



# Town of Miami Lakes, Florida

**2019**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2019

**TOWN OF MIAMI LAKES, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2019

**Prepared by:**  
**THE FINANCE DEPARTMENT**

*[www.miamilakes-fl.gov](http://www.miamilakes-fl.gov)*

**TOWN OF MIAMI LAKES, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**  
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**INTRODUCTORY SECTION**



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

Mayor  
Manny Cid

Vice Mayor  
Nelson Rodriguez

Councilmembers:

Carlos O. Alvarez

Luis E. Collazo

Josh Dieguez

Jeffrey Rodriguez

Marilyn Ruano

Town Manager  
Edward Pidermann

Town Clerk  
Gina Inguanzo

March 23, 2020

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

Ladies and Gentlemen:

We are pleased to present the Town of Miami Lakes, Florida (the "Town") Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year ended September 30, 2019, pursuant to Florida State Statute and of the Rules of the Auditor General. The financial statements included in the report conform to Generally Accepted Accounting Principles in the United States of America ("GAAP") as prescribed by the Government Accounting Standards Board ("GASB"). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town.

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

The financial statements have been audited by Garcia, Espinosa, Miyares, Rodriguez, Trueba & Co. LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the Town's financial statements for the Fiscal Year ended September 30, 2019 are free of material misstatements. The independent audit involved examining (on a test basis) evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for Fiscal Year ended September 30, 2019, are fairly presented in conformity with the Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

## PROFILE OF THE GOVERNMENT

Miami Lakes was incorporated on December 5, 2000. It is one of the 35 municipalities in Miami-Dade County, Florida and is conveniently located just 16 miles north of Downtown Miami and only 10 miles from Miami International Airport. The Town encompasses about 6.8 square miles, bound by NW 170<sup>th</sup> Street and the Palmetto Expressway (SR 826) to the north, NW 138<sup>th</sup> Street to the south, NW 57<sup>th</sup> Avenue (Red Road) to the east, and Interstate 75 to the west.

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

### *Government Structure and Services Provided*

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

The 2019 preliminary taxable property values for the Town of Miami Lakes increased to \$3,365,592,016 or an increase of 4.72% from the prior year taxable value of \$3,213,878,488. The average Town residential taxable value for 2019 is \$204,065 which is .75% lower than prior year at \$205,611. This is an indication that property values have leveled.

Based on the latest information from the U.S. Census Bureau, the Town's per capita income has remained strong and is significantly higher than the Miami-Dade Metropolitan Statistical Area ("Miami-Dade MSA") and the State of Florida (the "State"). The Town's per capita income as of 2019 was estimated at \$35,026 while Miami-Dade MSA and the State per capita personal income were \$25,996 and \$29,838, respectively.

The Town has also benefitted from a relatively low unemployment rate. In September 2019, the unemployment rate was 3.1% in the County and 2.7% in the Town.

## **LONG TERM FINANCIAL PLAN**

A significant measure of the Town's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). Fiscal Year 2019 unassigned general fund balance is approximately \$4.3 million which is a \$700 thousand decrease from Fiscal Year 2018. The Fiscal Year 2019 millage rate reflects the Council's commitment to maintain a low tax rate. The continued low rates require the prioritization of resources exclusively to the core municipal government functions of public safety, code compliance, parks, road maintenance, drainage improvements and beautification of the Town's right of ways while maintaining strong internal controls. The Town updated and adopted a 10-year Strategic Plan in Fiscal Year 2017, continuing to work on transparency and communication via "Imagine Miami Lakes 2025" which has a dedicated website by the same name. Please visit [www.Imaginemiamilakes2025.com](http://www.Imaginemiamilakes2025.com) for more information.

The Town Council policy requires a minimum reserve of 15% of the operating expenditures in the General fund. The actual unassigned general fund balance at the end of fiscal year 2019 is approximately \$4.3 million, representing 25% of the adopted general fund operating expenditures for the year, 10% above the established policy. The Town is in compliance with this policy as of September 30, 2019 and is in a solid financial position.

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



## FINANCIAL INFORMATION

### Accounting Control

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

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

In 2018 we purchased a financial transparency module, which will provide access to almost real-time data regarding funds, categories, departments, vendors payments and more. While we had estimated that the transparency module would go live in fiscal year 2019, we decided to be more aggressive and add more features. The transparency module has been implemented and will be made public in the spring of 2020.

### Budgetary Controls

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

## FINANCIAL INFORMATION (continuation)

### Proprietary Funds Operations

The Town provides the following proprietary funds:

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

### Cash Management

The Town of Miami Lakes is charged with the security of the Town’s funds and assets with the goal of maximizing return on surplus cash. The Town adopted a formal Investment Policy and acquired financial advisory services in an ongoing effort to maximize investment income through broader investment opportunities, while preserving capital. The Town’s primary investment instruments for Fiscal Year 2019 were money market accounts and some certificates of deposits. No investment is made for any commitment longer than a two-year period and during 2019, the Town earned \$253,065 in investment income, as compared to \$186,212 earned in Fiscal Year 2018. Our investments decisions are made by Town staff after considering the advice from our investment consultant and investment committee which meets triannually.

### Risk Management

The Town purchases general liability, automobile, property and casualty insurance, as well as workers’ compensation coverage through its agent. The Town continually reviews risk exposures and determines the most cost-effective method of mitigating those exposures.

## MAJOR INITIATIVES

### **1. THE FOLLOWING ARE SIGNIFICANT PROJECTS COMPLETED DURING FY2019:**

- Lake Sarah Drainage and Roadway Improvement - \$2,328,895
- Miami Lakeway South Roadway Resurfacing - \$254,563
- Royal Oaks Park Field Lighting Retrofit - \$199,838
- West Lake Neighborhood Reforestation, Phase 3 of 5 - \$98,040
- Picnic Park West Playground Renovation - \$85,744
- Windmill Gate Road Improvements - \$145,156

### **2. OTHER SIGNIFICANT PROJECTS UNDERWAY IN FY2019 INCLUDE:**

- **Royal Oaks Drainage and Roadway Improvement**

Total Estimated Project Cost is \$1.25 million. The Royal Oaks community in the northwestern portion of the Town continues to be adversely impacted by flooding events, and therefore, is addressed as a priority project in the Stormwater Master Plan. The project includes construction of the drainage system which consists of installation of stormwater pipes, exfiltration trenches (French Drains) and catch basins, and restoration and resurfacing of the existing roadway surfaces. The project areas encompass over 24 acres of residential property as follows: Area 1 - NW 164<sup>th</sup> Street to NW 165<sup>th</sup> Terrace from NW 87<sup>th</sup> Avenue to NW 84<sup>th</sup> Court, and Area 2 – NW 167<sup>th</sup> Terrace to NW 169<sup>th</sup> Terrace from 81<sup>st</sup> Avenue to NW 79<sup>th</sup> Avenue. The Town received \$500,000 in State Legislative funds in FY2018 and is matched by Stormwater Utility funds and Peoples' Transportation funds for a total of \$1,193,500. The project is currently underway and is expected to be completed in FY2020.

- **Canal Bank Stabilization – Phase 2**

Total Estimated Project Cost is \$3.0 million and divided into 3 phases. The Town received a \$1 million grant through the Florida Legislature via the Florida Department of Environmental Protection, (FDEP) to fund Phase I of the Canal Stabilization Project which completed the geotechnical and survey of the entire 10,000 linear feet of the canal bank, and constructed 2,840 linear feet of the most unstable portions of the bank, on the residential side of Golden Glades and Peter's Pike canal along the northern boundary of the Town in FY2017.

Through the FY2018 Legislative Appropriation via FDEP, another \$1 million grant was awarded to the Town for Phase 2 of the Canal Stabilization Project. The boundaries are along the residential, southern bank of NW 170<sup>th</sup> Street, from the eastern property line of 7831 NW 169<sup>th</sup> Terrace, continuing west bound to 3,200 linear feet to approximately NW 89<sup>th</sup> Place. The project will improve canal appearance and performance, reduce sediment accumulation, increase flood protection, prevent erosion and protect private property and minimize the potential safety hazards created by steep canal banks. Phase 2 is expected to be completed in FY2020.

- **Miami Lakes Optimist Park Master Plan**

Total Estimated Project Cost is \$10 to \$17.5 million. The Town Council adopted the Miami Lakes Optimist Park Master Plan in 2003. While many of the proposed improvements have been completed, the Plan also includes concession stand and bathroom facility (\$1 million), rebuilding the tennis and basketball courts (\$350,000), new sports field lighting (\$1.2 million), field and fencing reconfiguration (\$3.5 million), a walking trail throughout the park with exercise amenities (\$700,000), new site furnishings (\$390,000), site earthwork and landscaping (\$2 million), additional parking area and resurface existing parking lot (\$815,000), optional airnasium (\$500,000) and a construction cost of approximately \$6 million. In FY2018, a contract for field design work was awarded for \$470,000 which is currently underway and is expected to be completed in FY2020.

## MAJOR INITIATIVES (continuation)

- **Safe Routes to School**

Total Estimated Project Cost is \$1.2 million. The Town was initially awarded a grant from FDOT through the Local Agency Program in 2014 in the amount of \$200,000 with a Town match of \$121,000 for a greenway trail along the east side of Miami Lakeway North/South between Miami Lakes K-8 and Miami Lakes Middle Schools. In FY17 FDOT awarded an additional \$18,073 towards the design and a bat survey which was completed. The design includes a meandering trail for bicyclists and pedestrians with high emphasis crosswalks and bollards to provide additional caution and limit access to motorized vehicles, as well as landscaping. Due to increased construction cost, FDOT awarded another \$502,484 towards construction with a Town match of \$126,461, and \$49,154 for construction engineering inspections. The project is expected to be completed in FY2020.

- **Palmetto and NW 67<sup>th</sup> Avenue Widening**

Total Estimated Project Cost is \$700,000. As part of the Transportation Improvement Initiative outlined in the Town's Strategic Plan, widening the roadway at NW 67<sup>th</sup> Avenue and SR 826/Palmetto by incorporating an additional thru lane for northbound traffic flow will reduce traffic congestion and improve vehicular movement. This project is funded partially by a contribution in lieu of road impact fees (\$547,268) from Town Center developer and covers construction costs. Design, permitting and construction administration are funded by the Town at approximately \$152,730. The project is expected to be completed in FY2020.

- **Complete Streets Implementation at NW 60<sup>th</sup> Avenue**

Total Estimated Project Cost is \$1.56 million. The Town received a grant award for \$1,000,000 from FDOT through the Transportation Alternative Program (TAP) and requires a Town match of \$400,000 for bicycle and pedestrian improvements. The grant is to fund the construction of bicycle lanes, sidewalks, crosswalks and ADA compliant intersections with curb ramps at Business Park East which covers the area along NW 60<sup>th</sup> Avenue from NW 139<sup>th</sup> Street to Miami Lakes Drive. Planning, assessment, survey and design work was completed, and construction commenced in FY2019. The project is scheduled to be completed in FY2020.

- **NW 59<sup>th</sup> Avenue Roadway Extension and Redevelopment**

Total Estimated Project Cost is \$8.1 million. The project includes the purchase of a 5.86-acre parcel from Miami-Dade Aviation Department and the purchase of the roadway connection point on NW 151<sup>st</sup> Street for the design and construction of a bridge and new roadway extending from NW 59<sup>th</sup> Avenue over the C-8 Canal south to NW 154<sup>th</sup> Street, thereby providing public access that will facilitate increased economic opportunities, commerce and local jobs. The project will incorporate the Complete Streets elements on the bridge that includes 11 ft. travel lanes, 6 ft. bike lanes, and 8 ft. sidewalks which will be separated from the roadway by a 5 ft. swale. The project also includes conceptual design for whole street concept and construction drawing from Complete Streets components and permitting on the NW 151<sup>st</sup> Street/NW 153<sup>rd</sup> Street corridor.

In FY2018 the Town was awarded a \$3.6 million competitive grant from FDOT for the construction of the NW 59<sup>th</sup> Avenue project. Per the award letter, design (\$240,500) and land acquisition (900,000) are to be completed by July 2020; the construction phase (\$2,401,500), construction engineering and inspection (\$72,500) to be completed by June 2021. The grant requires a 50% match of which funds are earmarked from PTP 80% (\$2.4 million), 3 Cents Gas Tax (\$300,000), Mobility Fees (\$1.045 million) and the remainder anticipated from Miami-Dade County Road Impact Fees. The Town is in the process of securing approval from the Florida Aviation Administration and South Florida Water Management District.

## **MAJOR INITIATIVES (continuation)**

### **3. Other initiatives in the FY 2020 Budget include:**

- West Lake Drainage and Roadway Improvement Phase 3 - \$1,920,000
- Miami Lakes Optimist Park Master Plan - \$514,197
- NW 154 Street Bridge Park Development - \$200,000
- Optimist Clubhouse Storage Facility Renovation - \$188,000
- License Plate Recognition - \$143,889
- Par 3 Park - \$ 150,000

## **AWARDS AND ACKNOWLEDGMENTS**

### **The Town received the following awards during FY 2019:**

#### **Tree City USA Designation - 13th Consecutive Year**

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

#### **Growth Award 11th Consecutive Year**

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

#### **Excellence in Financial Reporting Recognition 7th Consecutive Year**

Awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States for its comprehensive annual financial report for FY 2018.

#### **Better Cities for Pets Program Award**

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

## GRANTS ADMINISTRATION

The Mission of Grants Administration is to pursue, secure and administer federal, state, local, foundation and legislative opportunities to assist in funding the Goals and Objectives of the Town's Strategic Plan.

Grants Administration continues to collaborate with Departments and Offices to increase economic development and enhance the vibrancy and sustainability of the Town of Miami Lakes. In addition, Grants works in partnership with the Finance Department and Project Managers to ensure the Town receives grant reimbursements through reconciliation of expenditures with awards.

In FY2019, cumulative grant awards surpassed \$2.187 million.

### **Grants Secured during October 1, 2018 – September 30, 2019: \$2,187,811**

- \$1,000,000 – State of Florida 2019-2020 General Appropriations Act by the Florida Department of Environmental Protection (DEP) for the Miami Lakes Canal Bank Stabilization Phase II Project.
- \$900,000 – Florida Department of Transportation (FDOT) 2019 Transportation Alternatives Program (TAP) for the Miami Lakes Fairway Drive Bike Lanes and Crosswalk Improvements Project.
- \$241,143 – Florida Department of Transportation (FDOT) Safe Routes to School (SRTS) Program for the Bob Graham Education Center Project.
- \$36,089 – Miami-Dade County (MDC) Neat Streets Miami 2019 Matching Street Trees Grants Program for the Miami Lakes West Lake Reforestation Phase 3 Project.
- \$4,206 – Florida Department of Law Enforcement (FDLE) Justice Assistance Grant Direct (JAGD) Program for the Miami Lakes School Resource Officer Overtime Project.
- \$3,873 – Florida Department of Law Enforcement (FDLE) Justice Assistance Grant County-wide (JAGC) Program for the Miami Lakes School Resource Officer Overtime Project.
- \$2,500 – Miami-Dade Age-Friendly Initiative Mini-Grant Program for the Opening Doors to Parks Project.

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

GRANTS ADMINISTRATION (continuation)

Grants Closed ending September 30, 2019:

- South Florida Water Management District (SFWMD) Cooperative Funding Program for the Lake Sarah Drainage Improvements Project in the amount of \$125,000.
- Miami-Dade County (MDC) Neat Streets Miami 2019 Matching Street Trees Grants Program for the Miami Lakes West Lake Reforestation Phase 3 Project in the amount of \$36,089.
- Florida Department of Law Enforcement (FDLE) Justice Assistance Grant Direct (JAGD) Program for the Miami Lakes School Resource Officer Overtime Project in the amount of \$4,206.
- Florida Department of Law Enforcement (FDLE) Justice Assistance Grant County-wide (JAGC) Program for the Miami Lakes School Resource Officer Overtime Project in the amount of \$3,873.

