



WEST MIAMI *Florida*

SUMMARY OF AUDIT RESULTS

September 30, 2016



Serving our Citizens and
the Community since 1947

EXECUTIVE SUMMARY



April 28, 2017

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami (the "City") as of and for the year ended September 30, 2016. We have enclosed below a brief summary of the City's financial condition and auditors' results for the year ended September 30, 2016.

The following is a summarized overview of the fund financial statements:

Governmental Fund (General & Special Revenue) Types Summary

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash and investments - unrestricted	\$ 1,025,676	\$ 411,212	\$ 532,819	\$ 691,502
Cash and investments - restricted	\$ 1,149,159	\$ 1,139,760	\$ 729,402	\$ 553,919
Accounts receivable	\$ 489,682	\$ 599,098	\$ 264,975	\$ 336,173
Due from other funds	\$ 2,464,964	\$ 2,393,817	\$ 1,839,300	\$ 1,514,427
Total assets	\$ 5,129,481	\$ 4,543,887	\$ 3,366,496	\$ 3,096,021
Accounts payable and accrued expenses	\$ 418,329	\$ 685,901	\$ 382,998	\$ 327,004
Due to other funds	\$ 1,403,864	\$ 1,361,686	\$ 1,096,125	\$ 812,340
Unearned revenue	\$ 53,930	\$ 46,613	\$ 80,313	\$ 119,939
Total liabilities	\$ 1,876,123	\$ 2,094,200	\$ 1,559,436	\$ 1,259,283
Unassigned fund balance	\$ 779,819	\$ 672,020	\$ 548,827	\$ 701,438

Proprietary Fund (Enterprise) Types Summary

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash and investments - unrestricted	\$ 886,662	\$ 947,943	\$ 971,940	\$ 752,582
Cash and investments - restricted	\$ 400,310	\$ 229,107	\$ 214,152	\$ 209,620
Accounts receivable	\$ 571,521	\$ 542,272	\$ 561,177	\$ 612,843
Notes receivable	\$ 37,688	\$ 39,467	\$ 45,703	\$ 46,738
Due from other funds	\$ 1,603,869	\$ 1,462,228	\$ 1,325,960	\$ 840,504
Total assets (includes capital assets)	\$ 15,798,295	\$ 16,164,962	\$ 16,861,577	\$ 16,826,171
Accounts payable and accrued expenses	\$ 319,928	\$ 231,117	\$ 230,455	\$ 241,384
Due to other funds	\$ 2,664,969	\$ 2,494,359	\$ 2,069,135	\$ 1,542,591
Long-term debt	\$ 1,981,596	\$ 2,337,279	\$ 2,678,658	\$ 2,929,749
Total liabilities	\$ 5,169,833	\$ 5,263,240	\$ 5,171,244	\$ 4,918,794
Unrestricted net position (deficit)	\$ 44,887	\$ 92,239	\$ 509,363	\$ 422,599

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

The following is a summarized overview of the government-wide financial statements:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 2,576,458	\$ 2,042,441	\$ 619,462	\$ 483,821	\$ 3,195,920	\$ 2,526,262
Restricted assets	1,149,159	1,139,760	196,970	229,107	1,346,129	1,368,867
Capital assets	9,434,378	8,396,022	12,298,245	12,943,945	21,732,623	21,339,967
Total assets	<u>\$13,159,995</u>	<u>\$11,578,223</u>	<u>\$13,114,677</u>	<u>\$13,656,873</u>	<u>\$26,274,672</u>	<u>\$25,235,096</u>
Deferred outflows of resources related to pension	\$ 2,272,872	\$ 435,425	\$ -	\$ -	\$ 2,272,872	\$ 435,425
Current and other liabilities	\$ 472,259	732,514	\$ 504,619	\$ 417,872	\$ 976,878	\$ 1,150,386
Long-term liabilities	7,908,465	2,839,160	1,981,596	2,337,279	9,890,061	5,176,439
Total liabilities	<u>\$ 8,380,724</u>	<u>\$ 3,571,674</u>	<u>\$ 2,486,215</u>	<u>\$ 2,755,151</u>	<u>\$10,866,939</u>	<u>\$ 6,326,825</u>
Deferred inflows of resources related to pension	\$ 148,911	\$ 683,611	\$ -	\$ -	\$ 148,911	\$ 683,611
Net position	<u>\$ 6,903,232</u>	<u>\$ 7,758,363</u>	<u>\$10,628,462</u>	<u>\$10,901,722</u>	<u>\$17,531,694</u>	<u>\$18,660,085</u>
Net investment in capital assets	\$ 8,416,779	\$ 8,151,488	\$10,316,649	\$10,606,666	\$18,733,428	\$18,758,154
Restricted	1,375,255	1,232,522	266,926	202,817	1,642,181	1,435,339
Unrestricted	(2,888,802)	(1,625,647)	44,887	92,239	(2,843,915)	(1,533,408)
Total net position	<u>\$ 6,903,232</u>	<u>\$ 7,758,363</u>	<u>\$10,628,462</u>	<u>\$10,901,722</u>	<u>\$17,531,694</u>	<u>\$18,660,085</u>

