



# WEST MIAMI *Florida*

**Basic Financial Statements  
and  
Independent Auditor's Report  
September 30, 2021**



Serving our Citizens and  
the Community since 1947

# CITY OF WEST MIAMI, FLORIDA

## TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT DISCUSSION AND ANALYSIS (Required Supplementary Information)	3-10
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Enterprise Fund Financial Statements	
Statement of Net Position	16
Statement of Revenues, Expenses and Changes in Net Position	17
Statement of Cash Flows	18
Notes to Basic Financial Statements	19-45
REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)	
Budgetary Comparison Schedules – General Fund	46-56
Budgetary Comparison Schedule – Community Center Fund	57
Budgetary Comparison Schedule – Recreation Fund	58
Notes to Budgetary Comparison Schedules	59
Pension Schedules	
Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan	60
Schedule of Contributions – Florida Retirement System Pension Plan	61
Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System Health Insurance Subsidy Pension Plan	62
Schedule of Contributions – Florida Retirement System Health Insurance Subsidy Plan	63
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet - Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	65

# CITY OF WEST MIAMI, FLORIDA

## TABLE OF CONTENTS

	<u>PAGE</u>
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	<b>66-67</b>
Independent Accountant's Report on Compliance with the Requirements of Section 218.415, Florida Statutes in Accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida	<b>68</b>
Management Letter Required by Section 10.550 of the Rules of the Auditor General of the State of Florida	<b>69-70</b>
Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by with Chapter 10.550, Rules of the Auditor General	<b>71-72</b>
Schedule of Expenditures of State Financial Assistance	<b>73</b>
Notes to Schedule of Expenditures of State Financial Assistance	<b>74</b>
Schedule of Findings and Questioned Costs	<b>75</b>

## FINANCIAL SECTION

# INDEPENDENT AUDITOR'S REPORT



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, Florida, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Miami, Florida's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2022, on our consideration of the City of West Miami, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Miami, Florida's internal control over financial reporting and compliance.



Coral Gables, Florida

May 17, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS  
MD&A



**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2021*

As management of the City of West Miami, Florida (the City”), we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021.

**Financial Highlights**

The assets of the City of West Miami exceeded its liabilities at the close of the fiscal years ended September 30, 2021 and 2020 by \$18,125,933 and \$16,426,627 (net position), respectively. Of this amount, unrestricted net position, which may be used to meet the ongoing obligations to citizens and creditors, were \$(3,208,821) and \$(4,586,836), respectively. During the fiscal years ended September 30, 2021 and 2020, the City's net position increased (decreased) by \$1,699,306 and \$(575,569), respectively.

As of the close of the fiscal years ended September 30, 2021 and 2020, the City of West Miami's governmental funds reported combined ending fund balances of \$5,401,181 and \$4,942,264, an increase of \$458,917 and \$425,394 in comparison with the prior year, respectively.

At the end of the fiscal years ended September 30, 2021 and 2020, unassigned fund balance for governmental funds was \$1,746,435 and \$1,326,126, or 20.96% and 17.65% of total governmental fund expenditures and 27.11% and 23.43% of general fund expenditures, respectively.

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

- **Real Estate Development in the City** – The City of West Miami has been able to attract new real estate development projects that increased its tax base and continued to add revenue through 2021. These projects included multifamily residential properties and additional commercial properties with important anchor tenants. The City must continue to secure these opportunities where feasible as the Miami-Dade demographics relating to real estate continue to change favorably in increasing City property values.
- **Financial Conditions** – The financial conditions are stable as a result of recurring income from red-light camera revenues and passport revenues, and increases in property tax revenues. However, the City has restricted and assigned amounts for various capital improvements and for contingencies related to insurance, general liability, litigation, and retirement, which reduce the fund balances available to be used for operating expenditures. The City has proposed alternatives to increase revenues in order to continue to improve financial conditions. As real estate development decreases and winds down, certain revenues such as building permits will decrease. Management and the Commission continue to search for new sources of revenues.
- **Water and Sewer Systems** – The City's water and sewer systems are in need of significant improvements due to its age and deterioration. There is also concern for potential liability in the event there are repairs, improvements, and/or replacement needed to the shared storm/sewer line (Interlocal Agreement with the City of Miami). The General Fund has subsidized losses that have accumulated over the years. This inhibits the City from further increasing reserves in the General Fund. The City has been able to procure funding from federal, state, and/or local agencies in an effort to improve the aging water and sewer systems, including funding from the American Rescue

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2021*

Plan Act, and has continued to explore other options. Estimated remaining costs relating to repairing the water lines approximate \$8 - \$10 million, but further analysis is needed in order to calculate an accurate figure.

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

- **Leadership Transition / Succession Plan** – The City is discussing and formalizing a long-term succession plan in its top management personnel. The succession plan should consider emergency, temporary, and permanent possibilities for changes in leadership.
- **Fund Balances** – At September 30, 2021, the City has positive fund balances in all its governmental funds. The existing unassigned fund balance in the general fund represents approximately a little over two months of budgeted expenditures for the City. Acceptable levels average approximately three months; consequently, one of the City’s main objectives is to continue to increase fund balances during the next several years. At September 30, 2021, the City has negative unrestricted net position balances in three of its enterprise funds (Sewer System Fund, Stormwater Utility Fund, and Sanitation Fund). This has been caused by increases in operating expenses and costs to the sewer system, stormwater utility, and sanitation, and the City continues to incur repair expenditures to its aging sewer system. During 2021 the first phase of the potable water improvement project commenced to address improvements to the main service line. Efforts have been made to develop a long-term plan and provide solutions in order to reduce interfund balances and increase fund balances and net position.
- **Pandemic** – As a result of the COVID-19 pandemic, during 2020 the City experienced reductions in state revenue sharing, sales taxes, communication service taxes, fines and forfeitures, and passport revenues. Expenditure savings from lower public safety and transportation, roads, and streets costs contributed to an increase of approximately \$297,000 in fund balance in the General Fund. Based on information from the Miami-Dade County Property Appraiser, the City’s tax rolls are stable and the market values on home sales have not been adversely affected. During 2021, the City’s sales tax, passport, and summer camp revenues increased to pre-pandemic levels as residents and the community returned to their regular day-to-day activities and COVID cases decreased, which helped further increase total fund balance in the General Fund.

### **Overview of the Financial Statements**

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

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

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

**CITY OF WEST MIAMI, FLORIDA**  
**Management Discussion and Analysis**  
**For the Year Ended September 30, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 3,870,138	\$ 3,099,045	\$ 422,720	\$ 296,622	\$ 4,292,858	\$ 3,395,667
Restricted assets	2,007,187	2,516,390	2,647,654	435,250	4,654,841	2,951,640
Capital assets	11,275,404	10,872,932	9,712,879	9,393,304	20,988,283	20,266,236
Total assets	<u>\$ 17,152,729</u>	<u>\$ 16,488,367</u>	<u>\$ 12,783,253</u>	<u>\$ 10,125,176</u>	<u>\$ 29,935,982</u>	<u>\$ 26,613,543</u>
Deferred outflows of resources related to pension	<u>\$ 1,281,029</u>	<u>\$ 2,279,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,281,029</u>	<u>\$ 2,279,836</u>
Current and other liabilities	\$ 476,144	673,171	\$ 3,024,109	\$ 619,952	\$ 3,500,253	\$ 1,293,123
Long-term liabilities	4,437,867	9,739,886	797,492	790,619	5,235,359	10,530,505
Total liabilities	<u>\$ 4,914,011</u>	<u>\$ 10,413,057</u>	<u>\$ 3,821,601</u>	<u>\$ 1,410,571</u>	<u>\$ 8,735,612</u>	<u>\$ 11,823,628</u>
Deferred inflows of resources related to pension	<u>\$ 4,355,466</u>	<u>\$ 643,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,355,466</u>	<u>\$ 643,124</u>
Net position	<u>\$ 9,164,281</u>	<u>\$ 7,712,022</u>	<u>\$ 8,961,652</u>	<u>\$ 8,714,605</u>	<u>\$ 18,125,933</u>	<u>\$ 16,426,627</u>
Net investment in capital assets	\$ 9,997,807	\$ 9,624,046	\$ 8,915,387	\$ 8,602,685	\$ 18,913,194	\$ 18,226,731
Restricted	2,112,020	2,477,223	309,540	309,540	2,421,560	2,786,763
Unrestricted	(2,945,546)	(4,389,247)	(263,275)	(197,620)	(3,208,821)	(4,586,867)
Total net position	<u>\$ 9,164,281</u>	<u>\$ 7,712,022</u>	<u>\$ 8,961,652</u>	<u>\$ 8,714,605</u>	<u>\$ 18,125,933</u>	<u>\$ 16,426,627</u>

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,369,256	\$ 1,458,648	\$ 2,788,197	\$ 2,530,642	\$ 4,157,453	\$ 3,989,290
Operating grants and contributions	615,076	695,994	-	-	615,076	695,994
Capital grants and contributions	3,133	56,682	796,677	-	799,810	56,682
General revenues:						
Taxes	6,753,615	5,980,741	-	-	6,753,615	5,980,741
Other	305,106	496,960	2,921	16,367	308,027	513,327
Total revenues	<u>9,046,186</u>	<u>8,689,025</u>	<u>3,587,795</u>	<u>2,547,009</u>	<u>12,633,981</u>	<u>11,236,034</u>
Expenses:						
General government	1,681,624	2,264,224	-	-	1,681,624	2,264,224
Public safety	2,900,475	3,356,635	-	-	2,900,475	3,356,635
Parks and recreational	1,503,722	1,564,210	-	-	1,503,722	1,564,210
Transportation, roads and streets	1,037,778	968,175	-	-	1,037,778	968,175
Interest on long-term debt	27,425	30,346	-	-	27,425	30,346
Water	-	-	998,161	830,855	998,161	830,855
Sewer	-	-	1,052,906	1,125,032	1,052,906	1,125,032
Stormwater	-	-	730,731	727,793	730,731	727,793
Sanitation	-	-	785,829	729,551	785,829	729,551
Building/Code Compliance	-	-	216,021	214,782	216,021	214,782
Total expenses	<u>7,151,024</u>	<u>8,183,590</u>	<u>3,783,648</u>	<u>3,628,013</u>	<u>10,934,672</u>	<u>11,811,603</u>
Excess (deficiency) before transfers	1,895,162	505,435	(195,853)	(1,081,004)	1,699,309	(575,569)
Transfers	(442,900)	(496,628)	442,900	496,628	-	-
Increase (decrease) in net position	<u>\$ 1,452,262</u>	<u>\$ 8,807</u>	<u>\$ 247,047</u>	<u>\$ (584,376)</u>	<u>\$ 1,699,309</u>	<u>\$ (575,569)</u>

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2021*

Both of the government-wide financial statements distinguish functions of the City of West Miami that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of West Miami include general government, public safety, parks and recreational, and transportation, roads and streets. The business-type activities of the City of West Miami include water, sewer, stormwater, sanitation, and building/code compliance operations. The government-wide financial statements can be found on pages 11-12 of this report.

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

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

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

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

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

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

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

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2021*

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19-45 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of West Miami, total net position exceeded liabilities by \$18,125,933 and \$(16,426,627) at the close of September 30, 2021 and 2020, respectively.

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

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

At September 30, 2021 and 2020, the City of West Miami has positive balances in all categories of net position, except for unrestricted net position in its governmental activities and business-type activities. The deficit in governmental activities is directly caused by the net pension liability and related pension amounts for the multiple-employer cost sharing pension plan that is required to be recorded in accordance with governmental accounting standards. The deficit in business-type activities is caused by repairs and other expenses incurred as related to the City's aging water and sewer system. The City's net position (decreased) increased by \$1,699,306 and \$(575,569) during the fiscal years ended September 30, 2021 and 2020, respectively.