Respectfully submitted,



Edward Pidermann

Town Manager





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Miami Lakes  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

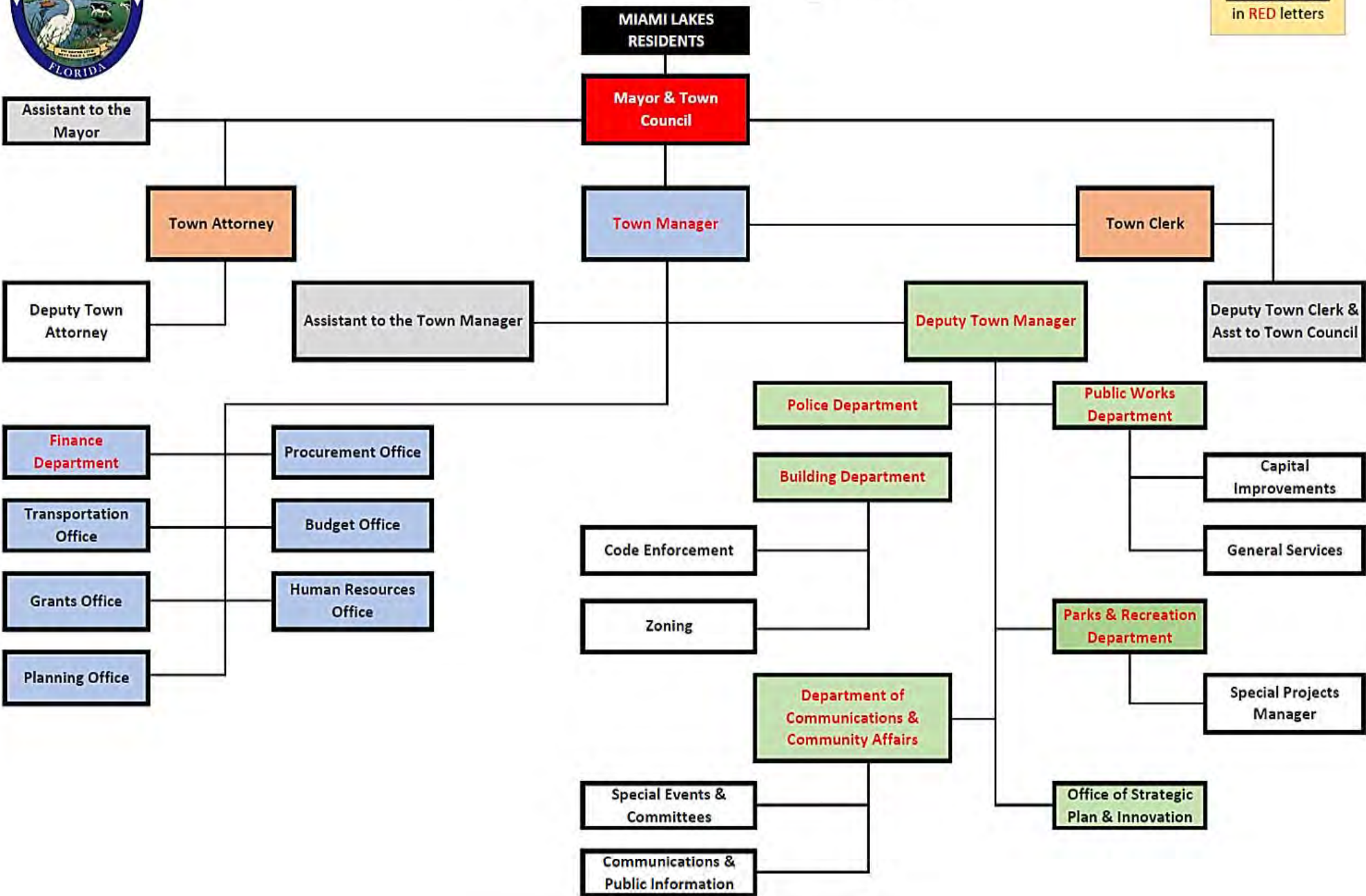
*Christopher P. Morrill*

Executive Director/CEO



# Town of Miami Lakes FUNCTIONAL ORGANIZATIONAL CHART

Executive Staff  
in RED letters



# ***TOWN OF MIAMI LAKES***

## ***CURRENT PRINCIPAL OFFICIALS***

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### ***MAYOR AND TOWN COUNCIL***

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

### ***APPOINTED OFFICIALS***

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



**FINANCIAL SECTION**



**INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Miami Lakes, Florida (the "Town"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Miami Lakes, Florida, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, other post-employment benefits schedule, and pension schedules on pages 4-11, 51-52, 54, and 55-58, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget and actual schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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

Coral Gables, Florida  
March 23, 2020





**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

The management of the Town of Miami Lakes offers the readers of our financial statements a narrative overview and analysis of the Town's financial activities for the fiscal year ended September 30, 2019. We encourage our readers to consider the information presented in this discussion and analysis in conjunction with additional information that is provided in the letter of transmittal, the financial statements and the accompanying notes to the financial statements.

**Financial Highlights for Fiscal Year 2019**

- At the close of the fiscal year the Town's assets exceeded its liabilities by \$48.9 million (net position). Of this amount, \$1.5 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by approximately \$2.4 million during the current fiscal year.
- Net position of the Town's business-type activities increased by approximately \$672 thousand and approximately increased by \$1.76 million for governmental activities. Capital contributions from governmental activities to business-type activities accounted mainly for the increase in the business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined fund balances of \$14.1 million, an increase of \$1.9 million in comparison with the prior year, mainly due to transportation surtax revenues, the neighborhood service districts, impact fees and developer contributions. Approximately \$4.2 million, or 30%, of the ending fund balances amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the general fund was \$4.5 million or 28% of total general fund expenditures. The unassigned fund balance for the general fund was \$4.2 million or 26% of total general fund expenditures. Non-spendable fund balance was \$265 thousand (6.0% of general fund ending fund balance). These designations follow the Town's fund balance and financial policies as explained in the notes to the financial statements.

**Overview of the Financial Statements**

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

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019

**Overview of the Financial Statements (Continued)**

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

**Government-Wide Financial Statements**

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

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

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

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the Town include general government, public safety, transportation, parks and recreation, and comprehensive planning. The Town's business type activities consist of a Stormwater Utility.

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

**Fund Financial Statements** - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Each fund is a separate accounting entity. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town categorizes funds as governmental and proprietary.

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

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

**Overview of the Financial Statements (Continued)**

At the closing of fiscal year ended September 30, 2019, the following were classified as major funds: The General Fund, the Building Department Fund, the Disaster Fund and the Capital Projects Fund. All other governmental funds are combined into a single column on the governmental funds financial statements. Individual fund data for the non-major funds is found in the combining statements.

The Town adopts an annual appropriated budget for its General Fund as well as its other governmental funds, except the Disaster Fund. Budgetary comparisons have been presented for funds which compare not only actual results to budget (budgetary basis), but also the original adopted budget to final budget. The budget to actual comparison for the General Fund and the Building Department Fund is presented on pages 51 - 52 of the required supplementary information and other governmental funds are presented beginning on page 61.

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

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

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

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

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

**Notes to the Basic Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 50 of this report.

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

The combined statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and other schedules can be found on pages 59 through 65 of this report.

**Government-Wide Financial Analysis**

The Government-Wide Financial Statements were designed so that the user can determine if the Town is in a better or worse financial condition from the prior year. The Town's overall assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48.8 million at the close of the most recent fiscal year.

**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

**Government-Wide Financial Analysis (Continued)**

**Town of Miami Lakes, Florida**  
**Summary of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>
Current assets	\$17,431,314	\$14,797,072	\$355,555	\$546,277	\$17,786,869	\$15,343,349
Capital assets, net	34,485,850	34,221,980	12,046,649	11,248,248	46,532,499	45,470,228
Total assets	<u>51,917,164</u>	<u>49,019,052</u>	<u>12,402,204</u>	<u>11,794,525</u>	<u>64,319,368</u>	<u>60,813,577</u>
Deferred outflows of resources - pension	1,227,742	1,471,739	49,515	59,560	1,277,257	1,531,299
Current liabilities	3,571,533	2,764,202	232,508	244,565	3,804,041	3,008,767
Noncurrent liabilities	11,975,619	11,881,430	545,594	607,785	12,521,213	12,489,215
Total liabilities	<u>15,547,152</u>	<u>14,645,632</u>	<u>778,102</u>	<u>852,350</u>	<u>16,325,254</u>	<u>15,497,982</u>
Deferred inflows of Resources - pension	392,377	404,819	16,752	17,263	409,129	422,082
Net investment in capital assets	26,298,602	25,989,505	11,642,537	10,777,658	37,941,139	36,767,163
Restricted	9,386,450	6,923,570	-	-	9,386,450	6,923,570
Unrestricted	1,520,325	2,527,265	14,328	206,814	1,534,653	2,734,079
Total net position	<u>\$37,205,377</u>	<u>\$35,440,340</u>	<u>\$11,656,865</u>	<u>\$10,984,472</u>	<u>\$48,862,242</u>	<u>\$46,424,812</u>

The net investment in capital assets, \$37.9 million or 78%, is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because as previously mentioned, capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$9.4 million or 19%, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, \$1.5 million or 3%, may be used to meet the government's on-going obligations to citizens and creditors. At the end of the current year, the Town had positive balances in all three categories of net position, both for the government, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

There was a decrease in *unrestricted net position* for the governmental activities of \$1 million (39.8%) as well as a decrease in the business-type activities of \$192 thousand (93%) due to planned transfers from the General Fund and the Stormwater Fund to the Capital Projects Fund to continue the capital pay-as-you-go projects. Also, an increase in restricted net position of \$2.46 million (26%) is due mostly to the Building Department restricted fund balance (\$2.7 million), additions to parks impact fees, and new funding restricted for Neighborhood Service Districts, large park and greenway capital infrastructure projects.

**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

**Government-Wide Financial Analysis (Continued)**

The following schedule compares revenues and expenses for the Town's operations for Fiscal Years 2019 and 2018.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Program Revenues:						
Charges for services	\$ 6,036,159	\$ 4,648,787	\$ 1,058,714	\$ 1,043,899	\$ 7,094,873	\$ 5,692,686
Operating grants and contributions	129,890	2,955,170	-	-	129,890	2,955,170
Capital grants and contributions	1,180,274	-	-	1,286,662	1,180,274	1,286,662
General Revenues:						
Property taxes	7,148,392	6,753,219	-	-	7,148,392	6,753,219
Utility taxes	4,702,764	4,642,468	-	-	4,702,764	4,642,468
Franchise taxes	1,130,788	1,272,507	-	-	1,130,788	1,272,507
Intergovernmental	5,226,964	5,217,764	-	-	5,226,964	5,217,764
Investments income and miscellaneous	682,351	567,993	6,116	9,536	688,467	577,529
Total revenues	26,237,582	26,057,908	1,064,830	2,340,097	27,302,412	28,398,005
Expenses:						
General government	5,855,914	5,439,496	-	-	5,855,914	5,439,496
Public safety	10,786,886	10,202,073	-	-	10,786,886	10,202,073
Parks and recreation	3,508,046	6,405,543	-	-	3,508,046	6,405,543
Transportation	2,890,902	2,883,959	-	-	2,890,902	2,883,959
Stormwater	-	-	1,272,487	1,369,005	1,272,487	1,369,005
Interest expense	550,747	551,077	-	-	550,747	551,077
Total expenses	23,592,495	25,482,148	1,272,487	1,369,005	24,864,982	26,851,153
Excess (deficiency) before transfers	2,645,087	575,760	(207,657)	971,092	2,437,430	1,546,852
Transfers and contributions	(880,050)	150,629	880,050	(150,629)	-	-
Changes in net position	\$ 1,765,037	\$ 726,389	\$ 672,393	\$ 820,463	\$ 2,437,430	\$ 1,546,852
Net position - beginning	35,440,340	34,770,500	10,984,472	10,164,009	46,424,812	44,934,509
Cumulative effect of prior period adjustment	-	(56,549)	-	-	-	(56,549)
Net position as restated		34,713,951				44,877,960
Net position - ending	\$ 37,205,377	\$ 35,440,340	\$ 11,656,865	\$ 10,984,472	\$ 48,862,242	\$ 46,424,812

**Governmental activities:** The Town's governmental revenues increased slightly by \$180 thousand from \$26.1 million to \$26.3 million. Approximately 27.2% of the governmental activities revenues come from property taxes, 42.2% from other taxes, 23% from charges for services and the remainder from fines, investments, grants and contributions. Governmental expenses decreased \$1.9 million or 7.4% over last year, attributable mostly to the absence of the Hurricane Irma related costs. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

**Government-Wide Financial Analysis (Continued)**

**Revenues:**

- Charges for various services provided by the Town increased by approximately \$1.4 million, mostly attributed to the "Neighborhood Service Districts" assessments.
- Total grants and contributions decreased by \$1.6 million.
- Electric franchise fees decreased by \$142 thousand.
- Utility service tax increased by \$60 thousand.
- Intergovernmental revenues increased by \$9 thousand.
- Investment income increased by \$115 thousand, attributed to better investment returns.

**Expenses:**

- The Town's administrative costs increased by \$417 thousand.
- Public safety expenses as compared to the prior year increased by \$585 thousand due to increased building department operations.
- Parks and recreation decreased by approximately \$2.9 million and returned to normal due to the exclusion of the Hurricane Irma related costs.
- Transportation expenses increased by only \$7 thousand, thus not experiencing any significant changes.
- Interest expenses remained almost the same.

**Business-type activities:** The Town has a Stormwater Utility business-type activity. Business-type activities increased the Town's total net position by \$672 thousand, although the fiscal year operations yielded a \$200 thousand deficit.

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

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of the Town and is used to account for most of its governmental activities. The General Fund's total fund balance at September 30, 2019 was \$4.5 million. Of this amount, \$4.2 million or (94%) was unassigned. Non-spendable fund balance for prepayments was \$266 thousand (5.9%). The unassigned fund balance represents 26% of total general fund expenditures, while total fund balance represents 28% of that same amount. The General Fund's total fund balance decreased by \$786 thousand from the previous year.

At the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$14 million, an increase of \$1.85 million in comparison with the prior year. Approximately 30% of the total fund balance of \$14 million constitutes unassigned fund balance, which is available for spending at the Town's discretion.

As of September 30, 2019, the Capital Projects Fund had a total fund balance of \$2.4 million, with no remaining funds to be classified as unassigned. The \$1.0 million increase in fund balance is restricted for transportation and mobility projects.

As of September 30, 2019, the Building Department Fund had a total fund balance of \$2.7 million, an increase of \$165 thousand in comparison with the prior year. The increase is attributable to revenues for building permits and fees being higher than salaries and other operating costs.

**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

**Financial Analysis of the Town's Funds (Continued)**

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

Net position of the Stormwater Utility as of September 30, 2019, amounted to \$11.65 million. Of this amount, \$11.64 million is invested in capital assets and \$14 thousand is unrestricted. Net position increased by \$672 thousand from the prior year, due to capital contributions from the Capital Projects Fund related to the transfer of completed drainage projects. Net investment in capital assets increased by \$865 thousand because of an increase in infrastructure.

**General Fund Budgetary Highlights**

Over the course of the year, the Town amended the General Fund budget various times. Budget amendments typically fall into two categories: (1) Amendments approved for rollovers related to capital improvement projects, tasks and projects in progress, and prior year encumbrances; and (2) supplemental appropriations to recognize and appropriate grant revenues which were received after the adoption of the budget, and to provide appropriations for various other needs which had arisen since the adoption of the budget. At year end, the General Fund expenditures were less than the original adopted budget by \$1.2 million, mostly due to a decrease in administration, parks and public works expenses. The final amended budget to actual also resulted in a positive variance in expenditures of \$1.4 million, and actual revenues were \$741 thousand less than the final amended budget mostly due to a reduction of franchise fees, communication service taxes and electric utility taxes.

**Capital Assets and Debt Administration**

**Capital Assets**

As of September 30, 2019, the Town's net investments in capital assets for its governmental and business-type activities amounted to \$38 million. This investment in capital assets includes land, construction in progress, infrastructure improvements, park facilities, furniture and equipment. Total net investment in capital assets for governmental activities increased by \$309 thousand and by \$865 thousand for business-type activities. Some projects contributing to the increase were the following:

- Canal Stabilization PH 2
- Royal Oaks Drainage Improvements
- Acquisition of Machinery and Equipment
- Windmill Gate Road Improvements
- Miami Lakeway South Resurfacing
- West Lakes Reforestation PH 3
- Royal Oaks Park LED Light Retrofit

**Town of Miami Lakes, Florida**  
**Capital Assets (Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2018</b>
Land	\$ 6,056,872	\$ 6,056,872	\$ -	\$ -	\$ 6,056,872	\$ 6,056,872
Building	6,872,687	7,167,971	-	-	6,872,687	7,167,971
Construction in Progress	1,747,097	1,156,660	1,156,833	1,540,251	2,903,930	2,696,911
Infrastructure	18,759,327	19,207,546	10,771,361	9,590,224	29,530,688	28,797,770
Furniture and Fixtures	1,049,867	632,931	118,455	117,773	1,168,322	750,704
Total Capital Assets, net	<u>\$ 34,485,850</u>	<u>\$ 34,221,980</u>	<u>\$ 12,046,649</u>	<u>\$ 11,248,248</u>	<u>\$ 46,532,499</u>	<u>\$ 45,470,228</u>



**TOWN OF MIAMI LAKES, FLORIDA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

**Capital Assets and Debt Administration (Continued)**

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

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

**Long-Term Debt**

At the end of the current fiscal year, the Town had \$8 million in bonds and notes payable. During Fiscal Year 2011, the Town issued \$7.33 million in Town of Miami Lakes, Florida Special Obligation Revenue Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010 Bonds”). Moody’s Investor Services and Fitch Ratings have rated these bonds Aa2 and AA+, respectively. Also included in long-term debt is the Town’s proportionate share of the FRS net pension liability of approximately \$3.6 million and roadway QNIP debt with Miami-Dade County for \$703 thousand. Additional information on these long-term debts can be found in Note 7 on pages 36 through 39 of this report.

<b>Town of Miami Lakes, Florida</b>		
<b>Outstanding Debt over \$500k (Governmental Only)</b>		
	<b>FY 2019</b>	<b>FY 2018</b>
Special Obligations Bonds	\$ 7,300,692	\$ 7,299,312
Net Pension Liability	3,594,061	3,433,448
QNIP	<u>703,723</u>	<u>750,330</u>
	<u>\$ 11,598,476</u>	<u>\$ 11,483,090</u>

**Economic Factors and Next Year’s Budget**

- The Town’s unemployment rate for 2019 was 2.7%, down from 3.3% in 2018.
- The Town’s residential property assessed value increased by \$34 thousand.
- The Town’s unassigned fund balance in the General Fund is \$4.2 million, a decrease of \$826 thousand from the previous year.
- The property tax millage rate for 2019 fiscal year decreased from 2.3353 to 2.3127 mills (\$2.3127 per \$1,000 of taxable assessed valuation).

Some of these factors were considered in preparing the Town’s budget for the 2020 fiscal year.

