

TOWN OF CUTLER BAY, FLORIDA



Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
TOWN OF CUTLER BAY, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

Prepared By
Robert Daddario, CPA
Finance Director

TOWN OF CUTLER BAY, FLORIDA

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INTRODUCTORY SECTION



OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM
Town Manager

June 29, 2022

Dear Residents:

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the Town of Cutler Bay, Florida, (the “Town”) for the fiscal year ended September 30, 2021, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the Town Charter. The financial statements included in this report conform to generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. Management of the Town believes it has established a strong internal control environment which enables it to produce financial statements free of material misstatement. While no system of internal control can provide absolute assurance that errors or irregularities do not occur, we believe the control environment established by the Town provides reasonable assurance that it can produce financial statements that are free of material misstatement.

In accordance with Florida Statutes Section 218.39, the Town has engaged the firm of Caballero Fierman Llerena & Garcia, LLP, to perform the independent audit of the Town’s financial statements. The Independent Auditors’ Report is included in the financial section of this Annual Comprehensive Financial Report. 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 auditors concluded, based on their audit, that there was a reasonable basis for rendering an unmodified opinion on the Town’s financial statements for the fiscal year ended September 30, 2021 and that the financial statements are fairly presented in accordance with GAAP. The independent auditors found no deficiencies in internal control over financial reporting that would be considered material weaknesses, nor did they detect any instances of noncompliance or other matters that would be required to be reported under *Government Auditing Standards*.

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





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Town Manager

PROFILE OF THE GOVERNMENT

The Town is a political subdivision of the State of Florida located in Miami-Dade County (the “County”) and was incorporated in November 2005. The Town operates under a Council-Manager form of government in which the Town elects five (5) council members, one of whom is elected as the Mayor and another of whom is elected as the Vice Mayor. Except for the initial election and terms of office as specified in the Town Charter, council members are elected for four-year terms. The Town Council determines the policies that guide the Town’s operations and hires a Town Manager to implement and administer these policies on a full-time basis. The Town of Cutler Bay provides a full range of municipal services including police protection, parks and recreation facilities, building and zoning services, community development and planning, code enforcement, and public works.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit proposed budgets to the Town Manager, who then makes any necessary revisions. The Town Manager then presents to the Town Council for their review a budget estimate of the expenditures and revenues of all the Town’s departments and divisions. Two (2) public hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. The budget is legally enacted prior to October 1st by adoption of a Resolution with a vote that conforms to State guidelines. The Town’s budget is approved by the Council at the departmental level; therefore, the Town Manager may amend the adopted budget for adjustments during the year within a department. The Town Council must approve all other budget adjustments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for the General Fund and each major special revenue fund for which an appropriated annual budget has been adopted. For all other major and non-major governmental funds and for the Stormwater Fund (a proprietary fund) for which an appropriated annual budget has been adopted, this comparison is presented in the combining and individual fund section of this report.

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INFORMATION USEFUL IN ASSESSING THE TOWN'S ECONOMIC CONDITION

Local Economy

The Town is located in southeast Florida, Miami-Dade County, and is primarily residential in nature. It comprises approximately 10 square miles with approximately 45,400 residents. The western-most area of the Town, located along the South Dixie Highway (U.S.1) corridor, is commercial in nature with hotels, restaurants and office complexes.

The Town has been successful in providing a high quality of life for its residents by enhancing the level of services being offered. In addition to the increased efforts to enhance services, the Town has also provided competitive benefits to its employees, as recognition of the fact that, in order to continue to provide these valuable services, it must retain and reward its valuable employees.

Shortly after the Town's incorporation, changes to property taxation laws were enacted that had a negative impact on the taxable base upon which property tax revenue of the Town is calculated. Additionally, Cutler Bay, like most communities across the state and nation, was negatively impacted by the financial crisis and economic downturn that gripped the United States during the 2008 to 2012 time period. The South Florida real estate market was especially hard hit with property values experiencing significant declines and foreclosure activity spiking. Property values within the Town saw significant declines from 2008 through 2012, however, since 2012 property values within the Town have increased each year reflecting a gain of approximately 71% from the 2012 bottom. The Town's property values now exceed the property of the 2008 peak. The Town has seen encouraging signs in building activity and new development within the Town in recent years which have extended into fiscal year 2022 with significant new planned projects in process.

