



# WEST MIAMI *Florida*

**Basic Financial Statements  
and  
Independent Auditor's Report  
September 30, 2022**



Serving our Citizens and  
the Community since 1947

# CITY OF WEST MIAMI, FLORIDA

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## FINANCIAL SECTION

# INDEPENDENT AUDITOR'S REPORT



GARCIA | ESPINOSA | MIYARES | RODRIGUEZ | TRUEBA

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the budgetary comparison information on pages 48 through 61, and the pension schedules on pages 62 through 65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2023, 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 the effectiveness of the City's 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 26, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS  
MD&A

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2022*

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, 2022.

**Financial Highlights**

The assets of the City of West Miami exceeded its liabilities at the close of the fiscal years ended September 30, 2022 and 2021 by \$20,122,846 and \$18,125,933 (net position), respectively. Of this amount, unrestricted net position, which may be used to meet the ongoing obligations to citizens and creditors, were \$(2,033,002) and \$(3,208,821), respectively. During the fiscal years ended September 30, 2022 and 2021, the City's net position increased by \$1,996,913 and \$1,699,306, respectively.

As of the close of the fiscal years ended September 30, 2022 and 2021, the City of West Miami's governmental funds reported combined ending fund balances of \$8,341,962 and \$5,401,181, an increase of \$2,940,781 and \$458,917 in comparison with the prior year, respectively.

At the end of the fiscal years ended September 30, 2022 and 2021, unassigned fund balance for governmental funds was \$3,363,263 and \$1,746,435, or 39.28% and 20.96% of total governmental fund expenditures and 51.09% and 27.11% 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** – In prior years, the City of West Miami has been able to attract new real estate development projects that increased its tax base and continue to add revenue through 2022. 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, franchise fees and sales taxes, and increases in property tax revenues. 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 made efforts to propose alternatives to increase revenues in order to continue to improve financial conditions and to procure grant funding where possible.
- **Water and Sewer Systems** – Issues with the City's water and sewer systems are in the process of being addressed as they are in need of further 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 Plan Act, and has continued to explore other

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2022*

options. Further analysis may be needed in order to calculate remaining costs relating to repairing the water lines.

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. During 2022 the City commenced the third phase of the project which is being funded through grants awarded by the State of Florida.

- **Leadership Transition / Succession Plan** – The City has formalized a long-term succession plan in its top management personnel. The succession plan should continue to consider emergency, temporary, and permanent possibilities for any remaining changes in leadership.
  
- **Fund Balances** – At September 30, 2022, 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 four months of budgeted expenditures for the City. The unassigned fund balance has steadily increased over the last several years. Acceptable levels average approximately a minimum of three months; consequently, one of the City’s main objectives is to continue to increase fund balances and reserves. At September 30, 2022, 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; however, improvements have been noted as a result of the potable water improvement project which addressed 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.

**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, 2022**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 6,376,964	\$ 3,870,138	\$ (221,672) *	\$ 422,720	\$ 6,155,292	\$ 4,292,858
Restricted assets	2,452,209	2,007,187	5,026,670	2,647,654	7,478,879	4,654,841
Capital assets	11,202,429	11,275,404	8,982,890	9,712,879	20,185,319	20,988,283
Total assets	<u>\$ 20,031,602</u>	<u>\$ 17,152,729</u>	<u>\$ 13,787,888</u>	<u>\$ 12,783,253</u>	<u>\$ 33,819,490</u>	<u>\$ 29,935,982</u>
Deferred outflows of resources related to pension	\$ 1,591,177	\$ 1,281,029	\$ -	\$ -	\$ 1,591,177	\$ 1,281,029
Current and other liabilities	\$ 487,211	476,144	\$ 4,983,761	\$ 3,024,109	\$ 5,470,972	\$ 3,500,253
Long-term liabilities	8,475,939	4,437,867	592,905	797,492	9,068,844	5,235,359
Total liabilities	<u>\$ 8,963,150</u>	<u>\$ 4,914,011</u>	<u>\$ 5,576,666</u>	<u>\$ 3,821,601</u>	<u>\$ 14,539,816</u>	<u>\$ 8,735,612</u>
Deferred inflows of resources related to pension	\$ 748,005	\$ 4,355,466	\$ -	\$ -	\$ 748,005	\$ 4,355,466
Net position	<u>\$ 11,911,624</u>	<u>\$ 9,164,281</u>	<u>\$ 8,211,222</u>	<u>\$ 8,961,652</u>	<u>\$ 20,122,846</u>	<u>\$ 18,125,933</u>
Net investment in capital assets	\$ 10,014,836	\$ 9,997,807	\$ 8,389,985	\$ 8,915,387	\$ 18,404,821	\$ 18,913,194
Restricted	3,477,311	2,112,020	273,716	309,540	3,751,027	2,421,560
Unrestricted	(1,580,523)	(2,945,546)	(452,479)	(263,275)	(2,033,002)	(3,208,821)
Total net position	<u>\$ 11,911,624</u>	<u>\$ 9,164,281</u>	<u>\$ 8,211,222</u>	<u>\$ 8,961,652</u>	<u>\$ 20,122,846</u>	<u>\$ 18,125,933</u>

\* Negative balance resulting from internal balances

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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,378,451	\$ 1,369,256	\$ 2,882,138	\$ 2,788,197	\$ 5,260,589	\$ 4,157,453
Operating grants and contributions	418,074	615,076	-	-	418,074	615,076
Capital grants and contributions	-	3,133	249,216	796,677	249,216	799,810
General revenues:						
Taxes	8,075,555	6,753,615	-	-	8,075,555	6,753,615
Other	544,988	305,106	7,097	2,921	552,085	308,027
Total revenues	<u>11,417,068</u>	<u>9,046,186</u>	<u>3,138,451</u>	<u>3,587,795</u>	<u>14,555,519</u>	<u>12,633,981</u>
Expenses:						
General government	2,303,601	1,681,624	-	-	2,303,601	1,681,624
Public safety	3,421,704	2,900,475	-	-	3,421,704	2,900,475
Parks and recreational	1,739,841	1,503,722	-	-	1,739,841	1,503,722
Transportation, roads and streets	1,196,434	1,037,778	-	-	1,196,434	1,037,778
Interest on long-term debt	31,181	27,425	-	-	31,181	27,425
Water	-	-	1,040,217	998,161	1,040,217	998,161
Sewer	-	-	1,137,763	1,052,906	1,137,763	1,052,906
Stormwater	-	-	717,654	730,731	717,654	730,731
Sanitation	-	-	706,755	785,829	706,755	785,829
Building/Code Compliance	-	-	263,456	216,021	263,456	216,021
Total expenses	<u>8,692,761</u>	<u>7,151,024</u>	<u>3,865,845</u>	<u>3,783,648</u>	<u>12,558,606</u>	<u>10,934,672</u>
Excess (deficiency) before transfers	2,724,307	1,895,162	(727,394)	(195,853)	1,996,913	1,699,309
Transfers	23,036	(442,900)	(23,036)	442,900	-	-
Increase (decrease) in net position	<u>\$ 2,747,343</u>	<u>\$ 1,452,262</u>	<u>\$ (750,430)</u>	<u>\$ 247,047</u>	<u>\$ 1,996,913</u>	<u>\$ 1,699,309</u>

**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2022*

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 12-13 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 14-16 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 17-19 of this report.

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**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 20-47 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 \$20,122,846 and \$18,125,933 at the close of September 30, 2022 and 2021, 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, 2022 and 2021, 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 increased by \$1,996,913 and \$1,699,306 during the fiscal years ended September 30, 2022 and 2021, respectively.

**Governmental activities.** Governmental activities increased the net position of the City of West Miami by \$2,747,343 and \$1,452,259 thereby accounting for a 29.98% and 18.83% increase in the governmental activities net position in 2022 and 2021, respectively. In fiscal year ended September 30, 2022, the increase in net position was attributed to increases in redlight camera revenue, sales tax revenue, and other tax revenues. In fiscal year ended September 30, 2021, the increase in net position was attributed to increases in property taxes and decreases in general government expenses.

**Business-type activities.** Business-type activities (decreased) increased the net position of the City of West Miami by \$(750,430) and \$247,047 in 2022 and 2021, respectively. In the fiscal year ended September 30, 2022, the decrease in the business-type activities net position was related to expenses incurred for depreciation and repairs. 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.

**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, 2022 and 2021, the City of West Miami's *governmental funds* reported combined ending fund balances of \$8,341,962 and \$5,401,181, an increase of \$2,940,781 and \$458,917 in comparison with the prior year, respectively. Approximately 40.3% and 32.3%

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of this total amount, \$3,363,263 and \$1,746,435, 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, 2022 and 2021, unassigned fund balance of the general fund in the fund financial statements was \$3,363,263 and \$1,746,435, 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 51.1% and 27.1% 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 \$1,259,759 and \$507,257 during the fiscal years ended in 2022 and 2021, respectively. The increase in 2022 was attributed to expenses being less than budgeted, and red-light camera revenues, sales tax and other taxes being greater than anticipated. 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.