**Requests for Information**

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

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



## **BASIC FINANCIAL STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,013,567	\$ 88,769	\$ 7,102,336
Investments	2,452,606	31,449	2,484,055
Accounts receivable, net	6,536,236	235,337	6,771,573
Prepays	290,979	-	290,979
Restricted assets:			
Cash and cash equivalents	469,931	-	469,931
Investments	667,995	-	667,995
Capital assets:			
Non-depreciable capital assets:			
Land	6,056,872	-	6,056,872
Construction in progress	1,747,097	1,156,833	2,903,930
Total non-depreciable capital assets	7,803,969	1,156,833	8,960,802
Depreciable capital assets:			
Leasehold improvements	90,558	-	90,558
Furniture and equipment	4,041,208	316,686	4,357,894
Building	8,164,993	-	8,164,993
Infrastructure	28,991,853	13,186,116	42,177,969
Less: accumulated depreciation	(14,606,731)	(2,612,986)	(17,219,717)
Net depreciable capital assets	26,681,881	10,889,816	37,571,697
Total capital assets	34,485,850	12,046,649	46,532,499
Total assets	51,917,164	12,402,204	64,319,368
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	1,227,742	49,515	1,277,257
Total deferred outflows of resources	1,227,742	49,515	1,277,257
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	3,341,172	225,576	3,566,748
Accrued payroll and benefits	158,473	6,932	165,405
Deposits	71,888	-	71,888
Noncurrent liabilities:			
Due within one year	596,409	68,048	664,457
Due in more than one year	11,379,210	477,546	11,856,756
Total liabilities	15,547,152	778,102	16,325,254
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	392,377	16,752	409,129
Total deferred inflows of resources	392,377	16,752	409,129
<u>NET POSITION</u>			
Net investment in capital assets	26,298,602	11,642,537	37,941,139
Restricted for:			
Debt Service	1,263,108	-	1,263,108
Transit - CITT 20	102,057	-	102,057
Transportation - CITT 80	167,082	-	167,082
Transportation - Gas Tax	54,499	-	54,499
Transportation	1,118,077	-	1,118,077
Developer Contribution	300,000	-	300,000
Mobility	1,351,275	-	1,351,275
Building Department - Operational	1,931,699	-	1,931,699
Building Department - Technology	736,621	-	736,621
Tree Removal	79,983	-	79,983
Impact Fees:			
Public Safety (Police)	131,496	-	131,496
Parks	1,439,568	-	1,439,568
Neighborhood Service Districts	311,100	-	311,100
Greenway 77th Court	200,000	-	200,000
Large Park LOS	199,885	-	199,885
Unrestricted	1,520,325	14,328	1,534,653
Total net position	\$ 37,205,377	\$ 11,656,865	\$ 48,862,242

See notes to basic financial statements

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 5,855,914	\$ 1,726,515	\$ 121,811	\$ 820,020	\$ (3,187,568)	\$ -	\$ (3,187,568)
Public safety	10,786,886	2,738,436	8,079	-	(8,040,371)	-	(8,040,371)
Parks and recreation	3,508,046	814,497	-	-	(2,693,549)	-	(2,693,549)
Transportation	2,890,902	756,711	-	360,254	(1,773,937)	-	(1,773,937)
Interest expense	550,747	-	-	-	(550,747)	-	(550,747)
Total governmental activities	<u>23,592,495</u>	<u>6,036,159</u>	<u>129,890</u>	<u>1,180,274</u>	<u>(16,246,172)</u>	<u>-</u>	<u>(16,246,172)</u>
<b>Business-type activities:</b>							
Stormwater	<u>1,272,487</u>	<u>1,058,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(213,773)</u>	<u>(213,773)</u>
Total business-type activities	<u>1,272,487</u>	<u>1,058,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(213,773)</u>	<u>(213,773)</u>
Total primary government	<u>\$ 24,864,982</u>	<u>\$ 7,094,873</u>	<u>\$ 129,890</u>	<u>\$ 1,180,274</u>	<u>\$ (16,246,172)</u>	<u>\$ (213,773)</u>	<u>\$ (16,459,945)</u>
<b>General revenue:</b>							
Property taxes					7,148,392	-	7,148,392
Utility taxes					3,572,032	-	3,572,032
Communication service tax					1,130,732	-	1,130,732
Franchise taxes					1,130,788	-	1,130,788
Other taxes					680,132	-	680,132
Intergovernmental not restricted to specific programs					4,546,832	-	4,546,832
Investment income					246,949	6,116	253,065
Other income					435,402	-	435,402
Transfers					(880,050)	880,050	-
Total general revenues and transfers					<u>18,011,209</u>	<u>886,166</u>	<u>18,897,375</u>
Change in net position					<u>1,765,037</u>	<u>672,393</u>	<u>2,437,430</u>
Net position, beginning					<u>35,440,340</u>	<u>10,984,472</u>	<u>46,424,812</u>
Net position, ending					<u>\$ 37,205,377</u>	<u>\$ 11,656,865</u>	<u>\$ 48,862,242</u>

See notes to basic financial statements

**TOWN OF MIAMI LAKES, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Building Department	Disaster	Capital Projects		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 116,066	\$ 2,154,881	\$ -	\$ 2,354,020	\$ 2,362,153	\$ 6,987,120
Investments	43,434	787,765	-	860,200	751,540	2,442,939
Accounts receivable, net	761,144	41,680	4,431,829	209,076	1,092,507	6,536,236
Due from other funds	4,912,274	-	-	-	123,182	5,035,456
Prepays	265,331	25,648	-	-	-	290,979
Restricted assets:						
Cash and cash equivalents	-	-	-	-	469,931	469,931
Investments	-	-	-	-	667,995	667,995
Total assets	<u>\$ 6,098,249</u>	<u>\$ 3,009,974</u>	<u>\$ 4,431,829</u>	<u>\$ 3,423,296</u>	<u>\$ 5,467,308</u>	<u>\$ 22,430,656</u>
<b>LIABILITIES</b>						
Accounts payable and other current liabilities	\$ 1,430,486	\$ 271,053	\$ -	\$ 1,046,163	\$ 369,557	\$ 3,117,259
Accrued payroll and benefits	107,586	44,953	-	-	3,127	155,666
Deposits	71,888	-	-	-	-	71,888
Due to other funds	-	-	4,431,829	-	603,627	5,035,456
Total liabilities	<u>1,609,960</u>	<u>316,006</u>	<u>4,431,829</u>	<u>1,046,163</u>	<u>976,311</u>	<u>8,380,269</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepays	265,331	25,648	-	-	-	290,979
Restricted:						
Debt service	-	-	-	-	1,263,108	1,263,108
Transit - CITT 20	-	-	-	-	102,057	102,057
Transportation - CITT 80	-	-	-	-	167,082	167,082
Transportation - Gas Tax	-	-	-	-	54,499	54,499
Transportation	-	-	-	1,118,077	-	1,118,077
Developer contribution	-	-	-	-	300,000	300,000
Mobility	-	-	-	1,225,112	126,163	1,351,275
Stormwater	-	-	-	-	-	-
Building department - Operational	-	1,931,699	-	-	-	1,931,699
Building department - Technology	-	736,621	-	-	-	736,621
Tree removal	-	-	-	-	79,983	79,983
Impact fees:						
Public Safety (Police)	-	-	-	16,981	114,515	131,496
Parks	-	-	-	16,963	1,422,605	1,439,568
Neighborhood Service Districts	-	-	-	-	311,100	311,100
Greenway 77th Court	-	-	-	-	200,000	200,000
Large Park LOS	-	-	-	-	199,885	199,885
Committed for:						
Infrastructure projects	-	-	-	-	150,000	150,000
Unassigned	4,222,958	-	-	-	-	4,222,958
Total fund balances	<u>4,488,289</u>	<u>2,693,968</u>	<u>-</u>	<u>2,377,133</u>	<u>4,490,997</u>	<u>14,050,387</u>
Total liabilities and fund balances	<u>\$ 6,098,249</u>	<u>\$ 3,009,974</u>	<u>\$ 4,431,829</u>	<u>\$ 3,423,296</u>	<u>\$ 5,467,308</u>	<u>\$ 22,430,656</u>

See notes to basic financial statements

**TOWN OF MIAMI LAKES, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

Fund balances - total government funds (Page 14) \$ 14,050,387

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

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

Governmental capital assets	49,071,873	
Less: accumulated depreciation	<u>(14,605,419)</u>	
		34,466,454

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

Governmental bonds payable	(8,004,415)	
Compensated absences	<u>(308,422)</u>	
		(8,312,837)

Debt interest payable that will not be liquidated with current financial resources is not reported in the governmental funds		(182,833)
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OPEB obligations attributable to retiree benefits financed from governmental fund types		(68,721)
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Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	(3,594,061)	
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Deferred outflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting	1,227,742	
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Deferred inflows of resources related to pensions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting	<u>(392,377)</u>	
		(2,758,696)

Internal service funds are used by management to charge the costs of facilities maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>11,623</u>
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Net position of governmental activities (Page 12) \$ 37,205,377

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Building Department	Disaster	Capital Projects		
<b>Revenues:</b>						
Ad valorem taxes	\$ 7,148,392	\$ -	\$ -	\$ -	\$ -	\$ 7,148,392
Utility taxes	2,860,586	-	-	-	711,446	3,572,032
Franchise fees	1,130,788	-	-	-	-	1,130,788
Communication service tax	1,130,732	-	-	-	-	1,130,732
Other taxes	115,543	-	-	156,596	407,993	680,132
Licenses and permits	306,203	2,123,538	-	-	725,073	3,154,814
Intergovernmental	3,248,004	-	20,722	918,609	1,309,407	5,496,742
Fines and forfeitures	195,518	-	-	-	-	195,518
Service charges	189,557	-	-	-	-	189,557
Impact fees						
Public safety	-	-	-	-	113,277	113,277
Parks	-	-	-	-	661,964	661,964
Investment income	45,525	74,903	-	40,693	85,828	246,949
Developers contributions	-	-	-	-	360,254	360,254
Special assessments	-	-	-	-	1,721,029	1,721,029
Other	172,054	-	-	-	263,348	435,402
Total revenues	<u>16,542,902</u>	<u>2,198,441</u>	<u>20,722</u>	<u>1,115,898</u>	<u>6,359,619</u>	<u>26,237,582</u>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>General government</b>						
Town council	539,328	-	-	-	-	539,328
Town administration and finance	2,401,870	-	-	-	-	2,401,870
Legal	257,448	-	-	-	-	257,448
Public safety	8,781,015	1,953,377	-	-	-	10,734,392
Parks and recreation	2,920,869	-	20,722	64,173	-	3,005,764
Transportation / public works	1,069,733	-	-	54,558	1,291,268	2,415,559
<b>Debt service:</b>						
Principal	46,607	-	-	-	-	46,607
Interest	2,248	-	-	-	548,499	550,747
<b>Administrative</b>						
Capital outlay	130,348	35,645	-	2,590,760	120,538	2,877,291
Total expenditures	<u>16,149,466</u>	<u>1,989,022</u>	<u>20,722</u>	<u>2,709,491</u>	<u>3,428,149</u>	<u>24,296,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>393,436</u>	<u>209,419</u>	<u>-</u>	<u>(1,593,593)</u>	<u>2,931,470</u>	<u>1,940,732</u>
<b>Other financing sources (uses)</b>						
Transfers in	48,123	-	-	2,746,552	203,223	2,997,898
Transfers out	(1,227,399)	(44,161)	-	(150,000)	(1,662,539)	(3,084,099)
Total other financing sources (uses)	<u>(1,179,276)</u>	<u>(44,161)</u>	<u>-</u>	<u>2,596,552</u>	<u>(1,459,316)</u>	<u>(86,201)</u>
Net change in fund balances	(785,840)	165,258	-	1,002,959	1,472,154	1,854,531
Fund balances - beginning	<u>5,274,129</u>	<u>2,528,710</u>	<u>-</u>	<u>1,374,174</u>	<u>3,018,843</u>	<u>12,195,856</u>
Fund balances - ending	<u>\$ 4,488,289</u>	<u>\$ 2,693,968</u>	<u>\$ -</u>	<u>\$ 2,377,133</u>	<u>\$ 4,490,997</u>	<u>\$ 14,050,387</u>

See notes to basic financial statements

**TOWN OF MIAMI LAKES, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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

Net change in fund balances - total governmental funds (Page 16)		\$ 1,854,531
<p>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.</p>		
Expenditures for capital outlays meeting the capitalization	2,877,291	
Less current year depreciation	<u>(1,490,889)</u>	1,386,402
<p>The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.</p>		
Contribution of capital assets to business-type activities		(1,133,550)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments	46,607	
Amortization of discount on bonds issued	<u>(1,380)</u>	45,227
<p>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.</p>		
Change in compensated absences	(2,096)	
Change in OPEB liability	(4,932)	
Changes in net pension liability and other deferral amounts	<u>(392,168)</u>	(399,196)
<p>The net change of internal service fund is reported with governmental activities on the statement of activities.</p>		
		<u>11,623</u>
Change in net position of governmental activities (Page 13)		<u><u>\$ 1,765,037</u></u>



**TOWN OF MIAMI LAKES, FLORIDA**

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2019

	<u>Business-Type Activity Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Stormwater</u>	
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 88,769	\$ 26,447
Investments	31,449	9,667
Accounts receivable, net	235,337	-
Total current assets	<u>355,555</u>	<u>36,114</u>
Noncurrent assets:		
Construction in progress	1,156,833	-
Furniture and equipment	316,686	11,623
Infrastructure	13,186,116	9,085
Less: accumulated depreciation	<u>(2,612,986)</u>	<u>(1,312)</u>
Total noncurrent assets	<u>12,046,649</u>	<u>19,396</u>
Total assets	<u>12,402,204</u>	<u>55,510</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension	<u>49,515</u>	-
Total deferred outflows of resources	<u>49,515</u>	-
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and other current liabilities	225,576	41,080
Accrued payroll and benefits	6,932	2,807
Compensated absences - current	1,570	
Due to Miami-Dade County - current	14,518	-
Bond payable - current	54,480	-
Total current liabilities	<u>303,076</u>	<u>43,887</u>
Noncurrent liabilities:		
Compensated absences	4,711	-
Net pension liability	135,201	-
Due to Miami-Dade County	87,108	-
Bond payable	248,006	-
Total noncurrent liabilities	<u>475,026</u>	<u>-</u>
Total liabilities	<u>778,102</u>	<u>43,887</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension	<u>16,752</u>	-
Total deferred inflows of resources	<u>16,752</u>	-
<u>NET POSITION</u>		
Net investment in capital assets	11,642,537	19,396
Unrestricted	14,328	(7,773)
Total net position	<u>\$ 11,656,865</u>	<u>\$ 11,623</u>

See notes to basic financial statements

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activity Enterprise Fund	
	<u>Stormwater</u>	<u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$ 1,058,714	\$ -
Total operating revenues	<u>1,058,714</u>	<u>-</u>
Operating expenses:		
Administrative expenses	359,080	258,404
Contractual services	144,751	-
Repairs and maintenance	381,480	69,068
Depreciation	367,381	606
Total operating expenses	<u>1,252,692</u>	<u>328,078</u>
Operating income (loss)	(193,978)	(328,078)
Nonoperating revenues (expenses):		
Investment earnings	6,116	-
Interest expense	(19,795)	-
Total nonoperating revenues (expenses)	<u>(13,679)</u>	<u>-</u>
Income (loss) before contributions and transfers	(207,657)	(328,078)
Contributions and transfers:		
Capital contributions	1,133,550	-
Transfers in	-	339,701
Transfers out	(253,500)	-
Net contributions and transfers	<u>880,050</u>	<u>339,701</u>
Change in net position	672,393	11,623
Net position, beginning	<u>10,984,472</u>	<u>-</u>
Net position, ending	<u>\$ 11,656,865</u>	<u>\$ 11,623</u>

See notes to basic financial statements

**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activity	
	Enterprise Fund	Internal Service Fund
	Stormwater	
Cash flows from operating activities:		
Cash received from customers, governments and other funds	\$ 970,949	\$ -
Cash paid to suppliers	(1,044,908)	(231,428)
Cash paid to employees	161,361	(70,609)
Net cash provided by (used in) operating activities	<u>87,402</u>	<u>(302,037)</u>
Cash flows from noncapital financing activities:		
Transfers in (out)	<u>(253,500)</u>	<u>339,701</u>
Net cash provided by (used in) operating activities	(253,500)	339,701
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets and furniture and equipment	(32,231)	(11,624)
Principal retirement of capital debt	(66,478)	-
Interest paid on capital debt	(19,795)	-
Net cash (used in) capital and related financing activities	<u>(118,504)</u>	<u>(11,624)</u>
Cash flows from investing activities:		
Purchase of investments	-	(9,667)
Redemption of investments	317,359	-
Interest and other income	6,116	-
Net cash provided by investing activities	<u>323,475</u>	<u>(9,667)</u>
Net increase in cash and cash equivalents	38,873	16,373
Cash and cash equivalents, October 1	49,896	10,074
Cash and cash equivalents, September 30	<u>\$ 88,769</u>	<u>\$ 26,447</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (193,978)	\$ (328,078)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	367,381	606
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(87,764)	-
Deferred outflows of resources for pension	10,045	-
Increase (decrease) in:		
Accounts payable and accrued payroll and benefits	(12,058)	25,435
Compensated absences	(2,327)	-
Net pension liability	6,614	-
Deferred inflows of resources for pension	(511)	-
Total adjustments	<u>281,380</u>	<u>26,041</u>
Net cash provided by (used in) operating activities	<u>\$ 87,402</u>	<u>\$ (302,037)</u>
Noncash investing, capital and related financing activities:		
Contribution of capital assets	<u>\$ 1,133,550</u>	<u>\$ -</u>

See notes to basic financial statements



**NOTES TO BASIC  
FINANCIAL STATEMENTS**

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

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

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

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

**B. Financial Reporting Entity**

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

The financial statements were prepared in accordance with GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its financial benefits to, or impose specific financial burdens on the Town. Based on the application of these criteria, there were no component units to the Town for fiscal year ended September 30, 2019.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The Town reports the following major governmental funds:

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

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

**Disaster Fund** – This fund is used to account for disaster recovery and debris removal efforts associated with natural disasters and other emergencies. The fund reports funding from other governmental agencies to cover the costs of the related expenditures.