The Town's economic development mission has two (2) major components: (1) direct communication and marketing; and (2) availability of non-financial incentives. Direct communication and marketing are a joint outreach effort that includes the elected body, the Town Manager and senior staff. The main objective of this effort is to identify and attract businesses to the Town that will provide added value to our economic base through the creation of new jobs, increase in the tax base, and services desired by Town residents and our existing business community. One of the ways of achieving this objective is through the Town's active participation in local and regional economic development organizations, forums and professional organizations whose mission is to promote the area's local economies. The non-financial incentives are divided into two (2) distinct programs:

- Expedited building permits, courtesy inspections, and accessibility to the building official and senior inspectors.
- In-house technical expertise and resources are made available to all development applicants during the planning and permitting process to ensure that approvals are completed within a reasonable timeframe and in a cost-effective manner.





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This incentive starts with the project's pre-application conference and it ends with a project completion debriefing meeting. The intent of the project debriefing is to have a personal and candid dialogue with the applicants to assess the effectiveness of the Town development approval process. This dialogue allows the Town Manager and senior staff an opportunity to identify and prioritize those areas in the development approval process that needs improvement and/or immediate attention. The goal is to ensure that all projects in the Town are completed consistent with the Town Code, building permit requirements, industry standards, and within schedule and budget.

The Town's economic development also include a "green initiative" that continues to have much success. The green initiative success in past years include the LEED (Leadership in Energy and Environmental Design) certification of several commercial buildings, close-out of an energy grant, and continued implementation of the PACE (Property Assessed Clean Energy) Program. In addition, the Town continues to be Certified "Silver" by the Florida Green Building Coalition and has been awarded the Sustainability Award for the Town's Green Master Plan by the Florida Planning and Zoning Association. During the summer of 2021, the Town Council expanded green bonus provisions for development within the Town Center, to encourage redevelopment in that area to support energy efficiency in multi-modal transportation. These bonuses include added height and density as well as reduced parking requirements.

The Town is still the lead municipality in the implementation of the "Green" Corridor and PACE Program. The intent of the PACE Program is to enable property owners to borrow money to finance energy efficient improvements, such as solar panels, wind generators, insulation, roofing, impact windows or shutters for their property. This initiative will provide market opportunities for local vendors, specializing in the development, distribution and installation of energy efficient technology that meets the requirement of the PACE Program. Additional information regarding the PACE program can be found at https://ygrene.us/fl/green_corridor/about

The Town continues to work with developers to redevelop the Town's Brownfield areas. A "Brownfield" area site is defined by the U.S. Environmental Protection Agency (EPA) as a contiguous area of one or more Brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution. A "Brownfield" site is defined as real property for which its expansion, redevelopment, or reuse may be complicated by actual or perceived environmental contamination. The new Publix Shopping Center on Old Cutler Road is a brownfield redevelopment project, which led to the environmental remediation of 13 acres of commercial land. The Town's future municipal complex will be constructed on land designated as a brownfield, which will allow remediation of an additional 16 acres with eligibility to obtain tax credits to offset the cost of clean up.

In fiscal year 2020 and 2021, there were no major changes to the Town's land use distribution, in comparison to prior years. A significant percentage of the Town's land (54%) is classified in the broad categories of residential and mixed land use. Currently, there is no acreage in the Town that are classified as "Industrial." This land use profile is similar to that of nearby municipalities in that the land uses are mostly comprised of residential properties relative to commercial, office and institutional uses.

The South Miami-Dade Performing Arts Center continued to be a major attraction for residents and visitors to the south Dade region, and a corner stone of the Town's cultural venue. This state-of-the-art building, designed to seat nearly 1,000 people, has hosted cultural events and musical performances that have attracted local, national and international talent to Cutler Bay and the South Dade community.





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This facility is located on six acres next to the South Miami-Dade Government Center. Both Town and County planners feel that the Arts Center will work as a catalyst for the continuing redevelopment of this important area.