**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, 2022 and 2021 amounted to \$8,211,222 and \$8,961,652, respectively. The proprietary fund financial statements can be found on pages 17-19 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, 2022 and 2021 amounted to \$11,202,429 and \$11,275,404, and \$8,982,890 and \$9,712,879, 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 33 of the notes to the financial statements.

Significant capital asset events during the current fiscal year included the acquisition of police vehicles and other equipment enhancements for the police department for approximately \$300,000. 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 \$9.1 million and \$5.2 million at September 30, 2022 and 2021, respectively. The overall increase is directly attributable to the City's increase in net pension liability which is based on actuarial calculations. Although a more detailed schedule can be found on page 35 of the notes to the financial statements, outstanding debt as of September 30, 2022 and 2021 consisted of the following:

**CITY OF WEST MIAMI, FLORIDA**  
**Management Discussion and Analysis**  
**For the Year Ended September 30, 2022**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Promissory note payable -						
City National Bank	\$ 1,035,000	\$ 1,137,000	\$ -	\$ -	\$ 1,035,000	\$ 1,137,000
Mortgage note - State of Florida	-	-	454,666	625,602	454,666	625,602
Compensated absences	338,276	279,630	-	-	338,276	279,630
Workmen's comp claims	728,981	546,652	-	-	728,981	546,652
Equipment installment obligations	152,594	140,597	-	-	152,594	140,597
Loan payable - vehicle financing	-	-	138,239	171,890	138,239	171,890
Net pension liability	6,221,088	2,333,988	-	-	6,221,088	2,333,988
Total	\$ 8,475,939	\$ 4,437,867	\$ 592,905	\$ 797,492	\$ 9,068,844	\$ 5,235,359

**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, 2022 and 2021, all budget amendments were approved by the City Commission in accordance with the City Code.

During the fiscal year ended September 30, 2022, the City exceeded its city council appropriations in the general fund by \$440 due to reclassification adjustments between departments from capital outlay to computer service expenses. These expenditures were approved by the City Commission and were funded by excess revenues.

During the fiscal year ended September 30, 2022, the City exceeded its expenditure appropriations in the community center fund's community center expenditures by \$17,313 due to costs incurred that were funded by the American Rescue Plan Act award monies. During the fiscal year ended September 30, 2022, the City exceeded its expenditure appropriations in the recreation fund by \$847 as a result of an adjustment to record accounts payable for expenditures incurred during the fiscal year. These expenditures were approved and were covered by excess revenues. 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, 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 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 purchase 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 were the only governmental funds 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, other tax revenues, and red-light camera revenues.



**CITY OF WEST MIAMI, FLORIDA**  
*Management Discussion and Analysis*  
*For the Year Ended September 30, 2022*

- 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 transferring amounts between departmental budgets.

**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, 2023 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, 2023 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, 2023:

- As of September 2022, the unemployment rate for Miami-Dade County was approximately 2.6 percent, which is a decrease from a rate of 4.4 percent a year ago. This compares favorably to the state's average unemployment rate of 2.7 percent and the national average rate of 3.5 percent.
- The occupancy rate of the government's central business district and residential areas are expected to continue to increase.

**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, 2022

	<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 4,282,298	\$ 260,640	\$ 4,542,938
Certificates of deposit	110,149	476,139	586,288
Receivables, net	331,241	672,274	1,003,515
Internal balances	1,653,276	(1,653,276)	-
Notes receivable	-	22,551	22,551
Restricted assets:			
Cash and cash equivalents	2,452,209	4,754,218	7,206,427
Certificates of deposit	-	272,452	272,452
Capital assets not being depreciated:			
Land	236,605	171,591	408,196
Construction in progress	9,450	80,998	90,448
Capital assets, net of accumulated depreciation	<u>10,956,374</u>	<u>8,730,301</u>	<u>19,686,675</u>
<b>Total Assets</b>	<b><u>20,031,602</u></b>	<b><u>13,787,888</u></b>	<b><u>33,819,490</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension	<u>1,591,177</u>	<u>-</u>	<u>1,591,177</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 1,591,177</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,591,177</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued liabilities	\$ 358,967	\$ 394,269	\$ 753,236
Customer deposits	-	291,196	291,196
Unearned revenue	128,244	4,298,296	4,426,540
Non-current liabilities:			
Due within one year	555,372	211,693	767,065
Due in more than one year	7,920,567	381,212	8,301,779
<b>Total Liabilities</b>	<b><u>8,963,150</u></b>	<b><u>5,576,666</u></b>	<b><u>14,539,816</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension	<u>748,005</u>	<u>-</u>	<u>748,005</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 748,005</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 748,005</u></b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 10,014,836	\$ 8,389,985	\$ 18,404,821
Restricted for:			
Transportation	535,937	-	535,937
Public Safety Initiatives	403,328	-	403,328
Parks and Recreation	5,609	-	5,609
Capital Improvements	2,532,437	273,716	2,806,153
Unrestricted	<u>(1,580,523)</u>	<u>(452,479)</u>	<u>(2,033,002)</u>
<b>Total Net Position</b>	<b><u>\$ 11,911,624</u></b>	<b><u>\$ 8,211,222</u></b>	<b><u>\$ 20,122,846</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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ (2,303,601)	\$ 365,660	\$ 794	\$ -	\$ (1,937,147)	\$ -	\$ (1,937,147)
Public safety	(3,421,704)	1,799,126	13,153	-	(1,609,425)	-	(1,609,425)
Parks and recreational	(1,739,841)	213,665	372,716	-	(1,153,460)	-	(1,153,460)
Transportation, roads and streets	(1,196,434)	-	31,411	-	(1,165,023)	-	(1,165,023)
Interest on long-term debt	(31,181)	-	-	-	(31,181)	-	(31,181)
<b>Total governmental activities</b>	<b>(8,692,761)</b>	<b>2,378,451</b>	<b>418,074</b>	<b>-</b>	<b>(5,896,236)</b>	<b>-</b>	<b>(5,896,236)</b>
<b>Business-type activities:</b>							
Water	(1,040,217)	886,353	-	249,216	-	95,352	95,352
Sewer	(1,137,763)	947,327	-	-	-	(190,436)	(190,436)
Stormwater	(717,654)	104,712	-	-	-	(612,942)	(612,942)
Sanitation	(706,755)	680,532	-	-	-	(26,223)	(26,223)
Building/Code Compliance	(263,456)	263,214	-	-	-	(242)	(242)
<b>Total business-type activity</b>	<b>(3,865,845)</b>	<b>2,882,138</b>	<b>-</b>	<b>249,216</b>	<b>-</b>	<b>(734,491)</b>	<b>(734,491)</b>
<b>Total government</b>	<b>\$ (12,558,606)</b>	<b>\$ 5,260,589</b>	<b>\$ 418,074</b>	<b>\$ 249,216</b>	<b>\$ (5,896,236)</b>	<b>\$ (734,491)</b>	<b>\$ (6,630,727)</b>
<b>General revenues:</b>							
Property taxes					\$ 4,835,047	\$ -	\$ 4,835,047
Franchise, utility and other taxes					1,834,413	-	1,834,413
Intergovernmental taxes					1,406,095	-	1,406,095
Interest earnings and investment income					3,392	7,097	10,489
Miscellaneous					541,596	-	541,596
Transfers					23,036	(23,036)	-
					<u>8,643,579</u>	<u>(15,939)</u>	<u>8,627,640</u>
<b>Change in net position</b>					<b>2,747,343</b>	<b>(750,430)</b>	<b>1,996,913</b>
Net position - beginning					9,164,281	8,961,652	18,125,933
<b>Net position - ending</b>					<b>\$ 11,911,624</b>	<b>\$ 8,211,222</b>	<b>\$ 20,122,846</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, 2022

	<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	\$ 4,168,430	\$ 77,379	\$ 36,489	\$ -	\$ 4,282,298
Cash - Restricted	1,660,686	-	-	791,523	2,452,209
Certificates of Deposit	110,149	-	-	-	110,149
Receivables	203,594	42,360	586	84,701	331,241
Due from Other Funds	3,340,894	187,120	1,800,389	110,044	5,438,447
Total Assets	<u>\$ 9,483,753</u>	<u>\$ 306,859</u>	<u>\$ 1,837,464</u>	<u>\$ 986,268</u>	<u>\$ 12,614,344</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Expenses	\$ 329,945	\$ 24,577	\$ 4,445	\$ -	\$ 358,967
Due to Other Funds	3,413,381	276,673	48,114	47,003	3,785,171
Unearned Revenue	<u>122,272</u>	<u>-</u>	<u>5,972</u>	<u>-</u>	<u>128,244</u>
Total Liabilities	3,865,598	301,250	58,531	47,003	4,272,382
<b>Fund Balances</b>					
<b>Restricted</b>					
Restricted for Transportation	-	-	-	535,937	535,937
Restricted for Public Safety Initiatives	-	-	-	403,328	403,328
Restricted for Community Center	-	5,609	-	-	5,609
Restricted for Capital Improvements	1,332,437	-	1,200,000	-	2,532,437
<b>Committed</b>					
Committed for Parks and Recreation	-	-	501,833	-	501,833
<b>Assigned</b>					
Assigned for Capital Outlay	115,605	-	77,100	-	192,705
Assigned for Specific Projects	15,350	-	-	-	15,350
Assigned for Comprehensive Plan	29,000	-	-	-	29,000
Assigned for Future Contingencies	512,500	-	-	-	512,500
Assigned for Potable Water Project	35,000	-	-	-	35,000
Assigned for City Hall Improvements	195,000	-	-	-	195,000
Assigned for Zoning Ordinance Rewrite	20,000	-	-	-	20,000
<b>Unassigned</b>					
General Fund	<u>3,363,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,363,263</u>
Total Fund Balances	<u>5,618,155</u>	<u>5,609</u>	<u>1,778,933</u>	<u>939,265</u>	<u>8,341,962</u>
Total Liabilities and Fund Balances	<u>\$ 9,483,753</u>	<u>\$ 306,859</u>	<u>\$ 1,837,464</u>	<u>\$ 986,268</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	11,202,429
Deferred outflows related to pension	1,591,177
Deferred inflows related to pension	(748,005)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	<u>(8,475,939)</u>
Net position of governmental activities	<u>\$ 11,911,624</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, 2022