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 2,170,948	\$ 1,954,245	\$ 2,620,465	\$ 2,445,847	\$ 4,791,413	\$ 4,400,092
Operating grants and contributions	363,499	356,871	-	60,000	363,499	416,871
Capital grants and contributions	211,037	635,322	140,000	-	351,037	635,322
General revenues:						
Taxes	4,044,787	3,909,372	-	-	4,044,787	3,909,372
Other	288,100	370,335	2,825	1,982	290,925	372,317
Total revenues	<u>7,078,371</u>	<u>7,226,145</u>	<u>2,763,290</u>	<u>2,507,829</u>	<u>9,841,661</u>	<u>9,733,974</u>
Expenses:						
General government	2,068,008	1,205,675	-	-	2,068,008	1,205,675
Public safety	3,292,733	2,455,512	-	-	3,292,733	2,455,512
Parks and recreational	1,198,499	1,256,786	-	-	1,198,499	1,256,786
Transportation, roads and streets	820,804	709,062	-	-	820,804	709,062
Interest on long-term debt	13,458	11,454	-	-	13,458	11,454
Water	-	-	745,348	717,861	745,348	717,861
Sewer	-	-	1,034,692	912,734	1,034,692	912,734
Stormwater	-	-	698,812	666,614	698,812	666,614
Sanitation	-	-	665,734	656,684	665,734	656,684
Building/Code Compliance	-	-	431,964	342,547	431,964	342,547
Total expenses	<u>7,393,502</u>	<u>5,638,489</u>	<u>3,576,550</u>	<u>3,296,440</u>	<u>10,970,052</u>	<u>8,934,929</u>
Excess (deficiency) before transfers	(315,131)	1,587,656	(813,260)	(788,611)	(1,128,391)	799,045
Transfers	(540,000)	-	540,000	-	-	-
Increase (decrease) in net position	<u>\$ (855,131)</u>	<u>\$ 1,587,656</u>	<u>\$ (273,260)</u>	<u>\$ (788,611)</u>	<u>\$ (1,128,391)</u>	<u>\$ 799,045</u>

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

Enclosed herewith are the following statements for the year ended September 30, 2016:

- Statement of Net Position
- Statement of Activities
- Balance sheet – Governmental Funds
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- Statement of Net Position – Enterprise Funds
- Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Funds
- Combining Balance Sheet – Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

During the last four years, the City's financial indicators have remained consistent. Improvements in previous years were achieved through increases in garbage fees and water and sewer rates, increases in red light camera revenues and passport revenues, and reduction of costs where possible. The City has continued to be proactive in finding new revenue sources while attempting to reduce expenses without eliminating services. Other points of interest are as follows.

- **Real Estate Development in the City** – The City of West Miami has been able to attract new real estate development projects that increased its tax base in 2016, and will increase its tax base further in the fiscal year ending in 2017. These projects include multifamily residential properties and additional commercial properties with important anchor tenants such as a Publix Super Market. The City must continue to secure these opportunities as the Miami-Dade demographics relating to real estate continue to change favorably in increasing City property values.
- **Financial Conditions** – Financial condition assessment procedures were completed as of fiscal year end. Financial indicators based on templates from the Auditor General resulted in an overall rating of “inconclusive.” This essentially indicates that conditions are stable, but continued increases in revenues over expenditures will further improve overall conditions. The financial conditions continue to stabilize as a result of rate increases made to cover expenses for services in the business-type and business-like activities, and increases in red light camera revenues and passport revenues. However, the City has assigned amounts for various capital improvements and for contingencies related to insurance and the red light cameras class action lawsuit, which reduce the fund balances available to be used for operating expenditures. The City has proposed alternatives to increase revenues and reduce costs in order to continue to improve financial conditions. Management and the Commission continue to search for new sources of revenues.
- **Water and Sewer Systems** – The City's water and sewer systems are in need of significant improvements due to its age and deterioration. There is also concern for potential liability in the event there are repairs, improvements, and/or replacement needed to the shared storm/sewer line (Interlocal Agreement with the City of Miami). The City will continue to explore federal, state, and/or local funding in an effort to improve the aging water and sewer systems.
- **Leadership Transition / Succession Plan** – The City should continue discussing and formalizing a succession plan in its top management personnel. The succession plan should consider emergency, temporary, and permanent possibilities for changes in leadership.
- **Fund Balances** – At September 30, 2016, the City has positive fund balances in all its governmental funds. The existing unassigned fund balance in the General Fund represents approximately two months, or less, of budgeted expenses for the City. Acceptable levels average approximately three months; consequently, one of the City's main objectives is to continue to increase fund balances during the next