The recently adopted Town Land Development Regulations provide a proactive approach to review and approval of development projects, and cooperation with local and regional partners on economic development projects have made the Town one of the desirable communities in Miami-Dade County for both residential and commercial development. The Town's progressive planning process is slowly transforming the Town's development vision from a conceptual plan into actual sustainable development projects capable of accommodating the Town growing population and economic base.

The Town is experiencing high demand for growth in the single-family residential market as well as commercial and multi-family residential markets. Undeveloped residential lots in the community are seeing new development and the Town is processing numerous platting applications to create new residential properties. Additionally, the Town recently received an application for construction of 196 units of age-restricted housing in a mixed-use development and two separate proposals for multi-story mixed-use buildings in the Town Center.

COVID-19 Impacts and Response

In late 2019, a new significant outbreak of Coronavirus Disease 2019 (COVID-19) emerged throughout the World and was declared a Public Health Emergency of International Concern by the World Health Organization. On March 1, 2020, the State Surgeon General and State Health Officer declared a Public Health Emergency exists in the State of Florida as a result of COVID-19 and confirmed eight (8) counties in Florida (including Miami-Dade County) to have tested positive for the disease. COVID-19 poses a health risk to Town residents (particularly elderly residents) and responding to the threat may require extraordinary and immediate actions by the Town in order to protect the public health, safety, and welfare.

In response to the COVID-19 pandemic, a National Emergency was declared by President Donald J. Trump of the United States via Proclamation effective on March 13, 2020, Governor Ron DeSantis of the State of Florida Executive Order No. 20-52 on March 9, 2020, and Mayor Carlos A. Gimenez of Miami-Dade County effective on March 12, 2020.

Section 12-23 of the Town Code states, *"The Town Manager shall have the sole authority to declare a state of emergency hereunder [...] Any declaration of a state of emergency and all emergency regulations activated under the provisions of this article and any emergency expenditures made hereunder pursuant to section 12-22(9) shall be confirmed by the Town Council by Resolution no later than the next regular meeting, or as reasonably as possible, unless the nature of the emergency renders a meeting of the Town Council impossible".*

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DATE OF RATIFIED RESOLUTION	EMERGENCY ORDER (E.O.) NO.	DESCRIPTION
April 22, 2020 <i>Via Resolution No. 20-15</i>	E.O. 20-01, 20-02, and 20-03	01: Facial Coverings 02: Zoning in Progress 03: Rules of Procedure for Public Meetings
May 20, 2020 <i>Via Resolution No. 20-25</i>	E.O. 20-04	04: Park Closures
June 17, 2020 <i>Via Resolution No. 20-29</i>	E.O. 20-05; 20-04 Amendment No. 1 and Amendment No. 2	05: Outdoor Dining Expansion 04-01: Park Reopening 04-02: Park Reopening
July 15, 2020 <i>Via Resolution No. 20-39</i>	E.O. 20-06, 20-07, 20-06 Amendment No. 1 and 20-07 Amendment No. 1	06: Virtual; Quasi-Judicial Hearings 07: Facial Coverings 06-01: Quasi-Judicial Hearing Conduct Revision 07-01: Adopting Miami-Dade County Emergency Order No. 20-20 for Facial Coverings
October 28, 2020 <i>Via Resolution No. 21-11</i>	E.O. 20-04 Amendment No. 3 and Amendment No. 4	04-03: Park Closures Revision 04-04: Park Closures Revision

In March 2020, the United States Congress passed, and President Donald Trump signed into law, H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The CARES Act is a \$2 trillion Federal stimulus package which provided, among other things a \$150 billion Coronavirus Relief Fund (“CRF”) for local governments.

At the August 4, 2020 Special Meeting of the Miami-Dade Board of County Commissioners (the “Board”), the Board allocated a total of not-to-exceed \$100 million in CARES Act funds to the municipalities in the County as follows: \$75 million for reimbursement of FEMA local match eligible expenditures as well as CARES Act eligible governmental operations expenditures that are not FEMA reimbursable, and \$25 million for municipal programmatic proposals subject to approval in advance by the Board. Through the efforts of the Town Council and staff, Miami-Dade County approved to disburse \$500,000 in Federal CARES Act funding for two COVID-19 relief programs for Cutler Bay—one was \$300,000 in funding for a Housing Assistance Program; and the other was \$200,000 for a Childcare Assistance Program. CARES Act funding was spent by Dec. 30, 2020, and the deadline to apply for these programs was mid-December.