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town’s enterprise fund functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

**Accounting and Reporting Changes**

The Town implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). This statement improves consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and provides financial statement users with additional essential information about debt. GASB 88 amends Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, paragraph 119; Statement No. 38, *Certain Financial Statement Note Disclosures*, paragraphs 10 and 12; Interpretation No. 1, *Demand Bonds Issued by State and Local Governmental Entities*, paragraph 11; NCGA Interpretation 6, *Notes to the Financial Statements Disclosure*, paragraphs 4 and 5; and *Implementation Guide No. 2015-1*, Question 7.85.7. The Town implemented GASB 88; however, the adoption of the statement had no effect on the financial statements.



**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Deposits and Investments**

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

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

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

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

**F. Receivables and Payables**

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

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

**G. Interfund Receivables and Payables**

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

**H. Prepaid Items**

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Property Taxes**

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

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the Office of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the Town for the year ended September 30, 2019 was 2.3127.

The Town's tax levy is established by the Town Council prior to October 1st of each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami- Dade County School Board and certain other special taxing districts.

All real and tangible personal property taxes are due and payable on November 1st of each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails each property owner on the assessment roll a notice of the taxes due and collects the taxes for the Town. Taxes may be paid upon receipt of the notice from Miami-Dade County, with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida.

**J. Capital Assets**

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

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has pension amounts that qualify for reporting in this category on the government-wide statement of net position in the amount of \$1,277,257.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The Town has pension amounts that qualify for reporting in this category in the amount of \$409,129.

**L. Compensated Absences**

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

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

**M. Long-Term Obligations**

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Net Position**

Total equity as of September 30, 2019 is classified into three components of net position:

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

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

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

**O. Fund Balance**

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

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

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

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

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

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**O. Fund Balance (continued)**

**Minimum level of Unassigned Fund Balance Policy:**

The Town's reserve policy ordinance requires that the Town maintain 15% of budgeted general fund expenditures on hand as a reserve whenever possible. When expenditure is incurred for the purpose for which both restricted and unrestricted funds are available, the Town considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been first expended out of committed funds then assigned funds and finally unassigned funds, as needed, unless the Town Council or Town Manager has provided otherwise in its commitment or assignment actions.

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

**P. Net Position Flow Assumption**

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

**Q. Use of Estimates**

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

**R. Restricted Assets**

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

**S. Capital Contributions**

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

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

**1. Fund Accounting Requirements**

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

**2. Revenue Restrictions**

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

**Revenue Source**

**Legal Restrictions of Use**

Transportation & Gas Surtax

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

**Revenue Source**

**Legal Restrictions of Use**

Mobility Fee

Multi-modal transportation improvements

Impact Fees (Parks & Police)

Capital projects, improvements and to offset additional costs

Building Permits and Fees

Building permitting and inspection activities

For the fiscal year ended September 30, 2019, the Town complied, in all material respects, with these revenue restrictions.

**2. Excess of Expenditures Over Appropriations**

For the year ended September 30, 2019, expenditures in the Debt Service Fund exceeded appropriations by \$1,550. These expenditures were covered by transfers from the General Fund.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**Cash and Cash Equivalents**

As of September 30, 2019, the balance of the Town's cash deposits were \$8,437,378. All deposits are held in banking institutions approved by the State of Florida to hold public funds. The Town's deposits are considered insured and collateralized with securities held by the Town or by its agent in the Town's name as discussed below.

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 3 - DEPOSITS AND INVESTMENTS (continued)**

**Cash and Cash Equivalents (continued)**

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

**Investments**

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

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

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

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

The Town invests in certificates of deposit. The certificates bear an interest rate ranging from 1.80% to 2.48%. The certificates of deposit with original maturities of greater than three months totaling approximately \$2,844,354 are presented as investments in the accompanying statement of net position.

The SBA administers Florida PRIME ("PRIME"), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 219 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures of the administration of PRIME. PRIME is not a registrant with the Securities and Exchange Commission; however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value ("NAV") of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. At September 30, 2019, the Town's investment in the Florida PRIME was that of \$307,696 which is presented as investments in the accompanying statement of net position. Thus, the Town's account balance in the SBA is its amortized cost.

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 3 - DEPOSITS AND INVESTMENTS (continued)**

**Investments (continued)**

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

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

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

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

As of September 30, 2019, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. As a mean of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy limits the Town's investment portfolio to maturities not to exceed two years for operating and debt service funds and not to exceed three years for capital project or special purpose funds. The weighted average days to maturity (WAM) of the Florida PRIME as of September 30, 2019 is 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2019, is 85 days.

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



**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 3 - DEPOSITS AND INVESTMENTS (continued)**

**Investments (continued)**

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

The Town's investment in Florida PRIME was rated AAAM by Standard and Poor's as of September 30, 2019.

*Custodial credit risk* for investment is the risk that in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy requires that a bank or banks shall be contracted for the safekeeping or custody of securities owned by the Town as part of its investment portfolio or pledged to the Town as collateral. Securities owned by the Town shall be evidenced by safekeeping receipts of the institution holding the securities. All security transactions shall utilize the "delivery versus payment" procedures for settlement. All of the Town's investments at September 30, 2019 are being kept by a third-party commercial trust bank and are fully secured and collateralized under the name of the Town or its agent.

**NOTE 4 - RECEIVABLES AND PAYABLES**

Receivables as of September 30, 2019 were as follows:

	General Fund	Building Department Fund	Disaster Fund	Capital Projects Fund	Nonmajor Governmental Funds	Stormwater Fund
Due from other governments	\$ 578,074	\$ -	\$ 4,431,829	\$ 209,076	\$ 123,182	\$ 235,337
Other	183,070	41,680	-	-	969,325	-
Total receivables	<u>\$ 761,144</u>	<u>\$ 41,680</u>	<u>\$ 4,431,829</u>	<u>\$ 209,076</u>	<u>\$ 1,092,507</u>	<u>\$ 235,337</u>

Payables as of September 30, 2019 for the Town's governmental funds were as follows:

	General Fund	Building Department Fund	Disaster Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Vendors	\$ 1,430,486	\$ 271,053	\$ -	\$ 1,046,163	\$ 369,557	\$ 3,117,259
Payroll and related accounts	107,586	44,953	-	-	3,127	155,666
Total (fund statements)	<u>\$ 1,538,072</u>	<u>\$ 316,006</u>	<u>\$ -</u>	<u>\$ 1,046,163</u>	<u>\$ 372,684</u>	<u>\$ 3,272,925</u>

Payables as of September 30, 2019 for the Town's governmental activities (government-wide statements) were as follows:

	Fund Statements	Bond Interest Payable	Total Governmental Activities
Vendors	\$ 3,158,339	\$ 182,833	\$ 3,341,172
Payroll and related accounts	158,473	-	158,473
Total	<u>\$ 3,316,812</u>	<u>\$ 182,833</u>	<u>\$ 3,499,645</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 4 - RECEIVABLES AND PAYABLES (continued)**

Payables as of September 30, 2019 for the Town's proprietary funds were as follows:

	Stormwater Fund	Internal Service Fund	Total Proprietary Funds
Vendors	\$ 225,576	\$ 41,080	\$ 266,656
Payroll and related accounts	6,932	2,807	9,739
Total (fund statements)	<u>\$ 232,508</u>	<u>\$ 43,887</u>	<u>\$ 276,395</u>

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended September 30, 2019, consisted of the following:

<u>Transfer Out</u>	<u>Transfer In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Internal Service Fund</u>	
General Fund	\$ -	\$ 728,636	\$ 203,223	\$ 295,540	\$ 1,227,399
Building Department Fund	-	-	-	44,161	44,161
Nonmajor Funds	-	1,614,416	-	-	1,614,416
Stormwater Fund	-	403,500	-	-	403,500
Internal Service Fund	48,123	-	-	-	48,123
	<u>\$ 48,123</u>	<u>\$ 2,746,552</u>	<u>\$ 203,223</u>	<u>\$ 339,701</u>	<u>\$ 3,337,599</u>

Purposes of significant transfers made during the 2019 fiscal year are as follows:

- The Special Revenue Fund transferred \$1,075,420 to the Capital Projects Fund to partially finance various ongoing capital projects of the Town.
- The Impact Fees Funds transferred \$360,253 to the Capital Projects Fund to finance various ongoing capital projects (public safety facilities and parks) of the Town.
- The Stormwater Fund transferred \$253,500 to the Capital Projects Fund to finance ongoing stormwater drainage capital improvements of the Town.
- The General Fund transferred \$728,636 to the Capital Projects Fund to partially finance various ongoing capital projects of the Town.

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,056,872	\$ -	\$ -	\$ -	\$ 6,056,872
Construction in progress	1,156,660	1,764,504	(40,517)	(1,133,550)	1,747,097
Total capital assets not being depreciated	<u>7,213,532</u>	<u>1,764,504</u>	<u>(40,517)</u>	<u>(1,133,550)</u>	<u>7,803,969</u>
Capital assets being depreciated:					
Furniture and equipment	3,476,125	565,083	-	-	4,041,208
Buildings	8,164,993	-	-	-	8,164,993
Leasehold improvements	90,558	-	-	-	90,558
Infrastructure	28,392,009	599,844	-	-	28,991,853
Total capital assets being depreciated	<u>40,123,685</u>	<u>1,164,927</u>	<u>-</u>	<u>-</u>	<u>41,288,612</u>
Less accumulated depreciation for:					
Furniture and equipment	(2,843,193)	(148,148)	-	-	(2,991,341)
Buildings	(997,022)	(295,284)	-	-	(1,292,306)
Leasehold improvements	(90,558)	-	-	-	(90,558)
Infrastructure	(9,184,464)	(1,048,062)	-	-	(10,232,526)
Total accumulated depreciation	<u>(13,115,237)</u>	<u>(1,491,494)</u>	<u>-</u>	<u>-</u>	<u>(14,606,731)</u>
Total capital assets being depreciated, net	<u>27,008,448</u>	<u>(326,567)</u>	<u>-</u>	<u>-</u>	<u>26,681,881</u>
Governmental activities capital assets, net	<u>\$ 34,221,980</u>	<u>\$ 1,437,937</u>	<u>\$ (40,517)</u>	<u>\$ (1,133,550)</u>	<u>\$ 34,485,850</u>
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 1,540,251	\$ -	\$ (1,516,968)	\$ 1,133,550	\$ 1,156,833
Total capital assets not being depreciated	<u>1,540,251</u>	<u>-</u>	<u>(1,516,968)</u>	<u>1,133,550</u>	<u>1,156,833</u>
Capital assets being depreciated:					
Infrastructure	11,669,147	1,516,969	-	-	13,186,116
Furniture and equipment	284,455	32,231	-	-	316,686
Total capital assets being depreciated	<u>11,953,602</u>	<u>1,549,200</u>	<u>-</u>	<u>-</u>	<u>13,502,802</u>
Less accumulated depreciation for:					
Infrastructure	(2,078,923)	(335,832)	-	-	(2,414,755)
Furniture and equipment	(166,682)	(31,549)	-	-	(198,231)
Total accumulated depreciation	<u>(2,245,605)</u>	<u>(367,381)</u>	<u>-</u>	<u>-</u>	<u>(2,612,986)</u>
Total capital assets being depreciated, net	<u>9,707,997</u>	<u>1,181,819</u>	<u>-</u>	<u>-</u>	<u>10,889,816</u>
Business-type activities capital assets, net	<u>\$ 11,248,248</u>	<u>\$ 1,181,819</u>	<u>\$ (1,516,968)</u>	<u>\$ 1,133,550</u>	<u>\$ 12,046,649</u>

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

Governmental activities:	
General government	\$ 463,474
Public safety	52,494
Transportation	475,343
Parks and recreation	500,185
Total depreciation expense - governmental activities	<u>\$ 1,491,496</u>
Business-type activities:	
Stormwater utility	\$ 367,381
Total depreciation expense - business-type activities	<u>\$ 367,381</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 7 - LONG-TERM DEBT**

**Special Obligation Bonds, Series 2010**

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

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

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

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

**Arbitrage**

Arbitrage refers to the profit earned by investing tax-exempt bond funds in higher yielding investments. Under federal arbitrage regulations, an issuer of tax-exempt bonds is allowed to earn this profit for a certain period of time during the construction period of the related project. Once this time period has expired, the profit realized on any recurring bond proceeds is subject to rebate to the federal government. These federal arbitrage regulations apply to all of tax-exempt issues. As of September 30, 2019, the Town is not subject to the rebate provisions of the arbitrage regulations on its Series 2010 Bonds.

**Quality Neighborhood Improvement Program Bonds**

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 7 - LONG-TERM DEBT (continued)**

**Quality Neighborhood Improvement Program Bonds (continued)**

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

The settlement terms called for a payment plan by the Town of \$153,423 annually beginning in fiscal year 2010 through 2024. The County subsequently refinanced the QNIP bonds which resulted in an amendment to the interlocal agreement to reduce the Town's debt service share. The revised terms resulted in a \$104,568 reduction of the annual payment during fiscal year 2019. Remaining annual debt service payments from 2020 through 2024 will approximate \$142,000. During fiscal year 2019, the Town paid \$46,607 of its QNIP share to Miami-Dade County.

**Stormwater Utility Revenue Bonds**

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

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

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

<u>September 30,</u>	<u>Special Obligation Bonds, Series 2010</u>		<u>Quality Neighborhood Improvement Program Bonds</u>		<u>Stormwater Utility Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 380,000	\$ 521,709	\$ 139,302	\$ 1,892	\$ 54,480	\$ 15,626
2021	200,000	507,609	140,019	1,519	57,240	13,811
2022	210,000	492,804	140,741	1,120	60,120	11,903
2023	220,000	477,294	141,458	712	63,120	9,896
2024	230,000	461,079	142,203	271	67,526	6,501
2025-2029	1,315,000	2,027,386	-	-	-	-
2030-2034	1,670,000	1,450,529	-	-	-	-
2035-2039	2,110,000	716,557	-	-	-	-
2040-2041	995,000	38,898	-	-	-	-
Total	<u>\$ 7,330,000</u>	<u>\$ 6,693,864</u>	<u>\$ 703,723</u>	<u>\$ 5,514</u>	<u>\$ 302,486</u>	<u>\$ 57,737</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 7 - LONG-TERM DEBT (continued)**

**Due to Miami-Dade County – Canal Project**

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

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

<u>September 30,</u>	<u>Due to Miami-Dade County</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 14,518	\$ 1,216
2021	14,518	1,216
2022	14,518	1,216
2023	14,518	1,216
2024	14,518	1,216
2025-2026	29,036	3,648
Total	<u>\$ 101,626</u>	<u>\$ 9,728</u>

Long-term debt activity for the fiscal year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Special obligation bonds payable	\$ 7,330,000	\$ -	\$ -	\$ 7,330,000	\$ 380,000
Less: discount on bonds issued	(30,688)	-	1,380	(29,308)	-
QNIP bonds	750,330	-	(46,607)	703,723	139,302
Net pension liability	3,433,448	439,886	(279,273)	3,594,061	-
OPEB	63,789	16,061	(11,129)	68,721	-
Compensated absences	334,551	77,619	(103,748)	308,422	77,107
Governmental activities long-term liabilities	<u>\$ 11,881,430</u>	<u>\$ 533,566</u>	<u>\$ (439,377)</u>	<u>\$ 11,975,619</u>	<u>\$ 596,409</u>
<b>Business-Type Activities</b>					
Stormwater utility revenue bonds	\$ 354,446	\$ -	\$ (51,960)	\$ 302,486	\$ 54,480
Due to Miami-Dade County	116,144	-	(14,518)	101,626	14,518
Net pension liability	128,587	18,114	(11,500)	135,201	-
Compensated absences	8,608	1,072	(3,399)	6,281	1,570
Business-type activities long-term liabilities	<u>\$ 607,785</u>	<u>\$ 19,186</u>	<u>\$ (81,377)</u>	<u>\$ 545,594</u>	<u>\$ 70,568</u>

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 7 - LONG-TERM DEBT (continued)**

**Pledged Future Revenues**

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

<u>Pledged Revenue</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Maximum Principal and Interest</u>	<u>Current Year Revenue</u>	<u>% of Revenue to Principal and Interest Paid</u>	<u>% of Revenues to Maximum Principal and Interest</u>
Electric utility tax	\$ 14,023,864	\$ 548,499	\$ 928,499	\$ 3,076,152	561%	331%

**NOTE 8 - FLORIDA RETIREMENT SYSTEM**

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

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

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

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

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

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

Plan Description

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

Type of Benefit

The Florida Retirement System Pension Plan (FRS) is a cost-sharing, multiple-employer qualified defined benefit plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by municipalities, special districts, charter schools, and metropolitan planning organizations is optional. The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Average Final Compensation

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

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

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



**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

Vesting

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

Service Retirement

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

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

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

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

Funding Policy

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

The contribution requirements of covered payroll and actual contributions made for fiscal year 2019 and the two preceding years were as follows:

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
Contribution requirements:			
Employer	\$ 336,015	\$ 329,300	\$ 278,831
Employee	111,058	108,473	94,401
Total contribution requirements	<u>\$ 447,073</u>	<u>\$ 437,773</u>	<u>\$ 373,232</u>
Contributions made (100%)	\$ 336,015	\$ 329,300	\$ 278,831
Total covered payroll	\$ 4,036,102	\$ 3,947,898	\$ 3,489,915
Percent of contributions to total covered payroll	8.33%	8.34%	7.99%

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

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

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

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2019, are shown below (in thousands):

	<u>FRS</u>	<u>HIS</u>
Total pension liability (A)	\$ 198,012,334	\$ 11,491,044
Plan fiduciary net position (B)	(163,573,726)	(302,044)
Net pension liability (A - B)	<u>\$ 34,438,608</u>	<u>\$ 11,189,000</u>
Plan fiduciary net position as a percentage of the total pension liability (B/A)	82.61%	2.63%

The total pension liability for each plan was determined by the Plans' actuary and reported in the Plans' valuations dated July 1, 2019. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. Each Plans' fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

The Town reported a liability of \$3,729,261 for its proportionate share of the net pension liability. The detail of proportion shares are as follows:

FRS Pension Plan					
<u>Employer Contribution for Pension Plan Funding for Prior Period</u>	<u>Proportion at Prior Measurement Date</u>	<u>Employer Contribution for Pension Plan Funding for Current Period</u>	<u>Proportion at Current Measurement Date</u>	<u>Employer Proportionate Share of Net Pension Liability/Asset at Prior Measurement Date</u>	<u>Employer Proportionate Share of Net Pension Liability/Asset at Measurement Date</u>
\$ 217,291	0.007624456%	\$ 216,531	0.006983261%	\$ 2,296,526	\$ 2,404,938

FRS Retiree Health Insurance Subsidy (HIS) Program					
<u>Employer Contribution for Pension Plan Funding for Prior Period</u>	<u>Proportion at Prior Measurement Date</u>	<u>Employer Contribution for Pension Plan Funding for Current Period</u>	<u>Proportion at Current Measurement Date</u>	<u>Employer Proportionate Share of Net Pension Liability/Asset at Prior Measurement Date</u>	<u>Employer Proportionate Share of Net Pension Liability/Asset at Measurement Date</u>
\$ 64,841	0.011956689%	\$ 65,724	0.011835942%	\$ 1,265,509	\$ 1,324,323

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2017/2018 and 2018/2019. Although GASB 68 encourages the use of the employers projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

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

Actuarial Methods and Assumptions

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2019, using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.90%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2019:

HIS: The total pension liability is calculated on a single equivalent discount rate as required by GASB Statement No. 67. The discount rate used was decreased from 3.87% to 3.50% reflecting the change during the fiscal year in the Bond Buyer General Obligation 20-year Bond Municipal Bond Index.

In general, the discount rate for calculating the total pension liability under GASB 67 is equivalent to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go-basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rates used at the two dates differ due to changes in the applicable municipal bond rate.

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

Actuarial Methods and Assumptions (continued)

FRS: The discount rate and long-term expected rate of return was decreased from 7.00% to 6.90%, and the active member mortality assumption was updated. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.90% rate of return assumption used in the June 30, 2019 calculations was deemed reasonable and appropriate by the actuary per Actuarial Standard of Practice Number 27 (ASOP 27).

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation *	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash equivalents	1.00%	3.30%	3.30%	1.20%
Fixed income	18.00%	4.10%	4.10%	3.50%
Global equity	54.00%	8.00%	6.80%	16.50%
Real estate (property)	11.00%	6.70%	6.10%	11.70%
Private equity	10.00%	11.20%	8.40%	25.80%
Strategic investments	6.00%	5.90%	5.70%	6.70%
Assumed inflation - mean			2.60%	1.70%

\* As outlined in the Plan's investment policy

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2019.

	FRS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>5.90%</u>	<u>6.90%</u>	<u>7.90%</u>
Total pension liability	\$ 15,580,117	\$ 13,827,718	\$ 12,364,169
Less: fiduciary net position	<u>(11,422,780)</u>	<u>(11,422,780)</u>	<u>(11,422,780)</u>
Net pension liability	<u><u>\$ 4,157,337</u></u>	<u><u>\$ 2,404,938</u></u>	<u><u>\$ 941,388</u></u>
	HIS		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Total pension liability	\$ 1,547,533	\$ 1,360,073	\$ 1,203,941
Less: fiduciary net position	<u>(35,750)</u>	<u>(35,750)</u>	<u>(35,750)</u>
Net pension liability	<u><u>\$ 1,511,783</u></u>	<u><u>\$ 1,324,323</u></u>	<u><u>\$ 1,168,191</u></u>

Pension Expense and Deferred Outflows/(Inflows) of Resources

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

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

For the fiscal year ended September 30, 2019, the Town recognized pension expense of \$559,976 and \$121,858 for FRS and HIS, respectively. Additionally, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

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

	FRS Pension		<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	
Changes in:			
Contributions, subsequent to measurement date	\$ 44,040	\$ -	\$ 44,040
Experience expected/actual	142,644	(1,492)	141,152
Assumptions/inputs	617,691	-	617,691
Projected/actual earnings	-	(133,053)	(133,053)
Changes in proportion, NPL	135,838	(138,179)	(2,341)
Total	<u>\$ 940,213</u>	<u>\$ (272,724)</u>	<u>\$ 667,489</u>
	HIS Program		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Changes in:			
Contributions, subsequent to measurement date	\$ 14,332	\$ -	\$ 14,332
Experience expected/actual	16,085	(1,622)	14,463
Assumptions/inputs	153,344	(108,239)	45,105
Projected/actual earnings	855	-	855
Changes in proportion, NPL	152,426	(26,543)	125,883
Total	<u>\$ 337,042</u>	<u>\$ (136,404)</u>	<u>\$ 200,638</u>

The Town contributions subsequent to the measurement date of \$44,040 and \$14,332 for FRS and HIS, respectively, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019.

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

Reporting Period Ending September 30,	<u>FRS Expense</u>	<u>HIS Expense</u>
2020	\$ 218,159	\$ 46,037
2021	79,348	49,857
2022	176,742	43,610
2023	128,788	14,631
2024	20,487	20,652
Thereafter	(75)	11,519
Total	<u>\$ 623,449</u>	<u>\$ 186,306</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 8 - FLORIDA RETIREMENT SYSTEM (continued)**

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

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

	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Total Contribution</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Special Risk Class	3.00%	22.78%	25.78%
Senior Management Service Class	3.00%	22.37%	25.37%
Regular Class	3.00%	6.54%	9.54%
Elected Officer's Class	3.00%	46.98%	49.98%
DROP from FRS	0.00%	12.37%	12.37%

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS**

Plan Description and Benefits Provided

The Town offers to retiring employees a one-time opportunity to participate in the Town's employee group health and life insurance program pursuant to Section 112.0801, Florida Statutes. This required participation for retirees and their eligible dependents in the health and life insurance program and other coverage listed in the statute of the Town is at a premium cost to the retiree that is no more than the premium cost applicable to active employees. A retiring member who rejects this initial opportunity to continue to participate in the health and life insurance program will not be entitled to another opportunity to renew participation at any time in the future. The coverage provided under this program is supplemental and/or secondary to coverage under any and all other health insurance plans or programs that are provided to or carried by the retiring member from any other source. As of September 30, 2019, there was 1 participant receiving these post-employment benefits.

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

Funding Policy

The Town currently pays for post-employment healthcare and life insurance benefits program on a pay-as-you go basis. As of September 30, 2019, the Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post-employment benefits, which would require the reporting of a trust fund in accordance with GASB requirements. The contribution requirements are provided for in the collective bargaining agreements negotiated with various unions representing the employees. Life insurance coverage for retiree and spouse is 100% retiree paid.

Employees Covered by Benefit Terms

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

As of the October 1, 2018 actuarial valuation, the following employees were covered by the benefit terms of the Plan:

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

Total OPEB Liability

The Town’s total OPEB liability of \$68,721 was measured as of September 30, 2019 and was determined based on an actuarial valuation performed as of October 1, 2017.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.58%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

Discount Rate

Given the Town’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index (the “Index”) as published by S&P Dow Jones Indices. The Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard & Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense. For the year ended September 30, 2019, the Town recognized OPEB expense of \$17,361.



**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Changes in Total OPEB Liability

	Increased and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2018	\$ 63,789
Changes for the Year:	
Service Cost	5,430
Interest	2,663
Changes of Assumptions	7,968
Benefit Payments	(11,129)
Net Changes	4,932
Reporting Period Ending September 30, 2019	\$ 68,721

Changes of assumptions reflect a change in the discount rate from 4.18% for the fiscal year ending September 30, 2018 to 3.58% for the fiscal year ending September 30, 2019.

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

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

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability	\$ 84,694	\$ 68,721	\$ 56,010

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

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

	1% Decrease 3.00% - 7.50%	Current Healthcare Cost Trend Rates 4.00% - 8.50%	1% Increase 5.00% - 9.50%
Total OPEB Liability	\$ 53,212	\$ 68,721	\$ 88,923

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

Agreement with Miami-Dade County for Local Police Patrol Services

Effective November 14, 2004, the Town executed an agreement with Miami-Dade County for local police patrol services provided by the County. Consideration for the services is based utilizing the actual costs of officers and equipment. Services are due on a quarterly basis in accordance with the Town's annual budget. The last payment of the fiscal year is adjusted to actual costs for the year. Additional payments are required for optional law enforcement services. On March 4, 2014, the Town approved a new contract which was set to expire on November 13, 2019 and was retroactive to November 13, 2012. Subsequent to year end, the Town approved a new contract effective October 1, 2019 and expiring September 30, 2024. The Town paid approximately \$8,000,000 to the County for local police patrol services during the fiscal year ended September 30, 2019.

Litigation

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

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

Grants

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

**NOTE 11 - RISK MANAGEMENT**

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



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 7,111,200	\$ 7,111,200	\$ 7,148,392	\$ 37,192
Utility taxes	3,325,501	3,325,501	2,860,586	(464,915)
Franchise fees	1,275,000	1,275,000	1,130,788	(144,212)
Communication service tax	1,224,864	1,224,864	1,130,732	(94,132)
Other taxes	160,000	160,000	115,543	(44,457)
Licenses and permits	243,500	243,500	306,203	62,703
Intergovernmental	3,227,770	3,227,770	3,248,004	20,234
Fines and forfeitures	195,000	195,000	195,518	518
Service charges	180,190	180,190	189,557	9,367
Investment income	80,000	80,000	45,525	(34,475)
Other	189,176	260,678	172,054	(88,624)
Total revenues	<u>17,212,201</u>	<u>17,283,703</u>	<u>16,542,902</u>	<u>(740,801)</u>
<b>Expenditures:</b>				
General government:				
Town council	643,922	648,922	539,328	109,594
Town administration and finance	3,256,908	3,252,361	2,555,308	697,053
Legal	200,000	255,000	257,448	(2,448)
Total general government	<u>4,100,830</u>	<u>4,156,283</u>	<u>3,352,084</u>	<u>804,199</u>
Public safety:				
Police	8,619,291	8,667,291	8,661,420	5,871
Zoning	115,110	115,110	119,595	(4,485)
Parks and recreation	3,207,311	3,321,724	2,946,634	375,090
Public works	1,270,006	1,270,006	1,069,733	200,273
Total expenditures	<u>17,312,548</u>	<u>17,530,414</u>	<u>16,149,466</u>	<u>1,380,948</u>
Excess (deficiency) of revenues over (under) expenditures	(100,347)	(246,711)	393,436	640,147
Other financing (uses):				
Transfers in	-	-	48,123	48,123
Transfers out	(405,653)	(1,028,289)	(1,227,399)	(199,110)
Total other financing sources (uses)	<u>(405,653)</u>	<u>(1,028,289)</u>	<u>(1,179,276)</u>	<u>(150,987)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(506,000)	(1,275,000)	(785,840)	489,160
Fund balance appropriated	<u>506,000</u>	<u>1,275,000</u>	<u>-</u>	<u>(1,275,000)</u>
Net change in fund balance	-	-	(785,840)	(785,840)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>5,274,129</u>	<u>5,274,129</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,488,289</u>	<u>\$ 4,488,289</u>

See notes to budgetary comparison schedules

**TOWN OF MIAMI LAKES, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUILDING DEPARTMENT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Permits and fees	\$ 2,260,000	\$ 2,260,000	\$ 2,123,538	\$ (136,462)
Investment income	10,000	10,000	74,903	64,903
Total revenues	<u>2,270,000</u>	<u>2,270,000</u>	<u>2,198,441</u>	<u>(71,559)</u>
Expenditures:				
Current:				
Building	4,769,590	4,769,590	1,953,377	2,816,213
Capital outlay	-	-	35,645	(35,645)
Total expenditures	<u>4,769,590</u>	<u>4,769,590</u>	<u>1,989,022</u>	<u>2,780,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,499,590)</u>	<u>(2,499,590)</u>	<u>209,419</u>	<u>2,709,009</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(44,776)	(44,776)	(44,161)	615
Total other financing sources (uses)	<u>(44,776)</u>	<u>(44,776)</u>	<u>(44,161)</u>	<u>615</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	<u>(2,544,366)</u>	<u>(2,544,366)</u>	<u>165,258</u>	<u>2,709,624</u>
Fund balance appropriated	<u>2,544,366</u>	<u>2,544,366</u>	<u>-</u>	<u>(2,544,366)</u>
Net change in fund balance	-	-	165,258	165,258
Fund balance, beginning	-	-	2,528,710	2,528,710
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,693,968</u>	<u>\$ 2,693,968</u>

See notes to budgetary comparison schedules

**TOWN OF MIAMI LAKES, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**NOTE 1 – BUDGETARY INFORMATION**

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

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

Excess of Expenditures Over Appropriations

For the year ended September 30, 2019, expenditures in the Debt Service Fund exceeded appropriations by \$1,550. These expenditures were covered by transfers from the General Fund.

**TOWN OF MIAMI LAKES, FLORIDA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
 SEPTEMBER 30, 2019

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 5,430	\$ 5,861
Interest	2,663	2,654
Changes of assumptions	7,968	(6,625)
Benefit payments	<u>(11,129)</u>	<u>(10,257)</u>
Net change in total OPEB liability	4,932	(8,367)
<b>Total OPEB liability - beginning</b>	<u>63,789</u>	<u>72,156</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 68,721</u></u>	<u><u>\$ 63,789</u></u>
Covered-employee payroll	\$ 3,471,781	\$ 3,387,103
Total OPEB liability as a percentage of covered-employee payroll	1.98%	1.88%

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**LAST 6 FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Town's proportion of the net pension liability	0.006983261%	0.007624456%	0.006862616%	0.006556569%	0.006230023%	0.006870141%
The Town's proportionate share of the net pension liability	\$ 2,404,938	\$ 2,296,526	\$ 2,029,916	\$ 1,655,539	\$ 804,691	\$ 419,180
The Town's covered payroll	\$ 4,021,387	\$ 3,908,760	\$ 3,455,365	\$ 3,085,052	\$ 2,922,198	\$ 2,817,529
The Town's proportionate share of the net pension liability as a percentage of its covered payroll	59.80%	58.75%	58.75%	53.66%	27.54%	14.88%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

\* The amounts presented for each fiscal year were determined as of 6/30 (measurement date of the collective net pension liability). The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.