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

several years. At September 30, 2016, the City has positive unrestricted net position balances in all its enterprise funds, except for the Sewer System Fund. During the current year, operating expenses (less depreciation) remained higher than user charges in several enterprise funds, and the City continues to incur significant repair expenditures to its aging water and sewer systems. An effort is being made to develop a long-term plan in order to increase fund balances and net position.

Significant capital asset events during the current fiscal year included an acquisition of three police vehicles through a capital lease for approximately \$105,000, improvements to parks and acquisition of playground equipment for approximately \$80,000, construction of traffic calming devices throughout the City for approximately \$235,000, and construction costs for public works facility for approximately \$670,000 through a capital improvement revenue note. Further descriptions can be found in the City's 70th anniversary booklet which is available on the City's website and details some of the City's recent capital improvements and developments.

Excluding compensated absences, the City's debt totaled approximately \$9.57 million and \$4.81 million at September 30, 2016 and 2015, respectively. The overall increase is attributable to the City's issuance of a capital improvement revenue note, and significant increases in the net pension liability (Florida Retirement System). Although a more detailed schedule can be found in the notes to the financial statements, outstanding debt, excluding compensated absences, as of September 30, 2016 and 2015 consisted of the following:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Promissory note payable -						
U.S. Century Bank	\$ 96,629	\$ 133,800	\$ 538,111	\$ 745,117	\$ 634,740	\$ 878,917
City National Bank	1,525,000	-	-	-	1,525,000	-
Mortgage note - State of Florida	-	-	1,395,468	1,533,815	1,395,468	1,533,815
Workmen's comp claims	259,339	256,624	-	-	259,339	256,624
Equipment installment obligations	181,824	151,032	48,017	58,347	229,841	209,379
Net pension liability*	5,525,081	1,929,648	-	-	5,525,081	1,929,648
Total	<u>\$ 7,587,873</u>	<u>\$ 2,471,104</u>	<u>\$ 1,981,596</u>	<u>\$ 2,337,279</u>	<u>\$ 9,569,469</u>	<u>\$ 4,808,383</u>

This information is intended solely for the use of the Honorable Mayor and Members of the City Commission and management of the City of West Miami, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Carlos M. Trueba, CPA

Rodriguez, Trueba & Co., CPA
 Doral, Florida
 April 28, 2017

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**



April 28, 2017

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Miami (the “City”) for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 2, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of West Miami are described in Part I of the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

<u>Area</u>	<u>Accounting Policy</u>	<u>Estimation Process</u>
Depreciation	Depreciation is recorded as an expense of net position and is computed on the straight-line method.	The estimated lives used in determining depreciation are based on industry standards and the historical experience of the City. We evaluated the useful lives in determining that depreciation amounts are reasonable in relation to the financial statements taken as a whole.
Accrued Liabilities	Calculated based on analysis of amounts incurred in the current year that have not been paid as of year end, and the City's assessment of estimable and probable contingencies.	The calculations are reviewed and tested for propriety with supporting documentation and/or third party requirements.