**Governmental activities.** Governmental activities increased (decreased) the net position of the City of West Miami by \$1,452,259 and \$(244,565) thereby accounting for a 18.83% and (3.1)% increase (decrease) in the governmental activities net position in 2021 and 2020, respectively. In fiscal year ended September 30, 2021, the decrease in net position was attributed to increases in property taxes and decreases in general government expenses. In fiscal year ended September 30, 2020, the decrease in net position was attributed to decreases in impact fee revenues and transfers to reduce deficits in the enterprise funds.

**Business-type activities.** Business-type activities increased (decreased) the net position of the City of West Miami by \$247,047 and \$(331,004) in 2021 and 2020, respectively. In the fiscal year ended September 30, 2021, the increase in the business-type activities net position was attributed to an increase in grant revenues. In the fiscal year ended September 30, 2020, the decrease in net position was related to expenses incurred for depreciation and repairs.

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

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

As of the end of the fiscal years ended September 30, 2021 and 2020, the City of West Miami's *governmental funds* reported combined ending fund balances of \$5,401,181 and \$4,942,264, an increase of

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2021*

\$458,917 and \$425,394 in comparison with the prior year, respectively. Approximately 32.3% and 26.8% of this total amount, \$1,746,435 and \$1,326,126, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned* to indicate it is not available for new spending because it has already been restricted or committed for a variety of reasons, such as by external sources (creditors, grantors, laws or regulations, etc.) or the City Commission, or assigned for specific projects, capital improvements, and contingencies.

The general fund is the chief operating fund of the City. At the end of the fiscal years ended September 30, 2021 and 2020, unassigned fund balance of the general fund in the fund financial statements was \$1,746,435 and \$1,326,126, respectively. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27.1% and 23.4% of total general fund expenditures at the end of each year, respectively.

The fund balance of the City of West Miami's general fund in the fund financial statements increased by \$507,257 and \$425,394 during the fiscal years ended in 2021 and 2020, respectively. The increase in 2021 was attributed to expenses being less than budgeted, grant revenues from the CARES Act, and red-light camera revenues and sales tax being greater than anticipated. The increase in 2020 was attributed to expenses being less than budgeted, grant revenues from the CARES Act, and red-light camera revenues being greater than anticipated.

**Proprietary funds.** The City of West Miami's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary funds at the end of fiscal years ended September 30, 2021 and 2020 amounted to \$8,961,652 and \$8,714,605, respectively. The proprietary fund financial statements can be found on pages 16-18 of the financial statements.

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

**Capital Assets.** The City's capital assets, less accumulated depreciation, for its governmental and business-type activities as of September 30, 2021 and 2020 amounted to \$11,275,404 and \$10,872,932, and \$9,712,879 and \$9,393,304, respectively, and consist of land, land improvements, construction in progress, buildings, building improvements, infrastructure, and machinery and equipment. A more detailed schedule can be found on page 31 of the notes to the financial statements.

Significant capital asset events during the current fiscal year included costs for the potable water improvement project for approximately \$1.4 million, completion of the passport office for approximately \$70,000, improvements to parks and the recreation center for approximately \$100,000, and acquisition of police vehicles, a backhoe tractor, and a sanitation truck for approximately \$365,000. Further descriptions and details of some of the City's recent capital improvements and developments can be found on the City's website.

**Debt.** The City's debt totaled approximately \$5.2 million and \$10.5 million at September 30, 2021 and 2020, respectively. The overall decrease is attributable to the City's principal payments on notes payable and reduction of net pension liability based on actuarial calculations. Although a more detailed schedule can be found on page 33 of the notes to the financial statements, outstanding debt as of September 30, 2021 and 2020 consisted of the following:

**CITY OF WEST MIAMI, FLORIDA**  
**Management Discussion and Analysis**  
**For the Year Ended September 30, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Notes from direct borrowings and direct placements	\$ 1,277,597	\$ 1,250,658	\$ 797,492	\$ 790,619	\$ 2,075,089	\$ 2,041,277
Other liabilities						
Compensated absences	279,630	332,507	-	-	279,630	332,507
Workmen's comp claims	546,652	498,012	-	-	546,652	498,012
Net pension liability	2,333,988	7,658,709	-	-	2,333,988	7,658,709
Total	<u>\$ 4,437,867</u>	<u>\$ 9,739,886</u>	<u>\$ 797,492</u>	<u>\$ 790,619</u>	<u>\$ 5,235,359</u>	<u>\$ 10,530,505</u>

**Budget Amendments**

The City provides in its Charter for the City Commission to authorize changes and transfers between departmental budgets as long as no appropriations are required from unassigned fund balances or unrestricted net position. During the fiscal years ended September 30, 2021 and 2020, all budget amendments were approved by the City Commission in accordance with the City Code.

During the fiscal year ended September 30, 2021 the City exceeded its law enforcement and capital outlay appropriations in the general fund due to reclassification adjustments, acquisition of police vehicles through an equipment lease purchase agreement, and acquisition of a tractor through a financing agreement. These expenditures were approved by the City Commission and were funded by excess revenues and through the equipment lease agreement and financing.

During the fiscal year ended September 30, 2021 the City exceeded its expenditure appropriations in the community center fund due to the cost of additional meals provided by the City to seniors at the Community Center. These expenditures were approved by the City Commission and funded and covered by a donation from the County for purposes of COVID-19 relief. In the recreation fund there were no expenditures over appropriations. The general fund, community center fund, and recreation fund are the only governmental funds being reported as major funds.

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

**General Fund Budgetary Highlights**

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

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2021*

transferring amounts between departmental budgets and increases for non-departmental expenses.

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

The City of West Miami's main source of revenues are obtained from a combination of tax receipts from ad-valorem property taxes, state revenue sharing and other taxes, franchise fees, fines and forfeitures, and grant revenues. The budget for fiscal year ended September 30, 2022 is based on the City's best expectations of revenues from these sources and other smaller sources, and expenditures are based on historical data and known increases and expectations for the September 30, 2022 fiscal year.

The City will continue to propose alternatives to increase and/or obtain new sources of revenues in an effort to increase operating cash flow.

Additional factors were considered in preparing the City's budget for the fiscal year ended September 30, 2022:

- As of September 2021, the unemployment rate for Miami-Dade County was approximately 4.5 percent, which is a decrease from a rate of 12.6 percent a year ago. This compares unfavorably to the state's average unemployment rate of 3.9 percent and favorably to the national average rate of 4.7 percent.
- The occupancy rate of the government's central business district and residential areas are expected to continue to increase as related to new construction and development of properties.

**Requests for Information**

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



# BASIC FINANCIAL STATEMENTS

City of West Miami, Florida

Statement of Net Position

September 30, 2021

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,237,062	\$ 335,484	\$ 2,572,546
Certificates of deposit	110,149	634,166	744,315
Receivables, net	327,460	625,986	953,446
Internal balances	1,195,467	(1,195,467)	-
Notes receivable	-	22,551	22,551
Restricted assets:			
Cash and cash equivalents	2,007,187	2,533,905	4,541,092
Certificates of deposit	-	113,749	113,749
Capital assets not being depreciated:			
Land	236,605	171,591	408,196
Construction in progress	420,418	1,135,426	1,555,844
Capital assets, net of accumulated depreciation	10,618,381	8,405,862	19,024,243
<b>Total Assets</b>	<b><u>17,152,729</u></b>	<b><u>12,783,253</u></b>	<b><u>29,935,982</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension	1,281,029	-	1,281,029
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 1,281,029</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,281,029</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 356,760	\$ 557,007	\$ 913,767
Customer deposits	-	271,610	271,610
Unearned revenue	119,384	2,195,492	2,314,876
Non-current liabilities:			
Due within one year	489,042	201,747	690,789
Due in more than one year	3,948,825	595,745	4,544,570
<b>Total Liabilities</b>	<b><u>4,914,011</u></b>	<b><u>3,821,601</u></b>	<b><u>8,735,612</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension	4,355,466	-	4,355,466
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 4,355,466</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,355,466</u></b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 9,997,807	\$ 8,915,387	\$ 18,913,194
Restricted for:			
Transportation	252,421	-	252,421
Public Safety Initiatives	139,479	-	139,479
Parks and Recreation	32,509	-	32,509
Capital Improvements	1,687,611	309,540	1,997,151
Unrestricted	(2,945,546)	(263,275)	(3,208,821)
<b>Total Net Position</b>	<b><u>\$ 9,164,281</u></b>	<b><u>\$ 8,961,652</u></b>	<b><u>\$ 18,125,933</u></b>

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

**City of West Miami, Florida**  
Statement of Activities  
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ (1,681,624)	\$ 605,396	\$ 281,865	\$ 3,133	\$ (791,230)	\$ -	\$ (791,230)
Public safety	(2,900,478)	662,799	-	-	(2,237,679)	-	(2,237,679)
Parks and recreational	(1,503,722)	101,061	333,211	-	(1,069,450)	-	(1,069,450)
Transportation, roads and streets	(1,037,778)	-	-	-	(1,037,778)	-	(1,037,778)
Interest on long-term debt	(27,425)	-	-	-	(27,425)	-	(27,425)
<b>Total governmental activities</b>	<b>(7,151,027)</b>	<b>1,369,256</b>	<b>615,076</b>	<b>3,133</b>	<b>(5,163,562)</b>	<b>-</b>	<b>(5,163,562)</b>
<b>Business-type activities:</b>							
Water	(998,161)	901,784	-	796,677	-	700,300	700,300
Sewer	(1,052,906)	965,308	-	-	-	(87,598)	(87,598)
Stormwater	(730,731)	92,435	-	-	-	(638,296)	(638,296)
Sanitation	(785,829)	654,144	-	-	-	(131,685)	(131,685)
Building/Code Compliance	(216,021)	174,526	-	-	-	(41,495)	(41,495)
<b>Total business-type activity</b>	<b>(3,783,648)</b>	<b>2,788,197</b>	<b>-</b>	<b>796,677</b>	<b>-</b>	<b>(198,774)</b>	<b>(198,774)</b>
<b>Total government</b>	<b>\$ (10,934,675)</b>	<b>\$ 4,157,453</b>	<b>\$ 615,076</b>	<b>\$ 799,810</b>	<b>\$ (5,163,562)</b>	<b>\$ (198,774)</b>	<b>\$ (5,362,336)</b>
<b>General revenues:</b>							
Property taxes					\$ 4,250,603	\$ -	\$ 4,250,603
Franchise, utility and other taxes					1,419,735	-	1,419,735
Intergovernmental taxes					1,083,277	-	1,083,277
Interest earnings and investment income					2,826	2,921	5,747
Miscellaneous					302,280	-	302,280
Transfers					(442,900)	442,900	-
					<u>6,615,821</u>	<u>445,821</u>	<u>7,061,642</u>
<b>Change in net position</b>					<b>1,452,259</b>	<b>247,047</b>	<b>1,699,306</b>
Net position - beginning					7,712,022	8,714,605	16,426,627
<b>Net position - ending</b>					<b>\$ 9,164,281</b>	<b>\$ 8,961,652</b>	<b>\$ 18,125,933</b>