In order to facilitate the ongoing recovery from the COVID-19 pandemic, Congress adopted the American Rescue Plan Act (the “ARPA”) that was signed into law on March 11, 2021. Section 9901 of the ARPA amended Title VI of the Social Security Act to add Section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and Section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the “Fiscal Recovery Funds”). The Fiscal Recovery Funds are intended to provide support to State, Local, and Tribal governments (together, the “Recipients”) in responding to the impact of COVID–19 and in their efforts to contain COVID–19 in their communities, residents, and businesses.





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The State of Florida, through the Florida Division of Emergency Management, will disburse up to \$1,416,425,123.00 of Fiscal Recovery Funds to non-entitlement units of local government (NEUs), which are local governments typically serving a population under 50,000, such as the Town. The ARPA requires distributions to NEUs to be capped at 75% of their annual operating budget as of January 27, 2020. NEUs are required to enter into a Funding Agreement with the Division to receive funds. Once a NEU authorized representative signs the Agreement, the Division will then execute the Agreement and initiate payment.

The State of Florida, Division of Emergency Management received a portion of the Fiscal Recovery Funds from the U.S. Department of Treasury and is responsible for disbursing to the Town its allocation of \$21,896,320. The Town received its first tranche of funding (\$10,948,160) in October 2021.

The Town intends to fund the following programs/projects through the Fiscal Recovery Funds:

- Loss revenues due to Covid-19 pandemic;
- Water Quality Improvements (Stormwater);
- Environmental Resiliency;
- Technological upgrades (Council Chambers, Software);
- Gift card programs (Shop Local); and
- Other expenditures related to Town's Covid-19 response.

Fund Balance Stabilization

During Fiscal Year 2020, fund balance declined approximately \$4.4 million. Other than additional expenditures related to COVID-19, a substantial portion of which will be recovered through various grant assistance, other key drivers of the decline in fund balance relates to the “land swap” deal and continued restoration of Franjo Park.

The transaction in which the Town Hall properties were exchanged for a 16-acre undeveloped parcel along Old Cutler Road (i.e., the “land swap” deal) closed in January 2020 and had an approximate \$3.6 million impact on fund balance (approximately \$3.2 million to close the transaction and another approximate \$420,000 in rent expense for the leaseback of the former Town Hall property). The construction portion of the Franjo Park restoration utilized approximately \$735,000 of fund balance in Fiscal Year 2020. While not impacting fund balance in Fiscal Year 2020, in Fiscal Year 2021, the Town closed on another land parcel, approximately 8.45 acres, along Old Cutler Road and S.W. 184 Street at a purchase price of \$8.45 million.

As a result of the major impacts to fund balance due to the foregoing matters, as well as to experiencing General Fund deficits in four of the past five years, Town staff worked with its Financial Advisor, Estrada Hinojosa & Co., to develop a plan (the “Fund Balance Replenishment Plan”) to ensure that budgets going forward established millage rates sufficient to balance the budget, as well as to maintain fund balance at healthy levels.





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The initial presentation to the Town Council was made in February 2020 with a follow up presentation in July 2020. This multifaceted plan included increasing the millage rate over a two-year period, restructuring existing debt, and issuing open-market debt securities to take advantage of relatively low historical interest rates.

In October 2020, the Town issued approximately \$12.9 million of open-market premium bonds which were intended to finance the aforementioned capital projects (i.e., the net cost of the land swap transaction, the Franjo Park restoration, and the anticipated 8.45-acre land parcel acquisition) which are capital in nature. These projects are long lived projects whose benefits will extend over decades. The intention of the issuance of these debt securities to fund these projects is that the cost should be spread over the decades in which current **and future** residents will enjoy the benefits. Funding them out of current resources penalizes current residents in that they would bear the full cost of the projects up front even though the projects are expected to benefit the community for decades.