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

<u>Area</u>	<u>Accounting Policy</u>	<u>Estimation Process</u>
Compensated Absences	Calculated based on the granted vacation, sick, and compensatory leave related to the length of service of City employees.	The calculations are reviewed and tested for propriety in accordance with collective bargaining agreements and the City's personnel policies, as completed during payroll testing procedures.
Net Pension Liability	Calculated based on an actuarial valuation of the State-administered pension plan (Florida Retirement System) and the City's proportionate share of the multiple-employer cost sharing retirement system.	The calculations are reviewed and tested for propriety in accordance with information provided by the State of Florida Division of Retirement.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures included in Part I of the notes to the financial statements discuss the significant accounting policies used by the City.
- The disclosures included in Part III of the notes to the financial statements discuss the budgetary information, excess of expenditures over appropriations (if any), and deficit in fund equity (if any).
- The disclosures included in Part IV – Note E of the notes to the financial statements detail the long-term debt activity of the City.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management:

General Fund

1. Adjustment to reclass and properly record amounts to loan proceeds.

Water System Fund

1. Adjustments to reclass amounts to capital assets.

Sewer Phase I Fund

2. Adjustment to properly record depreciation.

Sewer Phase II Fund

1. Adjustment to properly record depreciation.

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

Stormwater Utility Fund

1. Adjustment to properly record depreciation.

Sanitation Fund

1. Adjustment to properly record depreciation.
2. Adjustment to reclass loan payments to liability account.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 28, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Upon completion of the audit, the following issues were discussed with management:

- 1) There are significant interfund balances that exist across funds, in particular the General Fund, Community Center Fund, and the Enterprise Funds. Management should analyze these balances closely to determine if a repayment plan can be devised or if amounts can be forgiven. An analysis should also be completed to determine if any interfund balances within the governmental funds should be classified as nonspendable fund balance.
- 2) Certain amounts related to donations and other fees are currently being recorded as liabilities, but should be reclassified to revenues, and a restriction/assignment/commitment of fund balance should be recorded if applicable. If immaterial donation amounts are being maintained in liability accounts for easier tracking purposes, as amounts are spent/utilized, the following accounts should be affected in order to properly record the flow of transactions – debit to expenditure; credit to cash; debit to liability; and credit to donation revenues. In addition, management should review the balances in these donation accounts to determine how long the balances have been carrying over, and when they will be spent/utilized.
- 3) Although significant deficiencies were not noted, amounts related to deposit liabilities, insurance reimbursements, and proceeds from sale of assets should be examined each year if material. Insurance reimbursements (as well as proceeds from the sale of assets) and related expenses should be recorded as proceeds and expenditures, respectively. In prior years, the expense and revenue amounts

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

were being recorded within the same account. Deposit liabilities need to be examined for accuracy and to determine if any amounts can be recognized as revenues.

- 4) During current year and prior year testing of receivable balances as related to garbage (sanitation), water, and sewer fees, it was noted that there are several customer accounts whose balance has not been paid in over one year. An allowance was not recorded due to the fact that liens are placed on properties whose fees are not being paid, and amounts are ultimately deemed collectible. However, since it is unknown as to when exactly certain amounts will be collected, it is recommended that an analysis be completed to determine if an allowance for doubtful accounts should be created and maintained. This will help the City further evaluate its enterprise fund operations and related cash flows. In summary, management should continue to closely monitor amounts due from users as related to garbage (sanitation), water, and sewer fees, and should consider calculating an allowance for amounts at risk of not being collected in the near future.
- 5) The compliance section of the financial statements includes the following summary of prior year findings and recommendations that were not repeated in the current year findings and recommendations, were not implemented, or were only partially implemented by the City during the current year. There were no new findings and the finding from previous years was corrected in 2016.

<u>Finding Number</u>	<u>Prior Years' Observation</u>	<u>Comment is Still Relevant</u>	<u>Comment is no Longer Relevant</u>
2010-1	Restricted Cash and Customer Deposits		X

Other Matters

We applied certain limited procedures to the management’s discussion and analysis, the budgetary comparison information, and the pension schedules which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Honorable Mayor and Members of the City Commission and management of the City of West Miami and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Rodriguez, Trueba & Company

