMI SHORES VILLAGE, FLORIDA

LIST OF ELECTED OFFICIALS
SEPTEMBER 30, 2020



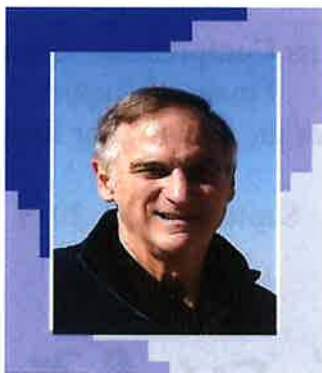
Mayor Crystal Wagar



Vice Mayor Alice Burch



**Councilman
Sean Brady**



**Councilman
Stephen Loffredo**



**Councilman
Jonathan Meltz**

MIAMI SHORES VILLAGE, FLORIDA

LIST OF APPOINTED OFFICIALS

SEPTEMBER 30, 2020

APPOINTED OFFICIALS

Village Manager.....Thomas J. Benton
Village Clerk..... Ysabely Rodriguez, CMC
Village Attorney.....Richard Sarafan

DEPARTMENT HEADS

Building Director Ismael Naranjo
Code Compliance Director Lazaro Remond
Finance Director..... Holly Hugdahl, CPA
Library Director Michelle Brown
Planning & Zoning Director Travis Kendall
Chief of Police Kevin Lystad
Public Works Director Scott Davis
Recreation Director Angela Dorney

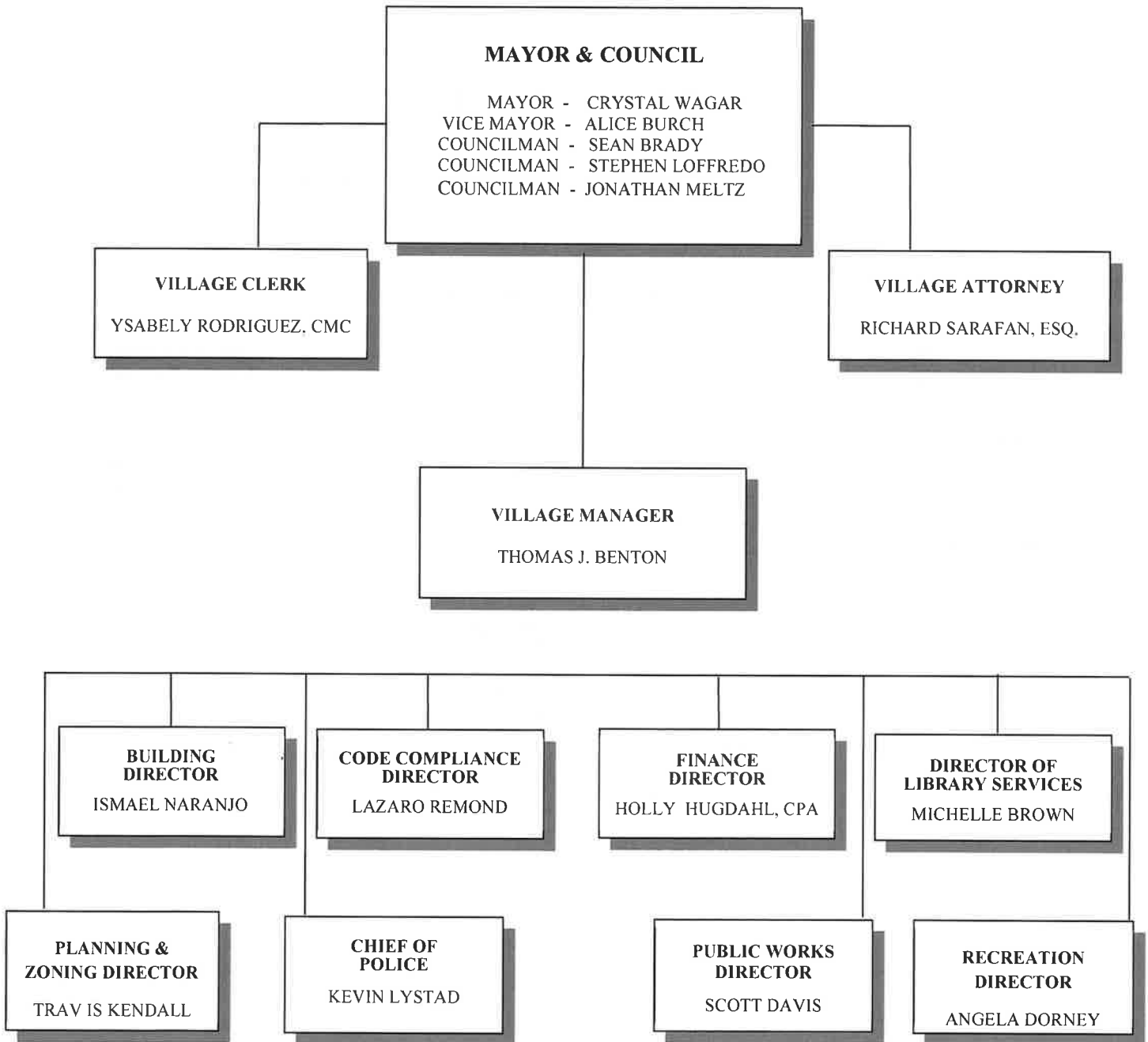
VILLAGE AUDITORS

Caballero Fierman Llerena & Garcia, LLP
Accountants and Advisors

MIAMI SHORES VILLAGE, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2020



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Village Council
Miami Shores Village, 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 Miami Shores Village, Florida (the "Village") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Village'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 Village'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 Village, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the fiscal 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 on pages 3 through 12 and the Budgetary Comparison Schedules, Pension, and Other Post-Employment Benefits Schedules, on pages 63 through 76, 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 Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 May 25, 2021 on our consideration of the Village'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 Village's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
May 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

Management's Discussion and Analysis

As management of Miami Shores Village, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of Miami Shores Village for the fiscal year ended September 30, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to v of this report.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Village's financial activity; (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges); (d) identify any material deviations from the financial plan (the approved budget); and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole.

Financial Highlights for Fiscal Year 2020

At September 30, 2020, Miami Shores Village assets and deferred outflows exceeded its liabilities and deferred inflows by \$31.2 million (net position). Of this amount, \$21.2 million was invested in capital assets, an increase of \$1 million compared with the prior year. Additionally, \$4.4 million was restricted by law, agreements, and debt covenants or for capital projects. The Village had an unrestricted net position of \$5.6 million at September 30, 2020, an increase of \$1.3 million or a 33% increase as compared with the prior year. The increase in unrestricted net position was due to the re-assignment of budgeted personnel, due to the COVID-19 pandemic for which the Village was reimbursed through CARES and savings in the Capital Project Fund as projects were unable to be completed.

During fiscal year 2020, total net position increased by \$2.4 million, from \$28.8 million in FY2019 to \$31.2 million in FY2020. Of this increase, \$2.5 million was an increase in governmental activities and \$146 thousand was a decrease in business-type activities.

At September 30, 2020, Miami Shores Village's governmental funds had fund balances totaling \$11.8 million. Of the total fund balance, approximately \$5.9 million or 50% was unassigned and \$1.4 million or 12% was committed for future capital projects and encumbrances. The restricted fund balance of approximately \$4.4 million, or 38%, is related to funds restricted by the contributing agency. The nonspendable fund balance of approximately \$9 thousand is related to prepaid items. The net change in fund balances during the year was an increase of \$428 thousand indicative of the financial stability of the Village and due to the re-assignment of budgeted personnel related to the COVID-19 pandemic which were reimbursed.

The General Fund's fund balance increased by \$704 thousand for the fiscal year ended September 30, 2020. This increase was a result of departmental savings during the year due to unfilled vacant positions, other lower than budgeted cost savings and the reassignment of budgeted personnel to expenses related to the COVID-19 pandemic which were reimbursed.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Miami Shores Village. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) individual fund financial statements; and, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Position* presents information on all of the assets and deferred outflows and liabilities and deferred inflows of Miami Shores Village, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Miami Shores Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) as well as 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 Miami Shores Village include general government, public safety, public works, building, planning, zoning, code enforcement, parks and recreation. The business-type activities of the Village include Sanitation, Stormwater, and Water and Sewer operations.

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

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

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

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

Miami Shores Village maintains eleven (11) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for the general fund and the three major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements may be found on pages 15 to 18 of this report.

Proprietary funds. Miami Shores Village maintains three proprietary or enterprise funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Miami Shores uses enterprise funds to account for its Sanitation, Stormwater, and Water & Sewer operations. *Internal service funds* provide for an accounting method whereby the organization can accumulate and allocate costs internally among the other user divisions. The Village uses internal service funds to account for its risk management costs as well as its fleet operation. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Village's Sanitation, Stormwater, and Water & Sewer operations, the Sanitation Fund is considered to be a major fund of the Village. Additionally, the Village segregates the financial reporting of both internal service funds to better distinguish the costs of each function.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements may be found on pages 22 to 23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 24 to 62 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 progress in funding its obligations to provide pension benefits to the employees of Miami Shores Village. Required supplementary information may be found on pages 63 to 76 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 77 to 87 of this report.

Government-wide Financial Analysis

The difference between a government's assets and deferred outflows and its liabilities and deferred inflows is its net position. The Village's net position is summarized below:

**Miami Shores Village
Summary of Net Position
(in thousands)**

	Governmental activities		Business-type activities		Total primary governmental		Total percentage change
	2020	2019	2020	2019	2020	2019	2020-2019
Current and other assets	15,488	14,952	6,738	6,573	22,226	21,525	3.26%
Capital assets	23,035	22,222	2,516	2,579	25,551	24,801	3.02%
Total assets	38,523	37,174	9,254	9,152	47,777	46,326	3.13%
Deferred outflows related to pension & OPEB	1,501	1,819	70	96	1,571	1,915	-17.96%
Total deferred outflows of resources	1,501	1,819	70	96	1,571	1,915	-17.96%
Long-term liabilities outstanding	10,221	10,157	4,011	4,000	14,232	14,157	0.53%
Other liabilities	1,315	1,082	1,223	867	2,538	1,949	30.22%
Total liabilities	11,536	11,239	5,234	4,867	16,770	16,106	4.12%
Deferred inflows related to BTR, pension & OPEB	1,312	3,117	41	185	1,353	3,302	-59.02%
Total deferred inflows of resources	1,312	3,117	41	185	1,353	3,302	-59.02%
Net investment in capital assets,	18,699	17,559	2,516	2,579	21,215	20,138	5.35%
Restricted	4,433	4,507	-	-	4,433	4,507	-1.64%
Unrestricted	4,044	2,571	1,533	1,617	5,577	4,188	33.17%
Total net position	27,176	24,637	4,049	4,196	31,225	28,833	8.30%

Net position may be used to assess the financial position of the Village. The Village's combined net position as of September 30, 2020 was \$31.2 million. Approximately 70%, or \$21.2 million, of the Village's net position represent net investment in capital assets. These assets include land, buildings, machinery and equipment, and infrastructure and are not available for future spending. Additionally, \$4.4 million are restricted net position and are subject to external restrictions on how they may be spent.

At September 30, 2020, Miami Shores Village had an unrestricted net position of \$5.6 million. At the end of the current fiscal year, Miami Shores Village is able to report positive balances in all three categories of net position for the government as a whole,

as well as, the governmental funds and business-type activities.

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

**Miami Shores Village
Changes in Net Position
(in thousands)**

	Governmental activities		Business-type activities		Total primary government		Total percentage change
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>
Revenues:							
Program revenues:							
Charges for services	5,397	5,854	3,430	2,912	8,827	8,766	0.70%
Operating grants & Contributions	717	816	-	-	717	816	-12.13%
Capital grants and Contributions	-	-	-	-	-	-	
General Revenues:							
Property taxes	9,673	9,010	-	-	9,673	9,010	7.36%
Other taxes	2,107	2,156	-	-	2,107	2,156	-2.27%
Intergovernmental revenues	1,518	1,209	-	-	1,518	1,209	25.56%
Interest earnings - unrestricted	128	277	12	28	140	305	-54.10%
Miscellaneous	675	665	-	-	675	665	1.50%
Total revenues	20,215	19,987	3,442	2,940	23,657	22,927	3.18%
Expenses:							
General government	3,696	3,922	-	-	3,696	3,922	-5.76%
Public safety	7,230	7,776	-	-	7,230	7,776	-7.02%
Highways Streets	4,401	3,934	-	-	4,401	3,934	11.87%
Sanitation / Stormwater / Water & Sewer	-	-	3,175	7,276	3,175	7,276	-56.36%
Culture & recreation	2,639	3,200	-	-	2,639	3,200	-17.53%
Interest on Long-term Debt	124	133	-	-	124	133	-6.77%
Total expenses	18,090	18,965	3,175	7,276	21,265	26,241	-18.96%
Increase(decrease) in net position before Transfers	2,125	1,021	267	(4,336)	2,392	(3,315)	172.16%
Transfers	414	417	(414)	(417)	-	-	
Increase(decrease) in net position	2,539	1,438	(147)	(4,753)	2,392	(3,315)	172.16%
Beginning net position	24,637	23,198	4,196	8,949	28,833	32,147	-10.31%
Prior period adjustment	-	-	-	-	-	-	
Ending net position	27,176	24,637	4,049	4,196	31,225	28,833	8.30%

Ending net position in governmental activities increased \$2.5 million or 10% during FY2020. The increase in ending net

position is attributable to departmental savings associated with unfilled positions, conservative spending and the reimbursement the Village received for the re-assignment of budgeted personnel due to the COVID-19 pandemic.

Figure A-1

**Expenses and Program Revenues – Governmental Activities
For the Fiscal Year Ended September 30, 2020**

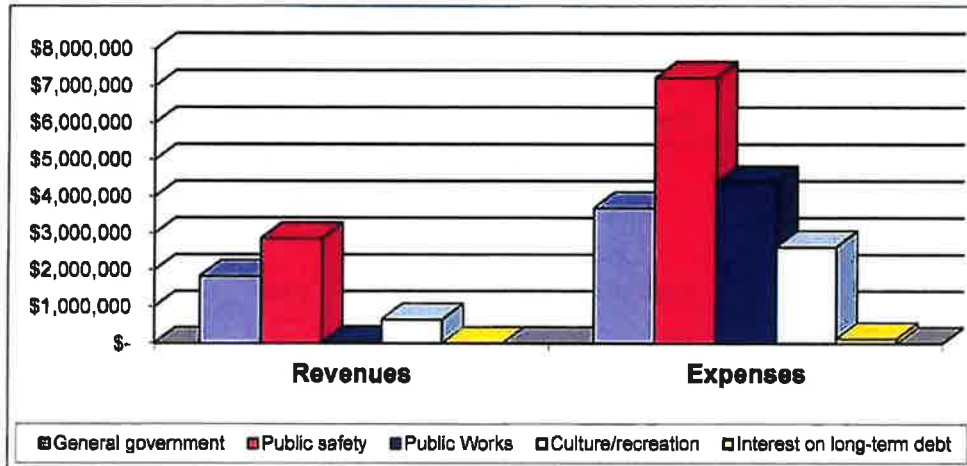
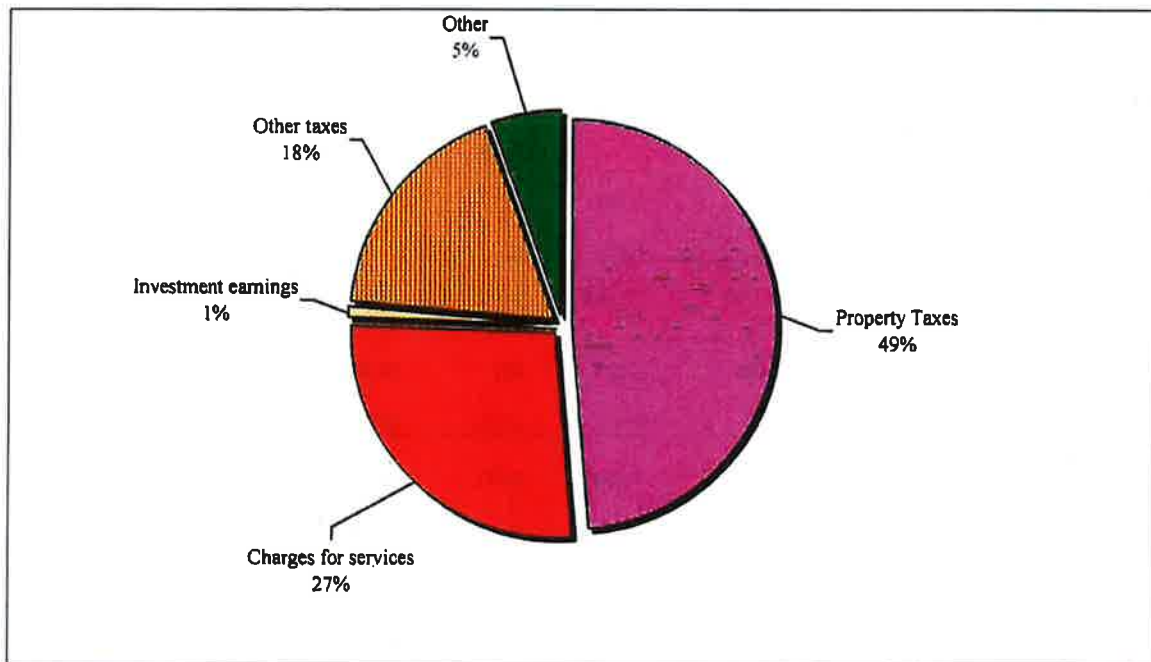


Figure A-2

**Revenues by Source – Governmental Activities
For the Fiscal Year Ended September 30, 2020**



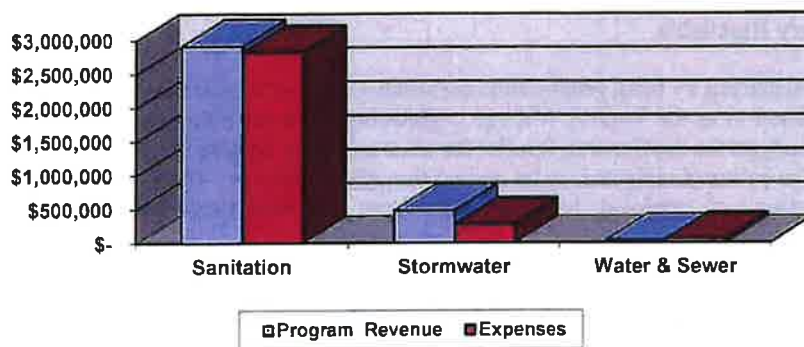
Business-type activities. The Miami Shores Village major business-type activities include the following enterprise funds:

- Sanitation Fund
- Stormwater Fund
- Water & Sewer Fund

Net position of business-type activities decreased by approximately \$146 thousand. This decrease is due to the use of surplus to cover operating expenses in addition to lower than anticipated revenues. The bar graph below summarizes the expenses and program revenues of the business-type activities.

Figure A-3

**Expenses and Program Revenues – Business-type Activities
For the Fiscal Year ended September 30, 2020**



Financial Analysis of the Government’s Funds

As noted earlier, Miami Shores Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the governmental funds for Miami Shores Village reported combined ending fund balances of \$11.8 million. Of this amount, \$5.9 million reflects *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of the fund balance is *committed or restricted* to indicate that it is **not** available for new spending as those dollars have already been 1) committed to liquidate contracts or encumbered fiscal obligations (outstanding purchase orders) valued at \$1.4 million, 2) restricted for funds which restrict how the funds may be spent of \$4.4 million and 3) nonspendable for funds used to account for amounts which cannot currently be spent, such as prepaid expenses of \$9 thousand.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$9.3 million as compared with \$8.6 million in the prior year.

The Village's General Fund balance increased by \$700 thousand during the 2020 fiscal year. This can be attributed to unfilled positions, conservative spending and personnel which had to be reassigned due to the COVID-19 pandemic for which the Village was reimbursed.

The Village has three other major funds, Police Forfeiture, General Trust Fund and Grant Fund. The Excise Tax Fund which collects public service taxes, per loan requirements, and transfers the taxes to the General Fund, was closed at the end of FY 18 as the bond for which the fund was required was paid off.

The Police Forfeiture Fund accumulates proceeds, which are received from forfeitures related to ongoing investigations. The

Village has one officer assigned to the federal program. The expenditure of these funds is restricted by strict governmental rules and approval of the Village Council. The fund balance of \$1.2 million will be used for future projects for the Police Department.

The General Trust Fund accumulates funds that are restricted for specific purposes, i.e. recreation, building department, library, and charter school repairs. During fiscal year 2020, the fund balance increased \$20 thousand dollars. The fund balance of \$471 thousand will be used for future projects.

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

- Unrestricted net position of the Sanitation Fund at the end of the year totaled \$402 thousand. Unrestricted net position will be used to fund future purchases of capital assets.
- Unrestricted net position of the Stormwater Fund at the end of the year totaled \$1.2 million. Unrestricted net position is maintained to fund future projects for the existing stormwater system.
- Unrestricted net position of the Water & Sewer Fund at the end of the year had a negative \$76 thousand. It is anticipated that the unrestricted negative net position will be funded by future assessments.

General Fund Budgetary Highlights

The Village adopts annual budgets by fund, general fund department and line item in compliance with Florida State Statute Section 200.065 (commonly referred to as the Truth-in Millage Legislation). The law requires municipal organizations to prepare and adopt annual operating budgets for the General, Special Revenue and Debt Service Funds following uniform time frames related to property tax levies. The balanced budgets may be revised throughout the year. The Village's code allows for department level budget transfers without council approval; however, department and fund total changes require Council-approved budget amendments adopted by resolution.