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

**City of West Miami, Florida**

Balance Sheet

Governmental Funds

September 30, 2021

	<u>General Fund</u>	<u>Community Center Fund</u>	<u>Recreation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$ 2,140,316	\$ 42,460	\$ 54,286	\$ -	\$ 2,237,062
Cash - Restricted	1,740,883	-	-	266,304	2,007,187
Certificates of Deposit	110,149	-	-	-	110,149
Receivables	203,411	30,164	42	93,843	327,460
Due from Other Funds	2,626,245	187,120	613,478	78,756	3,505,599
Total Assets	<u>\$ 6,821,004</u>	<u>\$ 259,744</u>	<u>\$ 667,806</u>	<u>\$ 438,903</u>	<u>\$ 8,187,457</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Expenses	\$ 333,772	\$ 20,988	\$ 2,000	\$ -	\$ 356,760
Due to Other Funds	2,014,181	206,247	42,701	47,003	2,310,132
Unearned Revenue	114,655	-	4,729	-	119,384
Total Liabilities	<u>2,462,608</u>	<u>227,235</u>	<u>49,430</u>	<u>47,003</u>	<u>2,786,276</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Restricted for Transportation	-	-	-	252,421	252,421
Restricted for Public Safety Initiatives	-	-	-	139,479	139,479
Restricted for Community Center	-	32,509	-	-	32,509
Restricted for Capital Improvements	1,487,611	-	200,000	-	1,687,611
<b>Committed</b>					
Committed for Parks and Recreation	-	-	341,276	-	341,276
<b>Assigned</b>					
Assigned for Capital Outlay	-	-	77,100	-	77,100
Assigned for Specific Projects	15,350	-	-	-	15,350
Assigned for Comprehensive Plan	9,000	-	-	-	9,000
Assigned for Future Contingencies	550,000	-	-	-	550,000
Assigned for Potable Water Project	300,000	-	-	-	300,000
Assigned for Capital Improvements	230,000	-	-	-	230,000
Assigned for Zoning Ordinance Rewrite	20,000	-	-	-	20,000
<b>Unassigned</b>					
General Fund	1,746,435	-	-	-	1,746,435
Total Fund Balances	<u>4,358,396</u>	<u>32,509</u>	<u>618,376</u>	<u>391,900</u>	<u>5,401,181</u>
Total Liabilities and Fund Balances	<u>\$ 6,821,004</u>	<u>\$ 259,744</u>	<u>\$ 667,806</u>	<u>\$ 438,903</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	11,275,404
Deferred outflows related to pension	1,281,029
Deferred inflows related to pension	(4,355,466)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	<u>(4,437,867)</u>
Net position of governmental activities	<u>\$ 9,164,281</u>

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

**City of West Miami, Florida**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2021

	<b>General Fund</b>	<b>Community Center Fund</b>	<b>Recreation Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes					
Property	\$ 3,630,172	\$ -	\$ 620,431	\$ -	\$ 4,250,603
Franchise	369,872	-	-	-	369,872
Excise, Utility Service and Other	694,451	-	-	355,412	1,049,863
Licenses, Permits and Fees	38,476	-	-	-	38,476
Intergovernmental	1,083,277	-	-	-	1,083,277
Fines and Forfeitures	650,440	-	-	12,359	662,799
Grant Revenues/Contributions	284,998	330,686	2,525	-	618,209
Rent	237,576	-	15,100	-	252,676
Investment Earnings	2,306	-	-	520	2,826
Other	474,165	118,012	125,408	-	717,585
Total Revenues	<u>7,465,733</u>	<u>448,698</u>	<u>763,464</u>	<u>368,291</u>	<u>9,046,186</u>
<b>Expenditures</b>					
<b>Current</b>					
City Council	121,721	-	-	-	121,721
Legal	215,594	-	-	-	215,594
Executive	428,957	-	-	-	428,957
Finance and Administration	511,074	-	-	-	511,074
Law Enforcement	3,043,135	-	-	1,315	3,044,450
Transportation	-	-	-	161,435	161,435
Community Center	-	684,365	-	-	684,365
Streets	701,295	-	-	-	701,295
Garage	96,940	-	-	-	96,940
Recreation	-	-	570,705	-	570,705
Parks	108,516	-	-	-	108,516
Facilities Maintenance	214,252	-	-	-	214,252
Non-Departmental	447,377	-	-	-	447,377
<b>Capital Outlay</b>	377,948	21,618	26,669	410,968	837,203
<b>Debt Service</b>					
Principal Retirement	147,480	-	13,657	-	161,137
Interest	26,708	-	717	-	27,425
Total Expenditures	<u>6,440,997</u>	<u>705,983</u>	<u>611,748</u>	<u>573,718</u>	<u>8,332,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,024,736</u>	<u>(257,285)</u>	<u>151,716</u>	<u>(205,427)</u>	<u>713,740</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Equipment Installment Obligations	188,077	-	-	-	188,077
Operating Transfers In	-	262,656	-	-	262,656
Operating Transfers Out	(705,556)	-	-	-	(705,556)
Total Other Financing Sources (Uses)	<u>(517,479)</u>	<u>262,656</u>	<u>-</u>	<u>-</u>	<u>(254,823)</u>
Net Change in Fund Balances	507,257	5,371	151,716	(205,427)	458,917
<b>Fund Balances at Beginning of Year</b>	<u>3,851,139</u>	<u>27,138</u>	<u>466,660</u>	<u>597,327</u>	<u>4,942,264</u>
<b>Fund Balances at End of Year</b>	<u>\$ 4,358,396</u>	<u>\$ 32,509</u>	<u>\$ 618,376</u>	<u>\$ 391,900</u>	<u>\$ 5,401,181</u>

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

**City of West Miami, Florida**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2021

**Net change in fund balances - total governmental funds (Page 14)** **\$ 458,917**

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

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

The details of the difference are as follows:

Capital outlay	837,203	
Depreciation expense	(434,731)	
	<hr/>	
Net adjustment		402,472

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

The details of the differences are as follows:

Proceeds from loans and other long-term debt	(188,077)	
Principal payments	161,137	
	<hr/>	
Net adjustment		(26,940)

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

The details of the difference are as follows:

Change in long-term compensated absences	52,877	
Change in long-term workers' compensation claims	(48,640)	
Net pension liability	613,573	
	<hr/>	
		<hr/> 617,810

**Change in net position of governmental activities (Page 12)** **\$ 1,452,259**

City of West Miami, Florida  
Statement of Net Position  
Enterprise Funds  
September 30, 2021

<b>Business-Type Activities - Enterprise Funds</b>						
	<b>Sewer System Fund</b>	<b>Water System Fund</b>	<b>Stormwater Utility Fund</b>	<b>Sanitation Fund</b>	<b>Building Department / Code Compliance Fund</b>	<b>Total</b>
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 280,339	\$ -	\$ -	\$ 4,721	\$ 50,424	\$ 335,484
Cash - Restricted	191,683	2,337,175	5,047	-	-	2,533,905
Certificates of Deposit	634,166	-	-	-	-	634,166
Certificates of Deposit - Restricted	-	113,749	-	-	-	113,749
Receivables	192,503	188,428	17,638	227,417	-	625,986
Due From Other Funds	986,242	1,878,008	446,141	416,933	306,919	4,034,243
Total Current Assets	<u>2,284,933</u>	<u>4,517,360</u>	<u>468,826</u>	<u>649,071</u>	<u>357,343</u>	<u>8,277,533</u>
<b>Notes Receivable - Non Current</b>	22,551	-	-	-	-	22,551
<b>Capital Assets</b>	<u>2,193,904</u>	<u>1,275,252</u>	<u>5,962,576</u>	<u>281,147</u>	<u>-</u>	<u>9,712,879</u>
Total Assets	<u>\$ 4,501,388</u>	<u>\$ 5,792,612</u>	<u>\$ 6,431,402</u>	<u>\$ 930,218</u>	<u>\$ 357,343</u>	<u>\$ 18,012,963</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Current Portion of Notes and Loans Payable	\$ 170,938	\$ -	\$ -	\$ 30,809	\$ -	\$ 201,747
Accounts Payable and Accrued Expenses	9,481	362,345	-	12,742	172,439	557,007
Due To Other Funds	2,339,651	1,606,719	563,501	713,779	6,060	5,229,710
Unearned Revenue	-	2,195,492	-	-	-	2,195,492
Total Current Liabilities	<u>2,520,070</u>	<u>4,164,556</u>	<u>563,501</u>	<u>757,330</u>	<u>178,499</u>	<u>8,183,956</u>
<b>Customer Deposits</b>	-	271,610	-	-	-	271,610
<b>Notes and Loans Payable - Long-Term Portion</b>	<u>454,664</u>	<u>-</u>	<u>-</u>	<u>141,081</u>	<u>-</u>	<u>595,745</u>
Total Liabilities	<u>2,974,734</u>	<u>4,436,166</u>	<u>563,501</u>	<u>898,411</u>	<u>178,499</u>	<u>9,051,311</u>
<b>Net Position</b>						
Net Investment in Capital Assets	1,568,302	1,275,252	5,962,576	109,257	-	8,915,387
Restricted for Capital Improvements	309,540	-	-	-	-	309,540
Unrestricted	(351,188)	81,194	(94,675)	(77,450)	178,844	(263,275)
Total Net Position	<u>1,526,654</u>	<u>1,356,446</u>	<u>5,867,901</u>	<u>31,807</u>	<u>178,844</u>	<u>8,961,652</u>
Total Liabilities and Net Position	<u>\$ 4,501,388</u>	<u>\$ 5,792,612</u>	<u>\$ 6,431,402</u>	<u>\$ 930,218</u>	<u>\$ 357,343</u>	<u>\$ 18,012,963</u>

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

**City of West Miami, Florida**  
Statement of Revenues, Expenses  
and Changes in Net Position  
Enterprise Funds  
For the Year Ended September 30, 2021

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total</b>
	<b>Sewer System Fund</b>	<b>Water System Fund</b>	<b>Stormwater Utility Fund</b>	<b>Sanitation Fund</b>	<b>Building Department / Code Compliance Fund</b>	
<b>Operating Revenues</b>						
Water Sales	\$ -	\$ 900,909	\$ -	\$ -	\$ -	\$ 900,909
Sewer Service	830,753	-	-	-	-	830,753
Sanitation Fees	-	-	-	648,172	-	648,172
Licenses, Permits and Fees	16,422	-	92,435	-	172,452	281,309
Other	118,133	875	-	5,972	2,074	127,054
<b>Total Operating Revenues</b>	<b>965,308</b>	<b>901,784</b>	<b>92,435</b>	<b>654,144</b>	<b>174,526</b>	<b>2,788,197</b>
<b>Operating Expenses</b>						
Water Purchased	-	619,466	-	-	-	619,466
Salaries and Wages	72,820	166,632	42,900	148,462	43,996	474,810
Waste Disposal and Recycling	-	-	-	293,274	-	293,274
Drain Cleaning	-	-	16,624	-	-	16,624
Sewer Processing	630,604	-	-	-	-	630,604
Depreciation	199,840	3,933	587,969	24,986	-	816,728
Other	125,910	208,130	83,238	281,646	172,025	870,949
<b>Total Operating Expenses</b>	<b>1,029,174</b>	<b>998,161</b>	<b>730,731</b>	<b>748,368</b>	<b>216,021</b>	<b>3,722,455</b>
<b>Operating Income (Loss)</b>	<b>(63,866)</b>	<b>(96,377)</b>	<b>(638,296)</b>	<b>(94,224)</b>	<b>(41,495)</b>	<b>(934,258)</b>
<b>Non-Operating Revenues (Expenses)</b>						
Investment Income	2,403	518	-	-	-	2,921
Loss on Disposal of Property	-	-	-	(36,625)	-	(36,625)
Interest Expense	(23,732)	-	-	(836)	-	(24,568)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(21,329)</b>	<b>518</b>	<b>-</b>	<b>(37,461)</b>	<b>-</b>	<b>(58,272)</b>
<b>Other Financing Sources (Uses)</b>						
Capital Contributions	-	796,677	-	-	-	796,677
Operating Transfers In	100,000	257,900	-	85,000	-	442,900
<b>Total Other Financing Sources (Uses)</b>	<b>100,000</b>	<b>1,054,577</b>	<b>-</b>	<b>85,000</b>	<b>-</b>	<b>1,239,577</b>
<b>Change in Net Position</b>	<b>14,805</b>	<b>958,718</b>	<b>(638,296)</b>	<b>(46,685)</b>	<b>(41,495)</b>	<b>247,047</b>
<b>Net Position at Beginning of Year</b>	<b>1,511,849</b>	<b>397,728</b>	<b>6,506,197</b>	<b>78,492</b>	<b>220,339</b>	<b>8,714,605</b>
<b>Net Position at End of Year</b>	<b>\$ 1,526,654</b>	<b>\$ 1,356,446</b>	<b>\$ 5,867,901</b>	<b>\$ 31,807</b>	<b>\$ 178,844</b>	<b>\$ 8,961,652</b>