Rodriguez, Trueba & Company, P.A.
 Doral, Florida
 April 28, 2017

SELECTED FINANCIAL INFORMATION

City of West Miami, Florida
Statement of Net Position
September 30, 2016

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 921,812	\$ 350,215	\$ 1,272,027
Certificates of deposit	103,864	721,138	825,002
Receivables, net	489,682	571,521	1,061,203
Internal balances	1,061,100	(1,061,100)	-
Notes receivable	-	37,688	37,688
Restricted assets:			
Cash and cash equivalents	1,149,159	196,970	1,346,129
Capital assets not being depreciated:			
Land	236,605	171,591	408,196
Construction in progress	831,511	140,000	971,511
Capital assets, net of accumulated depreciation	8,366,262	11,986,654	20,352,916
Total Assets	\$ 13,159,995	\$ 13,114,677	\$ 26,274,672
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	2,272,872	-	2,272,872
Total Deferred Outflows of Resources	2,272,872	-	2,272,872
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ 418,329	\$ 301,279	\$ 719,608
Customer deposits	-	203,340	203,340
Unearned revenue	53,930	-	53,930
Non-current liabilities:			
Due within one year	609,753	370,457	980,210
Due in more than one year	7,298,712	1,611,139	8,909,851
Total Liabilities	\$ 8,380,724	\$ 2,486,215	\$ 10,866,939
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	148,911	-	148,911
Total Deferred Inflows of Resources	148,911	-	148,911
<u>NET POSITION</u>			
Net investment in capital assets	\$ 8,416,779	\$ 10,316,649	\$ 18,733,428
Restricted for:			
Transportation	97,541	-	97,541
Public Safety Initiatives	167,665	-	167,665
Parks and Recreation	4,495	-	4,495
Capital Improvements	1,105,554	254,622	1,360,176
Stormwater	-	12,304	12,304
Unrestricted	(2,888,802)	44,887	(2,843,915)
Total Net Position	\$ 6,903,232	\$ 10,628,462	\$ 17,531,694

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

City of West Miami, Florida
Statement of Activities
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (2,068,008)	\$ 1,158,103	\$ 10,072	\$ -	\$ (899,833)	\$ -	\$ (899,833)
Public safety	(3,292,733)	831,469	1,000	-	(2,460,264)	-	(2,460,264)
Parks and recreational	(1,198,499)	181,376	352,427	-	(664,696)	-	(664,696)
Transportation, roads and streets	(820,804)	-	-	211,037	(609,767)	-	(609,767)
Interest on long-term debt	(13,458)	-	-	-	(13,458)	-	(13,458)
Total governmental activities	(7,393,502)	2,170,948	363,499	211,037	(4,648,018)	-	(4,648,018)
Business-type activities:							
Water	(745,348)	830,989	-	140,000	-	225,641	225,641
Sewer	(1,034,692)	742,565	-	-	-	(292,127)	(292,127)
Stormwater	(698,812)	71,192	-	-	-	(627,620)	(627,620)
Sanitation	(665,734)	623,247	-	-	-	(42,487)	(42,487)
Building/Code Compliance	(431,964)	352,472	-	-	-	(79,492)	(79,492)
Total business-type activity	(3,576,550)	2,620,465	-	140,000	-	(816,085)	(816,085)
Total government	\$ (10,970,052)	\$ 4,791,413	\$ 363,499	\$ 351,037	\$ (4,648,018)	\$ (816,085)	\$ (5,464,103)
General revenues:							
Property taxes					\$ 2,081,792	\$ -	\$ 2,081,792
Franchise and utility taxes					1,167,623	-	1,167,623
Intergovernmental taxes					795,372	-	795,372
Interest earnings and investment income					1,629	2,825	4,454
Miscellaneous					286,471	-	286,471
Transfers					(540,000)	540,000	-
					<u>3,792,887</u>	<u>542,825</u>	<u>4,335,712</u>
Change in net position					(855,131)	(273,260)	(1,128,391)
Net position - beginning					7,758,363	10,901,722	18,660,085
Net position - ending					\$ 6,903,232	\$ 10,628,462	\$ 17,531,694