The *Adopted* Fiscal Year 2021 budget incorporates the framework of the Fund Balance Replenishment Plan by setting a **2.6198** millage rate and incorporating the aforementioned debt transactions. The combination of these actions provides the Town with significant debt service relief going forward and increases the budgeted fund balance by approximately \$463,500 in Fiscal Year 2021.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Opportunity Zones

The Federal Government Tax Cuts and Jobs Act of 2017 created “Opportunity Zones”, which provide, under certain conditions, for preferential tax treatment for new investments in designated economically-distressed communities. Certain areas in the Town, including our Town Center District in which Town owned properties are located, are designated Opportunity Zones. This designation benefits the Town as it attempts to bring in new investment to facilitate the redevelopment of our commercial corridor. It also provides potential opportunities for the Town should it wish to sell any of its Town owned property, within this district.

To encourage development within the Opportunity Zones, the Town commissioned an economic prospectus that could be shared with the development community to attract development in line with the Town’s comprehensive plan. This prospectus, published in summer 2021, provides market characteristics development professionals evaluate in site selection, including Town average disposable income (\$76,069), median household income (\$76,702) and average household income (\$93,368); beyond this financial data, the report provided an in-depth analysis of redevelopment potential of the Southland Mall site.

The Southland Mall site, comprising approximately 80 acres, was sold to a joint venture of Electra America and BH Group for just over \$100 million in May, 2022. Future plans for the mall site, which occupies the majority of the Town’s “Town Center” district include large-scale renovations and



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Town Manager

upgrades to the existing mall as well as redevelopment of the malls parking fields into a mixed-use residential neighborhood.

Transportation Initiatives

The Town continues to pursue grant and other funding opportunities to provide needed improvements to the Town, including funding for park land acquisition and improvements, road improvements and other public works projects. Over the past several years, the Town, pursuant to a “Joint Project Agreement” (i.e., the “JPA”) with the County, in which the County provided funding of approximately \$18 million, successfully completed two specified road improvement projects within the Town’s boundaries, Old Cutler Road (a State designated historic road) and Caribbean Boulevard, which is a main roadway that runs through the heart of town. The Town and the County recently agreed on a new approximate \$9 million JPA project for Franjo Road for which the Design Phase is expected to be completed in fiscal year 2022.

These roadway projects are a continuing example of a Complete Streets Model. This Complete Streets Model strives to improve public safety, ease traffic congestion, calm traffic, enhance pedestrian mobility, improve function and flow of mass transit and beautify the neighborhood with streetscape improvements. It will do so by reconstructing the two (2) lane road, and adding continuous storm drainage, curb and gutter, enhanced lighting, traffic signalization and native landscaping. Pedestrian mobility and safety will be enhanced by adding sidewalks, tightening the corner radii, and shortening the pedestrians crossing route. Bicycle mobility will be enhanced by the provision of bike lanes adjacent to the travel lanes. Transit will be enhanced through the implementation of bus pullout bays. Traffic flow will be aided by the installation, where appropriate, of left turn lanes at specific intersections. This project is also consistent with the results of the Cutler Ridge Charrette, adopted by Miami Dade County prior to incorporation of Cutler Bay.

The Town has entered into a Joint Participation Agreement (“JPA”) with Miami-Dade County (the “County”) for the redevelopment of Franjo Road, a County owned road that runs through the center of the Town. Much like similar JPA projects for Old Cutler Road and Caribbean Blvd, the County is providing the majority of the funding for the project and the Town’s contribution will come from its share of People’s Transportation Plan surtax revenues. It is anticipated that construction will commence in fiscal year 2023.

In September 2018, the Town was notified that it was awarded a Strategic Miami Area Rapid Transit (SMART) Plan Demonstration grant from the Florida Department of Transportation (through the Miami-Dade Transit Planning Organization). The grant aims to promote “on demand” transit opportunities. The Town will utilize the grant to implement Business Express Service shuttles that will operate during peak AM and PM business hours, transporting residents directly to the South-Dade Transitway. The project will help ease congestion by allowing Town residents to leave their vehicles at home and be shuttled to several transit stops along the South Dade Transitway. The grant award is \$192,500 per year for three (3) years and requires a Town match of \$192,500. The Town will utilize its transit related PTP surtax funds for match purposes. To date, the program has been a huge success.