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



**City of West Miami, Florida**  
Statement of Cash Flows  
Enterprise Funds  
For the Year Ended September 30, 2021

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total</b>
	<b>Sewer System</b>	<b>Water System</b>	<b>Stormwater Utility</b>	<b>Sanitation</b>	<b>Building Department / Code Compliance</b>	
<b>Cash Flows from Operating Activities</b>						
Operating Income (Loss)	\$ (63,866)	\$ (96,377)	\$ (638,296)	\$ (94,224)	\$ (41,495)	\$ (934,258)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	199,840	3,933	587,969	24,986	-	816,728
Change in Assets and Liabilities:						
Decrease (Increase) in Receivables	(46,704)	(60,162)	(411)	(3,190)	-	(110,467)
Decrease (Increase) in Due To/From Other Funds	130,077	(54,054)	54,190	28,171	28,871	187,255
Increase (Decrease) in Accounts Payable and Accrued Expenses	(7,508)	138,441	(3,500)	2,938	52,689	183,060
Increase in Customer Deposits	-	25,605	-	-	-	25,605
Increase in Unearned Revenue	-	2,195,492	-	-	-	2,195,492
Net Cash Provided by (Used for) Operating Activities	<u>211,839</u>	<u>2,152,878</u>	<u>(48)</u>	<u>(41,319)</u>	<u>40,065</u>	<u>2,363,415</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating Transfers In (Out)	-	257,900	-	50,000	-	307,900
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition of Capital Assets	-	(995,522)	-	(177,406)	-	(1,172,928)
Capital Contributions	-	796,677	-	-	-	796,677
Proceeds from Issuance of Long-Term Debt	-	-	-	177,406	-	177,406
Interest Paid on Capital Debt	(23,732)	-	-	(836)	-	(24,568)
Principal Payments of Long-Term Debt	(165,017)	-	-	(5,516)	-	(170,533)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(188,749)</u>	<u>(198,845)</u>	<u>-</u>	<u>(6,352)</u>	<u>-</u>	<u>(393,946)</u>
<b>Cash Flows From Investing Activities</b>						
Redemption and Interest on Investments	445	507	-	-	-	952
Net Cash Provided by Investing Activities	<u>445</u>	<u>507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>952</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,535	2,212,440	(48)	2,329	40,065	2,278,321
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	448,487	124,735	5,095	2,392	10,359	591,068
<b>Cash, Cash Equivalents and Restricted Cash at End of Year</b>	<u>\$ 472,022</u>	<u>\$ 2,337,175</u>	<u>\$ 5,047</u>	<u>\$ 4,721</u>	<u>\$ 50,424</u>	<u>\$ 2,869,389</u>
<b>Non-Cash Transactions</b>						
Transfers - Forgiveness of Interfund Balances, Net	\$ 100,000	\$ -	\$ -	\$ 35,000	\$ -	\$ 135,000

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

# CITY OF WEST MIAMI, FLORIDA

## *Notes to Financial Statements*

*September 30, 2021*

### **I. Summary of Significant Accounting Policies**

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

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

#### **A. Reporting Entity**

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

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

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

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred as required by accrual accounting, except for debt service expenditures and compensated absences, which are recorded when payment is due.

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

The City reports the following major *governmental* funds:

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

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

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

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

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

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

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2021*

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

**1. Deposits and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City's cash and cash equivalents and deposits include cash on hand, demand deposits, and investments consisting of Certificates of Deposit with banking institutions (Note IV – A).

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2021*

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

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

**1. Deposits and Investments - (continued)**

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

**2. Interfund Receivables and Payables**

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

**3. Receivables**

***Property Taxes***

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mils. The tax rate to finance general governmental services for the fiscal year ended September 30, 2021 was \$6.8858 per \$1,000 of assessed taxable property value. The rate of \$6.8858 is allocated to the General Fund and Recreation Fund, with the General Fund receiving \$5.8858, and the Recreation Fund receiving \$1.00.

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

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

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

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

**3. Receivables - (continued)**

***Components of Accounts Receivable***

The following are the significant components of the accounts receivable due to the City at September 30, 2021. The City considers all receivable amounts fully collectible; consequently, no allowance for doubtful accounts was estimated.

1. Water, Sewer and Waste Fees - This amount represents the unpaid, billed charges for various fines and municipal services;
2. Fines and Assessments - This amount represents the unpaid, billed charges for various fines and assessments levied for violations of various City code provisions;
3. Notes Receivable - This amount represents amounts due for sewer hookup fees as evidenced by loan agreements with users;
4. Delinquent Taxes and Other Taxes Receivable - This amount represents the amount of levied but uncollected delinquent property taxes outstanding at September 30, 2021 and amounts due from governmental agencies at year end; and
5. Government Grants/Contributions - This amount represents amounts due from grantor agencies and/or governmental agencies at year end.

**4. Prepaid Items**

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

**5. Restricted Assets**

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

**6. Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., sidewalks and other similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

I. Summary of Significant Accounting Policies - (continued)

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

6. Capital Assets - (continued)

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

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

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

7. Unearned Revenues

Resources that do not meet revenue recognition requirements (effectively “not earned”) are recorded as unearned revenue in the government-wide and fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available, are recorded as unearned revenue in the governmental fund financial statements (e.g., grant related reimbursements not yet collected). As of September 30, 2021, the City’s unearned revenues include approximately \$2.2 million in funding received from the American Rescue Plan Act that will be utilized for stormwater infrastructure improvements and other eligible expenses.

8. Deferred Outflows/Inflows of Resources

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

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

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

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

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

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

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

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

**9. Compensated Absences**

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

**10. Long-Term Obligations**

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



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

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

**11. Net Position**

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

**12. Fund Balance**

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

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

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

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

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

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

**13. Use of Estimates**

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

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$11,275,404 difference are as follows:

Land	\$	236,605
Land Improvements		2,210,665
Construction in Progress		420,418
Buildings		3,489,545
Building Improvements		1,593,690
Infrastructure - Drainage		4,070,983
Infrastructure - Roads		8,811,814
Machinery and Equipment		2,423,573
		<u>23,257,293</u>
Less: Accumulated Depreciation		<u>11,981,889</u>
	\$	<u>11,275,404</u>

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$4,437,867 difference are as follows:

Promissory note payable -		
City National Bank	\$	1,137,000
Compensated absences		279,630
Workmen's comp. claims		546,652
Equipment installment obligations		140,597
Net pension liability		2,333,988
	\$	<u>4,437,867</u>

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures.” However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Another element that requires reconciliation is the principal payment of long-term liabilities, including notes payable, which are in part a reduction of notes payable in the government-wide financial statements, and not a use of financing resources in the current period. The details of the \$993,342 differences are in page 15 of the financial statements.

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

#### **A. Budgetary Information**

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

#### **B. Excess of Expenditures over Appropriations**

The Community Center Fund community center expenditures exceeded appropriations by \$68,720. This unfavorable variance represented the cost of additional meals provided by the City to seniors at the Community Center, which was funded by a donation from the County for purposes of COVID-19 relief. The negative variances are disclosed in the Budgetary Comparison Statements and Schedules – Community Center Fund - page 57. The overall budget variance for the Community Center Fund ends with a positive variance of \$5,371, when combined with revenue and interfund transfer variances.

The General Fund's law enforcement and capital outlay expenditures exceeded appropriations by \$50,960 and \$100,048, respectively. These unfavorable variances were due to reclassification adjustments, acquisition of police vehicles through an equipment lease purchase agreement, and acquisition of a tractor through a financing agreement. These expenditures were approved by the City Commission and were funded by excess revenues and by the equipment lease agreement and financing agreement. The negative variances are disclosed in the Budgetary Comparison Statements and Schedules – General Fund – page 46. The overall budget variance for the General Fund ends with a positive variance of \$507,257, when combined with revenue and interfund transfer variances.

#### **C. Deficit Fund Equity**

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

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

The City's Stormwater Utility Fund and Sanitation Fund are reporting a deficit in unrestricted net position which has been caused by operating deficits.

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

### **IV. Detailed Notes on all Funds**

#### **A. Deposits and Investments**

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

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds

A. Deposits and Investments - (continued)

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires every qualified public depository to deposit with the Treasurer, or another institution, eligible collateral equal to or in excess of the required collateral of the depository. The Treasurer, by rule, shall establish minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon any one or any combination of the formulas allowable under this Chapter. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized. The City's deposits include cash and cash equivalents with a total reported amount of \$7,113,638 and a bank balance of \$7,379,958, and certificates of deposit with a balance of \$858,064. The difference between the City's reported amount and the bank balance is due to outstanding checks and deposits in transit in these demand accounts.