**TOWN OF MIAMI LAKES, FLORIDA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
 FLORIDA RETIREMENT SYSTEM PENSION PLAN  
 LAST 6 FISCAL YEARS\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 272,172	\$ 265,449	\$ 222,786	\$ 191,426	\$ 187,579	\$ 188,515
Contributions in relation to the contractually required contribution	<u>\$ (272,172)</u>	<u>\$ (265,449)</u>	<u>\$ (222,786)</u>	<u>\$ (191,426)</u>	<u>\$ (187,579)</u>	<u>\$ (188,515)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered payroll	\$ 4,036,102	\$ 3,947,898	\$ 3,489,915	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Contributions as a percentage of covered payroll	6.74%	6.72%	6.38%	6.14%	6.35%	6.62%

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**HEALTH INSURANCE SUBSIDY PENSION PLAN**  
**LAST 6 FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Town's proportion of the net pension liability	0.011835942%	0.011956689%	0.010492759%	0.010380367%	0.009449186%	0.009533181%
The Town's proportionate share of the net pension liability	\$ 1,324,323	\$ 1,265,509	\$ 1,121,934	\$ 1,209,789	\$ 963,668	\$ 891,376
The Town's covered payroll	\$ 4,021,387	\$ 3,908,760	\$ 3,455,365	\$ 3,085,052	\$ 2,922,198	\$ 2,817,529
The Town's proportionate share of the net pension liability as a percentage of its covered payroll	32.93%	32.38%	32.47%	39.21%	32.98%	31.64%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* The amounts presented for each fiscal year were determined as of 6/30 (measurement date of the collective net pension liability). The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

**TOWN OF MIAMI LAKES, FLORIDA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
 HEALTH INSURANCE SUBSIDY PENSION PLAN  
 LAST 6 FISCAL YEARS\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 63,843	\$ 63,851	\$ 56,045	\$ 51,723	\$ 37,192	\$ 34,152
Contributions in relation to the contractually required contribution	<u>\$ (63,843)</u>	<u>\$ (63,851)</u>	<u>\$ (56,045)</u>	<u>\$ (51,723)</u>	<u>\$ (37,192)</u>	<u>\$ (34,152)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Town's covered payroll	\$ 4,036,102	\$ 3,947,898	\$ 3,489,915	\$ 3,115,864	\$ 2,951,715	\$ 2,845,986
Contributions as a percentage of covered payroll	1.58%	1.62%	1.61%	1.66%	1.26%	1.20%

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



## **COMBINING FINANCIAL STATEMENTS**



## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Fund

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

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

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

### Debt Service Fund

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

### Capital Projects Fund

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

**TOWN OF MIAMI LAKES, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

Nonmajor Governmental Funds						
	Special Revenue			Debt Service	Capital Projects	
	Special Revenue	Neighborhood Service Districts	Impact Fees	Debt Service	Infrastructure	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 731,950	\$ 382,966	\$ 831,023	\$ 306,370	\$ 109,844	\$ 2,362,153
Investments	267,582	140,002	303,800	-	40,156	751,540
Accounts receivables, net	390,953	-	402,297	299,257	-	1,092,507
Due from other funds	-	-	-	123,182	-	123,182
Restricted assets:						
Cash and cash equivalents	-	-	-	469,931	-	469,931
Investments	-	-	-	667,995	-	667,995
Total assets	<u>\$ 1,390,485</u>	<u>\$ 522,968</u>	<u>\$ 1,537,120</u>	<u>\$ 1,866,735</u>	<u>\$ 150,000</u>	<u>\$ 5,467,308</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 157,689	\$ 211,868	\$ -	\$ -	\$ -	\$ 369,557
Accrued payroll and benefits	3,127	-	-	-	-	3,127
Due to other funds	-	-	-	603,627	-	603,627
Total liabilities	<u>160,816</u>	<u>211,868</u>	<u>-</u>	<u>603,627</u>	<u>-</u>	<u>976,311</u>
<b>FUND BALANCES</b>						
Restricted for:						
Debt service	-	-	-	1,263,108	-	1,263,108
Transit - CITT 20	102,057	-	-	-	-	102,057
Transportation - CITT 80	167,082	-	-	-	-	167,082
Transportation - Gas Tax	54,499	-	-	-	-	54,499
Developer contribution	300,000	-	-	-	-	300,000
Mobility	126,163	-	-	-	-	126,163
Tree removal	79,983	-	-	-	-	79,983
Impact fees:						
Public safety	-	-	114,515	-	-	114,515
Parks	-	-	1,422,605	-	-	1,422,605
Neighborhood Service Districts	-	311,100	-	-	-	311,100
Greenway 77th Court	200,000	-	-	-	-	200,000
Large Park LOS	199,885	-	-	-	-	199,885
Committed for:						
Infrastructure projects	-	-	-	-	150,000	150,000
Total fund balances	<u>1,229,669</u>	<u>311,100</u>	<u>1,537,120</u>	<u>1,263,108</u>	<u>150,000</u>	<u>4,490,997</u>
Total liabilities and fund balances	<u>\$ 1,390,485</u>	<u>\$ 522,968</u>	<u>\$ 1,537,120</u>	<u>\$ 1,866,735</u>	<u>\$ 150,000</u>	<u>\$ 5,467,308</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Nonmajor Governmental Funds					Total Nonmajor Governmental Funds
	Special Revenue			Debt Service	Capital Projects	
	Special Revenue	Neighborhood Service Districts	Impact Fees	Debt Service	Infrastructure	
Revenues:						
Utility taxes	\$ -	\$ -	\$ -	\$ 711,446	\$ -	\$ 711,446
Other taxes	407,993	-	-	-	-	407,993
Licenses and permits	725,073	-	-	-	-	725,073
Intergovernmental	1,309,407	-	-	-	-	1,309,407
Impact fees:						
Public safety	-	-	113,277	-	-	113,277
Parks	-	-	661,964	-	-	661,964
Investment income	27,951	2,139	36,561	19,177	-	85,828
Developers contributions	-	-	360,254	-	-	360,254
Special assessments	-	1,721,029	-	-	-	1,721,029
Other	27,500	55,776	-	180,072	-	263,348
Total revenues	<u>2,497,924</u>	<u>1,778,944</u>	<u>1,172,056</u>	<u>910,695</u>	<u>-</u>	<u>6,359,619</u>
Expenditures:						
Current:						
Transportation	1,286,168	-	-	5,100	-	1,291,268
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	548,499	-	548,499
Administrative	-	1,467,844	-	-	-	1,467,844
Capital outlay	-	-	120,538	-	-	120,538
Total expenditures	<u>1,286,168</u>	<u>1,467,844</u>	<u>120,538</u>	<u>553,599</u>	<u>-</u>	<u>3,428,149</u>
Excess of revenues over expenditures	<u>1,211,756</u>	<u>311,100</u>	<u>1,051,518</u>	<u>357,096</u>	<u>-</u>	<u>2,931,470</u>
Other financing sources (uses)						
Transfers in	-	-	-	53,223	150,000	203,223
Transfers out	(925,420)	-	(688,996)	(48,123)	-	(1,662,539)
Total other financing sources (uses)	<u>(925,420)</u>	<u>-</u>	<u>(688,996)</u>	<u>5,100</u>	<u>150,000</u>	<u>(1,459,316)</u>
Net change in fund balances	286,336	311,100	362,522	362,196	150,000	1,472,154
Fund balances, beginning	943,333	-	1,174,598	900,912	-	3,018,843
Fund balances, ending	<u>\$ 1,229,669</u>	<u>\$ 311,100</u>	<u>\$ 1,537,120</u>	<u>\$ 1,263,108</u>	<u>\$ 150,000</u>	<u>\$ 4,490,997</u>



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



**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
<b>Revenues:</b>				
Gas tax 6 cents	\$ 395,000	\$ 395,000	\$ 407,993	\$ 12,993
CITT transit sales tax 20%	240,000	240,000	261,881	21,881
CITT transportation sales tax 80%	975,000	975,000	1,047,526	72,526
Tree program, Greenway and Large Parks LOS	7,500	7,500	466,731	459,231
Mobility	335,000	335,000	258,342	(76,658)
Investment income	5,000	5,000	27,951	22,951
Other	-	-	27,500	27,500
Total revenues	<u>1,957,500</u>	<u>1,957,500</u>	<u>2,497,924</u>	<u>540,424</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Tree program	30,727	30,727	16,325	14,402
Transportation	847,122	944,862	835,450	109,412
Transit	384,888	460,146	407,470	52,676
Mobility	20,500	20,500	26,923	(6,423)
Contingency	411,940	303,699	-	303,699
Total expenditures	<u>1,695,177</u>	<u>1,759,934</u>	<u>1,286,168</u>	<u>473,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>262,323</u>	<u>197,566</u>	<u>1,211,756</u>	<u>1,014,190</u>
<b>Other financing sources (uses)</b>				
Transfers out	(964,500)	(1,129,920)	(925,420)	204,500
Total other financing sources (uses)	<u>(964,500)</u>	<u>(1,129,920)</u>	<u>(925,420)</u>	<u>204,500</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(702,177)	(932,354)	286,336	1,218,690
Fund balance appropriated	<u>702,177</u>	<u>932,354</u>	<u>-</u>	<u>(932,354)</u>
Net change in fund balance	-	-	286,336	286,336
Fund balance, beginning	-	-	943,333	943,333
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,229,669</u>	<u>\$ 1,229,669</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - NEIGHBORHOOD SERVICE DISTRICTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
Special assessment	\$ 1,690,780	\$ 1,690,780	\$ 1,721,029	\$ 30,249
Investment income	-	-	2,139	2,139
Other	-	-	55,776	55,776
Total revenues	<u>1,690,780</u>	<u>1,690,780</u>	<u>1,778,944</u>	<u>88,164</u>
Expenditures:				
Current:				
Administrative	<u>1,690,780</u>	<u>1,690,780</u>	<u>1,467,844</u>	<u>222,936</u>
Total expenditures	<u>1,690,780</u>	<u>1,690,780</u>	<u>1,467,844</u>	<u>222,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>311,100</u>	<u>311,100</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	<u>-</u>	<u>-</u>	<u>311,100</u>	<u>311,100</u>
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>311,100</u>	<u>311,100</u>
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,100</u>	<u>\$ 311,100</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - IMPACT FEES FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Impact Fees				
Public safety	\$ 310,000	\$ 310,000	\$ 113,277	\$ (196,723)
Parks	1,340,000	1,340,000	661,964	(678,036)
Developer contributions	641,934	699,269	360,254	(339,015)
Investment income	-	-	36,561	36,561
Total revenues	<u>2,291,934</u>	<u>2,349,269</u>	<u>1,172,056</u>	<u>(1,177,213)</u>
Expenditures:				
Current:				
Public safety	185,597	185,597	-	185,597
Parks	2,391,992	2,391,992	-	2,391,992
Capital outlay - public safety	245,000	245,000	120,538	124,462
Total expenditures	<u>2,822,589</u>	<u>2,822,589</u>	<u>120,538</u>	<u>2,702,051</u>
Excess (deficiency) of revenues over (under) expenditures	(530,655)	(473,320)	1,051,518	1,524,838
Other financing (uses):				
Transfers out	(641,934)	(699,269)	(688,996)	10,273
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	(1,172,589)	(1,172,589)	362,522	1,535,111
Fund balance appropriated	1,172,589	1,172,589	-	(1,172,589)
Net change in fund balance	-	-	362,522	362,522
Fund balance, beginning	-	-	1,174,598	1,174,598
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,537,120</u>	<u>\$ 1,537,120</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
Electric utility taxes	\$ 372,745	\$ 372,745	\$ 711,446	\$ 338,701
Investment income	-	-	19,177	19,177
Other	179,304	179,304	180,072	768
Total revenues	<u>552,049</u>	<u>552,049</u>	<u>910,695</u>	<u>358,646</u>
Expenditures:				
Current:				
Transportation	3,550	3,550	5,100	(1,550)
Interest	548,499	548,499	548,499	-
Total expenditures	<u>552,049</u>	<u>552,049</u>	<u>553,599</u>	<u>(1,550)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	357,096	357,096
Other financing sources (uses):				
Transfers in	-	-	5,100	5,100
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,100</u>	<u>5,100</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	362,196	362,196
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	362,196	362,196
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>900,912</u>	<u>900,912</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,263,108</u>	<u>\$ 1,263,108</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Gas tax 3 cents	\$ 152,000	\$ 152,000	\$ 156,596	\$ 4,596
Intergovernmental	6,264,638	7,052,061	918,609	(6,133,452)
Investment income	16,000	16,000	40,693	24,693
Total revenues	<u>6,432,638</u>	<u>7,220,061</u>	<u>1,115,898</u>	<u>(6,104,163)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Transportation / public works	264,469	98,589	54,558	44,031
Parks and recreation	-	10,175	64,173	(53,998)
<b>Capital outlay:</b>				
Drainage improvements	3,837,500	3,940,460	1,133,550	2,806,910
Transportation improvements	4,972,647	5,765,019	890,926	4,874,093
Parks and recreation	1,563,625	2,429,495	538,733	1,890,762
Facilities and equipment	-	27,564	27,551	13
Total expenditures	<u>10,638,241</u>	<u>12,271,302</u>	<u>2,709,491</u>	<u>9,561,811</u>
(Deficiency) of revenues (under) expenditures	(4,205,603)	(5,051,241)	(1,593,593)	3,457,648
<b>Other financing sources (uses)</b>				
Transfers in	3,041,177	3,827,068	2,746,552	(1,080,516)
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	<u>2,891,177</u>	<u>3,677,068</u>	<u>2,596,552</u>	<u>(1,080,516)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(1,314,426)	(1,374,173)	1,002,959	2,377,132
Fund balance appropriated	<u>1,314,426</u>	<u>1,374,173</u>	<u>-</u>	<u>(1,374,173)</u>
Net change in fund balance	-	-	1,002,959	1,002,959
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>1,374,174</u>	<u>1,374,174</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,377,133</u>	<u>\$ 2,377,133</u>



**STATISTICAL SECTION**

**TOWN OF MIAMI LAKES, FLORIDA**  
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	66-70
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	71-75
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Net investment in capital assets	\$ 16,025,495	\$ 18,197,702	\$ 20,557,318	\$ 21,814,437	\$ 22,471,538	\$ 23,189,174	\$ 24,384,954	\$ 25,025,518	\$ 25,989,505	\$ 26,298,602
Restricted	2,776,914	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581	4,316,340	6,815,901	6,923,570	9,386,450
Unrestricted	9,644,228	6,230,900	5,883,351	6,797,024	7,228,689	3,794,639	3,497,638	2,929,081	2,527,265	1,520,325
Total governmental activities net position	<u>\$ 28,446,637</u>	<u>\$ 32,469,706</u>	<u>\$ 33,029,607</u>	<u>\$ 33,633,440</u>	<u>\$ 34,451,079</u>	<u>\$ 32,358,394</u>	<u>\$ 32,198,932</u>	<u>\$ 34,770,500</u>	<u>\$ 35,440,340</u>	<u>\$ 37,205,377</u>
Business-type activities:										
Net investment in capital assets	\$ 4,167,647	\$ 4,086,787	\$ 4,734,099	\$ 6,486,581	\$ 7,092,272	\$ 7,641,072	\$ 8,865,688	\$ 9,743,318	\$ 10,777,658	\$ 11,642,537
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,998,079	899,610	410,351	380,542	648,868	221,981	571,384	420,691	206,814	14,328
Total business-type activities net position	<u>\$ 6,165,726</u>	<u>\$ 4,986,397</u>	<u>\$ 5,144,450</u>	<u>\$ 6,867,123</u>	<u>\$ 7,741,140</u>	<u>\$ 7,863,053</u>	<u>\$ 9,437,072</u>	<u>\$ 10,164,009</u>	<u>\$ 10,984,472</u>	<u>\$ 11,656,865</u>
Primary government										
Net investment in capital assets	\$ 20,193,142	\$ 22,284,489	\$ 25,291,417	\$ 28,301,018	\$ 29,563,810	\$ 30,830,246	\$ 33,250,642	\$ 34,768,836	\$ 36,767,163	\$ 37,941,139
Restricted	2,776,914	8,041,104	6,588,938	5,021,979	4,750,852	5,374,581	4,316,340	6,815,901	6,923,570	9,386,450
Unrestricted	11,692,307	7,130,510	6,293,702	7,177,566	7,877,557	4,016,620	4,069,022	3,349,772	2,734,079	1,534,653
Total primary government net position	<u>\$ 34,662,363</u>	<u>\$ 37,456,103</u>	<u>\$ 38,174,057</u>	<u>\$ 40,500,563</u>	<u>\$ 42,192,219</u>	<u>\$ 40,221,447</u>	<u>\$ 41,636,004</u>	<u>\$ 44,934,509</u>	<u>\$ 46,424,812</u>	<u>\$ 48,862,242</u>