The Village's policy is to adopt the budget following the second public hearing of each fiscal year, held in September for an October 1st year. The Village has also adopted a policy which provides for the reappropriation of committed fund balance for encumbrances. This amendment is usually adopted as the first budget amendment of each fiscal year and is normally presented at the first meeting in November of each fiscal year. Additional budget amendments may be presented to council at any time during the fiscal year.

Over the course of the year, the Village amended the General Fund budget eight times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to prior year encumbrances; and (2) supplemental appropriations to provide appropriations for various other needs which have arisen since the adoption of the budget. With these adjustments, disbursements were approximately \$2.5 million below final budgeted amounts. Savings were realized in general government, \$656 thousand, public safety, \$936 thousand, public works, \$215 thousand, and culture and recreation, \$675 thousand. These savings in general government costs and various departmental costs were due to unfilled positions, conservative spending and the re-assignment of budgeted personnel that were re-assigned and reimbursed due to the COVID-19 pandemic.

The fiscal year 2020 final amended budget was \$18.4 million, an increase of 8.9% over the original General Fund budget of \$16.9 million. Correspondingly, the Consumer Price Index (or inflation index) from the U.S. Bureau of Labor Statistics – All Urban Consumers for the past year was 1.2%. The final Adopted Budget is balanced with revenues of \$17.3 million, \$400 thousand in operating transfers from the Sanitation Fund and the Stormwater Fund, and a \$630 thousand appropriation of General Fund Balance.

Capital Asset and Debt Administration

Capital Assets. Miami Shores Village's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$25.6 million (net of accumulated depreciation). The investment in capital assets includes Village-owned buildings, equipment and other infrastructure (streets, sidewalks, easements, right-of-ways). The value of capital investments includes the cost of the Doctors' Charter School of Miami Shores. The following table summarizes the components of the Village's investments in capital assets.

Miami Shores Village
Capital Assets as of September 30, 2020 and 2019
(net of accumulated depreciation)

Classification	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,386,158	\$ 2,386,158	\$ -	\$ -	\$ 2,386,158	\$ 2,386,158
Construction in progress	2,155,535	405,343	-	-	2,155,535	405,343
Building	9,179,339	9,447,852	-	-	9,179,339	9,447,852
Infrastructure	5,944,639	6,288,252	1,567,880	1,646,680	7,512,519	7,934,932
Machinery and equipment	2,733,864	2,950,887	947,856	932,051	3,681,720	3,882,938
Intangible	<u>635,307</u>	<u>743,653</u>	-	-	<u>635,307</u>	<u>743,653</u>
Totals	<u>\$ 23,034,842</u>	<u>\$ 22,222,145</u>	<u>\$ 2,515,736</u>	<u>\$ 2,578,731</u>	<u>\$ 25,550,578</u>	<u>\$ 24,800,876</u>

Additional information on Miami Shores Village's capital assets may be found in Note 6 on Pages 39 to 40 of this report.

Long-term Liabilities. At September 30, 2020, Miami Shores Village had \$14.7 million in long-term liabilities, which are summarized in the schedule below. The increase of \$506 thousand is attributable to annual bond payments of \$328 thousand, a decrease in OPEB liability of \$120 thousand, and increases in compensated absences of \$62 thousand and net pension liability of \$892 thousand.

Miami Shores Village
Outstanding Long-term Liabilities as of September 30, 2020 and 2019

	Governmental Activities		Business-type activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 4,335,300	\$ 4,662,700	\$ -	\$ -	\$ 4,335,300	\$ 4,662,700
Other debt	-	-	<u>3,760,000</u>	<u>3,760,000</u>	<u>3,760,000</u>	<u>3,760,000</u>
Total bonds and notes payable	4,335,300	4,662,700	3,760,000	3,760,000	8,095,300	8,422,700
Other liabilities:						
OPEB liability	517,453	629,893	18,777	26,369	536,230	656,262
Estimated insurance claims payable	-	-	-	-	-	-
Compensated absences	781,240	748,956	132,771	102,975	914,011	851,931
Net pension liability	<u>4,924,745</u>	<u>4,115,451</u>	<u>192,869</u>	<u>110,491</u>	<u>5,117,614</u>	<u>4,225,942</u>
Totals	<u>\$10,558,738</u>	<u>\$10,157,000</u>	<u>\$4,104,417</u>	<u>\$3,999,835</u>	<u>\$14,663,155</u>	<u>\$14,156,835</u>

Additional information on the Village's long-term debt may be found in Note 7 on Pages 40 to 42 of this report.

Economic Factors and Next Year's Budgets and Rates

Miami Shores Village is a single-family, residential community. As such, standard economic indicators used to determine the overall health of a community are slightly different for Miami Shores. Since the Village's "business community" is restricted to a six-block area on Second Avenue and isolated pockets of business entities on Biscayne Boulevard, the Village must monitor property values and other residentially-related trends to determine the health and vitality of the community. Quality recreational

activities, including the Village’s first-class aquatics facility, support the residents’ requirement for high standards and outstanding recreation and leisure activities. This, along with its own public safety department, provides a higher standard of living than that which is found in surrounding municipalities.

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

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the \$25,000 homestead exemption by another \$25,000 for the portion of assessed property value exceeding \$50,000, except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

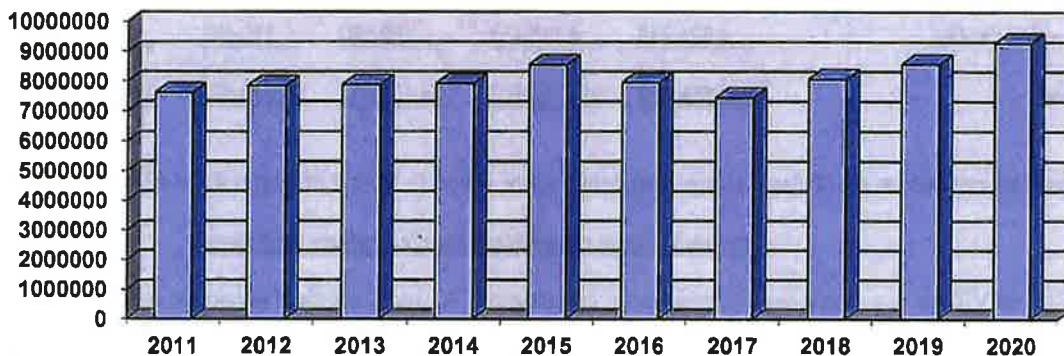
With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008 with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009. Additional tax relief bills, which could further limit the extent to which municipalities can levy taxes, continue to be introduced by the state legislature.

Actual taxes levied by the Village in 2020 reflected an increase of \$619 thousand, precipitated by an increase in property values of \$78 million or 7% in property values as compared with 2019. Based on the current real estate market within the Village, it is anticipated that the Village will continue to experience an increase in assessed values due to the Village’s desirability and the close location to Greater Downtown Miami.

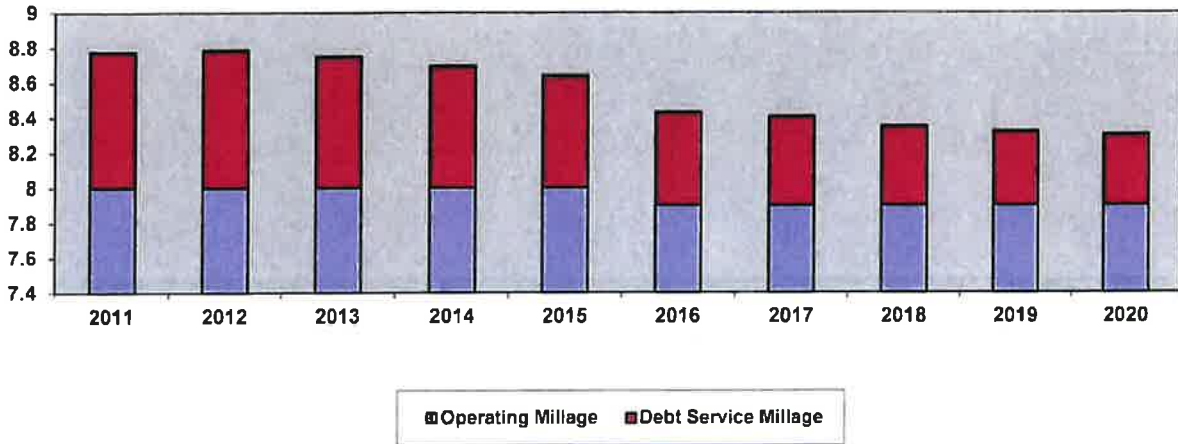
During the current fiscal year, unassigned fund balance in the General Fund was \$9.3 million, an increase of \$709 thousand compared to the unreserved fund balance in 2019 of \$8.6 million. This fund balance of \$9.3 million is contingent upon the \$3.3 million account receivable attributable to Hurricane IRMA. The balance of \$6 million is approximately equal to 4.4 months of General Fund operating expenditures. Even though fair market property values are expected to increase; assessed property values are limited by the “Save Our Homes” benefits. This limits the increase in property tax revenue even when property values are increasing. Expenditures such as payroll and personnel benefits will continue to increase. Fiscal year 2021 budgeted expenditures and transfers are expected to be \$16.4 million, or 3%, less than the fiscal year 2020 budget of \$16.9 million. The Village, as can be shown in the following graph, is maintaining its unassigned fund balance so that a portion of unassigned fund balance will be available to preclude or moderate reductions in revenues related to the COVID-19 pandemic, fund capital improvements, or be available to defray the outstanding costs associated with hurricanes or the costs of other natural disasters.

**General Fund Unrestricted and Unassigned Surplus
For the Fiscal Years ended September 30, 2011-2020**



In 1995, the state of Florida limited all local governments' ability to increase property assessments of homestead property in any given year to 3 percent or cost of living, whichever is lower. The graph below shows the millage rates over the past ten years. For many years, the Village, just like many cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect.

**Miami Shores Village
Total Village Millage
For the Fiscal Years ended September 30, 2011-2020**



Fiscal year 2021 budgeted expenditures and transfers are expected to decrease \$400 thousand compared with fiscal year 2020. This decrease in expenditures is due to conservative budgeting and spending, reflecting the current environment and the uncertain effects of the COVID-19 pandemic.

Requests for Information

This financial report is designed to provide a general overview of Miami Shores Villages' finances to our citizens, taxpayers, customers, investors, creditors, and others with an interest in the Villages' finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Holly Hugdahl, CPA, CGMA.

MIAMI SHORES VILLAGE
Finance Department
10050 Northeast Second Avenue
Miami Shores, Florida 33138-2382

BASIC FINANCIAL STATEMENTS

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 13,594,233	\$ 2,714,305	\$ 16,308,538
Investments	321,144	-	321,144
Accounts receivable - net	1,332,370	214,179	1,546,549
Special assessment receivable	-	3,717,542	3,717,542
Prepaid items	215,848	-	215,848
Inventories	24,799	86,760	111,559
Restricted assets:			
Cash and cash equivalents	-	5,409	5,409
Capital assets not being depreciated	4,541,693	-	4,541,693
Capital assets being depreciated, net	18,493,149	2,515,736	21,008,885
Total assets	<u>38,523,236</u>	<u>9,253,931</u>	<u>47,777,167</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
OPEB	37,444	1,366	38,810
Pension	1,463,820	68,738	1,532,558
Total deferred outflows of resources	<u>1,501,264</u>	<u>70,104</u>	<u>1,571,368</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	931,483	157,906	1,089,389
Unearned revenues	45,630	971,382	1,017,012
Noncurrent liabilities:			
The amount due in one year	338,306	93,193	431,499
The amount due in more than one year	10,220,432	4,011,224	14,231,656
Total liabilities	<u>11,535,851</u>	<u>5,233,705</u>	<u>16,769,556</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business license tax	67,183	-	67,183
OPEB	170,828	6,232	177,060
Pension	1,074,408	35,245	1,109,653
Total deferred inflows of resources	<u>1,312,419</u>	<u>41,477</u>	<u>1,353,896</u>
<u>NET POSITION</u>			
Net investment in capital assets	18,699,542	2,515,736	21,215,278
Restricted for:			
Public safety	1,217,282	-	1,217,282
Transportation	786,366	-	786,366
Building department	120,783	-	120,783
Library	886,464	-	886,464
Debt service	1,209,480	-	1,209,480
Charter school	123,047	-	123,047
Recreation	89,238	-	89,238
Unrestricted	4,044,028	1,533,117	5,577,145
Total net position	<u>\$ 27,176,230</u>	<u>\$ 4,048,853</u>	<u>\$ 31,225,083</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 4,078,744	\$ 1,838,539	\$ -	\$ -	\$ (2,240,205)	\$ -	\$ (2,240,205)
Public safety	7,230,071	2,873,248	-	-	(4,356,823)	-	(4,356,823)
Public works	4,017,590	34,629	717,036	-	(3,265,925)	-	(3,265,925)
Culture and recreation	2,638,651	650,093	-	-	(1,988,558)	-	(1,988,558)
Interest on long-term debt	124,515	-	-	-	(124,515)	-	(124,515)
Total governmental activities	18,089,571	5,396,509	717,036	-	(11,976,026)	-	(11,976,026)
Business-type activities:							
Sanitation	2,829,293	2,912,517	-	-	-	83,224	83,224
Stormwater	282,149	479,125	-	-	-	196,976	196,976
Water & sewer	63,301	38,308	-	-	-	(24,993)	(24,993)
Total business-type activities	3,174,743	3,429,950	-	-	-	255,207	255,207
Total	\$ 21,264,314	\$ 8,826,459	\$ 717,036	\$ -	(11,976,026)	255,207	(11,720,819)
General revenues:							
Property taxes, levied for general purpose					9,672,526	-	9,672,526
Public service taxes					2,107,335	-	2,107,335
Intergovernmental (unrestricted)					1,517,940	-	1,517,940
Investment income (unrestricted)					128,434	12,167	140,601
Miscellaneous					675,139	-	675,139
Transfers					414,052	(414,052)	-
Total general revenues					14,515,426	(401,885)	14,113,541
Change in net position					2,539,400	(146,678)	2,392,722
Net position - beginning					24,636,830	4,195,531	28,832,361
Net position - ending					\$ 27,176,230	\$ 4,048,853	\$ 31,225,083

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Major Funds					Total Governmental Funds
	General	Police Forfeiture	General Trust	Grants	Other Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 4,530,732	\$ 1,187,054	\$ 908,577	\$ -	\$ 4,152,192	\$ 10,778,555
Investments	321,144	-	-	-	-	321,144
Accounts receivable - net	737,620	21,478	-	463,529	99,720	1,322,347
Due from other funds	4,185,988	-	-	-	-	4,185,988
Prepaid items	6,779	-	2,000	-	-	8,779
Total assets	\$ 9,782,263	\$ 1,208,532	\$ 910,577	\$ 463,529	\$ 4,251,912	\$ 16,616,813
LIABILITIES						
Accounts payable and accrued liabilities	\$ 388,384	\$ 20,437	\$ 439,449	\$ -	\$ 26,840	\$ 875,110
Due to other funds	3,915	-	-	3,812,517	-	3,816,432
Unearned revenues	36,912	-	-	8,718	-	45,630
Total liabilities	429,211	20,437	439,449	3,821,235	26,840	4,737,172
DEFERRED INFLOWS OF RESOURCES						
Business license tax	67,183	-	-	-	-	67,183
FUND BALANCES						
Nonspendable	6,779	-	2,000	-	-	8,779
Restricted	-	1,188,095	469,128	-	2,782,339	4,439,562
Committed	-	-	-	-	1,442,733	1,442,733
Unassigned	9,279,090	-	-	(3,357,706)	-	5,921,384
Total fund balances	9,285,869	1,188,095	471,128	(3,357,706)	4,225,072	11,812,458
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,782,263	\$ 1,208,532	\$ 910,577	\$ 463,529	\$ 4,251,912	\$ 16,616,813

See notes to basic financial statements

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

Fund balances - total governmental funds (Page 15)		\$ 11,812,458
<p>Amounts reported for governmental activities in the statement of net position are different as a result of:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	46,575,910	
Less accumulated depreciation	<u>(25,654,426)</u>	20,921,484
<p>Deferred inflows/outflows of resources in the statement of net position will be recognized in future periods.</p>		
Deferred outflows related to OPEB	37,444	
Deferred inflows related to OPEB	(170,828)	
Deferred outflows related to pension	1,442,339	
Deferred inflows related to pension	<u>(1,063,394)</u>	245,561
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds and notes payable	(4,335,300)	
OPEB liability	(517,453)	
Net pension liability	(4,864,474)	
Compensated absences	<u>(753,613)</u>	(10,470,840)
Net position of internal service funds are not reported with governmental funds		<u>4,667,567</u>
Net position of governmental activities (Page 13)		<u>\$ 27,176,230</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Major Funds					Total Governmental Funds
	General	Police Forfeiture	General Trust	Grants	Other Governmental Funds	
Revenues:						
Property taxes	\$ 9,201,078	\$ -	\$ -	\$ -	\$ 471,448	\$ 9,672,526
Public service taxes	2,107,335	-	-	-	-	2,107,335
Licenses and permits	913,015	-	-	-	-	913,015
Intergovernmental revenues	1,002,859	-	-	515,081	717,036	2,234,976
Charges for services	1,278,240	-	-	-	-	1,278,240
Fines and forfeitures	957,749	41,083	-	-	1,873	1,000,705
Miscellaneous	538,330	50,099	65,710	-	21,000	675,139
Interest income	71,392	10,009	1,739	-	24,886	108,026
Total revenues	16,069,998	101,191	67,449	515,081	1,236,243	17,989,962
Expenditures:						
Current:						
General government	2,546,624	-	60	386,301	18,939	2,951,924
Public safety	7,527,123	71,777	19,326	-	-	7,618,226
Public Works	1,720,926	-	-	160,083	397,909	2,278,918
Culture and recreation	2,355,803	-	23,374	-	-	2,379,177
Capital outlay	-	272,416	4,694	34,362	2,027,762	2,339,234
Debt service:						
Principal	-	-	-	-	327,400	327,400
Interest	-	-	-	-	124,515	124,515
Total expenditures	14,150,476	344,193	47,454	580,746	2,896,525	18,019,394
(Deficiency) excess of revenues over expenditures before other financing sources (uses)	1,919,522	(243,002)	19,995	(65,665)	(1,660,282)	(29,432)
Other financing sources (uses):						
Transfers in	400,000	-	-	81,234	1,592,357	2,073,591
Transfers (out)	(1,615,965)	-	-	-	-	(1,615,965)
Total other financing sources (uses)	(1,215,965)	-	-	81,234	1,592,357	457,626
Net change in fund balances	703,557	(243,002)	19,995	15,569	(67,925)	428,194
Fund balance, beginning	8,582,312	1,431,097	451,133	(3,373,275)	4,292,997	11,384,264
Fund balance, ending	\$ 9,285,869	\$ 1,188,095	\$ 471,128	\$ (3,357,706)	\$ 4,225,072	\$ 11,812,458

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE 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 are different as a result of:

Net change in fund balances - total government funds (Page 17)	\$	428,194
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlay capitalized	\$ 2,338,183	
Less current year depreciation	<u>(1,311,374)</u>	
Net adjustment		1,026,809

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

Principal payments	<u>327,400</u>	
		327,400

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.