Restricted Cash and Deposits

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

Restricted cash and deposit reserves at September 30, 2021 were as follows:

Note payable - State of Florida	\$ 191,683
American Rescue Plan funding	2,195,703
Stormwater utility improvements	5,047
Federal and local forfeiture funds	145,419
Capital projects and improvements	1,476,353
Utility deposits	255,221
Building deposits and other miscellaneous	222,716
Transportation and other grantor restrictions	<u>162,699</u>
Total restricted cash and deposit reserves	<u>\$ 4,654,841</u>

Investments

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

Credit risk and concentration of credit risk

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

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

A. Deposits and Investments – (continued)

Interest Rate Risk

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

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

	<u>Maturity Less Than 1 Year</u>	<u>Fair Value</u>
Deposits:		
Cash and cash equivalents	x	\$ 7,113,638
Certificates of deposit	x	858,064
		<u>\$ 7,971,702</u>

B. Receivables

Accounts receivable at September 30, 2021 are summarized as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Franchise and other taxes	\$ 203,411	\$ 93,960	\$ -	\$ 297,371
Government grants/contributions	-	30,089	35,062	65,151
Customers and other	-	-	590,924	590,924
	<u>\$ 203,411</u>	<u>\$ 124,049</u>	<u>\$ 625,986</u>	<u>\$ 953,446</u>

Notes Receivable

The City's notes receivable at September 30, 2021 are unsecured notes from commercial enterprises and residents that elected to finance the hook-up fees on the sewer system over periods ranging from twelve months to 15-year periods. The City receives monthly installments of principal and interest, ranging from 2% to 5%. As of September 30, 2021, the total balance remaining to be collected amounted to \$22,551.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 236,605	\$ -	\$ -	\$ 236,605
Construction in progress	9,450	410,968	-	420,418
Total capital assets not being depreciated	<u>246,055</u>	<u>410,968</u>	<u>-</u>	<u>657,023</u>
Capital Assets, being depreciated				
Land improvements	2,181,555	29,110	-	2,210,665
Buildings	3,489,545	-	-	3,489,545
Building improvements	1,384,642	209,048	-	1,593,690
Infrastructure - Drainage	4,070,983	-	-	4,070,983
Infrastructure - Roads	8,811,814	-	-	8,811,814
Machinery and equipment	2,357,173	188,077	121,677	2,423,573
Total capital assets being depreciated	<u>22,295,712</u>	<u>426,235</u>	<u>121,677</u>	<u>22,600,270</u>
Less accumulated depreciation for:				
Land improvements	549,759	100,483	-	650,242
Buildings	870,106	87,535	-	957,641
Building improvements	800,548	32,427	-	832,975
Infrastructure - Drainage	3,704,269	4,728	-	3,708,997
Infrastructure - Roads	3,687,853	78,119	-	3,765,972
Machinery and equipment	2,056,300	131,439	121,677	2,066,062
Total accumulated depreciation	<u>11,668,835</u>	<u>434,731</u>	<u>121,677</u>	<u>11,981,889</u>
Total capital assets, being depreciated, net	<u>10,626,877</u>	<u>(8,496)</u>	<u>-</u>	<u>10,618,381</u>
Governmental activities capital assets, net	<u>\$ 10,872,932</u>	<u>\$ 402,472</u>	<u>\$ -</u>	<u>\$ 11,275,404</u>
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 171,591	\$ -	\$ -	\$ 171,591
Construction in progress	139,904	995,522	-	1,135,426
Total capital assets not being depreciated	<u>311,495</u>	<u>995,522</u>	<u>-</u>	<u>1,307,017</u>
Capital Assets, being depreciated				
Sewer systems	7,833,465	-	-	7,833,465
Water - main and extensions	637,982	-	-	637,982
Stormwater improvements	14,699,261	-	-	14,699,261
Machinery and equipment	1,036,198	177,406	133,183	1,080,421
Total capital assets being depreciated	<u>24,206,906</u>	<u>177,406</u>	<u>133,183</u>	<u>24,251,129</u>
Less accumulated depreciation for:				
Sewer systems	5,532,990	195,836	-	5,728,826
Water - main and extensions	495,614	3,933	-	499,547
Stormwater improvements	8,335,019	587,969	-	8,922,988
Machinery and equipment	761,474	28,990	96,558	693,906
Total accumulated depreciation	<u>15,125,097</u>	<u>816,728</u>	<u>96,558</u>	<u>15,845,267</u>
Total capital assets, being depreciated, net	<u>9,081,809</u>	<u>(639,322)</u>	<u>36,625</u>	<u>8,405,862</u>
Business-type activities capital assets, net	<u>\$ 9,393,304</u>	<u>\$ 356,200</u>	<u>\$ 36,625</u>	<u>\$ 9,712,879</u>

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets - (continued)

Depreciation expense for the fiscal year ended September 30, 2021 was charged to functions/programs as follows:

**Governmental Activities:**

General Government	\$	123,300
Public Safety		69,991
Parks and Recreational		141,174
Transportation, Roads and Streets		100,266
Total depreciation expense - governmental activities	\$	<u>434,731</u>

**Business-type Activities:**

Sewer System	\$	199,840
Water System		3,933
Sanitation		24,986
Stormwater Utility		587,969
Total depreciation expense - business-type activities	\$	<u>816,728</u>

D. Interfund Receivables, Payables, and Transfers

Amounts due from and due to other funds at September 30, 2021 are summarized as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,626,245	\$ 2,014,181
Special Revenue Funds:		
Recreation	613,478	42,701
Community Center	187,120	206,247
Transportation Surtax	78,756	43,524
Police Law Forfeiture	-	3,479
Enterprise Funds:		
Sewer System	986,242	2,339,651
Water System	1,878,008	1,606,719
Stormwater Utility	446,141	563,501
Sanitation	416,933	713,779
Building Dept./Code Compliance	306,919	6,060
	<u>\$ 7,539,842</u>	<u>\$ 7,539,842</u>

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

Interfund transfers for the year ended September 30, 2021 consisted of transfers used to move revenues or expenditures based on the City budget, and forgiveness of interfund balances.

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

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt

Long-term debt activity for the year ended September 30, 2021 was as follows:

	October 1, 2020	Additions	Payments	September 30, 2021	Due Within One Year
<b>Governmental Activities:</b>					
Notes from direct borrowings and direct placements	\$ 1,250,658	\$ 188,077	\$ 161,137	\$ 1,277,598	\$ 139,042
Other liabilities					
Compensated absences	332,507	242,612	295,489	279,630	200,000
Workmen's comp. claims	498,012	176,391	127,751	546,652	150,000
Net pension liability	7,658,709	129,475	5,454,197	2,333,987	-
Total other liabilities	8,489,228	548,478	5,877,437	3,160,269	350,000
Total governmental activities long-term debt	9,739,886	736,555	6,038,574	4,437,867	489,042
<b>Business-Type Activities</b>					
Notes from direct borrowings and direct placements	790,619	177,406	170,533	797,492	201,747
Total Long-Term Debt	\$ 10,530,505	\$ 913,961	\$ 6,209,107	\$ 5,235,359	\$ 690,789

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

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Notes from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements			
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 139,042	\$ 31,181	\$ 201,747	\$ 24,872	\$ 340,789	\$ 56,053
2023	143,926	26,969	211,611	18,183	355,537	45,152
2024	147,908	22,601	218,962	10,832	366,870	33,433
2025	133,722	18,048	130,730	3,224	264,452	21,272
2026	112,000	14,782	34,442	493	146,442	15,275
2027 - 2031	601,000	34,436	-	-	601,000	34,436
	\$ 1,277,598	\$ 148,017	\$ 797,492	\$ 57,602	\$ 2,075,090	\$ 205,619

The City's total outstanding notes from direct borrowings and direct placements are \$2,075,090, as listed below.

Mortgage Note - State of Florida

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



CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Mortgage Note - State of Florida - (continued)

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

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>
2022	\$ 170,938	\$ 20,745
2023	177,072	14,611
2024	183,426	8,257
2025	94,166	1,675
	<u>\$ 625,602</u>	<u>\$ 45,288</u>

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

Capital Improvement Revenue Note, Series 2016 – City National Bank

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

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

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt - (continued)

Capital Improvement Revenue Note, Series 2016 – City National Bank - (continued)

The annual debt service requirements to maturity are as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>
2022	\$ 102,000	\$ 24,435
2023	105,000	22,106
2024	107,000	19,721
2025	110,000	17,280
2026	112,000	14,783
2027 - 2031	601,000	34,436
	<u>\$ 1,137,000</u>	<u>\$ 132,761</u>

Loan Payable - Vehicle Financing

During fiscal year ended September 30, 2021, the City entered into a loan agreement for the amount of \$177,406. The purpose of the loan was to finance the cost of a new garbage truck. The debt is secured by the garbage truck acquired with the proceeds of the loan. Commencing in August 2021, the loan is payable in monthly payments of principal and interest of \$3,176. After the initial payment, interest accrues at a rate of 2.85% per annum. The loan matures in August 2026.

Equipment Installment Obligations

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

During fiscal year ended September 30, 2021, the City entered into an equipment lease-purchase agreement for the amount of \$114,989. The purpose of the lease was to finance the cost of a new tractor. The debt is secured by the tractor acquired with the proceeds of the lease. Commencing in December 2020, the lease is payable in annual installments of \$24,490. After the initial payment, interest accrues at a rate of 3.19% per annum. The lease matures in December 2024.

During fiscal year ended September 30, 2021, the City entered into an equipment lease-purchase agreement for the amount of \$73,088. The purpose of the lease was to finance two police vehicles. The debt is secured by the two police vehicles acquired with the proceeds of the lease. Commencing in June 2021, the lease is payable in annual installments of \$23,000 for the first payment, and \$19,298 for the remaining payments, with interest accruing at a rate of 7.35% per annum. The lease matures in June 2024.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

F. Segment Information for Enterprise Funds

The City maintains five enterprise funds. Segment information for the year ended September 30, 2021 is as follows:

	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Dept. / Code Compliance Fund	Total
Operating revenues	\$ 965,308	\$ 901,784	\$ 92,435	\$ 654,144	\$ 174,526	\$ 2,788,197
Depreciation and amortization	199,840	3,933	587,969	24,986	-	816,728
Operating income (loss)	(63,866)	(96,377)	(638,296)	(94,224)	(41,495)	(934,258)
Operating transfers						
In	100,000	257,900	-	85,000	-	442,900
(Out)	-	-	-	-	-	-
Change in net position	14,805	958,718	(638,296)	(46,685)	(41,495)	247,047
Capital assets						
Additions	-	995,522	-	177,406	-	1,172,928
Deletions	-	-	-	-	-	-
Net working capital	(235,137)	352,804	(94,675)	(108,259)	178,844	93,577
Total assets	4,501,388	5,792,612	6,431,402	930,218	357,343	18,012,963
Long-term debt payable from operating revenues	625,602	-	-	171,890	-	797,492
Total net position	\$ 1,526,654	\$ 1,356,446	\$ 5,867,901	\$ 31,807	\$ 178,844	\$ 8,961,652

G. Employee Retirement Plans

Florida Retirement System Plan

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

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

Pension Plan

Plan Description and Benefits Provided

The Pension Plan is a multiple-employer cost sharing Public Employee Retirement System (“PERS”). All budgeted City employees are eligible to participate in the Pension Plan. The City's covered payroll for employees covered by the System for the year ended September 30, 2021 was approximately \$3.838 million.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Pension Plan - (continued)

Plan Description and Benefits Provided - (continued)

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

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

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

Contributions and Funding Policy

The City required contribution rates are established by the Florida Legislature. Employees within 5 years of retirement may elect to participate in the DROP. The City contributes 16.68% of salaries for participants of the DROP. During 2021 the City had four employees participating in this program.