	<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	\$ 4,149,835	\$ -	\$ 685,212	\$ -	\$ 4,835,047
Franchise	594,972	-	-	-	594,972
Excise, Utility Service and Other	737,346	-	-	502,095	1,239,441
Licenses, Permits and Fees	34,252	-	-	-	34,252
Intergovernmental	1,406,095	-	-	-	1,406,095
Fines and Forfeitures	1,379,588	-	-	419,538	1,799,126
Grant Revenues/Contributions	13,947	372,716	-	31,411	418,074
Rent	59,799	-	52,730	-	112,529
Investment Earnings	2,865	-	-	527	3,392
Other	707,372	14,348	247,920	4,500	974,140
Total Revenues	<u>9,086,071</u>	<u>387,064</u>	<u>985,862</u>	<u>958,071</u>	<u>11,417,068</u>
<b>Expenditures</b>					
<b>Current</b>					
City Council	139,759	-	-	-	139,759
Legal	242,840	-	-	-	242,840
Executive	450,919	-	-	-	450,919
Finance and Administration	598,858	-	-	-	598,858
Law Enforcement	3,336,669	-	-	10,401	3,347,070
Transportation	-	-	-	220,697	220,697
Community Center	-	680,545	-	-	680,545
Streets	758,686	-	-	-	758,686
Garage	106,819	-	-	-	106,819
Recreation	-	-	825,305	-	825,305
Parks	80,574	-	-	-	80,574
Facilities Maintenance	228,783	-	-	-	228,783
Non-Departmental	285,802	-	-	-	285,802
Capital Outlay	182,835	-	-	228,646	411,481
<b>Debt Service</b>					
Principal Retirement	139,042	-	-	13,699	152,741
Interest	31,181	-	-	-	31,181
Total Expenditures	<u>6,582,767</u>	<u>680,545</u>	<u>825,305</u>	<u>473,443</u>	<u>8,562,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,503,304</u>	<u>(293,481)</u>	<u>160,557</u>	<u>484,628</u>	<u>2,855,008</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Equipment Installment Obligations	-	-	-	62,737	62,737
Operating Transfers In	48,036	266,581	1,000,000	-	1,314,617
Operating Transfers Out	(1,291,581)	-	-	-	(1,291,581)
Total Other Financing Sources (Uses)	<u>(1,243,545)</u>	<u>266,581</u>	<u>1,000,000</u>	<u>62,737</u>	<u>85,773</u>
Net Change in Fund Balances	1,259,759	(26,900)	1,160,557	547,365	2,940,781
<b>Fund Balances at Beginning 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>
<b>Fund Balances at End of Year</b>	<u>\$ 5,618,155</u>	<u>\$ 5,609</u>	<u>\$ 1,778,933</u>	<u>\$ 939,265</u>	<u>\$ 8,341,962</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, 2022

**Net change in fund balances - total governmental funds (Page 15) \$ 2,940,781**

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	411,481	
Depreciation expense	(484,456)	
Net adjustment		(72,975)

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	(62,737)	
Principal payments	152,741	
Net adjustment		90,004

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	(58,646)	
Change in long-term workers' compensation claims	(182,329)	
Net pension liability	30,508	(210,467)

**Change in net position of governmental activities (Page 13) \$ 2,747,343**

City of West Miami, Florida

Statement of Net Position

Enterprise Funds

September 30, 2022

**Business-Type Activities - Enterprise Funds**

	<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	\$ 112,025	\$ -	\$ -	\$ 48,734	\$ 99,881	\$ 260,640
Cash - Restricted	306,708	4,442,502	5,008	-	-	4,754,218
Certificates of Deposit	476,139	-	-	-	-	476,139
Certificates of Deposit - Restricted	158,691	113,761	-	-	-	272,452
Receivables	226,324	189,565	20,534	235,851	-	672,274
Due From Other Funds	1,388,614	2,201,124	550,897	423,828	292,692	4,857,155
Total Current Assets	<u>2,668,501</u>	<u>6,946,952</u>	<u>576,439</u>	<u>708,413</u>	<u>392,573</u>	<u>11,292,878</u>
<b>Notes Receivable - Non Current</b>	22,551	-	-	-	-	22,551
<b>Capital Assets</b>	<u>2,022,369</u>	<u>1,323,094</u>	<u>5,374,607</u>	<u>262,820</u>	<u>-</u>	<u>8,982,890</u>
Total Assets	<u>\$ 4,713,421</u>	<u>\$ 8,270,046</u>	<u>\$ 5,951,046</u>	<u>\$ 971,233</u>	<u>\$ 392,573</u>	<u>\$ 20,298,319</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Current Portion of Notes and Loans Payable	\$ 177,072	\$ -	\$ -	\$ 34,621	\$ -	\$ 211,693
Accounts Payable and Accrued Expenses	18,454	162,164	-	5,740	207,911	394,269
Due To Other Funds	2,903,131	2,108,484	696,087	796,669	6,060	6,510,431
Unearned Revenue	-	4,298,296	-	-	-	4,298,296
Total Current Liabilities	<u>3,098,657</u>	<u>6,568,944</u>	<u>696,087</u>	<u>837,030</u>	<u>213,971</u>	<u>11,414,689</u>
<b>Customer Deposits</b>	-	291,196	-	-	-	291,196
<b>Notes and Loans Payable - Long-Term Portion</b>	<u>277,593</u>	<u>-</u>	<u>-</u>	<u>103,619</u>	<u>-</u>	<u>381,212</u>
Total Liabilities	<u>3,376,250</u>	<u>6,860,140</u>	<u>696,087</u>	<u>940,649</u>	<u>213,971</u>	<u>12,087,097</u>
<b>Net Position</b>						
Net Investment in Capital Assets	1,567,704	1,323,094	5,374,607	124,580	-	8,389,985
Restricted for Capital Improvements	273,716	-	-	-	-	273,716
Unrestricted	<u>(504,249)</u>	<u>86,812</u>	<u>(119,648)</u>	<u>(93,996)</u>	<u>178,602</u>	<u>(452,479)</u>
Total Net Position	<u>1,337,171</u>	<u>1,409,906</u>	<u>5,254,959</u>	<u>30,584</u>	<u>178,602</u>	<u>8,211,222</u>
Total Liabilities and Net Position	<u>\$ 4,713,421</u>	<u>\$ 8,270,046</u>	<u>\$ 5,951,046</u>	<u>\$ 971,233</u>	<u>\$ 392,573</u>	<u>\$ 20,298,319</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, 2022

<b>Business-Type Activities - Enterprise Funds</b>						
	<b>Sewer System Fund</b>	<b>Water System Fund</b>	<b>Stormwater Utility Fund</b>	<b>Sanitation Fund</b>	<b>Building Department / Code Compliance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>						
Water Sales	\$ -	\$ 882,201	\$ -	\$ -	\$ -	\$ 882,201
Sewer Service	947,327	-	-	-	-	947,327
Sanitation Fees	-	-	-	667,930	-	667,930
Licenses, Permits and Fees	-	-	104,712	-	257,440	362,152
Other	-	4,152	-	12,602	5,774	22,528
Total Operating Revenues	<u>947,327</u>	<u>886,353</u>	<u>104,712</u>	<u>680,532</u>	<u>263,214</u>	<u>2,882,138</u>
<b>Operating Expenses</b>						
Water Purchased	-	654,261	-	-	-	654,261
Salaries and Wages	50,115	181,812	41,562	161,688	45,841	481,018
Waste Disposal and Recycling	-	-	-	301,110	-	301,110
Drain Cleaning	-	-	1,542	-	-	1,542
Sewer Processing	741,706	-	-	-	-	741,706
Depreciation	201,954	33,156	587,969	18,327	-	841,406
Other	103,865	170,988	86,581	221,169	217,615	800,218
Total Operating Expenses	<u>1,097,640</u>	<u>1,040,217</u>	<u>717,654</u>	<u>702,294</u>	<u>263,456</u>	<u>3,821,261</u>
Operating Income (Loss)	(150,313)	(153,864)	(612,942)	(21,762)	(242)	(939,123)
<b>Non-Operating Revenues (Expenses)</b>						
Investment Income	953	6,144	-	-	-	7,097
Loss on Disposal of Property	(22,419)	-	-	-	-	(22,419)
Interest Expense	(17,704)	-	-	(4,461)	-	(22,165)
Total Non-Operating Revenues (Expenses)	<u>(39,170)</u>	<u>6,144</u>	<u>-</u>	<u>(4,461)</u>	<u>-</u>	<u>(37,487)</u>
<b>Other Financing Sources (Uses)</b>						
Capital Contributions	-	249,216	-	-	-	249,216
Operating Transfers In	-	-	-	25,000	-	25,000
Operating Transfers Out	-	(48,036)	-	-	-	(48,036)
Total Other Financing Sources (Uses)	<u>-</u>	<u>201,180</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>226,180</u>
<b>Change in Net Position</b>	(189,483)	53,460	(612,942)	(1,223)	(242)	(750,430)
<b>Net Position at Beginning of Year</b>	1,526,654	1,356,446	5,867,901	31,807	178,844	8,961,652
<b>Net Position at End of Year</b>	<u>\$ 1,337,171</u>	<u>\$ 1,409,906</u>	<u>\$ 5,254,959</u>	<u>\$ 30,584</u>	<u>\$ 178,602</u>	<u>\$ 8,211,222</u>