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The aforementioned PTP surtax funds are being received pursuant to an Interlocal agreement with the County (in February 2012) to allow the Town to receive funds from the PTP surtax. This PTP surtax was authorized in 2002 and is shared by the County (80%) and the incorporated municipalities (20%). Since the Town was incorporated after enactment of the PTP surtax, the County had not previously included the Town in the distribution of the funds raised by the PTP surtax. On an annual basis, at least 20% of the PTP surtax proceeds must be spent on transit related items. The remaining portion may be spent on transportation related items. Based on recent PTP surtax history, the Town anticipates receiving approximately \$1.7 million to \$2.1 million in PTP surtax funds annually.

Upon award of these funds, the Town immediately began using these PTP surtax funds to provide enhancements in the Town. Since being awarded these funds, the transportation portion of the PTP surtax funds have been used for Town-wide road resurfacing projects, traffic calming projects, and to provide for the Town's share of costs on the previously noted JPA roadway projects, as well as on other transportation eligible projects.

In September 2012, the Town commenced operation of a municipal circulator bus service within the Town's boundaries using the transit portion of the PTP surtax. Pursuant to an Interlocal agreement with the County, the County acquired a dedicated circulator bus on the Town's behalf using Federal stimulus funds and the County is operating and maintaining the circulator bus on the Town's behalf on a contractual basis.

Through fiscal year 2013, the municipal circulator bus operated on a fixed route three (3) days per week. Ridership levels have increased steadily as word about the circulator bus spread around Town. As a result, in fiscal year 2014, the Town, pursuant to its agreement with the County, revised the circulator bus schedule such that it now operates six (6) days a week and nine (9) hours of operation per day. The average monthly ridership is approximately 4,500 riders per month.

Additionally, the Town has utilized the "transit" related PTP surtax funds for the design and construction of decorative bus shelters and benches. It is anticipated that these decorative shelters will be constructed throughout the Town, replacing older existing bus shelters with advertisement panels.

Town Hall Municipal Complex

As mentioned above in ***Fund Balance Stabilization*** section, and as discussed more fully in the paragraph below, the Town acquired approximately sixteen (16) acres of contiguous, vacant land in Fiscal Year 2020 in an exchange transaction. This was done primarily to remove high density development along a main roadway through Town and to utilize the space to develop a true Town Hall municipal complex with amenities that can serve as a Town gathering point and be enjoyed by all residents.

On January 9, 2020, the Town exchanged its Town Hall Properties and \$3 million in cash for sixteen (16) acres of undeveloped real property owned by GCF Investments, Inc. in a deal valued at \$17 million.





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In a special mail-in election that ended on March 22, 2022, Cutler Bay voters approved a General Obligation Bond for up to \$37 million to fund the construction of a park, community center and municipal complex on the 16-acre parcel in the center of the Town—along Old Cutler Road and SW 212 Street—with the vision to transform the property into the heart of the community.

The 16-acre site, located on Old Cutler Road and S.W. 212 Street, is ideal for creating a new destination for community engagement in the heart of the Town. The vision for the site is to create a destination where local government, residents, and visitors can interact in a pedestrian-friendly environment. The conceptual renderings propose a neighborhood scale with a Town Hall Municipal Complex within and around open spaces for the community to enjoy and accommodate a variety of Town events.

The majority of the 16-acre property would be dedicated as a community-oriented park facility that would become a legacy for the Town and a destination within Miami-Dade County, providing landscape for relaxation and recreation, with shared-use path for running and biking, rolling hills, and areas for educational and historic native landscaping for residents to enjoy. Taking inspiration from the tree-lined historic Old Cutler Road Trail and the Matheson Hammock & the Fairchild Tropical Botanic Garden, the design of the Cutler Bay Municipal Complex Community Park can become a major destination along the Old Cutler Road Trail. Residents' input will play an important role in the design of this municipal complex that could see the possible design of an open-air amphitheater overlooking areas intended to accommodate a farmers' market, art festivals, concerts, and other community-based events.