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

Employer Contribution Rates	Regular Employees	Senior Management	Special Risk Members
Effective 7/1/19	6.75%	23.69%	36.87%
Effective 7/1/20	8.28%	25.57%	34.12%
Effective 7/1/21	9.10%	27.29%	36.04%

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

	2021	2020	2019
Employer contribution	\$ 726,563	\$ 610,686	\$ 672,501
Percentage contributed	100%	100%	100%

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

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

At September 30, 2021, the City reported a liability of \$1,018,386 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was approximately 0.0135%, which was a decrease of approximately 0.0146% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$113,796. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 174,554	\$ -
Changes of assumptions	696,830	-
Net difference between projected and actual earnings on pension plan investments	-	3,552,894
Changes in proportion and differences between City contributions and proportionate share of contributions	52,479	681,602
City contributions subsequent to the measurement date	149,623	-
	<u>\$ 1,073,486</u>	<u>\$ 4,234,496</u>

The \$149,623 reported as deferred outflows of resources related to the Pension Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30:	
2022	\$ (608,944)
2023	\$ (701,426)
2024	\$ (887,173)
2025	\$ (1,074,702)
2026	\$ (38,388)
Thereafter	\$ -

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial cost method	Individual entry age
Salary increases	3.25% average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Actuarial Assumptions - (continued)

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

The actuarial assumptions used to determine the total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. Differences between assumptions used for June 30, 2021 measurement date calculations and June 30, 2020 measurement date calculations are limited to a decrease to the assumption for investment return, as adopted by the 2021 FRS Actuarial Assumption Conference. The investment return assumption for purposes of developing actuarially calculated contribution rates decreased from 7.00% to 6.80%. The 2021 FRS Actuarial Assumption Conference also adopted a 20-year amortization period for bases established on or after July 1, 2021. Additionally, and apart from the 2019 Method Changes established June 30, 2019, bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period and a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.0%	2.1%	2.1%
Fixed income	20.0%	3.8%	3.7%
Global equity	54.2%	8.2%	6.7%
Real estate (property)	10.3%	7.1%	6.2%
Private equity	10.8%	11.7%	8.5%
Strategic investments	3.7%	5.7%	5.4%
Total	<u>100.0%</u>		

Discount Rate

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

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

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

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

	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
City's proportionate share of the net pension liability	\$ 4,554,292	\$ 1,018,386	\$ (1,937,234)

Pension Plan Fiduciary Net Position

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

**HIS Plan**

Plan Description and Benefits Provided

The HIS Plan is a multiple-employer cost-sharing defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions and Funding Policy

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The employer contributions are a percentage of gross compensation for all active FRS members. The employer contribution rates for all classes through September 30, 2021 were 1.66%. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy to all participants, benefits may be reduced or cancelled.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer contribution	\$ 63,043	\$ 60,271	\$ 65,787
Percentage contributed	100%	100%	100%

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

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

At September 30, 2021, the City reported a liability of \$1,315,601 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was approximately 0.0107%, which was a decrease of approximately 0.0108% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$99,426. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,023	\$ 551
Changes of assumptions	103,377	54,206
Net difference between projected and actual earnings on pension plan investments	1,371	-
Changes in proportion and differences between City contributions and proportionate share of contributions	42,157	66,213
City contributions subsequent to the measurement date	16,615	-
	<u>\$ 207,543</u>	<u>\$ 120,970</u>

The \$16,615 reported as deferred outflows of resources related to the HIS Plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30:	
2022	\$ 30,145
2023	\$ 6,742
2024	\$ 14,020
2025	\$ 11,231
2026	\$ 6,574
Thereafter	\$ 1,246



CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial cost method	Individual entry age
Salary increases	3.25% average, including inflation
Investment rate of return	2.16%

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

The actuarial assumptions used to determine the total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. The discount rate used was decreased from 2.21% to 2.16% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond Municipal Bond Index.

Discount Rate

The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

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

	<b>1% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
City's proportionate share of the net pension liability	\$ 1,520,962	\$ 1,315,601	\$ 1,147,354

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

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

**Section 457 Deferred Compensation Plan**

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

**H. Fund Equity**

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

1. Restricted for Transportation - This amount represents the amount of fund equity in the transportation surtax fund which is to be used (externally imposed) only for specific transportation related expenditures.
2. Restricted for Public Safety Initiatives - This amount represents the amount of fund equity in the law enforcement grant fund and the police law forfeiture fund which is to be used (externally imposed) only for specific expenditures.
3. Restricted for Community Center - This amount represents the amount of fund equity in the community center fund which is to be used (externally imposed) only for specific expenditures at the City's community center.
4. Restricted for Capital Improvements - This amount represents the amount of fund equity, including unspent impact fees, in the general fund which is to be used (externally imposed) only for specific capital related improvements and projects.
5. Committed for Parks and Recreation - This amount represents the amount of fund equity in the recreation fund which is to be used (commission imposed) only for specific expenditures for the parks and recreation department.
6. Assigned for Capital Outlay - This amount represents the amount of fund equity in the recreation fund which is to be used, as assigned by management, for specific capital outlay expenditures.
7. Assigned for Future Contingencies - This amount represents the amount of fund equity in the general fund, as assigned by management, for general liability and pending claims which the City believes may not be covered by its insurance policies, and other amounts assigned by management for insurance premiums.
8. Assigned for Specific Projects - This amount represents the amount of fund equity in the general fund which is to be used, as assigned by management, for records destruction.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2021

IV. Detailed Notes on all Funds - (continued)

H. Fund Equity - (continued)

9. Assigned for Comprehensive Plan - This amount represents the amount of fund equity in the general fund which is to be used, as assigned by management, for the City's comprehensive plan.
10. Assigned for Capital Improvements - This amount represents the amount of fund equity in the general fund, as assigned by management, for construction and improvements to city hall and a park.
11. Assigned for Potable Water Projects - This amount represents the amount of fund equity in the general fund, as assigned by management, for funding as related to the City's potable water project.

Restrictions of Net Position include the following:

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

I. Risk Management

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

The City is self-insured for workers' compensation claims. The total liability for reported claims and the incurred but not reported claims (IBNR), is accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated based on estimates provided by the claims administrator, Miami-Dade County. During fiscal years ended September 30, 2021 and 2020, the City estimated a portion of the liability for reported claims as long-term debt.

	<u>2021</u>	<u>2020</u>
Unpaid Claims, beginning	\$ 498,012	\$ 401,574
Incurred Claims (including IBNR)	176,391	196,438
Estimated Claim Reductions	<u>(127,751)</u>	<u>(100,000)</u>
Unpaid Claims, ending	<u>\$ 546,652</u>	<u>\$ 498,012</u>

J. Commitments and Contingencies

1. The City is involved in various proceedings involving certain claims which the City believes not to be covered by its general liability insurance policies. In the opinion of management and its legal counsel, the outcome of these claims should not have a significant impact on the City's financial condition. Proceedings involving several workmen's compensation claims are also closely monitored by the City's management and legal counsel. The City has assigned \$550,000 of fund balance for various possible future contingencies including retirement, general liability claims, and other contingencies.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2021*

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

**J. Commitments and Contingencies - (continued)**

2. The City receives several grants from governmental agencies that require compliance with certain provisions stated in the grant agreements. Failure to comply with the provisions could result in the return of funds to the grantors. Although that is a possibility, the City deems the contingency remote since, in management's opinion, the City has complied in all material respects with the provisions of the grants.
3. At September 30, 2021, the City had various construction projects in progress with remaining balances totaling approximately \$350,000.

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Real Estate Taxes	\$ 3,651,732	\$ 3,651,732	\$ 3,630,172	\$ (21,560)
Franchise Taxes	329,600	329,600	369,872	40,272
Excise, Utility Service and Other Taxes	592,300	592,300	694,451	102,151
Licenses, Permits and Fees	30,500	30,500	38,476	7,976
Intergovernmental Revenue	867,127	867,127	1,083,277	216,150
Fines and Forfeitures	488,000	437,900	650,440	212,540
Grant Revenues	19,908	19,908	284,998	265,090
Rent	213,200	213,200	237,576	24,376
Interest	15,000	15,000	2,306	(12,694)
Other	293,263	293,263	474,165	180,902
Total Revenues	<u>6,500,630</u>	<u>6,450,530</u>	<u>7,465,733</u>	<u>1,015,203</u>
<b>Expenditures</b>				
<b>Current</b>				
City Council	138,242	138,242	121,721	16,521
Legal	220,498	220,498	215,594	4,904
Executive	430,329	430,829	428,957	1,872
Finance and Administration	500,745	511,345	511,074	271
Law Enforcement	2,912,275	2,992,175	3,043,135	(50,960)
Streets	743,096	740,596	701,295	39,301
Garage	108,979	108,979	96,940	12,039
Parks	95,754	111,654	108,516	3,138
Facilities Maintenance	192,445	226,945	214,252	12,693
Non-Departmental	650,203	861,760	447,377	414,383
Capital Outlay	227,700	277,900	377,948	(100,048)
<b>Balance Carried Forward</b>	<u>\$ 6,220,266</u>	<u>\$ 6,620,923</u>	<u>\$ 6,266,809</u>	<u>\$ 354,114</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended September 30, 2021  
(Continued)

	<b>General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Balance Brought Forward</b>	6,220,266	6,620,923	6,266,809	354,114
<b>Debt Service</b>				
Principal Retirement	146,000	147,500	147,480	20
Interest	26,708	26,708	26,708	-
<b>Total Expenditures</b>	<u>6,392,974</u>	<u>6,795,131</u>	<u>6,440,997</u>	<u>354,134</u>
Excess (Deficiency) of Revenues and Over (Under) Expenditures	107,656	(344,601)	1,024,736	1,369,337
<b>Other Financing Sources (Uses)</b>				
Proceeds from Equipment Installment Obligations	-	-	188,077	188,077
Operating Transfers In	1,120,000	1,120,000	-	(1,120,000)
Operating Transfers (Out)	(1,227,656)	(775,399)	(705,556)	69,843
<b>Total Other Financing Sources (Uses)</b>	<u>(107,656)</u>	<u>344,601</u>	<u>(517,479)</u>	<u>(862,080)</u>
 Net Change in Fund Balances	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 507,257</u>	 <u>\$ 507,257</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Revenues - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Real Estate Taxes</b>	\$ 3,651,732	\$ 3,630,172	\$ (21,560)
<b>Franchise Taxes</b>			
Electricity	313,000	352,614	39,614
Gas	11,000	11,658	658
Bus Benches	5,600	5,600	-
	<u>329,600</u>	<u>369,872</u>	<u>40,272</u>
<b>Excise, Utility Service and Other Taxes</b>			
Excise	411,300	502,567	91,267
Utility Service	160,000	146,541	(13,459)
BED	2,000	2,228	228
Local Business Tax	19,000	43,115	24,115
	<u>592,300</u>	<u>694,451</u>	<u>102,151</u>
<b>Licenses, Permits, and Fees</b>			
Building Permits	20,000	12,639	(7,361)
Alarm Permits	10,000	11,072	1,072
Impact Fees	-	12,690	12,690
Miscellaneous Permits	500	2,075	1,575
	<u>30,500</u>	<u>38,476</u>	<u>7,976</u>
<b>Intergovernmental</b>			
Sales Tax	475,000	653,811	178,811
Revenue Sharing	274,000	312,580	38,580
Fuel Tax	117,927	116,736	(1,191)
Mobile Homes	200	150	(50)
	<u>867,127</u>	<u>1,083,277</u>	<u>216,150</u>
<b>Fines and Forfeitures</b>			
Red Light Camera	387,900	585,466	197,566
Collected by Metro-Dade	50,000	64,974	14,974
	<u>437,900</u>	<u>650,440</u>	<u>212,540</u>
<b>Grant Revenues</b>	19,908	284,998	265,090
<b>Rent</b>	213,200	237,576	24,376
<b>Interest</b>	15,000	2,306	(12,694)
<b>Other</b>			
Accident Reports	5,000	5,856	856
False Alarms	-	105	105
Zoning Fees and Certificates of Use	6,500	14,951	8,451
Passport	200,000	309,032	109,032
Miscellaneous	81,763	144,221	62,458
	<u>293,263</u>	<u>474,165</u>	<u>180,902</u>
<b>Total Revenues</b>	<u>\$ 6,450,530</u>	<u>\$ 7,465,733</u>	<u>\$ 1,015,203</u>

See accompanying notes to budgetary comparison schedules.