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

**City of West Miami, Florida**  
Statement of Cash Flows  
Enterprise Funds  
For the Year Ended September 30, 2022

	<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)	\$ (150,313)	\$ (153,864)	\$ (612,942)	\$ (21,762)	\$ (242)	\$ (939,123)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	201,954	33,156	587,969	18,327	-	841,406
Change in Assets and Liabilities:						
Decrease (Increase) in Receivables	(33,821)	(1,137)	(2,896)	(8,434)	-	(46,288)
Decrease (Increase) in Due To/From Other Funds	161,108	178,649	27,830	75,995	14,227	457,809
Increase (Decrease) in Accounts Payable and Accrued Expenses	8,973	(200,181)	-	(7,002)	35,472	(162,738)
Increase in Customer Deposits	-	(73,102)	-	-	-	(73,102)
Increase in Unearned Revenue	-	2,195,492	-	-	-	2,195,492
Net Cash Provided by (Used for) Operating Activities	<u>187,901</u>	<u>1,979,013</u>	<u>(39)</u>	<u>57,124</u>	<u>49,457</u>	<u>2,273,456</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Operating Transfers In (Out)	<u>-</u>	<u>(48,036)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(23,036)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition of Capital Assets	(52,838)	(80,998)	-	-	-	(133,836)
Capital Contributions	-	249,216	-	-	-	249,216
Proceeds from Issuance of Long-Term Debt	-	-	-	-	-	-
Interest Paid on Capital Debt	(17,704)	-	-	(4,461)	-	(22,165)
Principal Payments of Long-Term Debt	<u>(170,937)</u>	<u>-</u>	<u>-</u>	<u>(33,650)</u>	<u>-</u>	<u>(204,587)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	(241,479)	168,218	-	(38,111)	-	(111,372)
<b>Cash Flows From Investing Activities</b>						
Redemption and Interest on Investments	<u>289</u>	<u>6,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,421</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(53,289)	2,105,327	(39)	44,013	49,457	2,145,469
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	<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>Cash, Cash Equivalents and Restricted Cash at End of Year</b>	<u>\$ 418,733</u>	<u>\$ 4,442,502</u>	<u>\$ 5,008</u>	<u>\$ 48,734</u>	<u>\$ 99,881</u>	<u>\$ 5,014,858</u>

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

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2022*

**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, 2022*

**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).

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

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2022*

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

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

**2. Interfund Receivables and Payables**

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

**3. Receivables**

***Property Taxes***

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10.0 mils. The tax rate to finance general governmental services for the fiscal year ended September 30, 2022 was \$6.8858 per \$1,000 of assessed taxable property value. The rate of \$6.8858 is allocated to the General Fund and Recreation Fund, with the General Fund receiving \$5.8858, and the Recreation Fund receiving \$1.00.

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

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

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2022*

**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, 2022. 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, 2022 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, 2022

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, 2022, the City’s unearned revenues include approximately \$4.3 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, 2022

I. Summary of Significant Accounting Policies - (continued)

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

**14. New Accounting Pronouncements**

In June 2017, the GASB issued Statement No. 87, "Leases". The statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It also establishes a single model for lease accounts based on the foundational principle that leases are financings of the right to use an underlying asset. The statement has been implemented retroactively effective October 1, 2021. The City evaluated all leases and determined the City's lease agreement where it is a lessor does not meet the criteria for this statement. The City is not a lessee in any material transactions.

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 \$11,202,429 difference are as follows:

Land	\$	236,605
Land Improvements		2,263,526
Construction in Progress		9,450
Buildings		3,489,545
Building Improvements		1,593,690
Infrastructure - Drainage		4,070,983
Infrastructure - Roads		9,256,802
Machinery and Equipment		<u>2,615,135</u>
		23,535,736
Less: Accumulated Depreciation		<u>12,333,307</u>
	\$	<u>11,202,429</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 \$8,475,939 difference are as follows:

Promissory note payable -		
City National Bank	\$	1,035,000
Compensated absences		338,276
Workmen's comp. claims		728,981
Equipment installment obligations		152,594
Net pension liability		<u>6,221,088</u>
	\$	<u>8,475,939</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.

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

**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 \$193,438 differences are in page 16 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 \$17,313. This unfavorable variance represented costs incurred that were funded by the American Rescue Plan Act award monies. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – Community Center Fund - page 59. The overall budget variance for the Community Center Fund ends with a negative variance of \$26,900, when combined with revenue and interfund transfer variances.

The General Fund's city council expenditure exceeded appropriations by \$440. This unfavorable variance was due to reclassification adjustments from capital outlay to computer service expenses between departments. These expenditures were approved by the City Commission and were funded by excess revenues. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – General Fund - page 48. The overall budget variance for the General Fund ends with a positive variance of \$1,259,759, when combined with revenue and interfund transfer variances.

The Recreation Fund recreation expenditures exceeded appropriations by \$847. This unfavorable variance was due to an adjustment to record accounts payable for expenditures incurred during the fiscal year. The negative variance is disclosed in the Budgetary Comparison Statements and Schedules – Recreation Fund - page 60. The overall budget variance for the Recreation Fund ends with a positive variance of \$1,031,303, 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.

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2022*

**III. Stewardship, Compliance, and Accountability - (continued)**

**C. Deficit Fund Equity - (continued)**

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 deficits 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.

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 \$11,749,365 and a bank balance of \$12,361,082, and certificates of deposit with a balance of \$858,740. 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.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

**IV. Detailed Notes on all Funds**

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

Restricted cash and deposit reserves at September 30, 2022 were as follows:

Note payable - State of Florida	\$ 191,683
American Rescue Plan funding	4,304,313
Stormwater utility improvements	5,008
Federal and local forfeiture funds	408,281
Capital projects, improvements and impact fees	1,642,841
Utility deposits	251,950
Building deposits and other miscellaneous	250,734
Transportation and other grantor restrictions	<u>424,069</u>
Total restricted cash and deposit reserves	<u>\$ 7,478,879</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.

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	\$ 11,749,365
Certificates of deposit	x	<u>858,740</u>
		<u>\$ 12,608,105</u>

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2022*

**IV. Detailed Notes on all Funds**

**B. Receivables**

Accounts receivable at September 30, 2022 are summarized as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Total
Franchise and other taxes	\$ 203,594	\$ 85,332	\$ -	\$ 288,926
Government grants/contributions	-	42,315	-	42,315
Customers and other	-	-	672,274	672,274
	<u>\$ 203,594</u>	<u>\$ 127,647</u>	<u>\$ 672,274</u>	<u>\$ 1,003,515</u>

Notes Receivable

The City's notes receivable at September 30, 2022 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, 2022, the total balance remaining to be collected amounted to \$22,551.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets

Capital asset activity for the year ended September 30, 2022 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	420,418	34,020	444,988	9,450
Total capital assets not being depreciated	<u>657,023</u>	<u>34,020</u>	<u>444,988</u>	<u>246,055</u>
Capital Assets, being depreciated				
Land improvements	2,210,665	52,861	-	2,263,526
Buildings	3,489,545	-	-	3,489,545
Building improvements	1,593,690	-	-	1,593,690
Infrastructure - Drainage	4,070,983	-	-	4,070,983
Infrastructure - Roads	8,811,814	444,988	-	9,256,802
Machinery and equipment	2,423,573	324,600	133,038	2,615,135
Total capital assets being depreciated	<u>22,600,270</u>	<u>822,449</u>	<u>133,038</u>	<u>23,289,681</u>
Less accumulated depreciation for:				
Land improvements	650,242	102,245	-	752,487
Buildings	957,641	87,535	-	1,045,176
Building improvements	832,975	53,261	-	886,236
Infrastructure - Drainage	3,708,997	4,728	-	3,713,725
Infrastructure - Roads	3,765,972	94,139	-	3,860,111
Machinery and equipment	2,066,062	142,548	133,038	2,075,572
Total accumulated depreciation	<u>11,981,889</u>	<u>484,456</u>	<u>133,038</u>	<u>12,333,307</u>
Total capital assets, being depreciated, net	<u>10,618,381</u>	<u>337,993</u>	<u>-</u>	<u>10,956,374</u>
Governmental activities capital assets, net	<u>\$ 11,275,404</u>	<u>\$ 372,013</u>	<u>\$ 444,988</u>	<u>\$ 11,202,429</u>
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 171,591	\$ -	\$ -	\$ 171,591
Construction in progress	1,135,426	80,998	1,135,426	80,998
Total capital assets not being depreciated	<u>1,307,017</u>	<u>80,998</u>	<u>1,135,426</u>	<u>252,589</u>
Capital Assets, being depreciated				
Sewer systems	7,833,465	-	-	7,833,465
Water - main and extensions	637,982	1,135,426	-	1,773,408
Stormwater improvements	14,699,261	-	-	14,699,261
Machinery and equipment	1,080,421	52,838	25,868	1,107,391
Total capital assets being depreciated	<u>24,251,129</u>	<u>1,188,264</u>	<u>25,868</u>	<u>25,413,525</u>
Less accumulated depreciation for:				
Sewer systems	5,728,826	195,836	-	5,924,662
Water - main and extensions	499,547	32,319	-	531,866
Stormwater improvements	8,922,988	587,969	-	9,510,957
Machinery and equipment	693,906	25,282	3,449	715,739
Total accumulated depreciation	<u>15,845,267</u>	<u>841,406</u>	<u>3,449</u>	<u>16,683,224</u>
Total capital assets, being depreciated, net	<u>8,405,862</u>	<u>346,858</u>	<u>22,419</u>	<u>8,730,301</u>
Business-type activities capital assets, net	<u>\$ 9,712,879</u>	<u>\$ 427,856</u>	<u>\$ 1,157,845</u>	<u>\$ 8,982,890</u>



CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

IV. Detailed Notes on all Funds - (continued)

C. Capital Assets - (continued)

Depreciation expense for the fiscal year ended September 30, 2022 was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General Government	\$ 134,388
Public Safety	85,291
Parks and Recreational	153,471
Transportation, Roads and Streets	111,306
Total depreciation expense - governmental activities	<u>\$ 484,456</u>
<b>Business-type Activities:</b>	
Sewer System	\$ 201,954
Water System	33,156
Sanitation	18,327
Stormwater Utility	587,969
Total depreciation expense - business-type activities	<u>\$ 841,406</u>

D. Interfund Receivables, Payables, and Transfers

Amounts due from and due to other funds at September 30, 2022 are summarized as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,340,894	\$ 3,413,381
Special Revenue Funds:		
Recreation	1,800,389	48,114
Community Center	187,120	276,673
Transportation Surtax	110,044	43,524
Police Law Forfeiture	-	3,479
Enterprise Funds:		
Sewer System	1,388,614	2,903,131
Water System	2,201,124	2,108,484
Stormwater Utility	550,897	696,087
Sanitation	423,828	796,669
Building Dept./Code Compliance	292,692	6,060
	<u>\$ 10,295,602</u>	<u>\$ 10,295,602</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, 2022 consisted of transfers used to move revenues or expenditures based on the City budget, to fund operating deficits in the community center fund, and to transfer impact fees for recreation fund capital projects.

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, 2022

IV. Detailed Notes on all Funds - (continued)

E. Long-Term Debt

Long-term debt activity for the year ended September 30, 2022 was as follows:

	October 1, 2021	Additions	Payments	September 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Notes from direct borrowings and direct placements	\$ 1,277,598	\$ 62,737	\$ 152,741	\$ 1,187,594	\$ 155,372
Other liabilities					
Compensated absences	279,630	279,501	220,855	338,276	200,000
Workmen's comp. claims	546,652	324,736	142,407	728,981	200,000
Net pension liability	2,333,987	4,358,326	471,225	6,221,088	-
Total other liabilities	3,160,269	4,962,563	834,487	7,288,345	400,000
Total governmental activities long-term debt	4,437,867	5,025,300	987,228	8,475,939	555,372
<b>Business-Type Activities</b>					
Notes from direct borrowings and direct placements	797,492	-	204,587	592,905	211,693
Total Long-Term Debt	\$ 5,235,359	\$ 5,025,300	\$ 1,191,815	\$ 9,068,844	\$ 767,065

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
2023	\$ 155,372	\$ 29,222	\$ 211,693	\$ 18,100	\$ 367,065	\$ 47,322
2024	159,880	24,328	219,047	10,747	378,927	35,075
2025	146,243	19,225	130,817	3,137	277,060	22,362
2026	125,099	15,384	31,348	411	156,447	15,795
2027	115,000	12,229	-	-	115,000	12,229
2028 - 2031	486,000	22,208	-	-	486,000	22,208
	\$ 1,187,594	\$ 122,596	\$ 592,905	\$ 32,395	\$ 1,780,499	\$ 154,991

The City's total outstanding notes from direct borrowings and direct placements are \$1,780,499, 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, 2022

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,	Principal	Interest
2023	\$ 177,072	\$ 14,611
2024	183,426	8,257
2025	94,168	1,675
	\$ 454,666	\$ 24,543

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, 2022

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,	Principal	Interest
2023	\$ 105,000	\$ 22,106.00
2024	107,000	19,721.00
2025	110,000	17,280.00
2026	112,000	14,782.00
2027	115,000	12,229.00
2028 - 2031	486,000	22,208.00
	\$ 1,035,000	\$ 108,326

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. As of September 30, 2022, the total outstanding principal balance of the loan amounted to \$138,240.

Equipment Installment Obligations

During fiscal year ended September 30, 2021, the City entered into an equipment purchase agreement for the amount of \$114,989. The purpose of the agreement was to finance the cost of a new tractor. The debt is secured by the tractor acquired with the proceeds of the financing. Commencing in December 2020, the equipment is payable in annual installments of \$24,490. After the initial payment, interest accrues at a rate of 3.19% per annum. The agreement matures in December 2024. As of September 30, 2022, the total outstanding principal balance amounted to \$68,957.

During fiscal year ended September 30, 2021, the City entered into an equipment purchase agreement for the amount of \$73,088. The purpose of the agreement was to finance two police vehicles. The debt is secured by the two police vehicles acquired with the proceeds of the financing. Commencing in June 2021, the vehicles are 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 agreement matures in June 2024. As of September 30, 2022, the total outstanding principal balance amounted to \$34,598.

During fiscal year ended September 30, 2022, the City entered into an equipment purchase agreement for the amount of \$62,737. The purpose of the agreement was to finance equipment for the police department. The debt is secured by the equipment acquired with the proceeds of the financing. Commencing in August 2022, the equipment is payable in annual installments of \$13,699, with interest calculated at a rate of 4.50% per annum. The final payment is due in August 2026. As of September 30, 2022, the total outstanding principal balance amounted to \$49,038.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

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, 2022 is as follows:

	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Dept. / Code Compliance Fund	Total
Operating revenues	\$ 947,327	\$ 886,353	\$ 104,712	\$ 680,532	\$ 263,214	\$ 2,882,138
Depreciation and amortization	201,954	33,156	587,969	18,327	-	841,406
Operating income (loss)	(150,313)	(153,864)	(612,942)	(21,762)	(242)	(939,123)
Operating transfers						
In	-	-	-	25,000	-	25,000
(Out)	-	(48,036)	-	-	-	(48,036)
Change in net position	(189,483)	53,460	(612,942)	(1,223)	(242)	(750,430)
Capital assets						
Additions	52,838	80,998	-	-	-	133,836
Deletions	(25,868)	-	-	-	-	(25,868)
Net working capital	(430,156)	378,008	(119,648)	(128,617)	178,602	(121,811)
Total assets	4,713,421	8,270,046	5,951,046	971,233	392,573	20,298,319
Long-term debt payable from operating revenues	454,665	-	-	138,240	-	592,905
Total net position	\$ 1,337,171	\$ 1,409,906	\$ 5,254,959	\$ 30,584	\$ 178,602	\$ 8,211,222

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, 2022 was approximately \$4.076 million.

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

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 16.94% of salaries for participants of the DROP. During 2022 the City had five 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 7/1/20	8.28%	25.57%	34.12%
Effective 7/1/21	9.10%	27.29%	36.04%
Effective 7/1/22	10.19%	29.85%	36.93%

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

	2022	2021	2020
Employer contribution	\$ 751,118	\$ 663,520	\$ 610,686
Percentage contributed	100%	100%	100%

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

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, 2022, the City reported a liability of \$5,076,971 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022, the City's proportion was approximately 0.0136%, which was an increase of approximately 0.0001% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense income of \$584,416. At September 30, 2022, 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	\$ 241,127	\$ -
Changes of assumptions	625,250	-
Net difference between projected and actual earnings on pension plan investments	335,232	-
Changes in proportion and differences between City contributions and proportionate share of contributions	57,384	513,208
City contributions subsequent to the measurement date	179,619	-
	<u>\$ 1,438,612</u>	<u>\$ 513,208</u>

The \$179,619 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, 2023. 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:	
2023	\$ 148,029
2024	\$ (39,882)
2025	\$ (229,896)
2026	\$ 817,802
2027	\$ 49,732
Thereafter	\$ -

Actuarial Assumptions

The total pension liability in the June 30, 2022 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	6.70%, net of pension plan investment expense

CITY OF WEST MIAMI, FLORIDA

*Notes to Financial Statements*

*September 30, 2022*

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

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

Actuarial Assumptions - (continued)

Mortality rates were based on the PUB-2010 base table as varies by member category and sex, and projected generationally with Scale MP-2018.