Change in net pension liability and other deferral amounts	891,672	
Change in compensated absences	18,127	
Change in OPEB liability	(120,828)	
Allocation of internal service funds' net income	<u>(31,974)</u>	
		<u>756,997</u>

Change in net position of governmental activities (Page 14)	\$	<u>2,539,400</u>
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MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

<u>ASSETS</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Water & Sewer</u>	<u>Total</u>	<u>Funds</u>
Current assets:					
Cash and cash equivalents	\$ 1,331,732	\$ 1,367,636	\$ 14,937	\$ 2,714,305	\$ 2,442,207
Accounts receivable - net	198,677	15,502	-	214,179	10,023
Special assessment receivable	-	-	3,717,542	3,717,542	-
Inventories	86,760	-	-	86,760	24,799
Prepaid items	-	-	-	-	207,069
Restricted assets:					
Cash and cash equivalents	-	-	5,409	5,409	-
Total current assets	<u>1,617,169</u>	<u>1,383,138</u>	<u>3,737,888</u>	<u>6,738,195</u>	<u>2,684,098</u>
Capital assets:					
Capital assets not being depreciated	-	-	-	-	7,127
Capital assets being depreciated, net	942,665	1,573,071	-	2,515,736	2,106,231
Total noncurrent assets	<u>942,665</u>	<u>1,573,071</u>	<u>-</u>	<u>2,515,736</u>	<u>2,113,358</u>
Total assets	<u>2,559,834</u>	<u>2,956,209</u>	<u>3,737,888</u>	<u>9,253,931</u>	<u>4,797,456</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension	60,146	8,592	-	68,738	21,481
OPEB	1,195	171	-	1,366	-
Total deferred outflows of resources	<u>61,341</u>	<u>8,763</u>	<u>-</u>	<u>70,104</u>	<u>21,481</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable and accrued liabilities	151,791	2,065	4,050	157,906	52,458
Unearned revenues	775,278	146,511	49,593	971,382	-
Compensated absences	32,082	1,111	-	33,193	6,906
Notes payable	-	-	60,000	60,000	-
Total current liabilities	<u>959,151</u>	<u>149,687</u>	<u>113,643</u>	<u>1,222,481</u>	<u>59,364</u>
Non-current liabilities:					
Compensated absences	96,245	3,333	-	99,578	20,721
Notes payable	-	-	3,700,000	3,700,000	-
Net pension liability	168,761	24,108	-	192,869	60,271
OPEB liability	16,430	2,347	-	18,777	-
Total noncurrent liabilities	<u>281,436</u>	<u>29,788</u>	<u>3,700,000</u>	<u>4,011,224</u>	<u>80,992</u>
Total liabilities	<u>1,240,587</u>	<u>179,475</u>	<u>3,813,643</u>	<u>5,233,705</u>	<u>140,356</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pension	30,839	4,406	-	35,245	11,014
OPEB	5,453	779	-	6,232	-
Total deferred inflows of resources	<u>36,292</u>	<u>5,185</u>	<u>-</u>	<u>41,477</u>	<u>11,014</u>
<u>NET POSITION</u>					
Net investment in capital assets	942,665	1,573,071	-	2,515,736	2,113,358
Restricted for:					
Unrestricted	401,631	1,207,241	(75,755)	1,533,117	2,554,209
Total net position	<u>\$ 1,344,296</u>	<u>\$ 2,780,312</u>	<u>\$ (75,755)</u>	<u>\$ 4,048,853</u>	<u>\$ 4,667,567</u>

See notes to basic financial statements

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Water & Sewer</u>	<u>Total</u>	
Operating revenues:					
Charges for services	\$ 2,912,517	\$ 479,125	\$ 38,308	\$ 3,429,950	\$ 2,204,549
Operating expenses:					
Administrative and general	1,040,694	66,590	48,228	1,155,512	66,649
Public works	-	-	-	-	675,023
Personnel expenses	1,045,845	111,896	-	1,157,741	240,609
Depreciation	219,134	78,800	-	297,934	333,166
Contractual services	503,584	24,863	-	528,447	-
Insurance premiums and claims	-	-	-	-	826,461
Total operating expenses	<u>2,809,257</u>	<u>282,149</u>	<u>48,228</u>	<u>3,139,634</u>	<u>2,141,908</u>
Operating income (loss)	<u>103,260</u>	<u>196,976</u>	<u>(9,920)</u>	<u>290,316</u>	<u>62,641</u>
Non-operating revenues (expenses):					
Interest income	2,290	9,711	166	12,167	20,408
Interest expense	-	-	(76,234)	(76,234)	-
Capital assets transferred	(20,036)	-	79,692	59,656	-
Other expenses	-	-	(18,531)	(18,531)	-
Net non-operating revenues (expenses)	<u>(17,746)</u>	<u>9,711</u>	<u>(14,907)</u>	<u>(22,942)</u>	<u>20,408</u>
Income before transfers and contributions	85,514	206,687	(24,827)	267,374	83,049
Transfers in	17,257	-	49,925	67,182	14,995
Transfers out	(350,000)	(131,234)	-	(481,234)	(58,569)
Total other financing sources (uses)	<u>(332,743)</u>	<u>(131,234)</u>	<u>49,925</u>	<u>(414,052)</u>	<u>(43,574)</u>
Change in net position	(247,229)	75,453	25,098	(146,678)	39,475
Net position, beginning	<u>1,591,525</u>	<u>2,704,859</u>	<u>(100,853)</u>	<u>4,195,531</u>	<u>4,628,092</u>
Net position, ending	<u>\$ 1,344,296</u>	<u>\$ 2,780,312</u>	<u>\$ (75,755)</u>	<u>\$ 4,048,853</u>	<u>\$ 4,667,567</u>

See notes to basic financial statements.

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

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sanitation	Stormwater	Water & Sewer	Total	
Cash flows from operating activities:					
Cash received from customers, governments and other funds	\$ 3,032,063	\$ 565,729	\$ 40,725	\$ 3,638,517	\$ 1,576,528
Cash paid to suppliers	(1,470,914)	(90,946)	(128,965)	(1,690,825)	(1,250,745)
Cash paid for employees	<u>(1,070,653)</u>	<u>(99,774)</u>	<u>-</u>	<u>(1,170,427)</u>	<u>(240,352)</u>
Net cash provided by (used in) operating activities	<u>490,496</u>	<u>375,009</u>	<u>(88,240)</u>	<u>777,265</u>	<u>85,431</u>
Cash flows from non-capital financing activities:					
Transfers in	17,257	-	129,617	146,874	14,995
Transfers out	<u>(370,036)</u>	<u>(131,234)</u>	<u>-</u>	<u>(501,270)</u>	<u>(56,569)</u>
Net cash provided by (used in) non-capital financing activities	<u>(352,779)</u>	<u>(131,234)</u>	<u>129,617</u>	<u>(354,396)</u>	<u>(43,574)</u>
Cash flows from capital related financing activities:					
Acquisition and construction of capital assets	(234,943)	-	-	(234,943)	(148,903)
Investments	-	1,011,524	-	1,011,524	2,528,845
Special assessments received	-	-	68,159	68,159	-
Principal paid on long-term debt	-	-	100,000	100,000	-
Payment on long term debt	-	-	(100,000)	(100,000)	-
Issuance cost	-	-	(18,531)	(18,531)	-
Interest paid on capital debt	-	-	(57,703)	(57,703)	-
Net cash provided by (used in) capital and related financing activities	<u>(234,943)</u>	<u>1,011,528</u>	<u>(8,075)</u>	<u>768,510</u>	<u>2,379,942</u>
Cash flows from investing activities:					
Interest and other income	2,290	9,711	(18,365)	(6,364)	20,408
Net cash provided by (used in) investing activities	<u>2,290</u>	<u>9,711</u>	<u>(18,365)</u>	<u>(6,364)</u>	<u>20,408</u>
Net increase (decrease) in cash and cash equivalents	(94,936)	1,265,014	14,937	1,185,015	2,442,207
Cash and cash equivalents, October 1	<u>1,425,668</u>	<u>102,622</u>	<u>5,409</u>	<u>1,534,699</u>	<u>-</u>
Cash and cash equivalents, September 30	<u>\$ 1,331,732</u>	<u>\$ 1,367,636</u>	<u>\$ 20,346</u>	<u>\$ 2,719,714</u>	<u>\$ 2,442,207</u>
Reported in statement of net position as follows:					
Unrestricted	\$ 1,331,732	\$ 1,367,636	\$ 14,937	\$ 2,714,305	\$ 2,442,207
Restricted	-	-	5,409	5,409	-
	<u>\$ 1,331,732</u>	<u>\$ 1,367,636</u>	<u>\$ 20,346</u>	<u>\$ 2,719,714</u>	<u>\$ 2,442,207</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 103,260	\$ 196,976	\$ (9,920)	\$ 290,316	\$ 62,641
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	219,134	78,800	-	297,934	333,166
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	18,414	4,135	-	22,549	46,707
Inventories	556	-	-	556	12,156
Prepays	-	-	-	-	(12,025)
Deferred outflows of resources for pension	28,922	(2,799)	-	26,123	2,627
Other assets	-	-	-	-	295
Increase (decrease) in:					
Accounts payable and accrued liabilities	72,808	507	2,539	75,854	(35,868)
Compensated absences	27,439	2,353	-	29,792	10,620
OPEB liability	(8,388)	796	-	(7,592)	-
Due to other funds	-	-	(83,276)	(83,276)	(321,898)
Unearned revenues	101,132	82,469	2,417	186,018	-
Net pension liability	64,769	17,609	-	82,378	27,774
Deferred inflows of resources for pension	<u>(137,550)</u>	<u>(5,837)</u>	<u>-</u>	<u>(143,387)</u>	<u>(40,764)</u>
Total adjustments	<u>387,236</u>	<u>178,033</u>	<u>(78,320)</u>	<u>486,949</u>	<u>22,790</u>
Net cash provided by (used in) operating activities	<u>\$ 490,496</u>	<u>\$ 375,009</u>	<u>\$ (88,240)</u>	<u>\$ 777,265</u>	<u>\$ 85,431</u>
Noncash capital related financing activities:					
Contributions	\$ -	\$ -	\$ 3,717,542	\$ 3,717,542	\$ -
Total noncash capital related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,717,542</u>	<u>\$ 3,717,542</u>	<u>\$ -</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 908,234	\$ 1,492,031
Receivables:		
Other receivables	105,165	-
Accrued interest and dividends	<u>166,375</u>	<u>-</u>
Total receivables	<u>271,540</u>	<u>-</u>
Investments, at fair value		
Mutual funds - equity	18,254,200	-
Common stock	7,101,374	-
Corporate bonds	12,031,283	-
U.S. Government securities	2,223,052	-
Mortgage backed securities	2,743,315	-
Foreign stock	1,010,151	-
Foreign bonds	178,662	-
Municipal bonds	<u>842,778</u>	<u>-</u>
Total investments	<u>44,384,815</u>	<u>-</u>
Total assets	<u>45,564,589</u>	<u>1,492,031</u>
<u>NET POSITION</u>		
Net position restricted for pensions and charter school	<u>\$ 45,564,589</u>	<u>\$ 1,492,031</u>

See notes to basic financial statements

MIAMI SHORES VILLAGE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust <u>Funds</u>	Private Purpose <u>Trust</u>
<u>ADDITIONS</u>		
Contributions:		
Employer	\$ 1,211,654	\$ -
Employees	481,703	-
State of Florida	<u>105,165</u>	<u>-</u>
Total contributions	<u>1,798,522</u>	<u>-</u>
Investment income:		
Net depreciation in fair value of investments	2,109,475	-
Interest and dividend income	<u>1,782,903</u>	<u>14,036</u>
Total investment income	3,892,378	14,036
Less investment expenses	<u>(170,968)</u>	<u>-</u>
Net investment income	<u>3,721,410</u>	<u>14,036</u>
Total additions	<u>5,519,932</u>	<u>14,036</u>
<u>DEDUCTIONS</u>		
Benefits paid	2,216,978	-
Administrative expenses	<u>144,303</u>	<u>-</u>
Total deductions	<u>2,361,281</u>	<u>-</u>
Net increase	<u>3,158,651</u>	<u>14,036</u>
Net position restricted for pensions and charter school		
Beginning of year	<u>42,405,938</u>	<u>1,477,995</u>
End of year	<u>\$ 45,564,589</u>	<u>\$ 1,492,031</u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Miami Shores Village, Florida, (the Village) was incorporated in 1931 and is a political subdivision of the State of Florida located in northeastern Miami-Dade County. The Village operates under a Council-Manager form of government, with its legislative function being vested in a five-member council. The Village Council is governed by the Village Charter and by state and local laws and regulations. The Village Council is responsible for the establishment and adoption of policy. The Village provides the following full range of municipal services as authorized by its charter: public safety, streets, sanitation, stormwater, culture and recreational activities, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the Village. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as other governmental or other proprietary funds.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property 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. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

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

Grant Fund - This fund accounts for the use of specific designated resources related to grant programs.

Police Forfeiture - This fund accounts for proceeds obtained through the sale of confiscated and unclaimed property turned over to the Village through court judgments. Proceeds are to be used solely for law enforcement purposes.

General Trust Fund - This fund accumulates assets for its employees, other governmental entities and/or funds, primarily for the recreation, library and police departments, as well as the charter school.

The Village reports the following major proprietary fund:

Sanitation Fund - This fund accounts for the operations and maintenance of the Village's sanitation system.

Stormwater Fund - This fund accounts for the operations and maintenance of the Village's stormwater system.

Water & Sewer Fund - This fund accounts for the annual assessments to pay for the construction cost and maintenance fees for the NE Second Avenue Business District Water & Sewer Project. Future maintenance costs for the grind pumps will be paid from this fund.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Additionally, the Village reports the following fund types:

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Village, on a cost reimbursement basis. The Village has two internal service funds, the Risk Management Fund and the Fleet Maintenance Fund.

Pension Trust Funds - The pension trust funds account for the activities of the Police Pension and General Employees' Retirement Plans, which accumulate resources for pension benefits to qualified employees.

Private Purpose Trust Fund - This fund accounts for a donation from a foundation to be held by the Village on behalf of the Doctors Charter School to assist with meeting the operating needs of the school.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's enterprise fund functions and various other functions of the Village. 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, and 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. Proceeds from local option gas tax and Transportation Surtax are used to fund transportation related expenditures and therefore are reported as program revenues under the function "Public Works".

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sanitation, and stormwater fund and internal service funds are charges to customers or other funds for services. Operating expenses for the enterprise funds and internal service funds include the cost of 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 Village policy to use restricted resources first, and then unrestricted resources as needed.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

The Village's cash and cash equivalents, for purpose of the statement of cash flows, include cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Village maintains a cash pool that is available for use by all funds. Interest earned on pooled cash is allocated to each of the funds, based on the fund's average pooled cash balance on a monthly basis.

All of the Village's investments are reported at fair value, which is based on quoted market prices. The Village's investments consist of amounts placed with the State Board of Administration in the Local Government Surplus Funds Trust Fund (Florida PRIME) investment pool. The Florida PRIME is considered a SEC 2a-7-like fund, thus reported at its fair value of its position in the pool, which is the same as its value of the pool shares.

The Plan's investments are carried at fair value using quoted market prices to value investments. Differences between cost and market value are recorded as net unrealized gains or losses. Net realized gains or losses for securities which are sold are combined with the unrealized gains and losses and shown as "net appreciation (depreciation) in fair value of investments" in plan net position. Dividends and interest are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis.

The Village's investments in Florida PRIME are governed by the provisions of Florida Statutes Section 218.415. Investments in the Village's retirement plans are governed by the Plan's investment policies.

E. Receivables and Payables

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

F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method). In the governmental funds, reported inventories are offset by fund balance reserve which indicates that they do not constitute available spendable resources. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded – in both, the government-wide and fund financial statements – as prepaid items by recording an asset for the prepaid amount and recognizing the expenditure in the year such item is consumed (consumption method). Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

G. Property Taxes

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

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes (Continued)

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

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Village is established by the Village Council and the Miami-Dade County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Village for the year ended September 30, 2020 was 7.9000 mills (\$7.9000 per \$1,000 of taxable assessed valuation).

H. Restricted Assets

Assets of the debt service fund have been classified as restricted because their use is restricted by a bond indenture agreement for the Village's debt service requirements. Proceeds from forfeiture funds are classified as restricted in the Law Enforcement Training and Police Forfeiture Special Revenue Funds since these resources are specifically earmarked for law enforcement purposes only. Additionally, proceeds from the People's Transportation Tax and Local Option Gas Tax are classified as restricted since these resources may only be used for road and transportation related expenditures.

Assets held in the General Trust Fund are restricted primarily for recreation, library and police departments, as well as the charter school.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-40
Land improvements	40
Infrastructure	30
Sanitation equipment	10
Vehicles	5
Other equipment, machinery, furniture and fixtures	3-10

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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 Village has pension amounts of \$1,532,558 and OPEB amounts of \$38,810 that qualify for reporting in this category on the government-wide statement of net position.

In additions 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 Village has local business licenses taxes of \$67,183, pension amounts of \$1,109,653, and OPEB amount of \$177,060. That qualify for reporting in this category on the government – wide statement of net position.

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

K. Compensated Absences

Village employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee serves. The Village's vacation policy allows all regular non-temporary employees to accrue vacation leave on a monthly basis. Vacation leave accrued in previous year must be used prior to the next year's anniversary date (unless authorized by the Village Manager). Upon separation from Village employment in good standing, employees shall receive a lump sum payment for any unused accrued vacation leave up to a maximum allotted for the employee's length of service.

The Village's sick leave policy provides for the accumulation of one workday per month up to a maximum of 720 hours for a general employee. A general employee shall receive payment for one hundred percent (100% to a maximum of 720 hours) of accrued sick leave upon retirement and fifty (50%) upon separation in good standing.

For both vacation and sick leave, there is no payout for an employee who is discharged for misconduct, termination or is not in good standing with the Village.

All vacation and sick leave is accrued and reported as a fund liability when it is probable that the Village 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.

L. Unearned Revenues

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The unearned items consist primarily of license and permit revenues. Unearned revenues in the proprietary funds are related to billings for the 19-20 fiscal year.

M. Employee Benefit Plan

The Village provides a separate defined benefit pension plan for its police officers and general employees. At September 30, 2020, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the General Employees' Retirement Plan and the Police Officers' Retirement Plan are presented in the government-wide statement of net position. The net pension liability is a function of the annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employer's contributions made to the Plans. Please refer to Note 10 for further information.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Post-Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the Village is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The Village currently provides these benefits in accordance with the vesting and retirement requirements of the Village.

The Village is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the Village records an OPEB liability in its government-wide and proprietary financial statements related to the implicit subsidy. For governmental funds, the OPEB liability is generally liquidated by the General Fund. The OPEB plan does not issue separate financial statements.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs are expensed as incurred except for insurance cost which are amortized over the term of the related debt. For proprietary fund types, bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 are reported as debt service expenditures as incurred.

P. Net Position / Fund Balance

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

Net investment in capital assets

This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets, excluding unexpended proceeds.

Restricted net position

This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.

Unrestricted net position

This category includes all of the remaining net position that does not meet the definition of the other two categories.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position / Fund Balance (continued)

As of September 30, 2020, fund balances of the governmental funds are classified as follows:

Non-spendable

Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted

Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

Amounts that can be used only for specific purposes determined by a formal action of the Village Council. The Village Council is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Village Council. Both ordinances and resolutions are equally binding. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Village Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delegated to the Village Manager by the Council. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for the purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Village itself.

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. This category is also used to report negative fund balances in other governmental funds.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit this, such as grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	<u>General</u>	<u>Police Forfeiture</u>	<u>General Trust</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Prepays	\$ 6,779	\$ -	\$ 2,000	\$ -	\$ -	\$ 8,779
Restricted:						
Transportation	-	-	-	-	786,366	786,366
Library	-	-	136,944	-	749,520	886,464
Recreation	-	-	89,238	-	-	89,238
Building	-	-	120,783	-	-	120,783
Charter School	-	-	121,650	-	7,788	129,438
Public Safety	-	1,188,095	513	-	29,185	1,217,793
Debt service	-	-	-	-	1,209,480	1,209,480
Committed:						
Capital projects	-	-	-	-	1,442,733	1,442,733
Unassigned	<u>9,279,090</u>	<u>-</u>	<u>-</u>	<u>(3,357,706)</u>	<u>-</u>	<u>5,921,384</u>
Total Fund Balances	<u>\$ 9,285,869</u>	<u>\$ 1,188,095</u>	<u>\$ 471,128</u>	<u>\$ (3,357,706)</u>	<u>\$ 4,225,072</u>	<u>\$ 11,812,458</u>
Fund Balances:						
Nonspendable	\$ 6,779	\$ -	\$ 2,000	\$ -	\$ -	\$ 8,779
Restricted	-	1,188,095	469,128	-	2,782,339	4,439,562
Committed	-	-	-	-	1,442,733	1,442,733
Unassigned	<u>9,279,090</u>	<u>-</u>	<u>-</u>	<u>(3,357,706)</u>	<u>-</u>	<u>5,921,384</u>
Total Fund Balances	<u>\$ 9,285,869</u>	<u>\$ 1,188,095</u>	<u>\$ 471,128</u>	<u>\$ (3,357,706)</u>	<u>\$ 4,225,072</u>	<u>\$ 11,812,458</u>

Q. Fund Balance Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance, if any, is applied last.

R. Capital Contributions

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

S. 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 as well as all 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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Fund Accounting Requirements

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

Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Transportation Surtax	Transportation and roads
Police Forfeitures	Law Enforcement
Federal Emergency Management Agency	Disaster mitigation

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments

The Village is authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA). The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

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.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

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

Investments - Village

As of September 30, 2020, the Village had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
SBA - PRIME	321,144
Total	<u>321,144</u>

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Village does not have a written policy on interest rate risk; however, the Village manages its exposure to declines in fair values by limiting the weighted average monthly maturity of its investment portfolio to less than 180 days. 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 like (WAL) of Florida PRIME at September 30, 2020, is 63 days.

Credit Risk

State law limits investments in bonds, U.S. Treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States. The PRIME is rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The Village's investment policy does not stipulate any limit on the percentage that can be invested in any one issuer. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. As of September 30, 2020, the value of each position held in the Village's portfolio comprised of less than 5% of the Village's investment assets.

Investments Pension Plans

The Pension Board of Trustees has developed certain investment guidelines and has retained investment managers. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment managers are compensated based on a percentage of their portfolio's market value.

The Plans' investment policy is determined by the Board who is responsible for directing the investment of the assets of the Plans to ensure that there will be adequate monies for future benefits. The policy has been identified by the Board to conduct the operations of the Plans in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including Village ordinances, preserving principal while maximizing the rate of return.

Investment in all equity securities shall be limited to those listed on a major U.S stock exchange and limited to no more than 70% (at market) of the Plan's total asset value. The equity position in any one company shall not exceed 5% of the Plan's total asset value at the time of purchase. Investments in stocks of foreign companies shall be limited to 25% of the Plan's market value.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Pension Plans (continued)

Investments in fixed income securities shall meet or exceed a rating of investment grade as determined by at least one major credit rating service. The market value of bonds issued by any single issuer shall not exceed 3% of the manager's portfolio.

Types of Investments

Florida statutes and Plan investment policy authorize the Board to invest funds in various investments. The current target allocation of these investments at fair value is as follows:

<u>Asset Group</u>	<u>Target Allocation</u>	
	<u>General Employees</u>	<u>Police</u>
Domestic Equity	50%	50%
International Equity	15%	15%
Domestic Bonds	35%	35%

Rate of Return

For the fiscal year ending September 30, 2020, the annual money-weighted rate of return on pension plan investments, net pension plan investment expense, was 8.37% for the General Employee Retirement Plan and 8.44% for the Police Retirement Plan. The money weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

As of September 30, 2020, the Plans had the following investments and maturities:

General Employees' Retirement Plan

Investment Type	Fair Value	Less than 1	1-5	6-10	More Than 10
		<u>Year</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>
Corporate/Foreign Bonds	4,150,981	79,020	1,486,683	1,297,879	1,287,399
U.S. government agencies	953,760	-	-	346,830	606,930
Municipal bonds	296,221	-	107,947	188,274	-
Collateralized mortgage obligations	771,162	-	-	484,588	286,574
Total	6,172,124	79,020	1,594,630	2,317,571	2,180,903

Police Officers' Retirement Plan

Investment Type	Fair Value	Less than 1	1-5	6-10	More Than 10
		<u>Year</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>
Corporate/Foreign Bonds	8,058,964	163,229	2,926,215	2,458,505	2,511,015
Mortgage Backed Securities	1,789,555	-	-	620,481	1,169,074
Municipal bonds	546,557	-	200,503	346,054	-
U.S. government agencies	1,451,890	-	-	922,559	529,331
Total	11,846,966	163,229	3,126,718	4,347,599	4,209,420

Interest Rate Risk

Interest rate risk is the risk that changes in market 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 market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk. The Plan's investment policies limit investments in fixed income securities to a rating of investment grade or higher.