**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>City Council</b>			
Salaries	\$ 2,780	\$ 2,780	\$ -
Medical and Life Insurance	100,671	100,671	-
Council Expense	6,300	6,300	-
Other Insurance Costs	500	500	-
Telephone	2,000	2,000	-
Postage	1,500	1,500	-
Office Supplies	6,650	1,970	4,680
Computer Service	2,871	5,446	(2,575)
Commission Representation	14,955	539	14,416
Contingency	15	15	-
	<u>\$ 138,242</u>	<u>\$ 121,721</u>	<u>\$ 16,521</u>
<b>Legal</b>			
Salaries	\$ 169,435	\$ 169,395	\$ 40
Medical and Life Insurance	23,142	23,142	-
Training and Conference	1,000	-	1,000
Miscellaneous Legal	1,300	-	1,300
Code Enforcement	800	-	800
Legal Advertising	6,000	6,000	-
Office Supplies	600	600	-
Telephone Services	1,000	1,000	-
Postage	1,500	1,500	-
General Liability	8,500	8,500	-
Computer Service	2,571	2,571	-
Miscellaneous	1,000	500	500
Fuel and Lubricants	1,500	285	1,215
Protective Clothing Vehicle Repairs	40	-	40
Vehicle Repairs	2,110	2,101	9
	<u>\$ 220,498</u>	<u>\$ 215,594</u>	<u>\$ 4,904</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Executive</b>			
Salaries	\$ 266,302	\$ 266,300	\$ 2
Payroll Taxes	20,133	20,133	-
Retirement	52,354	52,354	-
Workers' Compensation	2,730	2,730	-
Medical and Life Insurance	36,569	36,569	-
Conferences and Training	675	675	-
Printed Forms	500	455	45
Car Allowance	5,520	5,280	240
Telephone Service	3,350	3,350	-
City Manager's Expenses	1,325	483	842
Other Insurance Costs	500	500	-
Other Miscellaneous	4,700	4,377	323
Postage	2,600	2,600	-
Computer Service	6,571	6,571	-
General Liability Insurance	8,000	8,000	-
ICMA	17,500	17,500	-
Channel 49 Expenses	1,500	1,080	420
	<u>\$ 430,829</u>	<u>\$ 428,957</u>	<u>\$ 1,872</u>
<b>Finance and Administration</b>			
Salaries	\$ 341,958	\$ 341,900	\$ 58
Payroll Taxes	24,237	24,237	-
Retirement	22,859	22,859	-
Workers' Compensation	2,090	2,090	-
Medical and Life Insurance	81,230	81,230	-
Office Supplies	4,200	4,200	-
Telephone Service	3,500	3,500	-
Postage	6,700	6,678	22
Printed Forms	5,900	5,890	10
General Liability	6,000	6,000	-
Other Insurance Costs	500	500	-
Repairs to Equipment	1,800	1,622	178
Rental of Equipment	3,200	3,197	3
Computer Service	7,171	7,171	-
	<u>\$ 511,345</u>	<u>\$ 511,074</u>	<u>\$ 271</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Law Enforcement</b>			
Salaries	\$ 1,904,970	\$ 1,901,122	\$ 3,848
Other Personal Services	49,220	49,144	76
Payroll Taxes	143,704	143,704	-
Retirement	408,118	408,118	-
Workers' Compensation	39,478	39,478	-
Medical and Life Insurance	237,369	237,369	-
Printed Forms	1,000	918	82
Fuel and Lubricants	72,000	71,900	100
Vehicle Repair Parts and Labor	39,700	39,699	1
Operating Equipment Repair Parts	7,000	6,924	76
Uniform Purchases	15,350	15,322	28
Telephone Services	3,000	3,000	-
General Liability Insurance	38,345	38,345	-
Other Insurance Costs	1,000	1,000	-
Repairs to Equipment	5,000	4,778	222
Other Miscellaneous	1,300	1,291	9
Office Supplies	4,400	4,400	-
Cleaning Supplies	-	-	-
Building and Maintenance Supplies	1,100	1,016	84
Small Tools and Minor Equipment	2,000	1,957	43
Postage	600	600	-
Dues and Subscriptions	2,000	1,908	92
Plaques, Awards, Recognition	700	689	11
Other Professional Services	3,650	3,623	27
Computer Service	10,571	63,922	(53,351)
Court Costs and Investigations	100	17	83
Information Expense	500	496	4
Rental Machine and Equipment	-	2,395	(2,395)
	<u>\$ 2,992,175</u>	<u>\$ 3,043,135</u>	<u>\$ (50,960)</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Streets</b>			
Salaries	\$ 316,257	\$ 301,986	\$ 14,271
Payroll Taxes	28,953	28,953	-
Retirement	44,157	44,157	-
Workers' Compensation	17,480	17,480	-
Medical and Life Insurance	110,513	110,513	-
Fuel and Lubricants	14,100	15,933	(1,833)
Protective Clothing	3,900	3,862	38
Building Materials and Supplies	11,900	5,324	6,576
Small Tools and Minor Equipment	3,200	3,200	-
Vehicle Repair Parts and Labor	6,000	4,845	1,155
Operating Equipment Repair Parts	7,240	6,643	597
Telephone Service	2,000	2,000	-
General Liability Insurance	31,915	31,915	-
Street Lighting Electricity	61,100	61,000	100
Repairs to Equipment	360	-	360
Computer Service	3,521	3,521	-
Rental of Equipment	25,200	25,156	44
Landscape Maintenance	16,500	401	16,099
Other Miscellaneous	25,000	24,708	292
Office Supplies	3,300	3,300	-
Postage	800	800	-
Conference and Training Costs	500	-	500
Uniform Rental	6,700	5,598	1,102
	<u>\$ 740,596</u>	<u>\$ 701,295</u>	<u>\$ 39,301</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Garage</b>			
Salaries	\$ 60,445	\$ 59,757	\$ 688
Payroll Taxes	4,364	4,364	-
Retirement	5,605	5,605	-
Workers' Compensation	2,966	2,966	-
Medical and Life Insurance	10,749	10,749	-
Cleaning Supplies	300	-	300
Fuel and Lubricants	800	18	782
Protective Clothing	400	100	300
Small Tools and Minor Equipment	4,000	1,858	2,142
Vehicle Repair Parts	3,500	1,355	2,145
Operating Equipment Repair Parts	1,250	-	1,250
Uniform Rental	1,500	1,060	440
Hazardous Waste Disposal	1,000	-	1,000
General Liability Insurance	9,000	9,000	-
Other Miscellaneous	1,100	108	992
Special Permit Fees	2,000	-	2,000
	<u>\$ 108,979</u>	<u>\$ 96,940</u>	<u>\$ 12,039</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Parks</b>			
Salaries	\$ 42,058	\$ 42,053	\$ 5
Payroll Taxes	3,064	3,064	-
Retirement	1,981	1,981	-
Workers' Compensation	2,917	2,917	-
Medical and Life Insurance	10,484	10,484	-
Horticultural Supplies	3,200	3,184	16
Fuel and Lubricants	1,500	1,154	346
Protective Clothing	200	102	98
Small Tools and Minor Equipment	1,000	901	99
Vehicle Repair Parts and Labor	1,800	-	1,800
Operating Equipment Repair Parts	200	-	200
General Liability Insurance	9,000	9,000	-
Other Insurance	200	200	-
Other Miscellaneous	30,000	29,667	333
Rental of Equipment	100	50	50
Uniform Rental	1,500	1,329	171
Electricity	2,450	2,430	20
	<u>\$ 111,654</u>	<u>\$ 108,516</u>	<u>\$ 3,138</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Facilities Maintenance</b>			
Salaries	\$ 66,683	\$ 66,650	\$ 33
Payroll Taxes	4,795	4,795	-
Retirement	6,158	6,158	-
Workers' Compensation	5,762	5,762	-
Medical and Life Insurance	21,497	21,497	-
Horticultural Supplies	4,400	293	4,107
Cleaning and Sanitation Supplies	5,000	4,393	607
Household and Institutional Supplies	4,500	4,318	182
Protective Clothing	650	300	350
Building Material and Supplies	54,500	54,025	475
Small Tools and Minor Equipment	1,000	776	224
Vehicle Repair Parts	2,500	240	2,260
Operating Equipment Repair Parts	200	-	200
Installed Building Equipment Repair Parts	1,500	1,401	99
Other Repairs and Maintenance Supplies	200	-	200
General Liability Insurance	10,000	10,000	-
Electricity	25,000	24,739	261
Water	5,000	4,182	818
Repairs to Building	1,500	412	1,088
Other Miscellaneous	1,000	529	471
Uniform Rental	2,600	1,982	618
Telephone Service	1,000	1,000	-
Other Insurance Building	500	500	-
Repairs to Equipment	500	-	500
Rental of Equipment	500	300	200
	<u>\$ 226,945</u>	<u>\$ 214,252</u>	<u>\$ 12,693</u>

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Schedule of Expenditures - Budget and Actual  
General Fund  
For the Year Ended September 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Non-Departmental</b>			
Payroll Taxes	\$ 304,620	\$ 304,619	\$ 1
Retirement	636,640	636,611	29
Unemployment Compensation	5,000	4,469	531
Workers' Compensation	125,000	109,577	15,423
Medical and Life Insurance	952,544	952,458	86
Allowance to Board Members	1,000	195	805
Auditing Services	27,500	27,500	-
Engineer Services	9,000	6,634	2,366
Other Professional Services	42,900	33,869	9,031
Code Enforcement Allowance	1,000	555	445
Court Recordings	2,000	1,460	540
General Liability Insurance	276,039	276,038	1
Other Insurance Costs	3,775	-	3,775
Dues and Subscriptions	3,575	3,572	3
Contingency Fund	47,000	12,199	34,801
Real Estate Taxes	15,300	15,293	7
Office Supplies	25,000	19,330	5,670
Telephone	46,211	46,210	1
Postage	30,000	23,025	6,975
Recodification of Ordinances	-	2,972	(2,972)
Computer Service	98,958	98,954	4
Bank Charges	22,000	11,010	10,990
Retirement Deferred Payment	27,500	27,500	-
Reserve	375,273	49,650	325,623
Hurricane National Disaster	219,000	218,752	248
Interdepartmental Allocations	(2,435,075)	(2,435,075)	-
	<u>\$ 861,760</u>	<u>\$ 447,377</u>	<u>\$ 414,383</u>

See accompanying notes to budgetary comparison schedules.



**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Community Center Fund  
For the Year Ended September 30, 2021

	<b>Community Center Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>Revenues</b>				
Grant Revenues	\$ 350,109	\$ 350,109	\$ 330,686	\$ (19,423)
Other	23,000	23,000	118,012	95,012
Total Revenues	373,109	373,109	448,698	75,589
<b>Expenditures</b>				
<b>Current</b>				
Community Center	616,765	615,645	684,365	(68,720)
Capital Outlay	22,500	23,620	21,618	2,002
Total Expenditures	639,265	639,265	705,983	(66,718)
Excess (Deficiency) of Revenues and Over (Under) Expenditures	(266,156)	(266,156)	(257,285)	8,871
<b>Other Financing Sources (Uses)</b>				
Appropriation of Fund Balance	38,500	38,500	-	(38,500)
Operating Transfers In	227,656	227,656	262,656	35,000
Total Other Financing Sources (Uses)	266,156	266,156	262,656	(3,500)
Net Change in Fund Balances	\$ -	\$ -	\$ 5,371	\$ 5,371

See accompanying notes to budgetary comparison schedules.

**City of West Miami, Florida**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
Recreation Fund  
For the Year Ended September 30, 2021

	<b>Recreation Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Real Estate Taxes	\$ 620,431	\$ 620,431	\$ 620,431	\$ -
Grant Revenues	-	-	2,525	2,525
Other	219,000	219,000	140,508	(78,492)
Total Revenues	<u>839,431</u>	<u>839,431</u>	<u>763,464</u>	<u>(75,967)</u>
<b>Expenditures</b>				
<b>Current</b>				
Recreation	781,429	773,529	585,079	188,450
Capital Outlay	858,002	865,902	26,669	839,233
Total Expenditures	<u>1,639,431</u>	<u>1,639,431</u>	<u>611,748</u>	<u>1,027,683</u>
Excess (Deficiency) of Revenues and Over (Under) Expenditures	(800,000)	(800,000)	151,716	951,716
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	800,000	800,000	-	(800,000)
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>(800,000)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,716</u>	<u>\$ 151,716</u>

See accompanying notes to budgetary comparison schedules.