The actuarial assumptions used to determine the total pension liability as of June 30, 2022 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, 2022 measurement date calculations and June 30, 2021 measurement date calculations are limited to a decrease to the assumption for investment return, as adopted by the 2022 FRS Actuarial Assumption Conference. The investment return assumption for purposes of developing actuarially calculated contribution rates decreased from 6.80% to 6.70%. The 2022 FRS Actuarial Assumption Conference also adopted a 20-year amortization period for bases established on or after July 1, 2022.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>
Cash	1.0%	2.6%	2.6%
Fixed income	19.8%	4.4%	4.4%
Global equity	54.0%	8.8%	7.3%
Real estate	10.3%	7.4%	6.3%
Private equity	11.1%	12.0%	8.9%
Strategic investments	3.8%	6.2%	5.9%
Total	100.0%		

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. 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, 2022

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 6.70%, 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 (5.70%) or one percentage-point higher (7.70%) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
City's proportionate share of the net pension liability	\$ 8,780,272	\$ 5,076,971	\$ 1,980,570

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, 2022, 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, 2022 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>2022</u>	<u>2021</u>	<u>2020</u>
Employer contribution	\$ 73,478	\$ 63,043	\$ 60,271
Percentage contributed	100%	100%	100%

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

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, 2022, the City reported a liability of \$1,144,117 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022, the City's proportion was approximately 0.0108%, which was an increase of approximately 0.0001% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of \$64,809. At September 30, 2022, 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	\$ 34,727	\$ 5,034
Changes of assumptions	65,582	176,994
Net difference between projected and actual earnings on pension plan investments	1,656	-
Changes in proportion and differences between City contributions and proportionate share of contributions	31,859	52,769
City contributions subsequent to the measurement date	18,741	-
	<u>\$ 152,565</u>	<u>\$ 234,797</u>

The \$18,741 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, 2023. 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:	
2023	\$ (19,311)
2024	\$ (11,972)
2025	\$ (14,721)
2026	\$ (19,417)
2027	\$ (25,032)
Thereafter	\$ (10,520)

CITY OF WEST MIAMI, FLORIDA

Notes to Financial Statements

September 30, 2022

IV. Detailed Notes on all Funds - (continued)

G. Employee Retirement Plans - (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 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	3.54%

Mortality rates were based on the PUB-2010 base table as varies by member category and sex, and projected generationally with Scale MP-2018.

The actuarial assumptions used to determine the total pension liability as of June 30, 2022 were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. The discount rate used was increased from 2.16% to 3.54% 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 3.54%. 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 3.54%, 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 (2.54%) or one percentage-point higher (4.54%) than the current rate:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
City's proportionate share of the net pension liability	\$ 1,308,964	\$ 1,144,117	\$ 1,007,710

**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. The City does not make any contributions to the plan. The plan is considered as an other employee benefit plan in accordance with GASB No. 97, and is not considered as a fiduciary activity of the City under the provisions of GASB No. 84. The 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 (CITT transportation and transit).
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 and recreation 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 general fund and 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, 2022

**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 City Hall Improvements - This amount represents the amount of fund equity in the general fund, as assigned by management, for improvements to city hall.
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.
12. Assigned for Zoning Ordinance Rewrite - This amount represents the amount of fund equity in the general fund, as assigned by management, for funding as related to the City's zoning ordinance rewrite.

Restrictions of Enterprise Funds 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, 2022 and 2021, the City estimated a portion of the liability for reported claims as long-term debt.

	<u>2022</u>	<u>2021</u>
Unpaid Claims, beginning	\$ 546,652	\$ 498,012
Incurred Claims (including IBNR)	324,736	176,391
Estimated Claim Reductions	<u>(142,407)</u>	<u>(127,751)</u>
Unpaid Claims, ending	<u>\$ 728,981</u>	<u>\$ 546,652</u>

**J. Commitments and Contingencies**

1. The City is involved in various proceedings involving certain claims which the City believes it may 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 \$512,500 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, 2022*

**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, 2022, the City had various construction projects in progress with remaining balances totaling approximately \$150,000.

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, 2022

	<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	\$ 4,033,023	\$ 4,033,023	\$ 4,149,835	\$ 116,812
Franchise Taxes	509,600	509,600	594,972	85,372
Excise, Utility Service and Other Taxes	636,100	636,100	737,346	101,246
Licenses, Permits and Fees	31,000	31,000	34,252	3,252
Intergovernmental Revenue	983,035	983,035	1,406,095	423,060
Fines and Forfeitures	420,000	420,000	1,379,588	959,588
Grant Revenues	50,000	50,000	13,947	(36,053)
Rent	67,096	67,096	59,799	(7,297)
Interest	3,000	3,000	2,865	(135)
Other	291,777	291,777	707,372	415,595
Total Revenues	7,024,631	7,024,631	9,086,071	2,061,440
<b>Expenditures</b>				
<b>Current</b>				
City Council	139,319	139,319	139,759	(440)
Legal	246,375	259,925	242,840	17,085
Executive	455,471	455,471	450,919	4,552
Finance and Administration	564,233	599,978	598,858	1,120
Law Enforcement	3,238,461	3,341,109	3,336,669	4,440
Streets	766,614	766,614	758,686	7,928
Garage	114,977	114,977	106,819	8,158
Parks	112,674	112,674	80,574	32,100
Facilities Maintenance	203,081	229,611	228,783	828
Non-Departmental	634,699	468,555	285,802	182,753
Capital Outlay	316,307	278,978	182,835	96,143
<b>Balance Carried Forward</b>	<b>\$ 6,792,211</b>	<b>\$ 6,767,211</b>	<b>\$ 6,412,544</b>	<b>\$ 354,667</b>

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, 2022  
(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>	6,792,211	6,767,211	6,412,544	354,667
<b>Debt Service</b>				
Principal Retirement	161,404	161,404	139,042	22,362
Interest	24,435	24,435	31,181	(6,746)
<b>Total Expenditures</b>	<u>6,978,050</u>	<u>6,953,050</u>	<u>6,582,767</u>	<u>370,283</u>
 Excess (Deficiency) of Revenues and Over (Under) Expenditures	 46,581	 71,581	 2,503,304	 2,431,723
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	1,220,000	1,220,000	48,036	(1,171,964)
Operating Transfers (Out)	(1,266,581)	(1,291,581)	(1,291,581)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(46,581)</u>	<u>(71,581)</u>	<u>(1,243,545)</u>	<u>(1,171,964)</u>
 <b>Net Change in Fund Balances</b>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,259,759</u>	 <u>\$ 1,259,759</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, 2022