General Employees' Retirement Plan

The following tables disclose credit ratings by investment type, at September 30, 2020:

	2020	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	1,485,086	24.06%
Quality rating of credit risk debt securities		
AAA	107,224	1.74%
AA+	836,933	13.56%
AA	111,494	1.81%
AA-	83,684	1.36%
A+	355,340	5.76%
A	361,105	5.85%
A-	802,579	13.00%
BBB+	1,112,274	18.02%
BBB	693,773	11.24%
BBB-	222,632	3.61%
<u>Total credit risk debt securities</u>	<u>4,687,038</u>	<u>75.94%</u>
Total fixed income securities	\$ 6,172,124	100.00%

*Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Police Officers' Retirement Plan

The following tables disclose credit ratings by investment type, at September 30, 2020:

	2020	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	2,825,323	23.85%
Quality rating of credit risk debt securities		
AAA	195,098	1.65%
AA+	1,573,312	13.28%
AA	207,475	1.75%
AA-	167,285	1.41%
A+	672,557	5.68%
A	721,235	6.09%
A-	1,586,510	13.39%
BBB+	2,115,550	17.86%
BBB	1,353,803	11.43%
BBB-	428,818	3.62%
<u>Total credit risk debt securities</u>	<u>9,021,643</u>	<u>76.15%</u>
Total fixed income securities	\$ 11,846,966	100.00%

*Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. As of September 30, 2020, no investment by any one issuer was above the 5% threshold required for disclosure.

Custodial Credit Risk

This is the risk that in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

Foreign Currency Risk

The Plan may have exposure to foreign currencies by making direct investments in non-U.S. currencies or in securities denominated in non-U.S. currencies, purchasing or selling forward currency exchange contracts in non-U.S. currencies, non-U.S. currency futures contracts and swaps for cross currency investments. Foreign currencies will fluctuate, and may decline, in value relative to the U.S. dollar and other currencies and thereby affect the Funds' investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies.

Risks and Uncertainties

The Plan has investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plan, through its investment advisors, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

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

NOTE 4 – FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value:

Debt income securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes government securities, corporate bonds, and mortgage backed securities.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. This includes equity mutual funds, common stock, and exchange-traded fund.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – FAIR VALUE MEASUREMENT (CONTINUED)

The Plans have the following recurring fair value measurements as of September 30, 2020:

General Employees' Retirement Plan

	Fair Value Measurements Using		
	9/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. government agencies	\$ 771,162	\$ 484,588	\$ 286,575
Municipal bonds	296,221	-	296,221
Collateralized mortgage obligations	953,760	-	953,760
Corporate bonds	4,150,981	-	4,150,981
Total debt securities	<u>6,172,124</u>	<u>484,588</u>	<u>5,687,537</u>
Equity securities:			
Common stock	2,655,452	2,655,452	-
Foreign Stock	377,838	377,838	-
Mutual fund equities	7,210,291	7,210,291	-
Total equity securities	<u>10,243,580</u>	<u>10,243,580</u>	<u>-</u>
Total investments at fair value	<u>\$ 16,415,705</u>	<u>\$ 10,728,168</u>	<u>\$ 5,687,537</u>

Police Officers' Retirement Plan

	Fair Value Measurements Using		
	9/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. government agencies	\$ 1,451,890	\$ 922,559	\$ 529,331
Municipal bonds	546,557	-	546,557
Collateralized mortgage obligations	1,789,555	-	1,789,555
Corporate bonds	8,058,964	-	8,058,964
Total debt securities	<u>11,846,966</u>	<u>922,559</u>	<u>10,924,407</u>
Equity securities:			
Common stock	4,445,922	4,445,922	-
Foreign Stock	632,313	632,313	-
Mutual fund equity	11,043,909	11,043,909	-
Total equity securities	<u>16,122,144</u>	<u>16,122,144</u>	<u>-</u>
Total investments at fair value	<u>\$ 27,969,110</u>	<u>\$ 17,044,703</u>	<u>\$ 10,924,407</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – RECEIVABLES

Receivables as of September 30, 2020 for the Village's individual major funds and non-major funds in the aggregate consist of the following:

	<u>General</u>	<u>Grant Fund</u>	<u>Police Forfeiture</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>	<u>Water & Sewer Fund</u>	<u>Non-major Governmental Funds</u>	<u>Internal Enterprise Funds</u>	<u>Total</u>
Receivables:									
Accounts	\$ -	\$ -	\$ -	\$ 198,677	\$ 15,502	\$ -	\$ -	\$ 10,023	\$ 224,202
Taxes	504,049	-	-	-	-	-	99,625	-	603,674
Special Assessment	-	-	-	-	-	3,717,542	-	-	3,717,542
Grants and other	233,571	463,529	21,478	-	-	-	95	-	718,673
Total receivables	<u>\$ 737,620</u>	<u>\$ 463,529</u>	<u>\$ 21,478</u>	<u>\$ 198,677</u>	<u>\$ 15,502</u>	<u>\$ 3,717,542</u>	<u>\$ 99,720</u>	<u>\$ 10,023</u>	<u>\$ 5,264,091</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental activities</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital assets not being depreciated:				
Land	2,386,158	-	-	2,386,158
Construction in progress	405,343	1,750,192	-	2,155,535
Total capital assets not being depreciated	<u>2,791,501</u>	<u>1,750,192</u>	<u>-</u>	<u>4,541,693</u>
Capital assets being depreciated:				
Building and improvements	14,419,599	29,484	-	14,449,083
Infrastructure	24,091,621	229,790	-	24,321,411
Machinery and equipment	7,130,968	481,050	(330,946)	7,281,072
Intangible	1,045,792	20,776	-	1,066,568
Total capital assets being depreciated	<u>46,687,980</u>	<u>761,100</u>	<u>(330,946)</u>	<u>47,118,134</u>
Less accumulated depreciation for:				
Building and improvements	(4,971,747)	(297,997)	-	(5,269,744)
Infrastructure	(17,803,369)	(573,403)	-	(18,376,772)
Machinery and equipment	(4,180,081)	(644,017)	276,890	(4,547,208)
Intangible	(302,139)	(129,122)	-	(431,261)
Total accumulated depreciation	<u>(27,257,336)</u>	<u>(1,644,539)</u>	<u>276,890</u>	<u>(28,624,985)</u>
Total capital assets being depreciated, net	<u>19,430,644</u>	<u>(883,439)</u>	<u>(54,056)</u>	<u>18,493,149</u>
Governmental activities capital assets, net	<u>\$ 22,222,145</u>	<u>\$ 866,753</u>	<u>\$ (54,056)</u>	<u>\$ 23,034,842</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – CAPITAL ASSETS (CONTINUED)

<u>Business-type activities</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital assets being depreciated:				
Machinery and equipment	2,359,701	266,047	(210,250)	2,415,498
Drainage improvements	<u>2,652,170</u>	<u>-</u>	<u>-</u>	<u>2,652,170</u>
Total capital assets being depreciated	<u>5,011,871</u>	<u>266,047</u>	<u>(210,250)</u>	<u>5,067,668</u>
Less accumulated depreciation for:				
Machinery and equipment	(1,427,650)	(219,134)	179,142	(1,467,642)
Drainage improvements	<u>(1,005,490)</u>	<u>(78,800)</u>	<u>-</u>	<u>(1,084,290)</u>
Total accumulated depreciation	<u>(2,433,140)</u>	<u>(297,934)</u>	<u>179,142</u>	<u>(2,551,932)</u>
Total capital assets being depreciated, net	<u>2,578,731</u>	<u>(31,887)</u>	<u>(31,108)</u>	<u>2,515,736</u>
Business-type activities capital assets, net	<u>\$ 2,578,731</u>	<u>\$ (31,887)</u>	<u>\$ (31,108)</u>	<u>\$ 2,515,736</u>

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

Governmental activities

General Government	\$ 297,997
Public Safety	129,122
Public Works	573,403
Culture and Recreation	<u>644,017</u>
Total depreciation expense – governmental activities	<u>\$ 1,644,539</u>

Business-type activities

Sanitation	\$ 219,134
Stormwater	<u>78,800</u>
Total depreciation expense – business-type activities	<u>\$ 297,934</u>

NOTE 7 – LONG-TERM DEBT

Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013

In February 2013, the Village issued the Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013, in order to refund the cost of the Florida Municipal Loan Council Revenue Bonds, Series 1999. Principal is due annually (through 2029) at various amounts ranging from \$138,000 in 2020 to a final payment of \$169,000 in 2029. The bonds bear interest at variable rates ranging from 2.49 to 3.03%, payable semi-annually. The bonds are secured by ad-valorem revenues.

The indenture contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013 (Continued)

Debt service requirements to maturity for the fiscal year ending September 30, 2020 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	138,000	39,887	177,887
2022	145,000	35,604	180,604
2023	146,000	31,201	177,201
2024	152,000	26,692	178,692
2025	153,000	22,077	175,077
2026-2029	653,000	40,053	693,053
	<u>\$ 1,387,000</u>	<u>\$ 195,514</u>	<u>\$ 1,582,514</u>

Miami Shores Village, Florida Refunding General Obligation Bond, Series 2015

In June 2015, the Village issued the Miami Shores Village, Florida Refunding General Obligation Bond Series 2015, in order to refund the cost of the Miami Shores Village, Florida General Obligation Bonds, Series 2004. Principal is due annually (through 2033) at various amounts ranging from 193,400 in 2020 to a final payment of \$263,700 in 2033. The bonds bear interest at a rate of 2.54% per annum. The bonds are secured by ad-valorem revenues. The refunding resulted in an economic gain of approximately \$764,000 and a cash flow savings of approximately \$947,000.

The indenture contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately.

Debt service requirements to maturity for the fiscal year ending September 30, 2020 are summarized as follows:

2021	193,400	74,887	268,287
2022	200,300	69,974	270,274
2023	201,800	64,887	266,687
2024	208,200	59,762	267,962
2025	214,200	54,473	268,673
2026-2030	1,160,900	187,883	1,348,783
2031-2033	769,500	39,461	808,961
	<u>\$ 2,948,300</u>	<u>\$ 551,327</u>	<u>\$ 3,499,627</u>

Florida Local Government Finance Commission

During fiscal year 2017, the Village entered into a pooled commercial paper loan agreement with the Florida Local Government Finance Commission (FLGFC) for total available funds of \$5,000,000 to finance various capital improvements within the Village, including the water main and sewer system project construction in the downtown area. The loan is collateralized by the Village's non-ad valorem revenues. The variable interest rate is paid monthly on the outstanding note balance. Other loan costs include various administrative fees and draw down costs of \$2,000 for each \$1,000,000 of draw down.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The Village does not currently have unused line of credit or assets placed as collateral for debt.

Changes in Governmental Activities Long-term liabilities during the fiscal year ended September 30, 2020 were as follows:

	<u>Beginning</u>			<u>Ending</u>	<u>Due</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>within</u>
					<u>one year</u>
Governmental activities					
Bonds and notes payable:					
Refunding General Obligation Bond, Series 2013	1,523,000	-	(136,000)	1,387,000	138,000
Refunding General Obligation Bond, Series 2015	<u>3,139,700</u>	<u>-</u>	<u>(191,400)</u>	<u>2,948,300</u>	<u>193,400</u>
Total bonds and notes payable	<u>4,662,700</u>	<u>-</u>	<u>(327,400)</u>	<u>4,335,300</u>	<u>331,400</u>
Other liabilities:					
OPEB liability	629,893	-	(112,440)	517,453	-
Compensated absences	748,956	775,581	(743,297)	781,240	6,906
Net pension liability	<u>4,115,451</u>	<u>809,294</u>	<u>-</u>	<u>4,924,745</u>	<u>-</u>
Total other liabilities	<u>5,494,300</u>	<u>1,584,875</u>	<u>(855,737)</u>	<u>6,223,438</u>	<u>6,906</u>
Governmental activity long-term liabilities	<u>\$10,157,000</u>	<u>\$1,584,875</u>	<u>\$(1,183,137)</u>	<u>\$10,558,738</u>	<u>\$338,306</u>
Business-type activities					
FLGFC Notes Payable	\$ 3,760,000	\$ -	\$ -	\$ 3,760,000	\$ 60,000
Other liabilities:					
OPEB liability	26,369	796	(8,388)	18,777	-
Compensated absences	102,975	73,759	(43,963)	132,771	33,193
Net pension liability	<u>110,491</u>	<u>82,378</u>	<u>-</u>	<u>192,869</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 3,999,835</u>	<u>\$ 156,933</u>	<u>\$(52,351)</u>	<u>\$ 4,104,417</u>	<u>\$ 93,193</u>

For government activities, compensated absences, pension liabilities and other post-employment (OPEB) benefits are generally liquidated by the general fund. Claims and adjustments are liquidated by the Risk Management internal service fund. Accordingly, their long-term liabilities for compensated absences, pension liabilities, and the other post-employment benefit (OPEB) liability are included as part of the totals for governmental activities.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfer activity for the year ended September 30, 2020 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 400,000	\$ 1,615,965
Grant Fund	81,234	-
Water & Sewer	49,925	-
Sanitation Fund	17,257	350,000
Stormwater Fund	-	131,234
Non-Major Governmental Funds	1,592,357	-
Internal Service Funds	<u>14,995</u>	<u>58,569</u>
Total	<u>\$ 2,155,768</u>	<u>\$ 2,155,768</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund the statute or budget requires to expend them and (b) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

- The General Fund transferred \$1,566,040 to the Capital Improvement Fund as funding for various ongoing capital projects of the Village.

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING

The Village maintains two separate defined benefit single-employer pension plans, the General Employees' Retirement Plan and the Police Officers' Retirement Plan which cover substantially all of its full-time employees. The Village accounts for these pension plans as pension trust funds.

Basis of Accounting

The Village's pension plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

Membership

The membership in the Plans as of October 1, 2019 (for the General Employees Plan) and October 1, 2019 for the Police Plan (the dates of the latest actuarial valuations) consisted of:

	<u>General Employees</u>	<u>Police</u>
Inactive employees:		
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	66	29
Active participants:	<u>68</u>	<u>36</u>
Total members	<u>134</u>	<u>65</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)

General Employees' Retirement Plan

Plan Description

The General Employees' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers all Village employees, except for police, and certain appointed employees. The Plan was established on January 1, 1957 by the Village Council. On December 31, 1999, the Plan was split between the general employees and the police officers. The Plan is governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective December 5, 2006, current employees may elect to participate in the deferred retirement option plan (DROP) the first day of the month coincident with or next following the date of normal retirement. Election into the DROP is voluntary. The employee may elect to participate in the plan for a maximum of 60 months. Once participation in the DROP commences, such participation constitutes an irrevocable election.

A member's continuous service and accrued benefit under the Plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the Plan shall not be accrued. No payments are made directly to the employee from the Plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the General Employees' Pension Plan will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

Upon termination of employment with the Village or 60 months of DROP participation, the balance of the DROP account will become payable in addition to the monthly normal retirement benefit (which is based on credited service and average monthly salary on the DROP election date). The DROP account is distributed to the member in a single lump sum payment or a direct rollover to another qualified retirement plan. If a member dies before the member's DROP account balance has been paid in full, distribution of the DROP account balance will be made according to the member's designation. DROP payments to a beneficiary will be in addition to any retirement benefits payable by the Plan. Under any option and in no event may the total benefit payments to the member or the beneficiary be less than the member's own accumulated contributions. As of September 30, 2020, there were 12 members in the DROP and their fair value of DROP investment was \$797,918 which is included in the Plan's net position. At the end of September 30, 2020, the Plan had no DROP Liability.

Funding Requirement

Plan members are required to contribute 6% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2020.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)

General Employees' Retirement Plan (Continued)

Funding Requirement (Continued)

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2019 for the year ended September 30, 2020. The contributions consisted of the following at September 30, 2020:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 403,199	11.14%
Members	\$ 217,098	N/A

Net Pension Liability

Total pension liability	18,200,300
Plan fiduciary net position	<u>16,827,923</u>
Net pension liability	<u>1,372,377</u>
Plan fiduciary net position as a percentage of total pension liability	92.46%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the measurement date of September 30, 2020 using the following actuarial assumptions:

Interest rates:	
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary increases	5.00% Including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality table	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.25%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2020 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)

General Employees' Retirement Plan (Continued)

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability (Asset) to the Single Discount Rate Assumption

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 3,428,080	\$ 1,372,377	\$ (346,238)

Financial Information

The Plan does not issue separate stand-alone financial statements, therefore, included below is the Statement of Plan Net Position and the Statement of Changes in Plan Net Position as of and for the fiscal year ended September 30, 2020.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	
Cash and cash equivalents	\$ 354,984
Investments, at fair value	16,415,705
Accrued interest receivable	<u>57,234</u>
Total assets	<u>16,827,923</u>
Net position restricted for pensions	<u>\$ 16,827,923</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2020

ADDITIONS	
Contributions	\$ 620,297
Net investment income	<u>1,373,773</u>
Total additions	<u>1,994,070</u>
DEDUCTIONS	
Pension benefits	791,587
Administrative expenses	<u>58,202</u>
Total deductions	<u>849,789</u>
Increase	1,144,281
Net position restricted for pensions:	
Beginning of year	<u>15,683,642</u>
End of year	<u>\$ 16,827,923</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)

Police Officers' Retirement Plan

Plan Description

The Police Officers' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the Village's certified police officers. The Plan was established as of the effective date of January 1, 1957 by the Village Council. It was amended on December 31, 1999, to split the Plan between General Employees and Police Officers. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective May 5, 1998, subsequent to the approval from the State of Florida, Division of Retirement, current employees with at least 25 but not more than 30 years of continuous service as a member of the plan may elect to participate in the deferred retirement option plan (DROP) for sworn police personnel. The employee may elect to participate in the plan for a maximum of 60 months before the employee attains 30 years of continuous service. A member's continuous service and accrued benefit under the plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the plan shall not be accrued, except for cost-of-living adjustments provided to retirees under the plan. No payments are made directly to the employee from the pension plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the police officers' retirement system will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

At the conclusion of the member's participation in the DROP, the member will receive a normal benefit calculated in accordance with the plan using an average monthly earnings and continuous service as of the effective date of the member's election to participate in the DROP. The DROP account is distributed to the member in a cash lump sum, unless the member alternatively elects to receive payments in approximately equal quarterly or annual installments over a period designated by the member. If a member dies before distribution of the member's DROP

plan commences, the account balance is paid to the member's designated beneficiary in an immediate cash lump sum. Provisions of the plan do not allow for the distribution of a member's DROP account to begin later than April 1 following the later of the calendar year in which the member separates from service with the Village or attains age 70 1/4 years. As of September 30, 2020, there were 3 members in the DROP and their fair value of DROP investment was \$316,346 which is included in the Plan's net position. At the end of September 30, 2020, the Plan had no DROP liability.

Funding Requirement

Plan members are required to contribute 9% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2020.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of the threshold of \$60,386 are to be utilized to provide future minimum extra benefits and may not be used to reduce or offset the contribution requirements of the employer.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)

Police Officers' Retirement Plan (Continued)

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2019 for the year ended September 30, 2020. The contributions consisted of the following at September 30, 2020:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	808,455	27.50%
State of Florida	105,165	3.58%
Total contributions from Village and State of Florida	<u>913,620</u>	<u>31.08%</u>
Members	264,605	N/A

Net Pension Liability

Total pension liability	\$ 33,113,657
Plan fiduciary net position	28,736,666
Net pension liability	4,376,991
Plan fiduciary net position as a percentage of total pension liability	86.78%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the measurement date of September 30, 2020, using the following actuarial assumptions:

Interest rates:	
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary increases	6.0% Including inflation
Investment Rate of Return	7.00%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.
Mortality table	The same versions of PUB-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.25%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2020 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)

Police Officers' Retirement Plan (Continued)

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 8,786,122	\$ 4,376,991	\$ 754,109

Financial Information

The Plan does not issue separate stand-alone financial statements, therefore, included below is the Statement of Plan Net Position and the Statement of Changes in Plan Net Position as of and for the fiscal year ended September 30, 2020.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	
Cash and cash equivalents	\$ 553,250
Investments, at fair value	27,969,110
Receivables	<u>214,306</u>
Total assets	<u>28,736,666</u>
Net position restricted for pensions	<u>\$ 28,736,666</u>

STATEMENT OF CHANGES IN PLAN NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2020

ADDITIONS	
Contributions	\$ 1,178,225
Net investment income	<u>2,347,637</u>
Total additions	<u>3,525,862</u>
DEDUCTIONS	
Pension benefits	1,425,391
Administrative expenses	<u>86,101</u>
Total deductions	<u>1,511,492</u>
Increase	2,014,370
Net position restricted for pensions:	
Beginning of year	<u>26,722,296</u>
End of year	<u>\$ 28,736,666</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING

As described in Note 9, the Village maintains two separate defined benefit single-employer pension plans, the General Employees' Retirement Plan and the Police Officers' Retirement Plan which cover substantially all of its full-time employees. The following details the disclosures as required by GASB Statement No. 68.