CITY OF WEST MIAMI, FLORIDA  
*Notes to Budgetary Comparison Schedules*  
*September 30, 2021*

**Note 1. Budgets and Budgetary Accounting**

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

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

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

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

The Community Center Fund community center expenditures exceeded appropriations by \$68,720. This unfavorable variance represented the cost of additional meals provided by the City to seniors at the Community Center, which was funded by a donation from the County for purposes of COVID-19 relief. The overall budget variance for the Community Center Fund ends with a positive variance of \$5,371, when combined with revenue and interfund transfer variances.

The General Fund's law enforcement and capital outlay expenditures exceeded appropriations by \$50,960 and \$100,048, respectively. These unfavorable variances were due to reclassification adjustments, acquisition of police vehicles through an equipment lease purchase agreement, and acquisition of a tractor through a financing agreement. These expenditures were approved by the City Commission and were funded by excess revenues and by the equipment lease agreement and financing agreement. The overall budget variance for the General Fund ends with a positive variance of \$507,257, when combined with revenue and interfund transfer variances.

**Note 3. Budget/GAAP Reconciliation**

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

**City of West Miami, Florida**  
 Required Supplementary Information  
 Schedule of the Proportionate Share of the Net Pension Liability  
 Florida Retirement System Pension Plan  
 Last 8 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.01348166%	0.01463264%	0.01632755%	0.01719487%	0.01666302%	0.01686092%	0.01493958%	0.01523259%
City's proportionate share of the net pension liability (asset)	\$ 1,018,386	\$ 6,342,003	\$ 5,622,982	\$ 5,179,185	\$ 4,928,811	\$ 4,257,396	\$ 1,929,647	\$ 929,412
City's covered payroll	\$ 3,796,929	\$ 3,763,343	\$ 3,833,099	\$ 3,798,323	\$ 3,471,017	\$ 3,367,100	\$ 3,141,772	\$ 3,039,259
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.82%	168.52%	146.70%	136.35%	142.00%	126.44%	61.42%	30.58%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

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

City of West Miami, Florida  
Required Supplementary Information  
Schedule of Contributions  
Florida Retirement System Pension Plan  
Last 8 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 726,563	\$ 610,686	\$ 672,501	\$ 629,615	\$ 584,053	\$ 531,919	\$ 430,873	\$ 446,081
Contributions in relation to the contractually required contribution	<u>\$ (726,563)</u>	<u>\$ (610,686)</u>	<u>\$ (672,501)</u>	<u>\$ (629,615)</u>	<u>\$ (584,053)</u>	<u>\$ (531,919)</u>	<u>\$ (430,873)</u>	<u>\$ (446,081)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,838,362	\$ 3,702,409	\$ 3,854,435	\$ 3,781,302	\$ 3,592,483	\$ 3,392,770	\$ 3,226,000	\$ 3,170,000
Contributions as a percentage of covered payroll	18.93%	16.49%	17.45%	16.65%	16.26%	15.68%	13.36%	14.07%

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

**City of West Miami, Florida**  
 Required Supplementary Information  
 Schedule of the Proportionate Share of the Net Pension Liability  
 Florida Retirement System Health Insurance Subsidy Pension Plan  
 Last 8 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.01072515%	0.01078398%	0.01135858%	0.01162931%	0.01088950%	0.01087716%	0.01035583%	0.01022926%
City's proportionate share of the net pension liability (asset)	\$ 1,315,601	\$ 1,316,706	\$ 1,270,911	\$ 1,230,859	\$ 1,164,356	\$ 1,267,687	\$ 1,056,132	\$ 956,461
City's covered payroll	\$ 3,796,929	\$ 3,763,343	\$ 3,833,099	\$ 3,798,323	\$ 3,471,017	\$ 3,367,100	\$ 3,141,772	\$ 3,039,259
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.65%	34.99%	33.16%	32.41%	33.55%	37.65%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

City of West Miami, Florida  
 Required Supplementary Information  
 Schedule of Contributions  
 Florida Retirement System Health Insurance Subsidy Pension Plan  
 Last 8 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 63,043	\$ 60,271	\$ 65,787	\$ 61,592	\$ 57,135	\$ 53,820	\$ 50,552	\$ 47,622
Contributions in relation to the contractually required contribution	<u>\$ (63,043)</u>	<u>\$ (60,271)</u>	<u>\$ (65,787)</u>	<u>\$ (61,592)</u>	<u>\$ (57,135)</u>	<u>\$ (53,820)</u>	<u>\$ (50,552)</u>	<u>\$ (47,622)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,838,362	\$ 3,702,409	\$ 3,854,435	\$ 3,781,302	\$ 3,592,483	\$ 3,392,770	\$ 3,226,000	\$ 3,170,000
Contributions as a percentage of covered payroll	1.64%	1.63%	1.71%	1.63%	1.59%	1.59%	1.57%	1.50%

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

## COMBINING FINANCIAL STATEMENTS



**City of West Miami, Florida**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2021

	<b>Special Revenue Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Transportation Surtax Fund</b>	<b>Police Law Forfeiture Fund</b>	
<b>Assets</b>			
Cash - Restricted	\$ 123,346	\$ 142,958	\$ 266,304
Receivables	93,843	-	93,843
Due From Other Funds	78,756	-	78,756
Total Assets	<u>\$ 295,945</u>	<u>\$ 142,958</u>	<u>\$ 438,903</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ -	\$ -	\$ -
Due To Other Funds	43,524	3,479	47,003
Total Liabilities	<u>43,524</u>	<u>3,479</u>	<u>47,003</u>
 <b>Fund Balances</b>			
Restricted for Public Safety Initiatives	-	139,479	139,479
Restricted for Transportation	252,421	-	252,421
Total Fund Balances	<u>252,421</u>	<u>139,479</u>	<u>391,900</u>
 Total Liabilities and Fund Balances	 <u>\$ 295,945</u>	 <u>\$ 142,958</u>	 <u>\$ 438,903</u>

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

**City of West Miami, Florida**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2021

	<b>Special Revenue Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Transportation Surtax Fund</b>	<b>Police Law Forfeiture Fund</b>	
<b>Revenues</b>			
Surtax	\$ 355,412	\$ -	\$ 355,412
Fines and Forfeitures	-	12,359	12,359
Interest	368	152	520
Total Revenues	<u>355,780</u>	<u>12,511</u>	<u>368,291</u>
<b>Expenditures</b>			
Salaries and Wages	16,963	-	16,963
Other	144,472	1,315	145,787
Capital Outlay	410,968	-	410,968
Total Expenditures	<u>572,403</u>	<u>1,315</u>	<u>573,718</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(216,623)	11,196	(205,427)
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(216,623)	11,196	(205,427)
<b>Fund Balances at Beginning of Year</b>	<u>469,044</u>	<u>128,283</u>	<u>597,327</u>
<b>Fund Balances at End of Year</b>	<u>\$ 252,421</u>	<u>\$ 139,479</u>	<u>\$ 391,900</u>

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

## COMPLIANCE SECTION



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami, Florida (the “City”), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated May 17, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

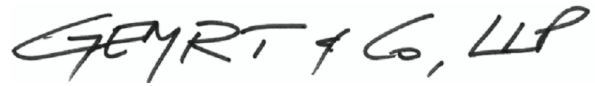
As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

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

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

**Purpose of this Report**

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

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

Coral Gables, Florida  
May 17, 2022



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

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

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

We have examined the City of West Miami, Florida’s (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management of the City is responsible for the City’s compliance with those specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

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

In our opinion, the City of West Miami, Florida complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

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

A handwritten signature in black ink that reads "GEMRT &amp; Co., LLP". The signature is written in a cursive, slightly slanted style.

Coral Gables, Florida  
May 17, 2022

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

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

**Report on the Financial Statements**

We have audited the financial statements of the City of West Miami, Florida (the “City”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 17, 2022.

**Auditor’s Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 17, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

## **Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. The assessment was completed as of the fiscal year end. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

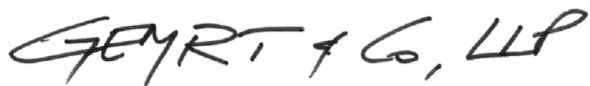
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Additional Matters**

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

## **Purpose of this Letter**

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



Coral Gables, Florida  
May 17, 2022





**Independent Auditor’s Report on Compliance for Each Major State Project and  
Report on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General**

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

**Report on Compliance for Each Major State Project**

We have audited City of West Miami, Florida’s (the “City”) compliance with the types of compliance requirements described in the Department of Financial Services’ *State Projects Compliance Supplement*, that could have a direct and material effect on each of City of West Miami, Florida’s major state projects for the fiscal year ended September 30, 2021. The City’s major State projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the City’s major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the City’s compliance.

***Opinion on Each Major State Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2021.

## Report on Internal Control over Compliance


Management of City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Coral Gables, Florida  
May 17, 2022

**City of West Miami, Florida**  
 Schedule of Expenditures of State Financial Assistance  
 For the Year Ended September 30, 2021

State Agency / Pass-through Entity / Program Title	State CSFA Number	State Grant Number	Expenditures
<b>Department of Elder Affairs</b>			
<i>Pass-through Alliance for the Aging</i>			
Local Services Programs - Services to Elders	65.009	KL2043	\$ 214,901
Local Services Programs - Services to Elders	65.009	KL2143	<u>66,624</u>
TOTAL DEPARTMENT OF ELDER AFFAIRS			<u>281,525</u>
<b>Florida Department of Transportation</b>			
Commuter Assistance Program - Ride Share Grants	55.007	G1T48	<u>3,126</u>
<b>Department of Environmental Protection</b>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0052	<u>796,677</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>\$ <u><u>1,081,328</u></u></b>

The accompanying notes are an integral part of this schedule.

CITY OF WEST MIAMI, FLORIDA  
*Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended September 30, 2021*

**Note 1. General**

The accompanying schedule of expenditures of state financial assistance (the “schedule”) includes the state grant activity of the City of West Miami, Florida (the “City”). The City’s reporting entity is defined in Note I-A of the City’s basic financial statements. For purposes of this schedule, state awards include state assistance received directly from a state agency, as well as state funds received indirectly by the City from non-state organizations.

**Note 2. Basis of Presentation**

The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

**Note 3. Contingency**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

CITY OF WEST MIAMI, FLORIDA  
*Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2021*

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

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No  
 Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

**State Projects**

Internal control over major State projects:

Material weakness(es) identified? No  
 Significant deficiencies identified? None reported

Type of auditors' report issued on compliance for major State projects: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with Chapter 10.557, Rules of the Auditor General of the State of Florida? No

Identification of major State projects:

<b><u>State Project</u></b>	<b><u>State CSFA No.</u></b>
Department of Environmental Protection – Statewide Surface Water Restoration and Wastewater Projects Program	37.039
Dollar threshold used to distinguish between Type A and Type B State projects:	\$324,399

**PART II. FINDINGS – FINANCIAL STATEMENTS**

None.

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

None.

**PART IV. OTHER ISSUES**

No summary schedule of prior audit findings is required because there were no prior audit findings related to State projects.