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Real Estate Taxes</b>	\$ 4,033,023	\$ 4,149,835	\$ 116,812
<b>Franchise Taxes</b>			
Electricity	323,000	404,681	81,681
Telecommunications	170,000	170,392	392
Gas	11,000	14,299	3,299
Bus Benches	5,600	5,600	-
	<u>509,600</u>	<u>594,972</u>	<u>85,372</u>
<b>Excise, Utility Service and Other Taxes</b>			
Excise	456,600	530,970	74,370
Utility Service	150,000	161,074	11,074
BED	1,500	398	(1,102)
Local Business Tax	28,000	44,904	16,904
	<u>636,100</u>	<u>737,346</u>	<u>101,246</u>
<b>Licenses, Permits, and Fees</b>			
Building Permits	13,000	8,231	(4,769)
Alarm Permits	17,000	11,825	(5,175)
Impact Fees	-	7,382	7,382
Miscellaneous Permits	1,000	6,814	5,814
	<u>31,000</u>	<u>34,252</u>	<u>3,252</u>
<b>Intergovernmental</b>			
Sales Tax	550,000	872,971	322,971
Revenue Sharing	313,112	399,015	85,903
Fuel Tax	119,723	133,896	14,173
Mobile Homes	200	213	13
	<u>983,035</u>	<u>1,406,095</u>	<u>423,060</u>
<b>Fines and Forfeitures</b>			
Red Light Camera	370,000	1,242,369	872,369
Collected by Metro-Dade	50,000	137,219	87,219
	<u>420,000</u>	<u>1,379,588</u>	<u>959,588</u>
<b>Grant Revenues</b>	50,000	13,947	(36,053)
<b>Rent</b>	67,096	59,799	(7,297)
<b>Interest</b>	3,000	2,865	(135)
<b>Other</b>			
Accident Reports	5,000	5,889	889
False Alarms	-	50	50
Zoning Fees and Certificates of Use	8,500	25,818	17,318
Passport	180,000	239,852	59,852
Miscellaneous	98,277	435,763	337,486
	<u>291,777</u>	<u>707,372</u>	<u>415,595</u>
<b>Total Revenues</b>	<u>\$ 7,024,631</u>	<u>\$ 9,086,071</u>	<u>\$ 2,061,440</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>City Council</b>			
Salaries	\$ 3,200	\$ 3,200	\$ -
Medical and Life Insurance	98,798	98,798	-
Council Expense	6,000	5,900	100
Other Insurance Costs	500	500	-
Telephone	2,000	2,000	-
Postage	1,500	1,500	-
Office Supplies	7,995	7,951	44
Computer Service	2,871	4,960	(2,089)
Commission Representation	15,955	14,460	1,495
Contingency	500	490	10
	<u>\$ 139,319</u>	<u>\$ 139,759</u>	<u>\$ (440)</u>
<b>Legal</b>			
Salaries	\$ 187,607	\$ 176,287	\$ 11,320
Medical and Life Insurance	26,347	26,347	-
Training and Conference	1,500	144	1,356
Miscellaneous Legal	1,300	-	1,300
Code Enforcement	800	750	50
Legal Advertising	10,000	9,999	1
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	14,548	14,551	(3)
Fuel and Lubricants	1,500	54	1,446
Protective Clothing Vehicle Repairs	152	151	1
Vehicle Repairs	2,000	386	1,614
	<u>\$ 259,925</u>	<u>\$ 242,840</u>	<u>\$ 17,085</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Executive</b>			
Salaries	\$ 276,187	\$ 276,160	\$ 27
Payroll Taxes	21,098	21,098	-
Retirement	58,912	58,912	-
Workers' Compensation	2,730	2,730	-
Medical and Life Insurance	41,583	41,583	-
Conferences and Training	1,260	770	490
Printed Forms	1,000	420	580
Car Allowance	5,640	5,290	350
Telephone Service	4,350	4,350	-
City Manager's Expenses	1,500	1,019	481
Other Insurance Costs	500	500	-
Repairs to Equipment	500	-	500
Other Miscellaneous	5,700	4,416	1,284
Postage	1,600	1,600	-
Computer Service	6,571	6,571	-
General Liability Insurance	8,000	8,000	-
ICMA	17,500	17,500	-
Channel 49 Expenses	840	-	840
	<u>\$ 455,471</u>	<u>\$ 450,919</u>	<u>\$ 4,552</u>
<b>Finance and Administration</b>			
Salaries	\$ 377,416	\$ 377,196	\$ 220
Payroll Taxes	28,767	28,767	-
Retirement	31,229	31,229	-
Workers' Compensation	2,090	2,090	-
Medical and Life Insurance	123,305	123,305	-
Office Supplies	4,200	4,200	-
Telephone Service	4,500	4,500	-
Postage	5,520	4,912	608
Printed Forms	3,280	3,279	1
General Liability	6,000	6,000	-
Other Insurance Costs	500	500	-
Repairs to Equipment	2,500	2,487	13
Rental of Equipment	2,700	2,503	197
Other Miscellaneous	800	719	81
Computer Service	7,171	7,171	-
	<u>\$ 599,978</u>	<u>\$ 598,858</u>	<u>\$ 1,120</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Law Enforcement</b>			
Salaries	\$ 1,951,089	\$ 1,951,088	\$ 1
Other Personal Services	37,488	37,487	1
Payroll Taxes	155,329	155,329	-
Retirement	471,744	471,744	-
Workers' Compensation	41,478	41,478	-
Medical and Life Insurance	337,739	337,739	-
Printed Forms	2,640	2,637	3
GPS Annual Service	67,000	63,191	3,809
Fuel and Lubricants	122,470	122,469	1
Vehicle Repair Parts and Labor	48,116	48,116	-
Operating Equipment Repair Parts	5,575	5,575	-
Uniform Purchases	14,350	14,346	4
Telephone Services	3,000	3,000	-
General Liability Insurance	43,345	43,345	-
Other Insurance Costs	1,000	1,000	-
Repairs to Equipment	2,664	2,664	-
Other Miscellaneous	11,050	11,043	7
Office Supplies	4,400	4,400	-
Building and Maintenance Supplies	1,401	1,400	1
Small Tools and Minor Equipment	2,000	1,808	192
Postage	600	600	-
Dues and Subscriptions	1,500	1,485	15
Plaques, Awards, Recognition	1,000	621	379
Other Professional Services	3,060	3,057	3
Computer Service	10,571	10,571	-
Information Expense	500	476	24
	<u>\$ 3,341,109</u>	<u>\$ 3,336,669</u>	<u>\$ 4,440</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Streets</b>			
Salaries	\$ 332,661	\$ 332,660	\$ 1
Payroll Taxes	30,023	30,023	-
Retirement	48,676	48,676	-
Workers' Compensation	19,480	19,480	-
Medical and Life Insurance	101,322	101,322	-
Fuel and Lubricants	20,385	20,384	1
Protective Clothing	3,650	3,644	6
Building Materials and Supplies	20,000	19,974	26
Small Tools and Minor Equipment	3,000	2,654	346
Vehicle Repair Parts and Labor	18,500	18,479	21
Operating Equipment Repair Parts	19,400	18,656	744
Telephone Service	2,000	2,000	-
General Liability Insurance	36,915	36,915	-
Street Lighting Electricity	61,000	61,000	-
Repairs to Equipment	1,050	1,046	4
Computer Service	3,521	3,521	-
Rental of Equipment	22,100	22,004	96
Landscape Maintenance	3,500	1,628	1,872
Other Miscellaneous	6,831	2,081	4,750
Office Supplies	3,300	3,300	-
Postage	800	800	-
Uniform Rental	8,500	8,439	61
	<u>\$ 766,614</u>	<u>\$ 758,686</u>	<u>\$ 7,928</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Garage</b>			
Salaries	\$ 64,454	\$ 64,236	\$ 218
Payroll Taxes	4,648	4,648	-
Retirement	6,417	6,417	-
Workers' Compensation	2,966	2,966	-
Medical and Life Insurance	12,192	12,192	-
Fuel and Lubricants	800	-	800
Protective Clothing	400	65	335
Small Tools and Minor Equipment	4,000	1,869	2,131
Vehicle Repair Parts	3,500	3,015	485
Operating Equipment Repair Parts	1,250	-	1,250
Uniform Rental	1,500	1,110	390
Hazardous Waste Disposal	1,060	1,059	1
General Liability Insurance	9,000	9,000	-
Other Miscellaneous	790	242	548
Special Permit Fees	2,000	-	2,000
	<u>\$ 114,977</u>	<u>\$ 106,819</u>	<u>\$ 8,158</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Parks</b>			
Salaries	\$ 34,520	\$ 3,688	\$ 30,832
Payroll Taxes	3,253	3,253	-
Retirement	2,403	2,403	-
Workers' Compensation	2,917	2,917	-
Medical and Life Insurance	21,530	21,530	-
Horticultural Supplies	7,200	7,179	21
Fuel and Lubricants	2,125	2,116	9
Protective Clothing	200	100	100
Small Tools and Minor Equipment	50	50	-
Vehicle Repair Parts and Labor	700	672	28
Operating Equipment Repair Parts	1,126	1,125	1
Other Repair and Maintenance Supplies	750	250	500
General Liability Insurance	9,000	9,000	-
Other Insurance	200	200	-
Other Miscellaneous	24,000	23,548	452
Uniform Rental	200	172	28
Electricity	2,500	2,371	129
	<u>\$ 112,674</u>	<u>\$ 80,574</u>	<u>\$ 32,100</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Facilities Maintenance</b>			
Salaries	\$ 68,214	\$ 68,179	\$ 35
Payroll Taxes	5,257	5,257	-
Retirement	7,262	7,262	-
Workers' Compensation	5,762	5,762	-
Medical and Life Insurance	24,036	24,036	-
Horticultural Supplies	500	402	98
Cleaning and Sanitation Supplies	5,800	5,788	12
Fuel and Lubricants	200	-	200
Household and Institutional Supplies	7,520	7,517	3
Protective Clothing	650	325	325
Building Material and Supplies	49,935	49,932	3
Small Tools and Minor Equipment	1,575	1,571	4
Vehicle Repair Parts	900	824	76
Operating Equipment Repair Parts	200	-	200
Installed Building Equipment Repair Parts	1,000	500	500
Other Repairs and Maintenance Supplies	200	-	200
General Liability Insurance	10,000	10,000	-
Electricity	30,900	30,870	30
Water	5,000	4,014	986
Repairs to Building	-	2,364	(2,364)
Other Miscellaneous	100	60	40
Uniform Rental	2,600	2,486	114
Telephone Service	1,000	1,000	-
Other Insurance Building	500	500	-
Rental of Equipment	500	134	366
	<u>\$ 229,611</u>	<u>\$ 228,783</u>	<u>\$ 828</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Non-Departmental</b>			
Payroll Taxes	\$ 315,933	\$ 315,757	\$ 176
Retirement	731,384	731,384	-
Unemployment Compensation	4,803	4,657	146
Workers' Compensation	145,000	145,000	-
Medical and Life Insurance	1,081,489	1,023,427	58,062
Allowance to Board Members	100	30	70
Auditing Services	70,000	70,000	-
Engineer Services	29,500	29,014	486
Other Professional Services	103,700	76,432	27,268
Code Enforcement Allowance	1,000	735	265
General Liability Insurance	310,000	309,914	86
Other Insurance Costs	5,000	-	5,000
Dues and Subscriptions	1,700	1,582	118
Contingency Fund	35,000	24,543	10,457
Real Estate Taxes	16,000	15,722	278
Office Supplies	22,000	21,757	243
Telephone	80,500	80,406	94
Postage	25,900	25,861	39
Computer Service	90,000	85,023	4,977
Bank Charges	14,000	5,563	8,437
Retirement Deferred Payment	27,500	27,500	-
Reserve	89,042	31,761	57,281
Hurricane National Disaster	9,600	330	9,270
Interdepartmental Allocations	(2,740,596)	(2,740,596)	-
	<u>\$ 468,555</u>	<u>\$ 285,802</u>	<u>\$ 182,753</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, 2022