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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 2,648,569	\$ 4,006,694	\$ 3,241,018	\$ 3,505,665	\$ 3,359,809	\$ 4,504,066	\$ 5,466,296	\$ 5,918,945	\$ 5,439,496	\$ 5,855,914
Public safety	6,654,020	6,566,778	6,234,271	6,287,319	6,365,715	7,972,810	8,014,737	9,640,653	10,202,073	10,786,886
Parks and recreation	3,019,126	2,667,382	2,798,627	2,703,496	3,051,793	3,306,152	3,481,695	4,772,220	6,405,543	3,508,046
Public works	1,288,942	1,746,804	2,353,479	2,831,483	2,527,545	2,691,114	2,631,509	2,624,862	2,883,959	2,890,902
Comprehensive planning	1,634,827	1,452,701	1,636,965	1,622,645	1,679,697	-	-	-	-	-
Physical environment	-	-	-	-	-	4,307	-	-	-	-
Interest expense	14,971	260,156	561,402	528,383	603,123	600,247	654,998	596,942	551,077	550,747
<b>Total governmental activities expenses</b>	<b>15,260,455</b>	<b>16,700,515</b>	<b>16,825,762</b>	<b>17,478,991</b>	<b>17,587,682</b>	<b>19,078,696</b>	<b>20,249,235</b>	<b>23,553,622</b>	<b>25,482,148</b>	<b>23,592,495</b>
<b>Business-type activities:</b>										
Stormwater utilities	686,953	630,757	892,995	877,397	783,596	1,033,870	818,380	937,656	1,369,005	1,272,487
<b>Total business-type activities expenses</b>	<b>686,953</b>	<b>630,757</b>	<b>892,995</b>	<b>877,397</b>	<b>783,596</b>	<b>1,033,870</b>	<b>818,380</b>	<b>937,656</b>	<b>1,369,005</b>	<b>1,272,487</b>
<b>Total primary government expenses</b>	<b>15,947,408</b>	<b>17,331,272</b>	<b>17,718,757</b>	<b>18,356,388</b>	<b>18,371,278</b>	<b>20,112,566</b>	<b>21,067,615</b>	<b>24,491,278</b>	<b>26,851,153</b>	<b>24,864,982</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	20,252	109,411	229,955	181,927	251,688	926,044	13,079	14,004	23,550	1,726,515
Public safety	257,927	277,300	215,183	324,720	536,168	318,413	2,046,763	3,869,723	3,327,193	2,738,436
Parks and recreation	-	-	7,085	11,705	43,139	85,024	131,628	1,146,389	1,129,490	814,497
Public works	-	-	-	-	-	304,848	719,774	49,342	168,554	756,711
Comprehensive planning	1,098,041	1,063,299	1,064,408	1,003,083	1,197,885	-	-	-	-	-
Operating grants and contributions	205,390	655,345	564,774	178,071	3,392	70,759	2,075,665	2,816,820	2,955,170	129,890
Capital grants and contributions	312,500	2,023,000	-	1,978,459	36,655	259,538	442,691	50,348	-	1,180,274
<b>Total governmental activities program revenues</b>	<b>1,894,110</b>	<b>4,128,355</b>	<b>2,081,405</b>	<b>3,677,965</b>	<b>2,068,927</b>	<b>1,964,626</b>	<b>5,429,600</b>	<b>7,946,626</b>	<b>7,603,957</b>	<b>7,346,323</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Stormwater Utility	983,278	1,011,821	978,961	970,188	850,864	942,089	953,982	1,034,314	1,043,899	1,058,714
Operating grants and contributions	-	-	-	-	-	-	-	1,052,142	1,286,662	-
<b>Total business-type activities program revenues</b>	<b>983,278</b>	<b>1,011,821</b>	<b>978,961</b>	<b>970,188</b>	<b>850,864</b>	<b>942,089</b>	<b>953,982</b>	<b>2,086,456</b>	<b>2,330,561</b>	<b>1,058,714</b>
<b>Total primary government program revenues</b>	<b>\$ 2,877,388</b>	<b>\$ 5,140,176</b>	<b>\$ 3,060,366</b>	<b>\$ 4,648,153</b>	<b>\$ 2,919,791</b>	<b>\$ 2,906,715</b>	<b>\$ 6,383,582</b>	<b>\$ 10,033,082</b>	<b>\$ 9,934,518</b>	<b>\$ 8,405,037</b>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net (Expense) Revenue										
Governmental activities	\$ (13,366,344)	\$ (12,572,160)	\$ (14,744,356)	\$ (13,801,027)	\$ (15,518,755)	\$ (17,114,070)	\$ (14,819,635)	\$ (15,606,996)	\$ (17,878,191)	\$ (16,246,172)
Business-type activities	296,325	381,064	85,966	92,791	67,268	(91,781)	135,602	1,148,800	961,556	(213,773)
Total primary government net expense	<u>(13,070,019)</u>	<u>(12,191,096)</u>	<u>(14,658,390)</u>	<u>(13,708,236)</u>	<u>(15,451,487)</u>	<u>(17,205,851)</u>	<u>(14,684,033)</u>	<u>(14,458,196)</u>	<u>(16,916,635)</u>	<u>(16,459,945)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	6,572,134	5,660,784	5,441,776	5,432,333	5,525,235	5,784,851	5,967,817	6,267,177	6,753,219	7,148,392
Utility service taxes	2,730,389	2,802,104	2,845,651	3,016,183	3,254,550	3,230,117	3,297,894	3,407,508	3,432,608	3,572,032
Communication services tax	1,560,902	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736	1,245,617	1,166,035	1,209,860	1,130,732
Franchise taxes	2,008,171	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066	1,179,362	925,699	1,272,507	1,130,788
Other taxes	-	-	-	-	-	713,520	702,897	716,927	724,429	680,132
Intergovernmental not restricted to specific programs	3,330,153	3,595,274	4,167,906	4,565,197	4,596,066	4,202,536	4,307,731	4,323,130	4,493,335	4,546,832
Investment and miscellaneous income	106,006	54,466	80,198	103,153	99,441	83,792	77,678	136,894	219,534	246,949
Gain (loss) on disposal	-	-	-	-	-	-	(17,084)	-	-	-
Special items/Other income	-	-	-	-	797,614	264,769	272,221	766,227	348,459	435,402
Transfers	(86,092)	1,565,914	(70,776)	(1,629,485)	(804,131)	(251,946)	(1,267,755)	468,967	150,629	(880,050)
Total governmental activities	<u>16,221,663</u>	<u>16,545,229</u>	<u>15,487,257</u>	<u>14,404,859</u>	<u>16,554,429</u>	<u>16,565,441</u>	<u>15,766,378</u>	<u>18,178,564</u>	<u>18,604,580</u>	<u>18,011,209</u>
Business-type activities:										
General Revenues										
Investment income	13,666	5,521	1,311	397	2,618	32,138	39,094	47,104	8,276	6,116
Investment and miscellaneous income	-	-	-	1,629,485	-	-	-	-	1,260	-
Transfers	86,092	(1,565,914)	70,776	-	804,131	251,946	1,267,755	(468,967)	(150,629)	880,050
Total business-type activities	<u>99,758</u>	<u>(1,560,393)</u>	<u>72,087</u>	<u>1,629,882</u>	<u>806,749</u>	<u>284,084</u>	<u>1,306,849</u>	<u>(421,863)</u>	<u>(141,093)</u>	<u>886,166</u>
Total primary government	<u>16,321,421</u>	<u>14,984,836</u>	<u>15,559,344</u>	<u>16,034,741</u>	<u>17,361,178</u>	<u>16,849,525</u>	<u>17,073,227</u>	<u>17,756,701</u>	<u>18,463,487</u>	<u>18,897,375</u>
Change in Net Position										
Governmental activities	2,855,319	3,973,069	742,901	603,832	1,035,674	(548,629)	946,743	2,571,568	726,389	1,765,037
Business-type activities	396,083	(1,179,329)	158,053	1,722,673	874,017	192,303	1,442,451	726,937	820,463	672,393
Total primary government	<u>\$ 3,251,402</u>	<u>\$ 2,793,740</u>	<u>\$ 900,954</u>	<u>\$ 2,326,505</u>	<u>\$ 1,909,691</u>	<u>\$ (356,326)</u>	<u>\$ 2,389,194</u>	<u>\$ 3,298,505</u>	<u>\$ 1,546,852</u>	<u>\$ 2,437,430</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Non Spendable	\$ -	\$ -	\$ 27,798	\$ 95,039	\$ 118,803	\$ 153,892	\$ 222,531	\$ 220,012	\$ 225,260	\$ 265,331
Restricted	549,214	28,283	33,735	-	-	-	-	-	-	-
Unassigned	9,259,782	8,361,930	3,936,392	4,088,844	4,776,905	4,412,605	4,553,946	4,349,056	5,048,869	4,222,958
<b>Total General Fund</b>	<b>\$ 9,808,996</b>	<b>\$ 8,390,213</b>	<b>\$ 3,997,925</b>	<b>\$ 4,183,883</b>	<b>\$ 4,895,708</b>	<b>\$ 4,566,497</b>	<b>\$ 4,776,477</b>	<b>\$ 4,569,068</b>	<b>\$ 5,274,129</b>	<b>\$ 4,488,289</b>
All Other Governmental Funds										
Non Spendable	\$ -	\$ -	\$ -	\$ 33,452	\$ 25,862	\$ 24,781	\$ -	\$ 430	\$ -	\$ 25,648
<i>Restricted, reported in:</i>										
Special Revenue Fund	-	1,087,962	1,011,206	3,630,535	727,446	914,553	1,571,737	1,481,522	945,176	1,229,669
Capital Projects Fund	-	2,358,772	2,535,947	-	2,942,843	3,553,535	1,831,041	2,267,781	1,374,174	2,377,133
Town Government Center	-	3,665,450	2,131,416	1,296,471	-	-	-	-	-	-
Roadway Improvement	-	-	-	8,700	8,700	-	-	-	-	-
Debt Service Fund	-	900,637	876,634	909,899	1,071,863	906,493	875,282	888,486	900,912	1,263,108
Impact Fee Fund (Public Safety & Parks)	-	-	-	-	-	-	38,280	351,233	1,174,598	1,537,120
Building Department Fund	-	-	-	-	-	-	-	1,826,879	2,528,710	2,668,320
Neighborhood Service Districts	-	-	-	-	-	-	-	-	-	311,100
<i>Committed, reported in:</i>										
Infrastructure Fund	-	-	-	-	-	-	-	-	-	150,000
<i>Assigned, reported in:</i>										
Special Revenue Fund	1,024,130	-	-	-	-	-	-	-	-	-
Capital Projects Fund	1,728,570	2,322,592	5,392,655	3,974,673	3,566,111	1,961,499	786,094	836,648	-	-
Unassigned	-	-	-	-	-	-	-	(2,273)	(1,843)	-
<b>Total all other governmental funds</b>	<b>\$ 2,752,700</b>	<b>\$10,335,413</b>	<b>\$11,947,858</b>	<b>\$ 9,853,730</b>	<b>\$ 8,342,825</b>	<b>\$ 7,360,861</b>	<b>\$ 5,102,434</b>	<b>\$ 7,650,706</b>	<b>\$ 6,921,727</b>	<b>\$ 9,562,098</b>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>										
Ad valorem taxes	\$ 6,572,134	\$ 5,660,784	\$ 5,441,776	\$ 5,432,333	\$ 5,525,235	\$ 5,784,851	\$ 5,967,817	\$ 6,267,177	\$ 6,753,219	\$ 7,148,392
Utility taxes	2,730,389	2,802,104	2,845,651	3,016,184	3,254,550	3,230,117	3,297,894	3,407,508	3,432,608	3,572,032
Franchise fees	2,008,171	1,444,179	1,673,746	1,550,625	1,147,889	1,160,066	1,179,362	925,699	1,272,507	1,130,788
Communication service tax	1,560,902	1,422,508	1,348,756	1,366,853	1,937,765	1,377,736	1,245,617	1,166,035	1,209,860	1,130,732
Other taxes	-	-	-	-	-	-	-	-	-	680,132
Licenses and permits	1,098,041	1,063,299	1,064,408	1,003,083	1,197,885	1,188,917	2,385,033	3,469,773	3,042,388	3,154,814
Intergovernmental	3,848,044	4,334,874	4,924,656	6,905,351	4,813,430	4,532,833	4,797,353	6,890,298	7,448,505	5,496,742
Fines and forfeitures	257,927	277,300	215,183	324,720	536,168	312,466	274,594	224,887	193,841	195,518
Service charges	-	-	-	-	-	-	-	183,369	192,653	189,557
Impact fees	-	-	-	-	-	-	70,092	1,201,429	1,219,905	775,241
Investment income	64,557	46,636	66,720	103,150	99,441	83,792	77,678	136,894	219,534	246,949
Developers contributions	-	-	-	-	-	-	2,028,734	300,000	-	360,254
Special assessments	-	-	-	-	-	-	-	-	-	1,721,029
Others	61,702	32,988	58,545	10,008	915,125	1,111,235	1,156,643	1,483,154	1,072,888	435,402
<b>Total Revenues</b>	<b>18,201,867</b>	<b>17,084,672</b>	<b>17,639,441</b>	<b>19,712,307</b>	<b>19,427,488</b>	<b>18,782,013</b>	<b>22,480,817</b>	<b>25,656,223</b>	<b>26,057,908</b>	<b>26,237,582</b>
<b>Expenditures</b>										
<b>General government:</b>										
Town Council	191,879	805,975	404,915	427,733	354,820	628,992	516,371	536,680	507,664	539,328
Town Administration and Finance	2,003,924	2,483,915	2,420,844	2,367,698	2,212,155	2,645,746	3,775,637	4,272,614	2,419,721	2,401,870
Legal	469,724	475,202	458,525	292,506	268,987	639,785	410,545	559,652	321,686	257,448
<b>Total general government</b>	<b>2,665,527</b>	<b>3,765,092</b>	<b>3,284,284</b>	<b>3,087,937</b>	<b>2,835,962</b>	<b>3,914,523</b>	<b>4,702,553</b>	<b>5,368,946</b>	<b>3,249,071</b>	<b>3,198,646</b>
Public safety	6,554,129	6,558,600	6,234,271	6,306,601	6,350,819	7,973,823	7,917,265	8,092,524	10,173,706	10,734,392
Parks and recreation	2,272,225	2,194,546	2,248,811	2,183,242	2,495,685	2,721,909	2,826,779	4,140,497	5,764,672	3,005,764
Public works/transportation	1,170,545	1,469,459	2,018,943	2,485,634	2,175,948	2,345,948	2,255,619	2,254,540	2,441,236	2,415,559
Comprehensive planning	1,619,772	1,456,088	1,439,318	1,635,458	1,679,697	-	-	-	-	-
<b>Debt service:</b>										
Principal	123,724	128,379	201,663	-	100,000	105,000	1,750,050	104,980	150,845	46,607
Interest	14,971	251,046	551,948	549,039	599,573	600,247	654,998	596,942	551,077	550,747
Cost of issuance	-	-	-	53,650	-	-	-	-	-	-
Administrative	-	242,260	-	-	-	2,406	-	-	-	1,467,844
Capital outlay	663,427	3,743,887	5,140,046	7,442,013	3,988,884	3,355,986	4,483,437	2,899,836	3,619,695	2,877,291
<b>Total Expenditures</b>	<b>15,084,320</b>	<b>19,809,357</b>	<b>21,119,284</b>	<b>23,743,574</b>	<b>20,226,568</b>	<b>21,019,842</b>	<b>24,590,701</b>	<b>23,458,265</b>	<b>25,950,302</b>	<b>24,296,850</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from debt issuance	-	7,329,999	-	1,855,000	-	-	-	-	-	-
Discount on debt issued	-	(41,384)	-	-	-	-	-	-	-	-
Transfer in	853,158	3,025,816	4,826,300	1,277,865	1,768,223	1,974,371	2,684,153	3,424,979	1,660,069	2,997,898
Transfer out	(853,158)	\$(1,425,816)	(4,126,300)	(1,009,768)	(1,768,223)	(1,474,371)	(2,684,153)	(3,282,074)	(1,791,593)	(3,084,099)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>8,888,615</b>	<b>700,000</b>	<b>2,123,097</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>142,905</b>	<b>(131,524)</b>	<b>(86,201)</b>
<b>Net change in fund balance</b>	<b>\$ 3,117,547</b>	<b>\$ 6,163,930</b>	<b>\$(2,779,843)</b>	<b>\$(1,908,170)</b>	<b>\$(799,080)</b>	<b>\$(1,737,829)</b>	<b>\$(2,109,884)</b>	<b>\$ 2,340,863</b>	<b>\$(23,918)</b>	<b>\$ 1,854,531</b>
<i>Ratio of total debt service to noncapital expenditures</i>	<i>0.96%</i>	<i>2.36%</i>	<i>4.72%</i>	<i>3.37%</i>	<i>4.31%</i>	<i>3.99%</i>	<i>11.96%</i>	<i>3.41%</i>	<i>3.14%</i>	<i>2.79%</i>

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

Fiscal year	Property Tax	Utility Service Tax	Communication Service Tax	Franchise fees	Total
2010	6,572	2,730	1,561	2,008	12,871
2011	5,661	2,802	1,423	1,444	11,330
2012	5,442	2,846	1,349	1,674	11,311
2013	5,432	3,016	1,367	1,551	11,366
2014	5,525	3,255	1,938	1,148	11,866
2015	5,785	3,230	1,378	1,160	11,553
2016	5,968	3,297	1,246	1,179	11,690
2017	6,267	3,407	1,166	926	11,766
2018	6,753	3,065	1,210	1,273	12,301
2019	7,148	3,572	1,131	1,131	12,982

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

Calendar Year Ended December 31,	Real Property				Total Actual & Just Value of Taxable Property	Exemptions			Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial/ Industrial Property	Government/ Institutional Property	Personal Property		Real Property - Amendment 10 Excluded Value	Real Property - Other Exemptions	Personal Property		
2010	1,938,070	1,004,656	254,679	200,606	3,398,011	226,222	699,371	20,921	2,451,497	2.3702
2011	1,903,646	1,032,709	258,263	194,083	3,388,701	209,587	690,396	19,733	2,468,985	2.3518
2012	1,874,949	1,042,206	256,502	191,859	3,365,516	167,191	511,365	14,560	2,672,400	2.3518
2013	1,907,261	1,042,902	250,187	201,117	3,401,467	282,618	604,260	17,619	2,496,970	2.3518
2014	2,137,641	1,058,802	267,240	185,585	3,649,268	454,180	602,557	18,893	2,573,638	2.3518
2015	2,388,913	1,058,745	271,135	180,874	3,899,667	628,869	611,211	18,311	2,641,276	2.3518
2016	2,577,848	1,110,765	299,061	190,323	4,177,997	749,453	630,582	18,649	2,779,313	2.3518
2017	2,702,800	1,211,433	312,785	185,169	4,412,187	710,706	691,978	19,289	2,990,214	2.3353
2018	2,964,740	1,224,963	312,704	191,529	4,693,936	729,019	760,004	19,436	3,185,477	2.3127
2019	2,998,421	1,289,289	319,256	193,610	4,800,576	N/A	N/A	N/A	3,365,592	2.3127

NOTES:

\* 2019 - Based on preliminary values as final values are NOT yet available.