Basis of Accounting

The Village's pension plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

Membership

The membership in the General Employees' Retirement Plan (as of October 1, 2019) and the Police Officers' Retirement Plan (as of October 1, 2019) consisted of:

	<u>General Employees</u>	<u>Police</u>
Inactive employees:		
Retirees and beneficiaries currently receiving benefits and	59	29
Retirees entitled to benefits but not yet receiving them	7	0
Active participants:	<u>68</u>	<u>36</u>
Total members	<u>134</u>	<u>65</u>

General Employees' Retirement Plan

Plan Description

The General Employees' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers all Village employees, except for police, and certain appointed employees. The Plan was established on January 1, 1957 by the Village Council. On December 31, 1999, the Plan was split between the general employees and the police officers. The Plan is governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective December 5, 2006, current employees may elect to participate in the deferred retirement option plan (DROP) the first day of the month coincident with or next following the date of normal retirement. Election into the DROP is voluntary. The employee may elect to participate in the plan for a maximum of 60 months. Once participation in the DROP commences, such participation constitutes an irrevocable election.

A member's continuous service and accrued benefit under the Plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the Plan shall not be accrued. No payments are made directly to the employee from the Plan while the member participates in the drop plan.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING (CONTINUED)

General Employees’ Retirement Plan (continued)

Deferred Retirement Option Plan (continued)

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the General Employees' Pension Plan will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

Upon termination of employment with the Village or 60 months of DROP participation, the balance of the DROP account will become payable in addition to the monthly normal retirement benefit (which is based on credited service and average monthly salary on the DROP election date). The DROP account is distributed to the member in a single lump sum payment or a direct rollover to another qualified retirement plan. If a member dies before the member's DROP account balance has been paid in full, distribution of the DROP account balance will be made according to the member's designation. DROP payments to a beneficiary will be in addition to any retirement benefits payable by the Plan. Under any option and in no event may the total benefit payments to the member or the beneficiary be less than the member's own accumulated contributions. As of September 30, 2020, there were 12 members in the DROP and their fair value of DROP investment was \$797,918 which is included in the Plan's net position. At the end of September 30, 2020, the Village had no DROP liability.

Funding Requirement

Plan members are required to contribute 6% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2019.

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2019 for the year ended September 30, 2020. The contributions consisted of the following at September 30, 2019:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 403,200	11.36%
Members	\$ 212,987	N/A

Net Pension Liability:

The Village's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined as of that date.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING (CONTINUED)

General Employees’ Retirement Plan (continued)

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2019, using the following actuarial assumptions:

Interest rates:	
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary increases	5.50% Including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality table	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment for General employees and a 90% blue collar adjustment and a 10% white collar adjustment for Police transfers. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as required under Florida Statutes, Chapter 112.63.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan’s target allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 7.50% was applied to all periods of projected benefit payments to determine the total pension liability.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS VILLAGE’S REPORTING (CONTINUED)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending at September 30, 2019	\$ 15,896,701	\$ 15,246,755	\$ 649,946
Service Cost	374,153	-	374,153
Interest	1,197,271	-	1,197,271
Difference between actual & expected experience	35,435	-	35,435
Contributions - Employer	-	403,200	(403,200)
Contributions - Member	-	212,987	(212,987)
Benefit Payments	(614,486)	-	(614,486)
Net Investment Income	-	472,706	(472,706)
Benefit Payments	-	(614,486)	614,486
Administrative Expense	-	(37,520)	37,520
Reporting period ending at September 30, 2020	<u>\$ 16,889,074</u>	<u>\$ 15,683,642</u>	<u>\$ 1,205,432</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		92.86%	
Covered Payroll		\$ 3,549,783	
Net Pension Liability as a Percentage of Covered Payroll			33.96%

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following presents the plan’s net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
	\$ 3,128,875	\$ 1,205,432	\$ (403,073)

Pension Expense and Deferred Outflows/(Inflows) of Resources

For the year ended September 30, 2020, the Village will recognize pension expense of \$207,248. At September 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,110	\$ 215,018
Changes in assumptions	305	-
Net difference between projected and actual earnings on pension plan investments	<u>535,566</u>	<u>540,829</u>
Total	<u>\$ 561,981</u>	<u>\$ 755,847</u>

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING (CONTINUED)

General Employees’ Retirement Plan (Continued)

The Village contributions subsequent to the measurement date of \$403,200 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 (which will include the net pension liability measured at September 30, 2020).

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

Fiscal year ending September 30,	Net Deferred Outflows of Resources
2021	\$ (322,950)
2022	(62,514)
2023	57,705
2024	133,893
2025	-
Thereafter	-
Total	\$ (193,866)

Police Officers’ Retirement Plan

Plan Description

The Police Officers’ Retirement System (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the Village’s certified police officers. The Plan was established as of the effective date of January 1, 1957 by the Village Council. It was amended on December 31, 1999, to split the Plan between General Employees and Police Officers. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan.

Plan amendments must be authorized by the Village Council. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective May 5, 1998, subsequent to the approval from the State of Florida, Division of Retirement, current employees with at least 25 but not more than 30 years of continuous service as a member of the plan may elect to participate in the deferred retirement option plan (DROP) for sworn police personnel. The employee may elect to participate in the plan for a maximum of 60 months before the employee attains 30 years of continuous service. A member’s continuous service and accrued benefit under the plan shall be determined and frozen on the effective date of the employee’s election to participate in the DROP. Additional continuous service or benefits under the plan shall not be accrued, except for cost-of-living adjustments provided to retirees under the plan. No payments are made directly to the employee from the pension plan while the member participates in the drop plan.

During the period of the member’s participation in the DROP, the employee’s normal retirement benefit shall be credited to the employee’s DROP account. No further contributions to the police officers’ retirement system will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member’s account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

At the conclusion of the member’s participation in the DROP, the member will receive a normal benefit calculated in accordance with the plan using an average monthly earnings and continuous service as of the effective date of the member’s election to participate in the DROP. The DROP account is distributed to the member in a cash lump sum, unless the member alternatively elects to receive payments in approximately equal quarterly or annual installments over a period designated by the member. If a member dies before distribution of the member’s DROP

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING (CONTINUED)

Police Officers' Retirement Plan (continued)

plan commences, the account balance is paid to the member's designated beneficiary in an immediate cash lump sum. Provisions of the plan do not allow for the distribution of a member's DROP account to begin later than April 1 following the later of the calendar year in which the member separates from service with the Village or attains age 70 & 1/4 years. As of September 30, 2020, there were 3 members in the DROP and their fair value of DROP investment was \$316,346 which is included in the Plan's net position. At the end of September 30, 2020, the Plan had no DROP liability.

Funding Requirement

Plan members are required to contribute 9% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2020.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of the threshold of \$60,386 are to be utilized to provide future minimum extra benefits and may not be used to reduce or offset the contribution requirements of the employer.

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2019 for the year ended September 30, 2020. The contributions consisted of the following at September 30, 2019:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	1,116,211	40.26%
State of Florida	<u>214,608</u>	<u>7.74%</u>
Total contributions from Village and State of Florida	<u>1,330,819</u>	<u>48.00%</u>
Members	249,510	N/A

Net Pension Liability:

The Village's net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by the October 1, 2019 actuarial valuation.

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the measurement date of September 30, 2020, using the following actuarial assumptions:

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING (CONTINUED)

Police Officers' Retirement Plan (continued)

Interest rates:	
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary increases	6.0% Including inflation
Investment Rate of Return	7.00%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.
Mortality table	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as required under Florida Statutes, Chapter 112.63.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 7.50% was applied to all periods of projected benefit payments to determine the total pension liability.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)

Police Officers' Retirement Plan (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting period ending at September 30, 2019	\$ 30,282,738	\$ 26,706,742	\$ 3,575,996
Service Cost	737,909	-	737,909
Interest	2,215,570	-	2,215,570
Change of Benefit Terms	-	-	-
Difference between actual & expected experience	71,995	-	71,995
Contributions - Employer	-	1,116,211	(1,116,211)
Contributions - State	-	214,608	(214,608)
Contributions - Employee (including Buyback Contributions)	-	249,510	(249,510)
Change of Assumptions	-	-	-
Net Investment Income	-	936,089	(936,089)
Benefit Payments	(2,437,760)	(2,437,760)	-
Administrative Expense	-	(63,104)	63,104
Other (Changes in State Contribution Reserve)	(235,974)	-	(235,974)
Reporting period ending at September 30, 2020	<u>\$ 30,634,478</u>	<u>\$ 26,722,296</u>	<u>\$ 3,912,182</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.23%
Covered Payroll	\$ 2,772,333
Net Pension Liability as a Percentage of Covered Payroll	141.12%

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.50%	7.50%	8.50%
\$ 7,938,363	\$ 3,912,182	\$ 607,218

For the year ended September 30, 2020, the Village will recognize pension expense of \$642,659. At September 30, 2020, the Village reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 100,430	\$ 764,276
Changes in assumptions	82,818	125,097
Net difference between projected and actual earnings on pension plan investments	<u>825,918</u>	<u>819,843</u>
Total	<u>\$ 1,009,166</u>	<u>\$ 1,709,216</u>

The Village contributions subsequent to the measurement date of \$1,116,211 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 (which will include the net pension liability measured at September 30, 2020).

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 – EMPLOYEE RETIREMENT PLANS - VILLAGE’S REPORTING (CONTINUED)

Police Officers' Retirement Plan (Continued)

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

Fiscal year ending <u>September 30,</u>	Net Deferred Outflows of <u>Resources</u>
2021	(385,929)
2022	(344,372)
2023	(130,203)
2024	155,119
2025	5,335
Thereafter	-
Total	\$ (700,050)

Reconciliation of pension activity to statement of Net Position

	General Employees	Police Officers'	Total
Net Pension Liability	1,205,432	3,912,182	5,117,614
Deferred Outflows of Resources	429,614	1,102,944	1,532,558
Deferred Inflows of Resources	220,281	889,372	1,109,653
Pension Expense	207,248	642,659	849,907

NOTE 11 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions and natural disasters for which it has purchased commercial insurance. Prior to October 1, 2005, the Village was self-insured for these claims up to certain limits.

The amount of settlements for each of the past three fiscal years did not exceed insurance coverage.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of operations are pending against the Village. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the Village has sufficient insurance coverage to cover any claims and/or liabilities, which may arise from such action. The effect of such losses would not materially affect the financial position of the Village or the results of its operations.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the Village's financial condition.

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

Plan Description and Provisions

Other Post-Employment Benefits (OPEB) are available to all employees eligible for Disability, Early or Normal Retirement, as above, after terminating employment with the Village. The OPEB benefits include access to coverage for the retiree and dependents under the Medical and Prescription Plans as well as participation in the Dental group plans sponsored by the Village for employees. The Village provides all financial information and

required disclosures of its single employer other post-employment benefit plan in this document; therefore, a separate audited post-employment benefits plan report is not available.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

Membership

As of September 30, 2019 (the date of the latest actuarial valuations) health care and dental plan participants consisted of:

Active participants	96
Retired participants	<u>6</u>
Total participants	<u>102</u>

Health-Related Benefits

Eligible retirees may choose among the same Medical Plan options available for active employees of the Village. Dependents of retirees may be covered at the retiree's option the same as dependents of active employees. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees.

Retirees who are over age 65 are only eligible to enroll in Medicare Advantage Plan.

Funding Policy

Benefits are funded on a pay-as-you-go basis.

Total OPEB Liability

The Plan's total OPEB liability of \$536,230 was measured as of September 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Valuation Date:	September 30, 2020
Measurement Date:	September 30, 2020
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.75%
Salary Increases	5.00%, including inflation for General Employees; and 6.00%, including inflation for Police Officers
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition and employment class (Police or General).
Mortality	Mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions and other inputs (Continued)

Valuation Date:	September 30, 2019
Measurement Date:	September 30, 2019
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.75%
Salary Increases	5.00%, including inflation for General Employees; and 6.00%, including inflation for Police Officers
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition and employment class (Police or General).
Mortality	Mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 0.00% to reflect actual premiums for 2020, then 6.25% for 2021 and gradually decreasing to an ultimate trend rate of 3.99% plus 0.23% increase for excise tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.

Changes in the Total OPEB Liability

Balance at 9/30/19	\$ 656,262
Changes for the year:	
Service cost	42,514
Interest	25,990
Changes in benefit terms	-
Changes in assumptions and other input	(148,160)
Benefit payments	<u>(40,376)</u>
Net change in OPEB liability	<u>(120,032)</u>
Balance at 9/30/19	<u>\$ 536,230</u>

Sensitivity of the total OPEB liability to changes in the discount rate assumption

The following presents the plan's total OPEB liability, calculated using a discount rate of 2.75%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease	Current Discount Rate Assumption	1% Increase
1.75%	2.75%	3.75%
\$ 579,789	\$ 536,230	\$ 495,372

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to the Healthcare Cost Trend Rate assumption

The following presents the plan's total OPEB liability the assured trend rates, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost	
1% Decrease	Trend Rate Assumption	1% Increase
\$	474,481	\$ 536,230
		\$ 609,206

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the Village Plan recognized OPEB expenses of \$44,154. At September 30, 2019, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,149	\$ -
Changes in assumptions and other inputs	-	177,060
Benefit paid after measurement date	21,661	-
Total	\$ 38,810	\$ 177,060

Benefits paid after the measurement date of \$21,661 are reported as deferred outflows of resources and will be recognized as a reduction of total OPEB liability in FYE September 30, 2021. At the beginning of the current measurement period, the average of the expected remaining service lives for the purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 5.1 years.

Deferred Outflows and Inflows of Resources by Year to be recognized in future OPEB expenses are as follows:

The Village contributions subsequent to the measurement date 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 (which will include the net pension liability measured at September 30, 2020).

Fiscal year Ending September 30	Net Deferred Inflows of Resources
2021	(19,094)
2022	(19,094)
2023	(19,094)
2024	(19,094)
2025	(19,094)
Thereafter	(64,441)
Total	\$ (159,911)

Estimated Deferred Outflows of Resources due to benefits paid after the Measurement date is \$38,810.

NOTE 14 – NEGATIVE FUND BALANCE / NET POSITION

The Grants fund reported a negative fund balance in the amount of \$3,357,706. This amount is expected to be funded by FEMA funds related to Hurricane Irma, to be received at a later date. The Water and Sewer fund reported a negative net position in the amount of \$75,755. This amount is expected to be funded by the normal operations of the fund.

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 15 – RISKS AND UNCERTAINTIES

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 8,989,268	\$ 8,989,268	\$ 9,201,078	\$ 211,810
Public service taxes:				
Communications Services Taxes	1,387,600	1,387,600	1,456,487	68,887
Franchise Fees	653,500	653,500	650,848	(2,652)
Total Public service taxes	<u>2,041,100</u>	<u>2,041,100</u>	<u>2,107,335</u>	<u>66,235</u>
Licenses and permits:				
Business licenses - County	25,000	25,000	22,235	(2,765)
Building permits	896,000	896,000	629,087	(266,913)
Certificate of reoccupancy	14,000	14,000	12,270	(1,730)
Other licenses and permits	314,650	314,650	249,423	(65,227)
Total licenses and permits	<u>1,249,650</u>	<u>1,249,650</u>	<u>913,015</u>	<u>(336,635)</u>
Intergovernmental revenues:				
State shared revenues:				
State revenue sharing	254,585	254,585	266,626	12,041
Local government half cent sales tax	836,910	836,910	735,341	(101,569)
Other	740	740	892	152
Total intergovernmental revenues	<u>1,092,235</u>	<u>1,092,235</u>	<u>1,002,859</u>	<u>(89,376)</u>
Charges for services:				
Physical environment	22,250	22,250	14,329	(7,921)
Police extra duty	355,450	355,450	254,982	(100,468)
Landscape maintenance	20,000	20,000	20,754	754
Culture/recreation	1,900,010	1,900,010	988,175	(911,835)
Total charges for services	<u>2,297,710</u>	<u>2,297,710</u>	<u>1,278,240</u>	<u>(1,019,470)</u>
Fines and forfeitures:				
Court fines and costs	10,365	10,365	11,967	1,602
School crossing guards	18,000	18,000	12,116	(5,884)
Other	186,350	1,061,350	933,666	(127,684)
Total fines and forfeitures	<u>214,715</u>	<u>1,089,715</u>	<u>957,749</u>	<u>(131,966)</u>
Miscellaneous:				
Rents	360,000	360,000	421,330	61,330
Other	94,545	94,545	117,000	22,455
Total miscellaneous	<u>454,545</u>	<u>454,545</u>	<u>538,330</u>	<u>83,785</u>
Interest	<u>120,000</u>	<u>120,000</u>	<u>71,392</u>	<u>(48,608)</u>
Total revenues	<u>\$ 16,459,223</u>	<u>\$ 17,334,223</u>	<u>\$ 16,069,998</u>	<u>\$ (1,264,225)</u>

See notes to budgetary comparison schedule

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government:				
Village council	\$ 95,197	\$ 95,197	\$ 13,640	\$ 81,557
Village attorney	250,800	385,800	385,540	260
Village manager	463,970	463,970	452,179	11,791
Village clerk	167,133	172,134	149,221	22,913
Planning and zoning	188,337	188,337	180,282	8,055
Finance	561,526	522,766	412,012	110,754
Other general government	1,104,442	1,374,339	953,750	420,589
Total general government	<u>2,831,405</u>	<u>3,202,543</u>	<u>2,546,624</u>	<u>655,919</u>
Public safety:				
Law enforcement	7,421,277	7,545,668	6,637,188	908,480
School crossing guard	50,699	50,699	42,754	7,945
Building	612,023	633,023	629,616	3,407
Code	233,880	233,880	217,565	16,315
Total public safety	<u>8,317,879</u>	<u>8,463,270</u>	<u>7,527,123</u>	<u>936,147</u>
Public works:				
Parks	399,082	406,039	369,182	36,857
Street maintenance	789,721	791,893	685,858	106,035
Public works administration	471,006	471,006	459,393	11,613
Recreation maintenance	260,132	267,078	206,493	60,585
Total public services	<u>1,919,941</u>	<u>1,936,016</u>	<u>1,720,926</u>	<u>215,090</u>
Culture and recreation:				
Recreation	2,471,353	2,537,136	1,906,328	630,808
Library	487,680	494,080	449,475	44,605
Total culture and recreation	<u>2,959,033</u>	<u>3,031,216</u>	<u>2,355,803</u>	<u>675,413</u>
Total expenditures	<u>16,028,258</u>	<u>16,633,045</u>	<u>14,150,476</u>	<u>2,482,569</u>
(Deficiency) of revenues (under) expenditures	430,965	701,178	1,919,522	1,218,344
Other financing sources (uses):				
Transfers in	400,000	400,000	400,000	-
Transfers out	(830,965)	(1,730,965)	(1,615,965)	115,000
(Deficiency) of revenues (under) other financing sources (uses)	-	(629,787)	703,557	1,333,344
Fund balance appropriated	-	629,787	-	\$ 629,787
Net change in fund balance	-	-	703,557	
Fund balance, beginning	-	-	8,582,312	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,285,869</u>	

See notes to budgetary comparison schedule

MIAMI SHORES VILLAGE, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2020

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Village annually adopts operating budgets for the following governmental funds: General Fund, Local Option Gas Tax Fund, Transportation, the Capital Improvements Fund and Debt Service Fund. Budgets are also adopted for the Stormwater fund, Sanitation fund, Risk Management and Fleet Maintenance Fund.