	<b>Community Center 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>				
Grant Revenues	\$ 363,362	\$ 363,362	\$ 372,716	\$ 9,354
Other	12,500	12,500	14,348	1,848
Total Revenues	<u>375,862</u>	<u>375,862</u>	<u>387,064</u>	<u>11,202</u>
<b>Expenditures</b>				
<b>Current</b>				
Community Center	644,607	663,232	680,545	(17,313)
Capital Outlay	22,500	3,875	-	3,875
Total Expenditures	<u>667,107</u>	<u>667,107</u>	<u>680,545</u>	<u>(13,438)</u>
Excess (Deficiency) of Revenues and Over (Under) Expenditures	(291,245)	(291,245)	(293,481)	(2,236)
<b>Other Financing Sources (Uses)</b>				
Appropriation of Fund Balance	24,664	24,664	-	(24,664)
Operating Transfers In	266,581	266,581	266,581	-
Total Other Financing Sources (Uses)	<u>291,245</u>	<u>291,245</u>	<u>266,581</u>	<u>(24,664)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,900)</u>	<u>\$ (26,900)</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  
Recreation Fund  
For the Year Ended September 30, 2022

	<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	\$ 685,212	\$ 685,212	\$ 685,212	\$ -
Other	209,000	209,000	300,650	91,650
Total Revenues	<u>894,212</u>	<u>894,212</u>	<u>985,862</u>	<u>91,650</u>
<b>Expenditures</b>				
<b>Current</b>				
Recreation	707,833	824,458	825,305	(847)
Capital Outlay	1,060,500	1,000,500	-	1,000,500
Total Expenditures	<u>1,768,333</u>	<u>1,824,958</u>	<u>825,305</u>	<u>999,653</u>
Excess (Deficiency) of Revenues and Over (Under) Expenditures	(874,121)	(930,746)	160,557	1,091,303
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	1,060,000	1,060,000	1,000,000	(60,000)
Operating Transfers (Out)	(56,625)	-	-	-
Total Other Financing Sources (Uses)	<u>1,003,375</u>	<u>1,060,000</u>	<u>1,000,000</u>	<u>(60,000)</u>
Net Change in Fund Balances	<u>\$ 129,254</u>	<u>\$ 129,254</u>	<u>\$ 1,160,557</u>	<u>\$ 1,031,303</u>

See accompanying notes to budgetary comparison schedules.

CITY OF WEST MIAMI, FLORIDA  
*Notes to Budgetary Comparison Schedules*  
*September 30, 2022*

**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 \$17,313. This unfavorable variance represented costs incurred that were funded by the American Rescue Plan Act award monies. The overall budget variance for the Community Center Fund ends with a negative variance of \$26,900, when combined with revenue and interfund transfer variances.

The General Fund's city council expenditure exceeded appropriations by \$440. This unfavorable variance was due to reclassification adjustments from capital outlay to computer service expenses between departments. These expenditures were approved by the City Commission and were funded by excess revenues. The overall budget variance for the General Fund ends with a positive variance of \$1,259,759, when combined with revenue and interfund transfer variances.

The Recreation Fund recreation expenditures exceeded appropriations by \$847. This unfavorable variance was due to an adjustment to record accounts payable for expenditures incurred during the fiscal year. The overall budget variance for the Recreation Fund ends with a positive variance of \$1,031,303, 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 9 Fiscal Years\*

	<u>2022</u>	<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)	0.01364482%	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)	\$ 5,076,971	\$ 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	\$ 3,936,628	\$ 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	128.97%	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	82.89%	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 9 Fiscal Years\*

	<u>2022</u>	<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	\$ 751,118	\$ 663,520	\$ 610,686	\$ 672,501	\$ 629,615	\$ 584,053	\$ 531,919	\$ 430,873	\$ 446,081
Contributions in relation to the contractually required contribution	<u>\$ (751,118)</u>	<u>\$ (663,520)</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>	<u>\$ -</u>
City's covered payroll	\$ 4,075,872	\$ 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	18.43%	17.29%	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 9 Fiscal Years\*

	<u>2022</u>	<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)	0.01080212%	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)	\$ 1,144,117	\$ 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	\$ 3,936,628	\$ 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	29.06%	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	4.81%	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 9 Fiscal Years\*

	<u>2022</u>	<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	\$ 73,478	\$ 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>\$ (73,478)</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 4,075,872	\$ 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	1.80%	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, 2022

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Transportation Surtax Fund</u>	<u>Police Law Forfeiture Fund</u>	
<b>Assets</b>			
Cash - Restricted	\$ 384,716	\$ 406,807	\$ 791,523
Receivables	84,701	-	84,701
Due From Other Funds	110,044	-	110,044
Total Assets	<u>\$ 579,461</u>	<u>\$ 406,807</u>	<u>\$ 986,268</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due To Other Funds	<u>\$ 43,524</u>	<u>\$ 3,479</u>	<u>\$ 47,003</u>
 <b>Fund Balances</b>			
Restricted for Public Safety Initiatives	-	403,328	403,328
Restricted for Transportation	535,937	-	535,937
Total Fund Balances	<u>535,937</u>	<u>403,328</u>	<u>939,265</u>
Total Liabilities and Fund Balances	<u>\$ 579,461</u>	<u>\$ 406,807</u>	<u>\$ 986,268</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, 2022

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Transportation Surtax Fund</u>	<u>Police Law Forfeiture Fund</u>	
<b>Revenues</b>			
Government Grants/Contributions	\$ 31,411	-	31,411
Surtax	502,095	\$ -	\$ 502,095
Fines and Forfeitures	-	419,538	419,538
Interest	227	300	527
Other	4,500	-	4,500
Total Revenues	<u>538,233</u>	<u>419,838</u>	<u>958,071</u>
<b>Expenditures</b>			
Salaries and Wages	17,577	-	17,577
Other	203,120	10,401	213,521
Capital Outlay	34,020	194,626	228,646
Debit Service			
Principal retirement	-	13,699	13,699
Interest	-	-	-
Total Expenditures	<u>254,717</u>	<u>218,726</u>	<u>473,443</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	283,516	201,112	484,628
<b>Other Financing Sources (Uses)</b>			
Proceeds from Equipment Installment Obligations	-	62,737	62,737
Total Other Financing Sources (Uses)	<u>-</u>	<u>62,737</u>	<u>62,737</u>
Net Change in Fund Balances	283,516	263,849	547,365
<b>Fund Balances at Beginning of Year</b>	<u>252,421</u>	<u>139,479</u>	<u>391,900</u>
<b>Fund Balances at End of Year</b>	<u>\$ 535,937</u>	<u>\$ 403,328</u>	<u>\$ 939,265</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, 2022, 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 26, 2023.

**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) as a basis for designing 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 were not identified.

**Report on Compliance and Other Matters**

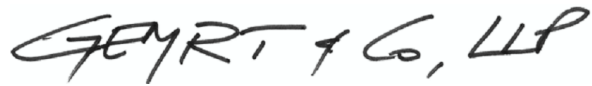
As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 26, 2023



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, 2022. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination does not provide a legal determination of the City’s compliance with specified requirements. In our opinion, the City of West Miami, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022.

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.

Coral Gables, Florida  
May 26, 2023



**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, 2022, and have issued our report thereon dated May 26, 2023.

**Auditor’s Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 26, 2023, 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 26, 2023

CITY OF WEST MIAMI, FLORIDA  
*Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022*

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

**Financial Statements**

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

**PART II. FINDINGS – FINANCIAL STATEMENTS**

None.

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

Federal Single Audit not required for the fiscal year ended September 30, 2022.

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

Florida Single Audit not required for the fiscal year ended September 30, 2022.

**PART IV. OTHER ISSUES**

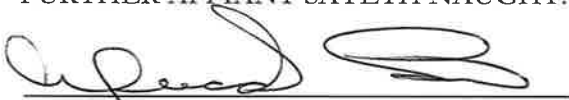
No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs or State projects.

**IMPACT FEE ORDINANCE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Mercedes Leon, Finance Director, who being duly sworn, deposes and says on oath that:

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

FURTHER AFFIANT SAYETH NAUGHT.

  
Mercedes Leon, Finance Director  
City of West Miami

STATE OF FLORIDA  
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 26<sup>th</sup> day of March, 2023.

  
NOTARY PUBLIC  
Print Name Rita M. Rodriguez

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

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



My Commission Expires:  
\_\_\_\_\_