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

\*\*\* Source: Miami-Dade County Property Appraiser

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

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

Calendar Year Ended December 31,	<u>Direct Rate</u>	<u>Overlapping Rates:</u>						<u>State Rates</u>			Total Direct & Overlapping Rates
	Town of Miami Lakes Operating Millage	<u>Miami-Dade County</u>						South Florida	Environmental Projects	Florida Inland Navigation District	
		Miami-Dade Countywide Operating	Miami-Dade Fire & Rescue Service District	Miami-Dade School Board	Public Library	County Debt Service	Children's Trust	Water Management District			
2010	2.4470	4.8379	2.2271	7.9950	0.3822	0.2850	0.5000	0.5346	0.0894	0.0345	19.3327
2011	2.3702	5.4275	2.5953	8.2490	0.3500	0.4450	0.5000	0.5346	0.0894	0.0345	20.5955
2012	2.3518	4.7035	2.4627	7.7650	0.1725	0.5180	0.5000	0.3676	0.0613	0.0345	18.9369
2013	2.3518	4.7035	2.4623	7.6440	0.1725	0.7550	0.5000	0.3523	0.0587	0.0345	19.0346
2014	2.3518	4.7035	2.4496	7.9770	0.1725	0.4220	0.5000	0.3583	0.0587	0.0345	19.0279
2015	2.3518	4.6669	2.4207	7.9740	0.2840	0.4500	0.5000	0.1577	0.0548	0.0345	18.8944
2016	2.3518	4.6669	2.4293	7.6120	0.2840	0.4500	0.5000	0.1459	0.0506	0.0320	18.5225
2017	2.3353	4.6669	2.4282	7.3220	0.2840	0.4000	0.5000	0.1359	0.0471	0.0320	18.1514
2018	2.3127	4.6669	2.4207	6.7330	0.2840	0.4644	0.4415	0.2519	0.0417	0.0320	17.6488
2019	2.3127	4.6669	2.4207	7.1480	0.2840	0.4780	0.4680	0.2398	0.0397	0.0320	18.0898

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

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

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
<u>Taxpayer</u>						
THE GRAHAM COMPANIES	\$ 428,460	1	12.73%	\$ 354,896	1	14.48%
SENGRA CORPORATION	107,244	2	3.19%			
FLORIDA POWER & LIGHT COMPANY	31,716	3	0.94%	21,673	4	0.88%
ROYAL OAKS PLAZA INC	22,500	4	0.67%	20,500	6	0.84%
MIAMI LAKES COUNTRY CLUB INC	19,212	5	0.57%	20,967	5	0.86%
CATERPILLAR TRACTOR CO	19,100	6	0.57%	24,900	3	1.02%
CORDIS CORPORATION	18,147	7	0.54%			0.00%
MIAMI LAKE AM LLC	16,426	8	0.49%			
COSTCO WHOLESALE CORP	15,722	9	0.47%	17,268	7	0.70%
CFFI MIAMI LAKES LLC	13,690	10	0.41%			
CAP EAST ASSOCIATES				29,575	2	1.21%
PALMS CORPORATE CENTRE LLC				15,024	8	0.61%
KIMCO AUTOFUND LP				13,536	9	0.55%
MAS INVESTMENTS LLC				12,672	10	0.52%
Total	<u>692,218</u>		<u>20.57%</u>	<u>531,011</u>		<u>21.66%</u>
Total Taxable Assessed Value (in thousands)	\$ 3,365,592			\$ 2,451,497		

Source: Miami-Dade County Property Appraiser



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

Fiscal Year ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Net Amount Levied	Percentage of Levy		Amount	Percentage of Levy
2010	6,771	6,414	94.73%	56	6,470	95.55%
2011	6,060	5,757	95.00%	51	5,808	95.84%
2012	5,807	5,258	90.55%	n/a	n/a	n/a
2013	5,517	4,785	86.73%	473	5,258	95.31%
2014	5,904	5,525	93.58%	n/a	n/a	n/a
2015	6,056	5,785	95.53%	85	5,870	96.93%
2016	6,329	5,872	92.78%	95	5,967	94.28%
2017	6,607	6,164	93.29%	103	6,267	94.85%
2018	7,046	6,601	93.69%	152	6,753	95.84%
2019	7,433	6,980	93.90%	169	7,148	96.17%

Source: Miami-Dade County Property Tax Collector

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

Fiscal Year	Government Activities				Business-Type Activities			Total Primary Government	Population	Per Capita Personal Income	Percentage of Personal Income	Debt Per Capita	Debt Coverage	
	Government Activities Notes Payable	Special Obligation Bonds Payable, Series 2010	Roadway Improvement Special Obligation Loan Payable	Quality Improvement Program (QNI P) Roadway	Stormwater Utility Revenue Bonds	Other Obligations	Pledged Revenue						Coverage	
2010	330,042	-	-	-	-	-	330,042	29,361	32,000	0.04%	11.24	(1)		
2011	201,663	7,289,652	-	-	-	-	7,491,315	29,369	29,670	0.86%	255.08	2,439,328	4.45	
2012	-	7,291,032	-	-	-	-	7,291,032	30,057	28,756	0.84%	242.57	2,502,818	4.56	
2013	-	7,292,412	1,855,000	-	-	-	9,147,412	30,396	28,410	1.06%	300.94	2,670,036	4.87	
2014	-	7,293,792	1,755,000	-	-	-	9,048,792	30,161	27,042	1.11%	300.02	2,849,187	5.19	
2015	-	7,295,172	1,650,000	-	-	-	8,945,172	30,791	28,006	1.04%	290.51	2,805,937	5.12	
2016	-	7,296,552	-	1,006,155	449,760	-	8,752,467	30,456	28,888	0.99%	287.38	2,833,279	5.17	
2017	-	7,297,932	-	901,175	403,886	130,662	8,733,655	30,873	31,020	0.91%	282.89	2,924,957	5.33	
2018	-	7,299,312	-	750,330	354,446	116,144	8,520,232	31,087	33,074	0.83%	274.08	2,965,913	5.41	
2019	-	7,300,692	-	703,723	302,486	101,626	8,408,527	31,628	35,026	0.76%	265.86	3,076,152	5.61	

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

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

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

Legend:

(1) No outstanding bonds prior to fiscal year 2011.

TOWN OF MIAMI LAKES, FLORIDA  
DEBT CAPACITY  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2019

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>% of Debt Applied to Miami Lakes (1)</u>	<u>Amount of Debt Applied to Miami Lakes</u>
Miami-Dade County Schools (2)	\$ 958,461,000	1.10%	\$ 10,524,960
Miami-Dade County (3)	2,055,280,000	1.10%	22,569,243
Sub-total overlapping debt	3,013,741,000		33,094,203
Town of Miami Lakes direct debt	8,004,415	100.00%	8,004,415
Total direct and overlapping debt	\$ 3,021,745,415		\$ 41,098,618

Sources:

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

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

Calendar Year	Population	Median Household Income (\$)	Total Personal Income (in 000's)	Unemployment Rate	Per Capita Personal Income	Median Age	School Enrollment
2010	29,361	62,034	852,614	7.00%	29,039	38	7,557
2011	29,369	63,794	871,378	5.70%	29,670	38	8,005
2012	30,057	(1)	(1)	9.10%	(1)	(1)	7,823
2013	30,396	64,497	863,550	7.00%	28,410	38	7,973
2014	30,161	63,754	815,614	7.40%	27,042	39	7,668
2015	30,791	65,269	862,333	5.70%	28,006	39	7,774
2016	30,456	66,601	879,813	5.10%	28,888	39	8,082
2017	30,873	72,225	957,680	3.90%	31,020	38	8,077
2018	31,087	72,545	1,028,171	3.60%	33,074	39	8,222
2019	31,628	73,527	1,107,802	2.70%	35,026	39	8,465

Sources:

Per Capita and Median Household Income information provided by U.S. Bureau of the Census.  
 School enrollment data provided by U.S. Census Bureau for 2000, 2005-2009, and 2008-2011 American Community Survey Estimates.  
 Unemployment rate data provided by the U.S. Bureau of the Census or derived from Local Area Unemployment Statistics.  
 Population information provided by the U.S. Bureau of the Census (2000 and 2011) or Florida's Bureau Economic and Business Research (BEBR).

Note:

(1) Information unavailable

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

Employer	2019			2010		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
CORDIS CORP	505	1	2.99%	(a)		-
KELLSTROM MATERIALS	396	2	2.35%	(a)		-
GRAHAM COMPANIES (ML)	371	3	2.20%	(a)		-
BANK UNITED	274	4	1.62%	(a)		-
PUBLIX SUPER MARKETS #1129	220	5	1.30%	(a)		-
CATERPILLAR LOGISTICS SERVICES, INC.	220	5	1.30%	(a)		-
NATIONAL MOLDING, LLC	205	6	1.21%	(a)		-
WALGREENS #1219-2	202	7	1.20%	(a)		-
ANDY FRAIN SERVICES, INC.	200	8	1.18%	(a)		-
ISACO INTERNATIONAL CORPORATION	200	8	1.18%	(a)		-
	<b>2,793</b>		<b>16.55%</b>			
Total Employed	16,881	(1)		12,153	(2)	

Note (1) U.S. Census Bureau, Selected Economic Characteristics 2008-2011 American Community Survey

Note (2) U.S. Census Bureau - Census 2000 Summary

Note (a) Information unavailable

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Town Clerk's Office	4	5	4	1	1	1	1	1	1	1
Town Administration	11	8	12	14	12	14	17	12	15	15
Building Department	6	4	12	19	12	9	10	10	12	13
Planning, Code Compliance and Development	5	5	5	5	4	4	8	3	4	3
Parks/Recreation and Community Affairs	8	7	16	26	13	8	8	11	12	13
Public Works, Stormwater, Facilities & Transit	1	2	6	7	6	4	4	6	6	7
<b>Total</b>	<b>35</b>	<b>31</b>	<b>55</b>	<b>72</b>	<b>48</b>	<b>40</b>	<b>48</b>	<b>43</b>	<b>50</b>	<b>52</b>

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>General Government</u></b>										
Building permits issued	519	673	699	749	948	799	909	4,622	3,598	4,108
Business Tax Receipts	1,193	1,171	1,250	973	1,394	1,541	1,483	1,422	1,328	1,372
<b><u>Police</u></b>										
Physical arrests	407	362	332	357	273	166	148	177	121	140
<b><u>Culture and Recreation</u></b>										
Summer camp participants - per week	208	215	150	20	100	100	135	135	225	201
Community programs - per year	106	146	93	91	83	47	51	73	66	67
Special events - per year	n/a	n/a	47	48	75	65	65	97	202	165
<b><u>Stormwater Utility</u></b>										
Stormwater system linear feet cleaned	36,602	43,905	24,500	34,180	26,617	25,383	28,602	32,312	37,733	37,999
Number of Stormwater drains cleaned	266	676	185		380	328	429	536	706	617
<b><u>Public Works</u></b>										
Road miles (maintained)	77	60	60	60	60	60	77	77	77	77
Street lights (maintained)	2,943	540	801	1,032	491	485	915	915	915	915

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

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Police (4)</u>										
Police Personnel	50	49	49	49	49	46	49	46	47	51
<u>Culture and Recreation (3)</u>										
Number of parks	99	99	99	101	101	101	101	102	102	102
Park acreage	118.3	118.3	118.3	127.17	127.17	127.17	127.17	127.24	127.24	127.24
Community center	3	3	3	3	3	3	3	4	4	4
<u>Stormwater Drainage (1)</u>										
Stormwater system - linear feet	82,394	86,087	88,894	88,894	90,824	90,824	98,835	98,914	104,700	110,498
Stormwater drains - catchbasins & manholes	1,460	1,464	1,560	1,324	1,335	1,335	1,376	1,377	1,396	1,505
<u>Public Works (2)</u>										
Road miles	77	77	77	77	77	77	77	77	77	77
Street lights	2,943	2,890	2,084	2,975	2,362	2,362	2,047	2,047	2,047	2,047

- (1) Town of Miami Lakes, Stormwater Master Plan Update and GIS analysis performed during fiscal year 2011. Prior years have been adjusted to reflect corrected information.  
 (2) Public Works annual state report on road miles, streetlights from Florida Power & Light. Street lights reflect corrections made after an audit with FP & L.  
 (3) Town of Miami Lakes Parks Department  
 (4) Miami-Dade Police Department (represents total units 24 hours, 7 days)



TOWN OF MIAMI LAKES, FLORIDA  
 MISCELLANEOUS INFORMATION  
 INSURANCE IN FORCE  
 LAST TEN FISCAL YEARS

Type of Coverage	Insurer	Policy Period	Premium
Property	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	\$ 76,574
General Liability	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	95,236
Public Officials & Employment Practices Liability	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	106,250
Automobile Insurance	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	14,875
Inland Marine	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	2,099
Crime/Fidelity	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	792
Workers Compensation	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	18,565
Government Crime	Preferred Governmental Insurance Trust	10/1/2018 - 09/30/2019	500
Agency Fee	Brown & Brown of Florida, Inc	10/1/2018 - 09/30/2019	20,000
		Total Policies	<u>\$ 334,891</u>



**COMPLIANCE SECTION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Miami Lakes, Florida (the “Town”), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated March 23, 2020.

**Internal Control Over Financial Reporting**

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

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

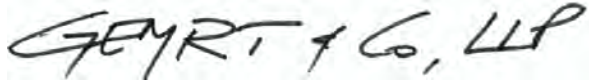
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

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

Coral Gables, Florida  
March 23, 2020



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

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

**Report on the Financial Statements**

We have audited the financial statements of the Town of Miami Lakes, Florida (the “Town”), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 23, 2020.

**Auditors’ Responsibility**

We conducted our audit in accordance auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 23, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town was established pursuant to the constitution of the State of Florida, Home Rule Charter of Miami-Dade County, Article 5, Section 5.05. There were no component units related to the Town.

## **Financial Condition and Management**

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

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

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

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Coral Gables, Florida  
March 23, 2020



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415,  
FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR  
GENERAL OF THE STATE OF FLORIDA**

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

We have examined the Town of Miami Lakes, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2019. Management of the Town is responsible for the Town's compliance with those specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

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

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2019.

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

A handwritten signature in black ink that reads "GENVRT &amp; Co, LLP".

Coral Gables, Florida  
March 23, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the Town of Miami Lakes, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on the Town's major Federal programs and State projects for the fiscal year ended September 30, 2019. The Town's major Federal program and major State project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the fiscal year ended September 30, 2019.


### **Report on Internal Control over Compliance**

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

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

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

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



Coral Gables, Florida  
March 23, 2020

**TOWN OF MIAMI LAKES, FLORIDA**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal/State Agency Pass-Through Entity Federal Program/State Project	CFDA/ CSFA Number	Contract/ Grant Number	Expenditures
<b><u>FEDERAL AGENCY NAME</u></b>			
<b>U.S. Department of Transportation</b>			
<i>Pass through Florida Department of Transportation</i>			
Highway Planning and Construction Program	20.205	G1505	\$ 59,032
Highway Planning and Construction Program	20.205	G0L28	5,091
Highway Planning and Construction Program	20.205	G0Y75	40,000
<b>Total U.S. Department of Transportation</b>			<b><u>104,123</u></b>
<b>U.S. Department of Energy</b>			
<i>Pass through Office of Energy Florida Department of Agriculture and Consumer Services</i>			
State Energy Program	81.041	LG005	199,838
<b>U.S. Department of Homeland Security Federal Emergency Management Assistance</b>			
Flood Mitigation Assistance Program	97.029	B0004	22,500
<i>Pass through Florida Division of Emergency Management</i>			
Disaster Grant - Public Assistance	97.036	Z0398	4,169,165
<b>Total U.S. Department of Homeland Security Federal Emergency Management Assistance</b>			<b><u>4,191,665</u></b>
<b>U.S. Department of Justice</b>			
<i>Pass through Florida Department of Law Enforcement</i>			
Edward Bryne Memorial Justice Assistance Grant	16.738	2019-JAGC-DADE-2-N2-069	3,873
Edward Bryne Memorial Justice Assistance Grant	16.738	2019-JAGD-DADE-1-N3-030	4,206
<b>Total U.S. Department of Homeland Security Federal Emergency Management Assistance</b>			<b><u>8,079</u></b>
<b>Total Expenditures for Federal Awards</b>			<b><u>\$ 4,503,705</u></b>
<b><u>STATE AGENCY NAME</u></b>			
<b>Florida Department of Environmental Protection</b>			
<u>Direct Program:</u>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP13200	\$ 393,990
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP1320D	603,544
<b>Total Florida Department of Environmental Protection</b>			<b><u>997,534</u></b>
<b>Florida Division of Emergency Management</b>			
<u>Direct Program:</u>			
Emergency Management	37.063	Z0398	193,718
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b><u>\$ 1,191,252</u></b>

The accompanying notes are an integral part of this schedule

**TOWN OF MIAMI LAKES, FLORIDA**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 1 – GENERAL**

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

**NOTE 2 – BASIS OF PRESENTATION**

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 69I-5, Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services; and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements of the Town.

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

**NOTE 3 – CONTINGENCY**

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

**NOTE 4 – INDIRECT COST RATE**

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

**NOTE 5 – PRIOR YEAR EXPENDITURES**

The current year schedule includes prior fiscal year expenditures for the programs noted below. Although the expenditures were incurred in prior fiscal years, the funding approvals and project worksheets for the expenditures were obtained in the current fiscal year.

<b>Federal/State Agency</b>	<b>CFDA/CSFA</b>	<b>Contract No.</b>	<b>Prior Years Expenditures Reported in FY 19</b>
U.S. Dept. of Homeland Security FEMA	97.036	Z0398	\$ 4,169,165
Florida Division of Emergency Management	37.063	Z0398	193,718
			<u>\$ 4,362,883</u>

**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

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

**Federal Awards and State Projects**

Internal control over major Federal programs or State projects:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major Federal programs or State projects:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with CFR 200.16(a) or Chapter 10.557, Rules of the Auditor General?	No

Identification of major Federal programs or State Projects:

<u>Federal Program</u>	<u>Federal CFDA No.</u>
Disaster Grant – Public Assistance	97.036
Dollar threshold used to distinguish between Type A and Type B Federal programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	No
<u>State Project</u>	<u>State CSFA No.</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039
Dollar threshold used to distinguish between Type A and B State projects:	<u>\$357,375</u>

**SECTION II – FINDINGS - FINANCIAL STATEMENTS**

None.

**SECTION III – FINDINGS AND QUESTION COSTS - MAJOR FEDERAL PROGRAMS AND MAJOR STATE PROJECTS**

None.

**TOWN OF MIAMI LAKES, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**SECTION 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.