- a) 35 days prior to the fiscal year end, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them by means of appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures for the General Fund is legally maintained at the departmental level. For all other funds it is legally maintained at the fund level.
- b) Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (TRIM) legislation.
- c) Prior to September 28th (unless preempted by TRIM) as stated in the Village's Charter, the budget is legally enacted through passage of a resolution.
- d) The Village Manager may at any time transfer any unencumbered appropriated balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the Village Manager and within the last three months of the budget year, the Council may by resolution transfer any unencumbered appropriated balance or portion thereof, from one office, department or agency to another.
- e) Budgeted amounts are as originally adopted or as amended. There were supplemental appropriations in the General Fund totaling \$604,787, during the fiscal year ended September 30, 2020 for funding outstanding obligations and unanticipated expenses
- f) Unencumbered appropriations lapse at year end.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM (VILLAGES REPORTING)
(as required by GASB Statement No. 68)

	2020	2019	2018	2017	2016	2015
Reporting fiscal year ending September 30,						
Measurement fiscal year ending September 30,						
Total Pension Liability						
Service Cost	\$ 374,153	\$ 355,620	\$ 345,113	\$ 315,449	\$ 325,868	\$ 308,880
Interest	1,197,271	1,129,866	1,134,060	1,079,053	1,018,010	960,279
Difference between actual & expected experience of the Total Pension Liability	35,435	-	(931,742)	-	106,918	(7,786)
Difference between actual & expected assumption	(614,486)	645	(630,350)	317,996	(655,520)	(373,038)
Benefit Payments	-	(597,378)	-	(639,713)	-	(28,655)
Refunds	-	-	-	-	-	-
Net Change in Total Pension Liability	992,373	888,753	(82,919)	1,072,785	795,276	859,678
Total Pension Liability - Beginning	15,896,701	15,007,948	15,090,867	14,018,082	13,222,806	12,363,128
Total Pension Liability - Ending (a)	\$ 16,889,074	\$ 15,896,701	\$ 15,007,948	\$ 15,090,867	\$ 14,018,082	\$ 13,222,806
Plan Fiduciary Net Position						
Contributions - Employer	\$ 403,200	\$ 443,102	\$ 443,102	\$ 371,453	\$ 371,453	\$ 261,966
Contributions - Member	212,987	201,687	186,555	188,786	188,793	179,680
Net Investment Income	472,706	1,452,542	1,531,913	1,074,730	(160,205)	715,959
Benefit Payments	(614,486)	(597,378)	(630,350)	(639,713)	(655,520)	(373,038)
Refunds	-	-	-	-	-	(28,655)
Administrative Expense	(37,520)	(40,842)	(42,936)	(69,962)	(15,448)	(29,411)
Net Change in Plan Fiduciary Net Position	436,887	1,459,111	1,486,284	925,294	(270,927)	726,501
Plan Fiduciary Net Position - Beginning	15,246,755	13,787,644	12,299,360	11,374,066	11,644,993	10,918,492
Plan Fiduciary Net Position - Ending (b)	\$ 15,683,642	\$ 15,246,755	\$ 13,787,644	\$ 12,299,360	\$ 11,374,066	\$ 11,644,993
Net Pension Liability - Ending (a) - (b)	\$ 1,205,432	\$ 649,946	\$ 1,220,304	\$ 2,791,507	\$ 2,644,016	\$ 1,577,813
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.86%	95.91%	91.87%	81.50%	81.14%	88.07%
Covered Payroll ¹	\$ 3,549,783	\$ 3,361,450	\$ 3,109,250	\$ 3,146,433	\$ 3,146,550	\$ 2,994,667
Net Pension Liability as a Percentage of Covered Payroll	33.96%	19.34%	39.25%	88.72%	84.03%	52.69%

¹ Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGES' NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM (PLAN'S REPORTING)
(as required by GASB Statement No. 67)

	2020	2019	2018	2017	2016	2015	2014
Fiscal year ending September 30,							
Total Pension Liability	\$ 393,715	\$ 374,153	\$ 355,620	\$ 345,113	\$ 315,449	\$ 325,868	\$ 308,880
Service Cost	1,263,867	1,197,271	1,199,747	1,134,060	1,070,820	1,018,010	960,279
Interest	38,093	-	(1,001,623)	-	115,151	-	(7,788)
Difference between actual & expected experience	442,573	-	645	-	317,996	-	-
Assumption Changes	(791,587)	(614,486)	(597,378)	(630,350)	(639,713)	(655,520)	(373,038)
Benefit Payments	-	-	-	-	-	-	(28,655)
Refunds	1,346,661	956,938	(42,989)	848,823	1,179,703	688,358	859,678
Net Change in Total Pension Liability	16,853,639	15,896,701	15,939,690	15,090,867	13,911,164	13,222,806	12,363,128
Total Pension Liability - Beginning	\$ 18,200,300	\$ 16,853,639	\$ 15,896,701	\$ 15,939,690	\$ 15,090,867	\$ 13,911,164	\$ 13,222,806
Total Pension Liability - Ending (a)							
Plan Fiduciary Net Position							
Contributions - Employer	\$ 403,199	\$ 403,200	\$ 443,102	\$ 443,102	\$ 371,453	\$ 371,453	\$ 261,966
Contributions - Member	217,096	212,987	201,687	186,555	188,786	188,793	179,680
Net Investment Income	1,373,773	472,706	1,452,542	1,531,913	1,074,730	(160,205)	715,959
Benefit Payments	(791,587)	(614,486)	(597,378)	(630,350)	(639,713)	(655,520)	(373,038)
Refunds	-	-	-	-	-	-	(28,655)
Administrative Expense	(58,202)	(37,520)	(40,842)	(42,936)	(69,962)	(15,448)	(29,411)
Net Change in Plan Fiduciary Net Position	1,144,281	436,887	1,459,111	1,488,284	925,294	(270,927)	726,501
Plan Fiduciary Net Position - Beginning	15,683,642	15,246,755	13,787,644	12,299,360	11,374,066	11,644,993	10,918,492
Plan Fiduciary Net Position - Ending (b)	\$ 16,827,923	\$ 15,683,642	\$ 15,246,755	\$ 13,787,644	\$ 12,299,360	\$ 11,374,066	\$ 11,644,993
Net Pension Liability - Ending (a) - (b)	\$ 1,372,377	\$ 1,169,997	\$ 649,946	\$ 2,152,046	\$ 2,791,507	\$ 2,537,098	\$ 1,577,813
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.46%	93.06%	95.91%	86.50%	81.50%	81.76%	88.07%
Covered Payroll¹	\$ 3,618,300	\$ 3,549,783	\$ 3,361,450	\$ 3,109,250	\$ 3,146,433	\$ 3,146,550	\$ 2,994,667
Net Pension Liability as a Percentage of Covered Payroll	37.93%	32.96%	19.34%	69.21%	88.72%	80.63%	52.69%

¹ Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM (PLAN'S REPORTING)
(as required by GASB Statement No. 67)

Fiscal Year Ending September 30.	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ¹	Actual Contribution as a % of Covered Payroll
2020	\$ 403,199	\$ 403,199	\$ -	\$ 3,618,300	11.14%
2019	403,199	403,200	(1)	3,549,783	11.36%
2018	443,102	443,102	-	3,361,450	13.18%
2017	443,102	443,102	-	3,361,450	13.18%
2016	371,453	371,453	-	3,146,433	11.81%
2015	371,453	371,453	-	3,146,550	11.81%
2014	261,966	261,966	-	2,994,667	8.75%

¹ Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

Notes to the Schedule of Contributions

Valuation Date 10/1/2017
Notes Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	5.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment for General employees and a 90% blue collar adjustment and a 10% white collar adjustment for Police transfers. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used by the Florida Retirement System (FRS) in their July 1, 2017 Actuarial Valuation, as required under Florida Statutes, Chapter 112.63.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Fiscal year ending <u>September 30.</u>	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2020	8.37%
2019	2.85%
2018	10.22%
2017	11.96%
2016	8.73%
2015	-1.20%
2014	6.23%
2013	10.44%
2012	12.95%
2011	9.06%
2010	8.51%

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT SYSTEM (VILLAGE'S REPORTING)
(as required by GASB Statement No. 68)

	2020		2019		2018		2017		2016		2015		2014	
	2020	2019	2019	2018	2018	2017	2017	2016	2016	2015	2015	2014	2014	2013
Reporting fiscal year ending September 30,														
Measurement fiscal year ending September 30,														
Total Pension Liability	\$ 737,909	\$ 686,704	\$ 660,242	\$ 536,463	\$ 554,721	\$ 672,275	\$ 1,937,284	\$ 1,796,408	\$ 1,937,284	\$ 1,796,408	\$ 1,796,408	\$ 1,796,408	\$ 1,796,408	\$ 1,796,408
Service Cost	2,215,570	2,232,269	2,115,601	1,991,408	1,937,284	1,796,408	(173,336)	(582,646)	307,647	(941,093)	(1,180,510)	113,175	1,406,663	23,668,697
Interest	71,995	(1,142,939)	101,437	(51,582)	(51,582)	5,315	(582,646)	307,647	(941,093)	(1,180,510)	113,175	1,406,663	23,668,697	25,075,360
Difference between actual & expected experience														
Benefit Changes														
Assumption Changes	(2,437,760)	(1,279,385)	(950,094)	(1,023,327)	(941,093)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)
Benefit Payments	(235,974)	69,509	70,382	65,088	65,088	65,088	65,088	65,088	65,088	65,088	65,088	65,088	65,088	65,088
Other														
Net Change in Total Pension Liability	351,740	566,158	1,693,758	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885	1,844,885
Total Pension Liability - Beginning	30,282,738	29,716,580	28,022,822	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937	26,177,937
Total Pension Liability - Ending (a)	\$ 30,634,478	\$ 30,282,738	\$ 29,716,580	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822	\$ 28,022,822
Plan Fiduciary Net Position														
Contributions - Employer (from Village)	1,116,211	1,165,400	1,105,854	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197	1,122,197
Contributions - Employer (from State)	214,608	99,702	100,575	95,281	95,281	95,281	95,281	95,281	95,281	95,281	95,281	95,281	95,281	95,281
Contributions - Member	249,510	231,040	210,630	191,425	191,425	191,425	191,425	191,425	191,425	191,425	191,425	191,425	191,425	191,425
Net Investment Income	936,089	2,464,134	2,495,997	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553	1,818,553
Benefit Payments	(2,437,760)	(1,279,385)	(950,094)	(1,023,327)	(941,093)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)	(1,180,510)
Administrative Expense	(63,104)	(55,307)	(62,709)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)	(78,167)
Net Change in Plan Fiduciary Net Position	15,554	2,625,584	2,900,253	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962	2,125,962
Plan Fiduciary Net Position - Beginning	26,706,742	24,081,158	21,180,905	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943	19,054,943
Plan Fiduciary Net Position - Ending (b)	\$ 26,722,296	\$ 26,706,742	\$ 24,081,158	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905	\$ 21,180,905
Net Pension Liability - Ending (a) - (b)	\$ 3,912,182	\$ 3,575,996	\$ 5,635,422	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917	\$ 6,841,917
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.23%	88.19%	81.04%	75.58%	75.58%	75.58%	75.58%	75.58%	75.58%	75.58%	75.58%	75.58%	75.58%	75.58%
Covered Payroll ⁴	2,772,333	2,567,111	2,340,333	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944	2,126,944
Net Pension Liability as a Percentage of Covered Payroll	141.12%	139.30%	240.80%	321.68%	321.68%	321.68%	321.68%	321.68%	321.68%	321.68%	321.68%	321.68%	321.68%	321.68%

¹ Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

² State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

³ Two year's worth of state contributions were received in fiscal year ending September 30, 2019

⁴ Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGES NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT SYSTEM (PLANS REPORTING)
(as required by GASB Statement No. 67)

	2020	2019	2018	2017	2016	2015	2014
Fiscal year ending September 30,							
Total Pension Liability							
Service Cost	\$ 826,391	\$ 737,909	\$ 686,704	\$ 660,242	\$ 536,463	\$ 554,721	\$ 672,275
Interest	2,306,113	2,215,570	2,232,269	2,115,601	1,991,408	1,937,284	1,796,408
Benefit Changes	(34,466)	71,995	(1,142,939)	101,437	(51,582)	(173,336)	-
Difference between actual & expected experience	795,173	-	-	(303,810)	326,835	(582,646)	5,315
Assumption Changes	(1,425,391)	(2,437,760)	(1,279,385)	(950,094)	(1,023,327)	(941,093)	(1,180,510)
Benefit Payments	11,359	(235,974)	69,509	70,382	65,088	-	113,175
Other	2,479,179	351,740	566,158	1,693,758	1,844,885	1,102,577	1,406,663
Total Change in Total Pension Liability	30,634,478	30,282,738	29,716,580	28,022,822	26,177,937	25,075,360	23,668,697
Total Pension Liability - Beginning	33,113,657	30,634,478	30,282,738	29,716,580	28,022,822	26,177,937	25,075,360
Total Pension Liability - Ending (a)							
Plan Fiduciary Net Position							
Contributions - Employer	\$ 808,455	\$ 1,116,211	\$ 1,165,400	\$ 1,105,854	\$ 1,122,197	\$ 1,249,668	\$ 1,207,161
Contributions - Employer (from State)	105,165	214,608	99,702	100,575	95,281	-	173,561
Contributions - Member	264,605	249,510	231,040	210,630	191,425	180,728	205,660
Net Investment Income	2,347,637	936,089	2,464,134	2,495,997	1,818,553	(201,097)	1,168,552
Benefit Payments	(1,425,391)	(2,437,760)	(1,279,385)	(950,094)	(1,023,327)	(941,093)	(1,180,510)
Administrative Expense	(86,101)	(63,104)	(55,307)	(62,709)	(78,167)	(11,783)	(39,392)
Net Change in Plan Fiduciary Net Position	2,014,370	15,554	2,625,584	2,900,253	2,125,962	276,423	1,535,032
Plan Fiduciary Net Position - Beginning	26,722,296	26,706,742	24,081,158	21,180,905	19,054,943	18,778,520	17,243,488
Plan Fiduciary Net Position - Ending (b)	28,736,666	26,722,296	26,706,742	24,081,158	21,180,905	19,054,943	18,778,520
Net Pension Liability - Ending (a) - (b)	4,376,991	3,912,182	3,575,986	5,635,422	6,841,917	7,122,994	6,296,840
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.78%	87.23%	88.19%	81.04%	75.58%	72.79%	74.89%
Covered Payroll ³	\$ 2,940,056	\$ 2,772,333	\$ 2,567,111	\$ 2,340,333	\$ 2,126,944	\$ 2,008,089	\$ 2,285,111
Net Pension Liability as a Percentage of Covered Payroll	148.87%	141.12%	139.30%	240.80%	321.68%	354.72%	275.56%

¹ Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

² State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

³ Covered payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution of 9%.

⁴ Two years' worth of State contributions were received in fiscal year ending September 30, 2019.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM (VILLAGE'S REPORTING)
(as required by GASB Statement No. 68)

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ³	Actual Contribution as a % of Covered Payroll
<u>September 30,</u>	<u>Contribution</u>	<u>Contribution</u>	<u>(Excess)</u>	<u>Payroll³</u>	<u>Covered Payroll</u>
2020	\$ 1,160,361	\$ 902,261	\$ 258,100 ⁴	\$ 2,940,056	30.69%
2019	1,146,404	1,305,962 ³	(159,558)	2,772,333	47.11%
2018	1,165,401	1,165,400	1	2,567,111	45.40%
2017	1,136,047	1,136,047	-	2,340,333	48.54%
2016	1,152,390	1,152,390	-	2,126,944	54.18%
2015	1,249,668 ¹	1,249,668 ²	-	2,008,089	62.23%
2014	1,237,354	1,267,547	(30,193)	2,285,111	55.47%

¹ Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

² State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

³ State contributions for fiscal years ending September 30, 2018 & 2019 were received in fiscal year ending September 30, 2019.

⁴ As of October 1, 2019, the Village had a prepaid contribution of \$420,389, of which \$258,100 was used to satisfy the Village's contribution requirement for fiscal year ending September 30, 2020.

Note: Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

Notes to the Schedule of Contributions

Valuation Date: October 1, 2018
Notes: Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	6.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as required under Florida Statutes, Chapter 112.63.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM (PLAN'S REPORTING)
(as required by GASB Statement No. 67)

Fiscal Year Ending <u>September 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency (Excess)	Covered <u>Payroll</u>	Actual Contribution as a % of <u>Covered Payroll</u>
2020	\$ 1,160,361	\$ 902,261	\$ 258,100 ⁴	\$ 2,940,056	30.69%
2019	1,146,404	1,305,962 ³	(159,558)	2,772,333	47.11%
2018	1,195,594	1,195,593	1	2,567,111	46.57%
2017	1,136,047	1,136,047	-	2,340,333	48.54%
2016	1,152,390	1,152,390	-	2,126,944	54.18%
2015	1,249,668 ¹	1,249,668 ²	-	2,008,089	62.23%
2014	1,237,354	1,267,547	(30,193)	2,285,111	55.47%

¹ Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30.

² State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

³ State contributions for fiscal years ending September 30, 2018 & 2019 were received in fiscal year ending September 30, 2019.

⁴ As of October 1, 2019, the Village had a prepaid contribution of \$420,389, of which \$258,100 was used to satisfy the Village's contribution requirement for fiscal year ending September 30, 2020.

Note: Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

Notes to the Schedule of Contributions

Valuation Date	October 1, 2018
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	6.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.

Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as required under Florida Statutes, Chapter 112.63.
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This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICERS' RETIREMENT SYSTEM

Fiscal year ending <u>September 30.</u>	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2020	8.44%
2019	3.33%
2018	9.83%
2017	11.22%
2016	8.97%
2015	-0.90%
2014	6.30%
2013	9.48%
2012	11.52%
2011	8.38%
2010	7.99%

MIAMI SHORES VILLAGE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2020

Total OPEB Liability:	2020	2019	2018
Service cost	\$ 42,514	\$ 43,470	\$ 48,122
Interest	25,990	23,391	22,769
Changes of benefit terms	-	-	(48,084)
Differences between expected and actual experience of the Total OPEB Liability	19,098	-	-
Changes in assumptions	(167,258)	(16,935)	(20,041)
Benefit payments	(40,376)	(36,994)	(91,579)
Net Change in total OPEB liability	(120,032)	12,932	(88,813)
Total OPEB liability- beginning	656,262	643,330	732,143
Total OPEB liability- ending	\$ 536,230	\$ 656,262	\$ 643,330
Covered payroll	\$ 6,004,403	\$ 6,190,210	\$ 5,980,879
Total OPEB liability as a percentage of covered payroll	8.93%	10.60%	10.76%

Notes to Schedule:

Note: Covered Payroll presented above is an estimate based on data submitted for the September 30, 2019 valuation. GASB Statement 75 defines *Covered-employee payroll* as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ending September 30, 2019).

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenue that is legally restricted to expenditure for particular purposes.

Transportation Surtax – This fund accounts for the Village's portion of the Miami-Dade County one-half percent transportation surtax approved by voters in November 2002.

Local Option Gas Tax – This fund accounts for the revenues from the six cents and additional three cents sales tax levied on all petroleum products sold in Miami-Dade County.

Law Enforcement Training – This fund accounts for proceeds obtained through fines designated specifically for training law enforcement officers.

Brockway Memorial Library Fund – This fund accounts for donations to be applied toward the Library's Children's Wing Expansion Project. All funds in this account are available to be used in the renovation and addition slated as part of the expansion project.

Debt Service Fund

General Obligation Bonds – This fund accounts for the 1999 and 2004 General Obligation bonds issued to fund the design, developments and construction of the Miami Shores Aquatic Facility (1999) and for the charter school construction (2004) and other banking financing.

Capital Project Funds

Capital Improvement Fund – This fund accounts for major capital acquisitions and projects to improve the Village.

Charter High School Construction – This fund accounts for all costs associated with the construction of the Doctors Charter School of Miami Shores which was substantially completed in 2005.

MIAMI SHORES VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds					
	Transportation Surtax	Local Option Gas Tax	Law Enforcement Training	Brockway Memorial Expansion	Total	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 266,559	\$ 427,872	\$ 29,090	\$ 749,520	\$ 1,473,041	
Accounts receivable - net	75,026	22,999	95	-	98,120	
Total assets	341,585	450,871	29,185	749,520	1,571,161	
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	2,552	3,538	-	-	6,090	
Total liabilities	2,552	3,538	-	-	6,090	
<u>FUND BALANCES</u>						
Restricted	339,033	447,333	29,185	749,520	1,565,071	
Total fund balances	339,033	447,333	29,185	749,520	1,565,071	
Total liabilities and fund balances	\$ 341,585	\$ 450,871	\$ 29,185	\$ 749,520	\$ 1,571,161	

MIAMI SHORES VILLAGE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>Debt Service</u>	<u>Capital Projects</u>			
	<u>GO Bonds</u>	<u>Capital Improvement Fund</u>	<u>Charter High School Construction</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
 <u>ASSETS</u>					
Cash and cash equivalents	\$ 1,207,880	\$ 1,456,433	\$ 14,838	\$ 1,471,271	\$ 4,152,192
Accounts receivable - net	1,600	-	-	-	99,720
Total assets	<u>1,209,480</u>	<u>1,456,433</u>	<u>14,838</u>	<u>1,471,271</u>	<u>4,251,912</u>
 <u>LIABILITIES</u>					
Accounts payable and accrued liabilities	-	13,700	7,050	20,750	26,840
Total liabilities	<u>-</u>	<u>13,700</u>	<u>7,050</u>	<u>20,750</u>	<u>26,840</u>
 <u>FUND BALANCES</u>					
Restricted Committed	1,209,480	-	7,788	7,788	2,782,339
Total fund balances	<u>1,209,480</u>	<u>1,442,733</u>	<u>-</u>	<u>1,442,733</u>	<u>1,442,733</u>
Total liabilities and fund balances	<u>\$ 1,209,480</u>	<u>\$ 1,456,433</u>	<u>\$ 14,838</u>	<u>\$ 1,471,271</u>	<u>\$ 4,251,912</u>

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

	Special Revenue Funds					
	Transportation Surtax	Local Option Gas Tax	Law Enforcement Training	Brockway Memorial Expansion	Total	
Revenues:						
Intergovernmental revenues	\$ 385,147	\$ 331,889	-	-	\$ 717,036	
Fines and forfeitures	-	-	1,873	-	1,873	
Miscellaneous	904	1,425	6	21,000	21,000	
Interest income	386,051	333,314	1,879	6,530	8,865	
Total revenues	<u>386,051</u>	<u>333,314</u>	<u>1,879</u>	<u>27,530</u>	<u>748,774</u>	
Expenditures:						
Public works	160,732	237,177	-	-	397,909	
Capital outlay	172,023	37,250	-	17,095	226,368	
Total expenditures	<u>332,755</u>	<u>274,427</u>	<u>-</u>	<u>17,095</u>	<u>624,277</u>	
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>53,296</u>	<u>58,887</u>	<u>1,879</u>	<u>10,435</u>	<u>124,497</u>	
Net change in fund balance	<u>53,296</u>	<u>58,887</u>	<u>1,879</u>	<u>10,435</u>	<u>124,497</u>	
Fund balances, beginning	285,737	388,446	27,306	739,085	1,440,574	
Fund balances, ending	<u>\$ 339,033</u>	<u>\$ 447,333</u>	<u>\$ 29,185</u>	<u>\$ 749,520</u>	<u>\$ 1,565,071</u>	