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

City of West Miami, Florida

Balance Sheet
Governmental Funds
September 30, 2016

	<u>General Fund</u>	<u>Transportation Surtax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 874,910	\$ -	\$ 46,902	\$ 921,812
Cash - Restricted	951,422	26,592	171,145	1,149,159
Certificates of Deposit	103,864	-	-	103,864
Receivables	142,154	290,993	56,535	489,682
Due from Other Funds	2,192,973	-	271,991	2,464,964
Total Assets	<u>\$ 4,265,323</u>	<u>\$ 317,585</u>	<u>\$ 546,573</u>	<u>\$ 5,129,481</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 386,012	\$ 15,400	\$ 16,917	\$ 418,329
Due to Other Funds	918,697	204,644	280,523	1,403,864
Unearned Revenue	47,718	-	6,212	53,930
Total Liabilities	<u>1,352,427</u>	<u>220,044</u>	<u>303,652</u>	<u>1,876,123</u>
Fund Balances				
Restricted				
Restricted for Transportation	-	97,541	-	97,541
Restricted for Public Safety Initiatives	-	-	167,665	167,665
Restricted for Parks and Recreation	-	-	4,495	4,495
Restricted for Capital Improvements	1,105,554	-	-	1,105,554
Committed				
Committed for Parks and Recreation	-	-	53,661	53,661
Assigned				
Assigned for Capital Outlay	-	-	17,100	17,100
Assigned for Specific Projects	3,350	-	-	3,350
Assigned for Comprehensive Plan	9,000	-	-	9,000
Assigned for Future Contingencies	150,000	-	-	150,000
Assigned for Passport Office	81,091	-	-	81,091
Assigned for Public Works Garage/Front Office	784,082	-	-	784,082
Unassigned				
General Fund	779,819	-	-	779,819
Total Fund Balances	<u>2,912,896</u>	<u>97,541</u>	<u>242,921</u>	<u>3,253,358</u>
Total Liabilities and Fund Balances	<u>\$ 4,265,323</u>	<u>\$ 317,585</u>	<u>\$ 546,573</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	9,434,378
Deferred outflows related to pension	2,272,872
Deferred inflows related to pension	(148,911)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	<u>(7,908,465)</u>
Net assets of governmental activities	<u>\$ 6,903,232</u>

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

City of West Miami, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2016

	<u>General Fund</u>	<u>Transportation Surtax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes				
Property	\$ 1,777,795	\$ -	\$ 303,997	\$ 2,081,792
Franchise	312,865	-	-	312,865
Excise, Utility Service and Other	613,705	241,053	-	854,758
Licenses, Permits and Fees	716,197	-	-	716,197
Intergovernmental	795,372	-	-	795,372
Fines and Forfeitures	776,004	-	55,465	831,469
Grant Revenues/Contributions	10,072	211,037	353,427	574,536
Rent	239,068	-	46,236	285,304
Investment Earnings	1,317	-	312	1,629
Other	369,014	-	255,435	624,449
Total Revenues	<u>5,611,409</u>	<u>452,090</u>	<u>1,014,872</u>	<u>7,078,371</u>
Expenditures				
Current				
City Council	111,834	-	-	111,834
Legal	149,989	-	-	149,989
Executive	346,126	-	-	346,126
Finance and Administration	343,632	-	-	343,632
Law Enforcement	2,628,538	-	112,879	2,741,417
Streets	448,762	187,794	-	636,556
Garage	84,001	-	-	84,001
Recreation	-	-	1,049,177	1,049,177
Parks	64,088	-	-	64,088
Facilities Maintenance	180,977	-	-	180,977
Non-Departmental	133,446	-	-	133,446
Capital Outlay	1,043,898	343,982	10,740	1,398,620
Debt Service				
Principal Retirement	73,750	10,574	27,166	111,490
Interest	8,073	3,800	1,585	13,458
Total Expenditures	<u>5,617,114</u>	<u>546,150</u>	<u>1,201,547</u>	<u>7,364,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,705)</u>	<u>(94,060)</u>	<u>(186,675)</u>	<u>(286,440)</u>
Other Financing Sources (Uses)				
Proceeds from Equipment Installment Obligations	105,111	-	-	105,111
Proceeds from Loan	1,525,000	-	-	1,525,000
Operating Transfers In	50,000	-	76,050	126,050
Operating Transfers Out	(666,050)	-	-	(666,050)
Total Other Financing Sources (Uses)	<u>1,014,061</u>	<u>-</u>	<u>76,050</u>	<u>1,090,111</u>
Net Change in Fund Balances	1,008,356	(94,060)	(110,625)	803,671
Fund Balances at Beginning of Year	1,904,540	191,601	353,546	2,449,687
Fund Balances at End of Year	<u>\$ 2,912,896</u>	<u>\$ 97,541</u>	<u>\$ 242,921</u>	<u>\$ 3,253,358</u>