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

	Debt		Capital Projects			Total Nonmajor Governmental Funds
	Service	GO Bonds	Capital Improvement Fund	Charter High School Construction	Total	
Revenues:						
Property taxes		\$ 471,448	\$ -	\$ -	\$ -	\$ 471,448
Intergovernmental revenues		-	-	-	-	717,036
Fines and forfeitures		-	-	-	-	1,873
Miscellaneous		-	-	-	-	21,000
Interest income		10,838	5,183	-	5,183	24,886
Total revenues		<u>482,286</u>	<u>5,183</u>	<u>-</u>	<u>5,183</u>	<u>1,236,243</u>
Expenditures:						
General government		5,000	-	13,939	13,939	18,939
Public works		-	-	-	-	397,909
Capital outlay		-	1,801,394	-	1,801,394	2,027,762
Debt service:						
Principal		327,400	-	-	-	327,400
Interest		124,515	-	-	-	124,515
Total expenditures		<u>456,915</u>	<u>1,801,394</u>	<u>13,939</u>	<u>1,815,333</u>	<u>2,896,525</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)		25,371	(1,796,211)	(13,939)	(1,810,150)	(1,660,282)
Other financing sources (uses):						
Transfers in		-	1,592,357	-	1,592,357	1,592,357
Total other financing sources (uses)		<u>-</u>	<u>1,592,357</u>	<u>-</u>	<u>1,592,357</u>	<u>1,592,357</u>
Net change in fund balance		<u>25,371</u>	<u>(203,854)</u>	<u>(13,939)</u>	<u>(217,793)</u>	<u>(67,925)</u>
Fund balances, beginning		1,184,109	1,646,587	21,727	1,668,314	4,292,997
Fund balances, ending		<u>\$ 1,209,480</u>	<u>\$ 1,442,733</u>	<u>\$ 7,788</u>	<u>\$ 1,450,521</u>	<u>\$ 4,225,072</u>

MIAMI SHORES VILLAGE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Transportation Surftax				Local Option Gas Tax			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:								
Intergovernmental revenues	\$ 441,060	\$ 441,060	\$ 385,147	\$ (55,913)	\$ 344,340	\$ 344,340	\$ 331,889	\$ (12,451)
Interest income	4,080	4,080	904	(3,176)	2,340	2,340	1,425	(915)
Total revenues	<u>445,140</u>	<u>445,140</u>	<u>386,051</u>	<u>(59,089)</u>	<u>346,680</u>	<u>346,680</u>	<u>333,314</u>	<u>(13,366)</u>
Expenditures:								
Public works	235,143	235,143	160,732	74,411	271,931	271,931	237,177	34,754
Capital outlay	209,997	259,054	172,023	87,031	177,000	177,000	37,250	139,750
Total expenditures	<u>445,140</u>	<u>494,197</u>	<u>332,755</u>	<u>161,442</u>	<u>448,931</u>	<u>448,931</u>	<u>274,427</u>	<u>174,504</u>
Excess (deficiency) of revenues over (under) expenditures	-	(49,057)	53,296	102,353	(102,251)	(102,251)	58,887	161,138
(Inefficiency) or revenues (under) other financing (uses)	-	(49,057)	53,296	102,353	(102,251)	(102,251)	58,887	161,138
Fund balance appropriated	-	49,057	-	\$ 49,057	102,251	102,251	-	\$ 102,251
Net change in fund balance	-	-	53,296	-	-	-	58,887	-
Fund balances, beginning	-	-	285,737	-	-	-	388,446	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,333</u>	<u>\$ -</u>

MIAMI SHORES VILLAGE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Fund			Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	
Revenues:							
Property taxes	\$ 456,181	\$ 456,181	\$ 471,448	\$ -	\$ -	\$ -	\$ -
Interest income	12,000	12,000	10,838	-	-	5,183	5,183
Total revenues	468,181	468,181	482,286	-	-	5,183	5,183
Expenditures:							
General government	17,000	17,000	5,000	-	-	-	-
Capital outlay	-	-	-	2,666,040	3,758,589	1,801,394	1,957,195
Principal	417,400	417,400	327,400	-	-	-	-
Interest	148,781	148,781	124,515	-	-	-	-
Total expenditures	583,181	583,181	456,915	2,666,040	3,758,589	1,801,394	1,957,195
(Deficiency) of revenues (under) expenditures	(115,000)	(115,000)	25,371	(2,666,040)	(3,758,589)	(1,796,211)	1,962,378
Other financing sources:							
Transfers in	115,000	115,000	-	666,040	1,592,360	1,592,357	(3)
Excess (deficiency) of revenues over (under) expenditures and other financing	-	-	25,371	(2,000,000)	(2,166,229)	(203,854)	1,962,375
Fund balance appropriated	-	-	-	2,000,000	2,166,229	-	\$ 2,166,229
Net change in fund balance	-	-	25,371	-	-	(203,854)	
Fund balances, beginning	-	-	1,184,109	-	-	1,646,587	
Fund balances, ending	\$ -	\$ -	\$ 1,209,480	\$ -	\$ -	\$ 1,442,733	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Village on a cost reimbursement basis.

Risk Management Fund – This fund accounts for the accumulation and allocation of costs associated with insurance.

Fleet Maintenance Fund – This fund accounts for all direct and indirect costs to maintain and operate the Village's vehicles and equipment fleet.

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Risk Management Fund	Fleet Maintenance Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 984,170	\$ 1,458,037	\$ 2,442,207
Accounts receivable - net	10,023	-	10,023
Inventories	-	24,799	24,799
Prepaid items	207,069	-	207,069
Total current assets	<u>1,201,262</u>	<u>1,482,836</u>	<u>2,684,098</u>
Capital assets:			
Capital assets not being depreciated	-	7,127	7,127
Capital assets being depreciated, net	-	2,106,231	2,106,231
Total noncurrent assets	<u>-</u>	<u>2,113,358</u>	<u>2,113,358</u>
Total assets	<u>1,201,262</u>	<u>3,596,194</u>	<u>4,797,456</u>
<u>DEFERRED OUTLOWS OF RESOURCES</u>			
Pension	<u>-</u>	<u>21,481</u>	<u>21,481</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	23,036	29,422	52,458
Compensated absences	-	6,906	6,906
Total current liabilities	<u>23,036</u>	<u>36,328</u>	<u>59,364</u>
Noncurrent liabilities:			
Compensated absences	-	20,721	20,721
Net pension liability	-	60,271	60,271
Total noncurrent liabilities	<u>-</u>	<u>80,992</u>	<u>80,992</u>
Total liabilities	<u>23,036</u>	<u>117,320</u>	<u>140,356</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>-</u>	<u>11,014</u>	<u>11,014</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	2,113,358	2,113,358
Unrestricted	1,178,226	1,375,983	2,554,209
Total net position	<u>\$ 1,178,226</u>	<u>\$ 3,489,341</u>	<u>\$ 4,667,567</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Risk Management Fund	Fleet Maintenance Fund	Total
Revenues:			
Charges for services	<u>\$ 925,524</u>	<u>\$ 1,279,025</u>	<u>\$ 2,204,549</u>
Operating expenses:			
Administrative and general	66,649	-	66,649
Public works	-	675,023	675,023
Personnel expenses	-	240,609	240,609
Depreciation	-	333,166	333,166
Insurance premiums and claims	<u>826,461</u>	<u>-</u>	<u>826,461</u>
Total operating expenses	<u>893,110</u>	<u>1,248,798</u>	<u>2,141,908</u>
Operating income (loss)	<u>32,414</u>	<u>30,227</u>	<u>62,641</u>
Non-operating revenues:			
Interest income	<u>10,825</u>	<u>9,583</u>	<u>20,408</u>
Total non-operating revenues	<u>10,825</u>	<u>9,583</u>	<u>20,408</u>
Income before transfers and contributions	43,239	39,810	83,049
Transfers in	-	14,995	14,995
Transfers out	<u>(41,312)</u>	<u>(17,257)</u>	<u>(58,569)</u>
Change in net position	<u>1,927</u>	<u>37,548</u>	<u>39,475</u>
Net position, beginning	<u>1,176,299</u>	<u>3,451,793</u>	<u>4,628,092</u>
Net position, ending	<u>\$ 1,178,226</u>	<u>\$ 3,489,341</u>	<u>\$ 4,667,567</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers, governments and other funds	\$ 967,260	\$ 609,268	\$ 1,576,528
Cash paid to suppliers	(1,065,279)	(185,466)	(1,250,745)
Cash paid to employees	-	(240,352)	(240,352)
Net cash provided by (used in) operating activities	<u>(98,019)</u>	<u>183,450</u>	<u>85,431</u>
Cash flows from non-capital financing activities:			
Transfers in	-	14,995	14,995
Transfers out	(41,312)	(17,257)	(58,569)
Net cash (used in) non-capital financing activities	<u>(41,312)</u>	<u>(2,262)</u>	<u>(43,574)</u>
Cash flows from capital related financing activities:			
Acquisition and construction of capital assets	-	(148,903)	(148,903)
Investments	1,112,676	1,416,169	2,528,845
Net cash provided by capital and related financing activities	<u>1,112,676</u>	<u>1,267,266</u>	<u>2,379,942</u>
Cash flows from investing activities:			
Interest and other income	10,825	9,583	20,408
Net cash provided by investing activities	<u>10,825</u>	<u>9,583</u>	<u>20,408</u>
Net increase in cash and cash equivalents	984,170	1,458,037	2,442,207
Cash and cash equivalents, October 1	-	-	-
Cash and cash equivalents, September 30	<u>\$ 984,170</u>	<u>\$ 1,458,037</u>	<u>\$ 2,442,207</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 32,414	\$ 30,227	\$ 62,641
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	333,166	333,166
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	41,736	4,971	46,707
Inventories	-	12,156	12,156
Prepays	(12,025)	-	(12,025)
Deferred outflows of resources for pension	-	2,627	2,627
Other assets	-	295	295
Increase (decrease) in:			
Accounts payable and accrued liabilities	(14,372)	(21,496)	(35,868)
Compensated absences	-	10,620	10,620
Due to other funds	(145,772)	(176,126)	(321,898)
Net Pension Liability	-	27,774	27,774
Deferred inflows of resources for pension	-	(40,764)	(40,764)
Total adjustments	<u>(130,433)</u>	<u>153,223</u>	<u>22,790</u>
Net cash provided by (used in) operating activities	<u>\$ (98,019)</u>	<u>\$ 183,450</u>	<u>\$ 85,431</u>

FIDUCIARY FUNDS

These funds account for assets held by the Village in a trustee capacity or as an agent for employees.

Pension Trust Funds:

Police Officers Retirement System – To account for the accumulation of resources for pension benefit payments to police officers who have retired from Miami Shores Village.

General Employees Retirement System – To account for the accumulation of resources for pension benefit payments to employees, other than police, who have retired from Miami Shores Village.

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2020

	General Employee's Pension <u>Trust</u>	Police Pension <u>Trust</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 354,984	\$ 553,250	\$ 908,234
Receivables:			
Accounts receivable	-	105,165	105,165
Accrued interest and dividends	<u>57,234</u>	<u>109,141</u>	<u>166,375</u>
Total receivables	<u>57,234</u>	<u>214,306</u>	<u>271,540</u>
Investments, at fair value:			
Mutual funds - equity	7,210,291	11,043,909	18,254,200
Common stock	2,655,452	4,445,922	7,101,374
Corporate bonds	4,087,585	7,943,698	12,031,283
U.S. Government securities	771,162	1,451,890	2,223,052
Mortgage backed securities	953,760	1,789,555	2,743,315
Foreign stock	377,838	632,313	1,010,151
Foreign bonds	63,396	115,266	178,662
Municipal bonds	<u>296,221</u>	<u>546,557</u>	<u>842,778</u>
Total investments	<u>16,415,705</u>	<u>27,969,110</u>	<u>44,384,815</u>
Total assets	<u>16,827,923</u>	<u>28,736,666</u>	<u>45,564,589</u>
<u>NET POSITION</u>			
Net position restricted for pensions	<u>\$ 16,827,923</u>	<u>\$ 28,736,666</u>	<u>\$ 45,564,589</u>

MIAMI SHORES VILLAGE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General Employee's Pension <u>Trust</u>	Police Pension <u>Trust</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Employer	\$ 403,199	\$ 808,455	\$ 1,211,654
Employees	217,098	264,605	481,703
State of Florida	-	105,165	105,165
Total contributions	<u>620,297</u>	<u>1,178,225</u>	<u>1,798,522</u>
Investment income:			
Net depreciation in fair value of investments	791,529	1,317,946	2,109,475
Interest and dividend income	<u>654,925</u>	<u>1,127,978</u>	<u>1,782,903</u>
Total investment	1,446,454	2,445,924	3,892,378
Less investment expenses	<u>(72,681)</u>	<u>(98,287)</u>	<u>(170,968)</u>
Net investment income	<u>1,373,773</u>	<u>2,347,637</u>	<u>3,721,410</u>
Total additions	<u>1,994,070</u>	<u>3,525,862</u>	<u>5,519,932</u>
<u>DEDUCTIONS</u>			
Benefits paid	791,587	1,425,391	2,216,978
Administrative expenses	<u>58,202</u>	<u>86,101</u>	<u>144,303</u>
Total deductions	<u>849,789</u>	<u>1,511,492</u>	<u>2,361,281</u>
Net increase	<u>1,144,281</u>	<u>2,014,370</u>	<u>3,158,651</u>
Net position restricted for pensions			
Beginning of year	<u>15,683,642</u>	<u>26,722,296</u>	<u>42,405,938</u>
End of year	<u>\$ 16,827,923</u>	<u>\$ 28,736,666</u>	<u>\$ 45,564,589</u>

STATISTICAL SECTION

MIAMI SHORES VILLAGE, FLORIDA STATISTICAL SECTION

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

Contents

	<u>Page</u>
Financial Trends	88-91
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	
Revenue Capacity	92-96
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
Debt Capacity	97-100
<i>These schedules contain information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in future.</i>	
Demographic and Economic Information	101
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	
Operating Information	102-103
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	

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

MIAMI SHORES VILLAGE, FLORIDA
NET ASSETS BY COMPONENT
FOR THE LAST TEN FISCAL YEARS
(accural basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Invested in capital assets, net of related debt	\$ 18,699,542	\$ 17,559,445	\$ 17,975,743	\$ 15,914,887	\$ 15,398,737	\$ 14,140,442	\$ 14,460,317	\$ 13,445,077	\$ 13,160,184	\$ 12,279,776
Restricted	4,432,660	4,506,407	5,736,484	6,051,262	5,710,324	5,953,557	5,521,292	6,042,082	5,834,992	3,975,983
Unrestricted	4,044,028	2,570,978	(513,721)	1,622,254	3,452,368	3,737,341	9,971,992	9,976,183	9,592,734	9,904,824
Total governmental activities net assets	27,176,230	24,636,830	23,198,486	23,588,403	24,561,429	23,831,340	29,953,601	29,403,342	28,587,910	26,160,583
Business-type activities:										
Invested in capital assets, net of related debt	2,515,736	2,578,727	3,117,914	3,257,609	3,123,374	2,785,010	2,195,243	2,252,711	1,921,615	1,924,061
Restricted	-	-	3,772,478	3,772,478	-	-	-	-	-	-
Unrestricted	1,533,117	1,616,804	2,058,190	1,998,469	1,933,358	2,832,838	2,677,461	2,598,838	2,668,382	2,385,331
Total business-type activities net assets	4,048,853	4,195,531	8,948,582	9,028,556	5,056,732	5,617,848	4,872,704	4,851,549	4,609,997	4,309,392
Primary government:										
Invested in capital assets, net of related debt	21,215,278	20,138,172	21,093,657	19,172,496	18,522,111	16,925,452	16,655,560	15,697,788	15,081,799	14,203,837
Restricted	4,432,660	4,506,407	9,508,942	9,823,740	5,710,324	5,953,557	5,521,292	6,042,082	5,834,992	3,975,983
Unrestricted	5,577,145	4,187,782	1,544,469	3,620,723	5,385,726	6,570,179	12,649,453	12,515,021	12,281,116	12,290,155
Total primary government net assets	\$ 31,225,083	\$ 28,832,361	\$ 32,147,068	\$ 32,616,959	\$ 29,618,161	\$ 29,449,188	\$ 34,826,305	\$ 34,254,891	\$ 33,197,907	\$ 30,469,975

MIAMI SHORES VILLAGE, FLORIDA

CHANGES IN NET ASSETS

FOR THE LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
General government	\$ 3,695,604	\$ 3,922,392	\$ 3,206,651	\$ 3,478,191	\$ 3,377,218	\$ 3,159,828	\$ 2,760,901	\$ 2,418,939	\$ 2,336,763	\$ 2,396,446
Public safety	7,230,071	7,776,091	6,970,163	7,094,590	6,460,583	6,086,606	6,206,349	6,425,432	5,609,508	5,596,692
Public works	4,400,730	3,933,809	4,820,309	3,860,624	2,502,799	3,492,136	2,239,056	2,385,338	2,346,575	1,949,960
Culture and recreation	2,638,651	3,199,846	3,202,922	3,036,354	3,145,255	2,976,180	2,946,167	2,816,882	2,583,688	2,498,408
Interest on debt	124,515	133,191	128,553	151,794	168,811	272,374	283,840	432,997	425,355	443,542
Total governmental activities expenses	<u>18,089,571</u>	<u>18,965,329</u>	<u>18,326,598</u>	<u>17,621,553</u>	<u>15,654,666</u>	<u>15,989,126</u>	<u>14,436,313</u>	<u>14,479,568</u>	<u>13,201,689</u>	<u>12,885,048</u>
Business-type activities										
Sanitation	2,829,293	2,612,667	2,461,906	2,464,762	2,528,666	2,223,695	2,284,399	2,119,723	2,208,585	2,257,285
Stormwater	282,149	279,259	201,904	224,695	237,712	193,174	165,537	180,702	175,761	190,992
Water & Sewer	63,301	4,383,725	148,717	105,707	62,204	-	-	-	-	-
Total business-type activities expenses	<u>3,174,743</u>	<u>7,275,651</u>	<u>2,812,527</u>	<u>2,795,164</u>	<u>2,828,582</u>	<u>2,416,869</u>	<u>2,459,936</u>	<u>2,300,425</u>	<u>2,384,346</u>	<u>2,448,277</u>
Total primary government expenses	<u>21,264,314</u>	<u>26,240,980</u>	<u>21,139,125</u>	<u>20,416,717</u>	<u>18,483,248</u>	<u>18,405,995</u>	<u>16,896,249</u>	<u>16,780,013</u>	<u>15,586,035</u>	<u>15,333,325</u>
Program revenues										
Governmental activities										
Charges for services										
General government	1,838,539	2,190,376	1,619,903	1,211,656	1,366,832	1,005,762	1,063,095	841,572	1,069,135	1,177,047
Public safety	2,873,248	2,203,635	896,857	1,116,160	790,598	1,027,550	1,087,055	1,553,168	2,326,376	777,655
Public works	34,629	46,912	24,175	62,144	194,349	200,977	117,815	843,218	727,160	814,600
Culture and recreation	650,093	1,442,519	1,577,949	1,356,565	1,388,906	1,568,844	1,436,999	1,375,506	1,293,788	1,117,160
Operating grants and contributions	717,036	815,658	816,300	801,908	798,312	816,380	784,430	87,368	170,234	217,303
Capital grants and contributions	-	-	-	-	-	35,564	474,079	35,564	47,447	65,921
Total governmental activities program revenues	<u>6,113,545</u>	<u>6,699,100</u>	<u>4,935,184</u>	<u>4,548,433</u>	<u>4,538,997</u>	<u>4,655,077</u>	<u>4,963,473</u>	<u>4,736,395</u>	<u>5,634,140</u>	<u>4,169,686</u>
Business-type activities										
Charges for services										
Sanitation	2,912,517	2,621,861	2,623,039	2,623,010	2,633,013	2,639,106	2,641,284	2,667,843	2,765,775	2,665,041
Stormwater	479,125	245,805	245,407	244,936	245,269	244,805	244,107	248,132	252,420	248,668
Water & Sewer	36,308	43,868	84,159	70,143	136,855	-	-	-	-	-
Capital grants and contributions	-	-	-	556,382	-	672,381	-	-	-	-
Total business-type activities program revenues	<u>3,428,950</u>	<u>2,911,534</u>	<u>2,952,605</u>	<u>3,494,471</u>	<u>3,015,137</u>	<u>3,556,292</u>	<u>2,885,391</u>	<u>2,915,975</u>	<u>3,018,195</u>	<u>2,913,709</u>
Total primary government program revenue	<u>\$ 9,543,495</u>	<u>\$ 9,610,634</u>	<u>\$ 7,887,789</u>	<u>\$ 8,042,904</u>	<u>\$ 7,554,134</u>	<u>\$ 8,211,369</u>	<u>\$ 7,848,864</u>	<u>\$ 7,652,371</u>	<u>\$ 8,652,335</u>	<u>\$ 7,083,395</u>

(Continued)

MIAMI SHORES VILLAGE, FLORIDA

CHANGES IN NET ASSETS
(Continued)