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

City of West Miami, Florida

Statement of Net Position

Enterprise Funds

September 30, 2016

	Business-Type Activities - Enterprise Funds					Total
	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Department / Code Compliance Fund	
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 218,357	\$ 49,555	\$ -	\$ 16	\$ 11,201	\$ 279,129
Cash - Restricted	191,683	203,340	5,287	-	-	400,310
Certificates of Deposit	607,533	-	-	-	-	607,533
Receivables	180,703	168,432	16,701	205,685	-	571,521
Due From Other Funds	147,773	897,063	124,543	358,450	76,040	1,603,869
Total Current Assets	<u>1,346,049</u>	<u>1,318,390</u>	<u>146,531</u>	<u>564,151</u>	<u>87,241</u>	<u>3,462,362</u>
Notes Receivable - Non Current	37,688	-	-	-	-	37,688
Capital Assets	<u>3,022,760</u>	<u>157,963</u>	<u>8,887,706</u>	<u>229,816</u>	<u>-</u>	<u>12,298,245</u>
Total Assets	<u>\$ 4,406,497</u>	<u>\$ 1,476,353</u>	<u>\$ 9,034,237</u>	<u>\$ 793,967</u>	<u>\$ 87,241</u>	<u>\$ 15,798,295</u>
Liabilities						
Current Liabilities						
Current Portion of Notes and Loans Payable	\$ 342,216	\$ -	\$ -	\$ 28,241	\$ -	\$ 370,457
Accounts Payable and Accrued Expenses	27,847	226,391	-	18,649	47,041	319,928
Due To Other Funds	1,534,410	456,766	134,227	539,566	-	2,664,969
Total Current Liabilities	<u>1,904,473</u>	<u>683,157</u>	<u>134,227</u>	<u>586,456</u>	<u>47,041</u>	<u>3,355,354</u>
Customer Deposits	-	203,340	-	-	-	203,340
Notes and Loans Payable - Long-Term Portion	<u>1,548,349</u>	<u>-</u>	<u>-</u>	<u>62,790</u>	<u>-</u>	<u>1,611,139</u>
Total Liabilities	<u>3,452,822</u>	<u>886,497</u>	<u>134,227</u>	<u>649,246</u>	<u>47,041</u>	<u>5,169,833</u>
Net Position						
Net Investment in Capital Assets	1,132,195	157,963	8,887,706	138,785	-	10,316,649
Restricted - for Stormwater	-	-	12,304	-	-	12,304
Restricted - for Capital Improvements	254,622	-	-	-	-	254,622
Unrestricted	(433,142)	431,893	-	5,936	40,200	44,887
Total Net Position	<u>953,675</u>	<u>589,856</u>	<u>8,900,010</u>	<u>144,721</u>	<u>40,200</u>	<u>10,628,462</u>
Total Liabilities and Net Position	<u>\$ 4,406,497</u>	<u>\$ 1,476,353</u>	<u>\$ 9,034,237</u>	<u>\$ 793,967</u>	<u>\$ 87,241</u>	<u>\$ 15,798,295</u>

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

City of West Miami, Florida
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended September 30, 2016

Business-Type Activities - Enterprise Funds						
	Sewer System Fund	Water System Fund	Stormwater Utility Fund	Sanitation Fund	Building Department / Code Compliance Fund	Total
Operating Revenues						
Water Sales	\$ -	\$ 825,753	\$ -	\$ -	\$ -	\$ 825,753
Sewer Service	671,171	-	-	-	-	671,171
Sanitation Fees	-	-	-	616,528	-	616,528
Licenses, Permits and Fees	70,742	-	71,192	-	351,218	493,152
Other	652	5,236	-	6,719	1,254	13,861
Total Operating Revenues	<u>742,565</u>	<u>830,989</u>	<u>71,192</u>	<u>623,247</u>	<u>352,472</u>	<u>2,620,465</u>
Operating Expenses						
Water Purchased	-	433,530	-	-	-	433,530
Salaries and Wages	63,229	138,910	33,398	198,005	102,341	535,883
Waste Disposal and Recycling	-	-	-	278,523	-	278,523
Drain Cleaning	-	-	27,048	-	-	27,048
Sewer Processing	540,121	-	-	-	-	540,121
Depreciation	194,347	269	587,969	16,116	-	798,701
Other	160,185	172,639	50,397	167,278	329,623	880,122
Total Operating Expenses	<u>957,882</u>	<u>745,348</u>	<u>698,812</u>	<u>659,922</u>	<u>431,964</u>	<u>3,493,928</u>
Operating Income (Loss)	(215,317)	85,641	(627,620)	(36,675)	(79,492)	(873,463)
Non-Operating Revenues (Expenses)						
Investment Income	2,500	139	-	186	-	2,825
Grant Revenues	-	140,000	-	-	-	140,000
Interest Expense	(76,810)	-	-	(5,812)	-	(82,622)
Total Non-Operating Revenues (Expenses)	<u>(74,310)</u>	<u>140,139</u>	<u>-</u>	<u>(5,626)</u>	<u>-</u>	<u>60,203</u>
Other Financing Sources (Uses)						
Operating Transfers In	500,000	-	40,000	50,000	-	590,000
Operating Transfers Out	(50,000)	-	-	-	-	(50,000)
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>-</u>	<u>40,000</u>	<u>50,000</u>	<u>-</u>	<u>540,000</u>
Change in Net Position	<u>160,373</u>	<u>225,780</u>	<u>(587,620)</u>	<u>7,699</u>	<u>(79,492)</u>	<u>(273,260)</u>
Net Position at Beginning of Year	793,302	364,076	9,487,630	137,022	119,692	10,901,722
Net Position at End of Year	<u>\$ 953,675</u>	<u>\$ 589,856</u>	<u>\$ 8,900,010</u>	<u>\$ 144,721</u>	<u>\$ 40,200</u>	<u>\$ 10,628,462</u>