FOR THE LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (expenses) revenue										
Governmental activities	\$ (11,976,026)	\$ (12,286,229)	\$ (13,391,414)	\$ (13,391,414)	\$ (13,073,120)	\$ (11,115,869)	\$ (11,334,049)	\$ (9,781,236)	\$ (7,567,750)	\$ (8,715,362)
Business-type activities	255,207	(4,384,117)	140,078	140,078	699,307	186,555	1,138,423	425,455	633,849	465,432
	<u>(11,720,819)</u>	<u>(16,630,346)</u>	<u>(13,251,336)</u>	<u>(13,251,336)</u>	<u>(12,373,813)</u>	<u>(10,929,314)</u>	<u>(10,194,626)</u>	<u>(9,355,781)</u>	<u>(6,933,901)</u>	<u>(8,249,930)</u>
General revenues and other changes in net assets										
Governmental activities										
Property taxes	9,672,526	9,009,745	8,464,744	7,923,699	7,326,125	6,893,572	6,406,843	6,255,087	6,078,085	6,143,806
Public services tax	2,107,335	2,156,184	2,121,676	2,104,726	2,141,094	2,199,772	2,214,451	2,045,767	2,098,267	2,137,473
Intergovernmental	1,517,940	1,209,452	1,145,885	1,109,035	1,092,365	1,027,237	1,002,183	929,782	918,034	936,215
Miscellaneous	675,139	635,023	662,675	549,075	507,592	827,991	489,614	415,330	493,243	1,019,320
Interest earning - unrestricted	128,434	277,431	115,869	60,740	26,210	29,568	20,670	32,015	61,071	36,378
Gain on sale of capital assets	-	-	-	-	-	523,164	-	-	-	-
Transfers	414,052	416,737	350,076	352,819	400,000	400,000	395,000	395,000	335,000	235,000
Total governmental activities	<u>14,515,426</u>	<u>13,704,572</u>	<u>12,881,125</u>	<u>12,100,094</u>	<u>11,493,386</u>	<u>11,901,304</u>	<u>10,508,761</u>	<u>10,072,961</u>	<u>9,983,700</u>	<u>10,508,192</u>
Business-type activities										
Investment earnings	12,167	27,803	17,370	10,623	4,701	5,721	5,708	5,994	1,756	2,313
Other general revenues	-	-	-	-	-	-	-	-	-	-
Transfers	(414,052)	(416,737)	(350,076)	(352,819)	(400,000)	(400,000)	(395,000)	(395,000)	(335,000)	(235,000)
Total business-type activities	<u>(401,885)</u>	<u>(388,934)</u>	<u>(332,706)</u>	<u>(342,196)</u>	<u>(395,299)</u>	<u>(394,279)</u>	<u>(389,292)</u>	<u>(389,006)</u>	<u>(333,244)</u>	<u>(232,687)</u>
Total primary government	<u>14,113,541</u>	<u>13,315,638</u>	<u>12,548,419</u>	<u>11,757,898</u>	<u>11,098,087</u>	<u>11,507,025</u>	<u>10,119,469</u>	<u>9,683,955</u>	<u>9,650,456</u>	<u>10,275,505</u>
Change in net assets										
Governmental activities	2,539,400	1,438,343	(510,289)	(1,291,320)	377,717	785,635	(625,288)	291,725	2,415,950	1,792,830
Business-type activities	(146,078)	(4,763,051)	(192,628)	(202,118)	(208,744)	(207,724)	750,131	36,449	300,605	232,745
Total primary government	<u>\$ 2,392,722</u>	<u>\$ (3,314,708)</u>	<u>\$ (702,917)</u>	<u>\$ (1,493,438)</u>	<u>\$ 168,973</u>	<u>\$ 577,911</u>	<u>\$ (75,157)</u>	<u>\$ 328,174</u>	<u>\$ 2,716,555</u>	<u>\$ 2,025,575</u>

MIAMI SHORES VILLAGE, FLORIDA
FUND BALANCES FOR GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	6,779	12,656	17,851	4,506	7,786	3,741	11,698	32,305	33,480	1,885
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	31,562	31,562	45,947	77,512	63,109
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	9,279,090	8,569,656	8,070,645	7,450,908	7,957,802	8,553,593	7,923,177	7,884,961	7,846,925	7,609,716
Total general fund	\$ 9,285,869	\$ 8,582,312	\$ 8,088,496	\$ 7,455,414	\$ 7,965,588	\$ 8,588,896	\$ 7,966,437	\$ 7,963,213	\$ 7,957,917	\$ 7,674,710
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,000	2,000	-	5,174	-	-	-	-	59,270	61,225
Restricted	4,439,562	4,526,640	5,736,464	6,046,087	5,710,324	5,953,557	5,731,494	6,042,082	5,798,976	3,975,983
Committed	1,442,733	1,646,587	830,632	768,966	581,630	578,434	649,494	611,766	955,728	1,748,148
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(3,357,706)	(3,373,275)	(3,323,252)	(1,079,522)	-	-	-	-	-	-
Total all other governmental funds	\$ 2,526,589	\$ 2,801,952	\$ 3,243,844	\$ 5,740,705	\$ 6,291,954	\$ 6,531,991	\$ 6,380,988	\$ 6,653,848	\$ 6,813,974	\$ 5,785,356

*During FY2011 the Village implemented the new fund balance classifications.

MIAMI SHORES VILLAGE, FLORIDA
CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes	\$ 9,672,526	\$ 9,009,745	\$ 8,484,744	\$ 7,923,699	\$ 7,326,125	\$ 6,893,572	\$ 6,406,843	\$ 6,255,087	\$ 6,078,085	\$ 6,143,806
Public services taxes	2,107,335	2,156,184	2,121,676	2,104,726	2,141,094	2,199,772	2,214,451	2,799,637	2,795,688	2,851,593
Licenses and permits	913,015	1,291,634	1,211,448	1,212,029	1,257,228	1,237,435	1,018,301	841,572	914,833	1,052,626
Intergovernmental	2,234,976	2,025,110	1,962,185	1,910,943	1,890,677	1,879,181	2,219,683	1,052,694	1,135,715	1,219,439
Charges for services	1,278,240	1,898,020	2,034,859	1,829,756	1,732,617	2,059,389	1,980,381	1,941,090	1,734,095	1,542,432
Fines and forfeitures	1,000,705	441,823	489,247	696,709	517,648	613,743	629,524	858,753	1,955,837	423,905
Miscellaneous	675,139	664,688	662,875	549,075	507,592	827,991	555,417	415,330	493,243	986,649
Investment earnings	108,026	231,498	103,199	55,420	24,149	27,058	18,166	32,015	59,289	31,796
Total revenues	17,989,962	17,718,702	17,070,233	16,282,357	15,397,130	15,738,141	15,042,766	14,196,178	15,166,785	14,252,246
Expenditures:										
General government	2,568,784	2,518,487	3,156,532	3,293,951	3,045,728	3,073,851	2,627,454	2,500,274	2,291,190	2,391,556
Public safety	7,618,226	8,098,441	6,909,490	6,650,384	6,309,748	6,134,782	6,285,671	6,111,942	5,536,160	5,399,589
Public works	2,662,058	2,361,867	4,351,425	3,073,272	1,990,600	1,823,936	1,761,225	1,662,089	1,684,822	1,540,755
Culture and recreation	2,379,177	2,875,148	2,812,709	2,595,807	2,720,207	2,580,527	2,546,688	2,428,789	2,209,660	2,161,213
Capital outlay	2,339,234	1,669,824	1,378,124	1,215,777	1,927,324	1,526,136	1,613,488	1,115,631	1,449,486	1,173,423
Debt services:										
Principal	327,400	317,100	533,959	674,079	657,889	635,837	589,036	4,362,580	487,690	465,351
Interest	124,515	133,191	141,846	151,794	168,811	272,374	283,840	432,997	421,599	436,736
Total expenditures	18,019,394	17,973,858	19,284,085	17,655,064	16,820,307	16,047,443	15,707,402	18,614,302	14,080,607	13,568,623
(Deficiency) excess of revenues over expenditures	(29,432)	(255,156)	(2,213,852)	(1,372,707)	(1,423,177)	(309,302)	(664,636)	(4,418,124)	1,086,178	683,623
Other financing sources (uses):										
Proceeds from long-term debt	-	-	-	4,017,600	-	-	-	3,923,000	-	-
Payment to refunding agent	-	-	-	(3,890,000)	-	-	-	-	-	-
Sales of capital assets	-	-	-	523,164	-	-	-	-	-	-
Transfer in	2,073,591	5,222,774	2,981,015	4,487,608	4,474,312	3,269,070	3,264,673	3,028,480	2,983,374	3,331,180
Transfer out	(1,615,965)	(4,915,694)	(2,630,939)	(4,176,324)	(4,012,312)	(2,837,070)	(2,869,673)	(2,688,180)	(2,757,627)	(3,096,180)
Total other financing sources (uses)	457,626	307,080	350,076	311,284	462,000	1,082,764	395,000	4,263,300	225,747	235,000
Net change in fund balances	\$ 428,194	\$ 51,824	\$ (1,863,776)	\$ (1,061,423)	\$ (961,177)	\$ 773,462	\$ (269,636)	\$ (154,824)	\$ 1,311,925	\$ 918,623
Debt service as a percentage of noncapital expenditures	2.9%	2.8%	3.8%	5.0%	5.6%	6.3%	6.2%	27.4%	7.2%	7.3%

MIAMI SHORES VILLAGE, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Public Service Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Interest Income</u>	<u>Total</u>
2011	5,614,746	2,137,473	1,052,626	912,421	1,542,432	329,906	633,318	12,859	12,235,781
2012	5,524,395	2,098,267	914,833	892,474	1,734,095	320,926	361,318	42,552	11,888,860
2013	5,719,016	2,045,767	841,572	964,755	1,941,090	609,029	276,811	18,746	12,416,786
2014	5,894,716	2,214,451	1,018,301	1,002,183	1,980,381	492,285	382,149	5,213	12,989,679
2015	6,383,317	2,199,772	1,237,435	1,062,801	2,059,389	499,777	449,445	14,281	13,906,217
2016	6,864,998	2,141,094	1,257,228	1,092,365	1,732,617	352,026	357,494	14,492	13,812,314
2017	7,446,686	2,104,726	1,212,029	1,102,765	1,829,756	554,068	371,309	42,023	14,663,362
2018	8,027,601	2,121,676	1,211,448	1,131,324	2,034,859	435,792	461,779	74,081	15,498,560
2019	8,555,473	2,156,184	1,291,634	1,139,976	1,898,020	251,004	532,950	162,557	15,987,798
2020	9,201,078	2,107,335	913,015	1,002,859	1,278,240	957,749	538,330	71,392	16,069,998

Revenues included in the General and Excise Tax Funds
The Excise Tax Fund was closed in FY2019

MIAMI SHORES VILLAGE, FLORIDA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

FOR THE LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Market Value</u>	<u>Assessed Value as a percentage of Market Value</u>
2011	703,899,345	15,775,621	1,498,857	721,173,823	8.7762	1,283,953,769	56.17%
2012	698,738,442	16,953,525	1,544,711	717,236,678	8.7855	1,243,667,012	57.67%
2013	727,955,201	17,910,658	1,530,814	747,396,673	8.7500	1,284,277,736	58.20%
2014	744,161,594	18,898,889	1,071,836	764,132,319	8.6949	1,294,780,508	59.02%
2015	808,067,935	20,443,472	1,281,491	829,792,898	8.6392	1,483,377,513	55.94%
2016	880,336,926	19,782,931	1,509,219	901,629,076	8.4289	1,692,889,026	53.26%
2017	953,506,766	19,610,810	1,678,470	974,796,046	8.4054	1,879,247,396	51.87%
2018	1,030,605,970	19,731,712	1,785,659	1,052,123,341	8.3491	2,009,104,786	52.37%
2019	1,095,746,087	20,399,258	1,887,615	1,118,032,960	8.3192	2,019,624,945	55.36%
2020	1,173,922,297	20,064,707	2,400,225	1,196,387,229	8.3009	2,084,500,585	57.39%

Source: Miami-Dade County Property Appraisal Office.

Note: Property in the Village is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value. The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3 percent per year or the amount of the Consumer Price index, whichever is less. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per \$1,000 of assessed value.

MIAMI SHORES VILLAGE, FLORIDA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS (1)

FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Miami Shores Village				County			Special Districts			Total Direct & Overlapping Rates
	City Wide	Debt Service	Total Direct Rate	County-Wide	Debt Service	Fire	Library	School	State		
2011	8.0000	0.7762	8.7762	5.9275	0.2850	2.5953	-	8.2490	0.6585	26.4915	
2012	8.0000	0.7855	8.7855	4.8050	0.2850	2.4627	-	8.0050	0.9708	25.3140	
2013	8.0000	0.7500	8.7500	4.7035	0.2850	2.4627	-	7.9980	0.9634	25.1626	
2014	8.0000	0.6949	8.6949	4.7035	0.4220	2.4623	-	7.9770	0.9455	25.2052	
2015	8.0000	0.6392	8.6392	4.6669	0.4500	2.4321	-	7.9740	0.9187	25.0809	
2016	7.9000	0.5289	8.4289	4.6583	0.4586	2.4293	-	7.6120	0.8871	24.4742	
2017	7.9000	0.5054	8.4054	4.6669	0.4000	2.4282	-	7.3220	0.8627	24.0852	
2018	7.9000	0.4491	8.3491	4.6669	0.4000	2.4282	-	6.9940	0.8093	23.6475	
2019	7.9000	0.4192	8.3192	4.6669	0.4644	2.4207	-	6.7330	0.7671	23.3713	
2020	7.9000	0.4009	8.3009	4.6669	0.4780	2.4207	-	7.1480	0.7795	23.7940	

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

Additional information:

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

Tax rate limits:

City	10.000 Mills
County	10.000 Mills
School	10.000 Mills
State	10.000 Mills

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

MIAMI SHORES VILLAGE, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>
Tropical Chevrolet, Inc.	\$ 10,564,576	1	0.88%	\$ 6,283,319	3	0.87%
Shore Square Properties, LLC	8,949,387	2	0.75%	6,615,264	2	0.92%
Northern Trust Bank ETAL TRS (Publix)	8,834,050	3	0.74%	8,189,776	1	1.14%
Miami Shores Village	8,504,338	4	0.71%	-		
FPL Energy Services Inc	8,478,595	5	0.71%	5,597,818	4	0.78%
Carol Invest USA, Inc	4,802,955	6	0.40%	-		
88 Biscayne Management LLC	4,080,437	7	0.34%	-		
Bank of America NA	3,541,071	8	0.30%	-		
SMSB LLC	3,500,000	9	0.29%	-		
Frederic Puren	3,466,745	10	0.29%	-		
Frances B Everett				3,083,919	5	0.43%
DVS LLC				2,821,031	6	0.39%
Wal Miami LLC				2,456,175	7	0.34%
Comcast of South Florida II Inc.				2,328,192	8	0.32%
Omar Cassola	-			2,263,365	9	0.31%
Norton L Barchan	-			2,013,724	10	0.28%
Total	\$ 64,722,154		5.41%	\$ 41,652,583		5.78%

MIAMI SHORES VILLAGE, FLORIDA
OPERATING PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30.</u>	Total Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	<u>Total collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	5,769,391	5,474,167	94.9%	140,579	5,614,746	97.3%
2012	5,756,124	5,833,835	101.4%	60,881	5,894,716	102.4%
2013	5,998,630	5,672,080	94.6%	46,936	5,719,016	95.3%
2014	6,113,059	5,894,716	96.4%	98	5,894,814	96.4%
2015	6,638,343	6,383,223	96.2%	94	6,383,317	96.2%
2016	7,122,870	6,803,657	95.5%	61,341	6,864,998	96.4%
2017	7,700,889	7,446,395	96.7%	291	7,446,686	96.7%
2018	8,311,774	8,027,509	96.6%	92	8,027,601	96.6%
2019	8,832,460	8,555,406	96.9%	67	8,555,473	96.9%
2020	9,451,459	9,170,453	97.0%	30,692	9,201,078	97.4%

Source: Miami Shores Village Finance Department and Miami-Dade County Property Appraisers Office.

MIAMI SHORES VILLAGE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>September 30,</u>	Governmental		Enterprise		Percentage of Actual Taxable Value of Property	Percentage of Personal Income
	General Obligation <u>Bonds</u>	Loan <u>Payable</u>	Revenue <u>Bonds</u>	<u>Total</u>		
2011	6,665,000	2,358,637	-	9,023,637	1.25%	3.29%
2012	6,460,000	1,922,581	-	8,382,581	1.17%	2.38%
2013	6,298,000	1,645,000	-	7,943,000	1.06%	2.22%
2014	6,053,000	1,300,964	-	7,353,964	0.96%	1.85%
2015	5,895,300	950,427	-	6,845,727	0.82%	1.69%
2016	5,596,900	590,938	4,840,000	11,027,838	1.22%	2.62%
2017	5,291,600	222,159	4,680,000	10,193,759	1.05%	2.26%
2018	4,979,800	-	4,520,000	9,499,800	0.90%	1.89%
2019	4,662,700	-	3,760,000	8,422,700	0.75%	1.63%
2020	4,335,300	-	3,760,000	8,095,300	0.68%	1.49%

MIAMI SHORES VILLAGE, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2020
(in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
Overlapping debt:			
Miami-Dade County, Florida	(1) \$ 2,278,634	0.39%	\$ 8,833
Miami-Dade County Public Schools	(2) 935,644	0.35%	3,296
Total overlapping debt	<u>\$ 3,214,278</u>		<u>12,129</u>
Miami Shores Village	4,335	100.00%	4,335
Total direct and overlapping debt	<u>\$ 3,218,613</u>		<u>\$ 16,464</u>

Sources:

- (1) Miami-Dade County, Finance Department (Includes General Obligation Bonds)
- (2) The School Board of Miami-Dade County (Includes General Obligation Bonds)
- (3) The percentage of overlapping debt applicable is estimated using the taxable property value of the Village as compared to the taxable property value of the County and the School Board.

MIAMI SHORES VILLAGE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
FOR THE LAST TEN FISCAL YEARS

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 115,303,423	\$ 107,140,596	\$ 100,232,534	\$ 92,188,005	\$ 84,566,008	\$ 77,083,990	\$ 70,360,232	\$ 68,441,667	\$ 65,491,549	\$ 65,452,382
Total net debt applicable to limit	4,335,300	4,662,700	4,979,800	5,291,600	5,596,900	5,895,300	6,053,000	6,298,000	6,460,000	6,665,000
Legal debt margin	\$ 110,968,123	\$ 102,477,896	\$ 95,252,734	\$ 86,896,405	\$ 78,969,108	\$ 71,188,690	\$ 64,307,232	\$ 62,143,667	\$ 59,031,549	\$ 58,787,382
Total net debt applicable to the limit as a percentage of debt limit	3.76%	4.35%	4.97%	5.74%	6.62%	7.65%	8.60%	9.20%	9.86%	10.18%

MIAMI SHORES VILLAGE, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income (Thousand of Dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2011	10,500	274,407	26,134	11.8%
2012	10,493	352,932	33,635	8.7%
2013	10,659	358,515	33,635	8.4%
2014	10,781	396,741	36,800	6.6%
2015	10,776	405,048	37,588	6.2%
2016	10,806	420,883	38,949	5.7%
2017	10,493	450,947	42,976	4.6%
2018	10,810	502,870	46,519	4.1%
2019	10,761	515,592	47,913	3.1%
2020	10,817	544,506	50,338	7.4%

Sources:

- (1) State of Florida Department of Revenue
- (2) U. S. Census Bureau
- (3) U.S. Bureau of Labor Statistics

MIAMI SHORES VILLAGE, FLORIDA
PRINCIPAL EMPLOYERS LOCATED IN MIAMI-DADE COUNTY
CURRENT YEAR AND TEN YEARS AGO

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	33,477	1	1.97%	48,571	1	3.81%
Miami-Dade County, Florida	25,502	2	1.50%	29,000	2	2.28%
Federal Government	19,200	3	1.13%	19,500	3	1.53%
Florida State Government	17,100	4	1.01%	17,100	4	1.34%
University of Miami	12,818	5	0.75%	16,000	5	1.26%
Baptist Health South Florida	11,353	6	0.67%	13,376	6	1.05%
American Airlines	11,031	7	0.65%	9,000	9	0.71%
Jackson Health System	9,797	8	0.58%	12,571	7	0.99%
City of Miami	3,997	9	0.24%			
Florida International University	3,534	10	0.21%	8,000	10	0.63%
Publix Super Markets	-			10,800	8	0.85%
Total Civilian Labor Force Employment	<u>1,700,804</u>					

Source: The Beacon Council (2015) & U.S. Census Bureau

MIAMI SHORES VILLAGE, FLORIDA
VILLAGE EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government:										
Administration:										
Full time	5	12	11	12	10	10	8	10	9	9
Part time	0	7	6	7	6	6	5	5	5	5
Finance:										
Full time	3	4	5	6	6	5	5	5	5	5
Part time	-	-	-	-	-	-	-	-	-	-
Public works:										
Full time	42	42	43	44	43	39	43	41	40	40
Part time	1	1	1	1	1	1	-	1	-	-
Culture and recreation:										
Recreation:										
Full time	15	14	13	13	15	13	12	12	13	13
Part time	28	58	63	63	67	63	72	51	30	30
Library:										
Full time	4	4	4	4	4	4	2	3	3	3
Part time	5	6	7	6	6	6	8	7	6	6
Public safety										
Building*										
Full time	4									
Part time	7									
Code Compliance*										
Full time	3									
Part time	-									
Police										
Full time	47	48	48	46	42	40	43	43	44	44
Part time	3	3	3	3	4	4	4	3	3	3
Total	<u>167</u>	<u>199</u>	<u>204</u>	<u>205</u>	<u>204</u>	<u>191</u>	<u>202</u>	<u>181</u>	<u>158</u>	<u>158</u>

* Building & Code Compliance reclassified to Public Safety from General Government in FY2020
Source: Village Finance Office

COMPLIANCE SECTION



CABALLERO FIERMAN
LLERENA + GARCIA LLP

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

Honorable Mayor and Members of the Village Council
Miami Shores Village, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 25, 2021.

Internal Control over Financial Reporting

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

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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
May 25, 2021



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

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

Honorable Mayor and Members of the Village Council
Miami Shores Village, Florida

Report on the Financial Statements

We have audited the basic financial statements of Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 25, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida 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*; 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 which are dated May 25, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 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 Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Financial Condition and Management (Continued)

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 Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our assessment was performed as of the fiscal year end.

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

Additional Matters

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

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
May 25, 2021



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

Honorable Mayor and Members of the Village Council
Miami Shores Village, Florida

We have examined the Miami Shores Village's (the Village) compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village'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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Village's compliance with specified requirements. In our opinion, the Village complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of management, the Mayor, the Village Council, others within the Village and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
May 25, 2021