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

City of West Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue				Total Nonmajor Governmental Funds
	Community Center Fund	Recreation Fund	Law Enforcement Grant Fund	Police Law Forfeiture Fund	
Assets					
Cash and Cash Equivalents	\$ 26,986	\$ 19,916	\$ -	\$ -	\$ 46,902
Cash - Restricted	-	-	55	171,090	171,145
Receivables	56,111	424	-	-	56,535
Due From Other Funds	210,421	61,570	-	-	271,991
Total Assets	<u>\$ 293,518</u>	<u>\$ 81,910</u>	<u>\$ 55</u>	<u>\$ 171,090</u>	<u>\$ 546,573</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable and Accrued Expenses	\$ 16,917	\$ -	\$ -	\$ -	\$ 16,917
Due To Other Funds	271,924	5,119	-	3,480	280,523
Unearned Revenue	182	6,030	-	-	6,212
Total Liabilities	<u>289,023</u>	<u>11,149</u>	<u>-</u>	<u>3,480</u>	<u>303,652</u>
Fund Balances					
Restricted - for Public Safety Initiatives	-	-	55	167,610	167,665
Restricted - for Parks and Recreation	4,495	-	-	-	4,495
Committed - for Parks and Recreation	-	53,661	-	-	53,661
Assigned - for Capital Outlay	-	17,100	-	-	17,100
Total Fund Balances	<u>4,495</u>	<u>70,761</u>	<u>55</u>	<u>167,610</u>	<u>242,921</u>
Total Liabilities and Fund Balances	<u>\$ 293,518</u>	<u>\$ 81,910</u>	<u>\$ 55</u>	<u>\$ 171,090</u>	<u>\$ 546,573</u>

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

City of West Miami, Florida
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2016

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Community Center Fund	Recreation Fund	Law Enforcement Grant Fund	Police Law Forfeiture Fund	
Revenues					
Real Estate Taxes	\$ -	\$ 303,997	\$ -	\$ -	\$ 303,997
Government Grants/Contributions	352,427	-	-	1,000	353,427
Fines and Forfeitures	-	-	-	55,465	55,465
Interest	-	58	-	254	312
Other	37,624	264,047	-	-	301,671
Total Revenues	390,051	568,102	-	56,719	1,014,872
Expenditures					
Salaries and Wages	139,178	280,106	-	75,339	494,623
Personnel Benefits	54,182	83,442	-	-	137,624
Meals for Seniors	223,383	-	-	-	223,383
Other	82,188	186,698	-	37,540	306,426
Capital Outlay/Construction in Progress	-	6,240	-	4,500	10,740
Debit Service					
Principal retirement	-	-	-	27,166	27,166
Interest	-	-	-	1,585	1,585
Total Expenditures	498,931	556,486	-	146,130	1,201,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(108,880)	11,616	-	(89,411)	(186,675)
Other Financing Sources (Uses)					
Operating Transfers In	76,050	-	-	-	76,050
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	76,050	-	-	-	76,050
Net Change in Fund Balances	(32,830)	11,616	-	(89,411)	(110,625)
Fund Balances at Beginning of Year	37,325	59,145	55	257,021	353,546
Fund Balances at End of Year	<u>\$ 4,495</u>	<u>\$ 70,761</u>	<u>\$ 55</u>	<u>\$ 167,610</u>	<u>\$ 242,921</u>

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