Sea Level Rise is at the top of the agenda, as it is envisioned to raise the Cutler Municipal Complex on podiums which will help mitigate the issue. The adjacent Park would serve as a flood protection basin, taking advantage of native plantings and rolling hills. Furthermore, the Town Council hope to introduce solar canopies, green roofs over the public restrooms, and elevated boardwalks to transform it into a stunning "Green Resiliency Community Park" as well as pursuing LEED certification for the entire Cutler Municipal Complex.

Stormwater Initiatives

During fiscal year 2008, the Town commenced its stormwater utility operation after assuming that function from the County in the final quarter of that fiscal year. Since then, the Town has completed approximately \$3.7 million of stormwater drainage improvement projects. These drainage projects, which were funded by a combination of grants and Town match funds and private contributions, will benefit the local area homeowners as they will help alleviate some of the known flood drainage issues in the area.

In Fiscal Year 2021, the budget provided for two significant drainage/roadway improvement projects which are estimated to be completed in fiscal years 2022 and 2023, respectively, the first of which is an approximate \$1.77 million project known as "Cutler Ridge Sec. 3" which is funded with a \$200,000 FDEP State grant, \$250,000 in stormwater fees, and approximately \$1.32 million of funds transferred in from the CITT Fund. The second project, known as "Saga Bay 1.7", is an approximate \$930,000 drainage/roadway project that is funded with a \$600,000 State FDEP grant and approximately \$330,000 in funds transferred in from the CITT Fund.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

In fiscal year 2019, the Town adopted a Watershed plan which will enable it, once approved by the regulators, to qualify for a Level 4 status in the Community Rating System for flood insurance purposes. With this rating, Town residents will benefit from a 30% discount on their flood insurance premiums.

Parks and Recreation

The Town's recreation infrastructure and facilities that it received from the County are aging and need renovation and/or replacement. Following its Parks Master Plan, the Town completed approximately \$5.6 million in park improvements since incorporation, excluding the Lakes by the Bay Park project discussed below. These improvements were funded by a combination of sources, including grants, impact fees and other general fund sources. These improvements significantly upgraded the utility, functionality, and appearance of the park facilities.

In fiscal year 2010, the County transferred an additional parcel of land to the Town to be used as park land. This parcel, known as Lakes by the Bay Park ("LBTB park"), encompasses approximately 49.3 acres, has been recorded by the Town at the County's historical cost (approximately \$345,000). This park was developed at a quicker pace than anticipated and opened to the public in December 2011 at a cost of approximately \$9 million (including the cost of the aforementioned land parcel). This park, the largest in Town, provides both active and passive activities for Town residents. It is nestled near protected wetland areas and it is anticipated that nature trails will be included as part of the park build out in the future.

The development project was funded primarily with County provided funds. Since initial development, the Town added playground equipment for children at this park which included safety surfacing, a shade structure, and additional sidewalk capacity, a lightning detection system, and two (2) sand volleyball courts. In fiscal year 2021, the Town also completed the construction of a canoe/kayak launch at LBTB park at a cost of approximately \$617,000, funded by a \$200,000 grant from FDEP and park impact fees.

In October 2013, the Town accepted transfer of an additional smaller park land parcel known as Blue Heron Park. This parcel is a passive park providing walking trails along a lakeside area and was improved by the Town to include outdoor exercise equipment stations along the walking trails.

In November 2021, the Town acquired an approximate 8.45 acre parcel along Old Cutler Road & SW 184th Street for \$8.45 million. This parcel is adjacent to protected wetlands and the intent of the Town Council was to ensure the parcel would not be developed, but rather preserved for conservation and resiliency purposes. Under consideration is the use of this parcel as a passive park and the establishment of a nature walking trail for education purposes.

Franjo Park, which houses three (3) little league size baseball fields, was severely damaged in September 2017 by Hurricane Irma. Given the extent of damage and age of the park facility, the park needs to essentially be rebuilt from the ground up and brought up to code. These additional rebuild costs are not covered by insurance or FEMA reimbursement and, as a result, the Town is





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

funding the restoration of this park with General Fund monies. The restoration was completed in fiscal year 2022 at a cost of approximately \$3.5 million.

Interlocal Debt

The Town is required to pay the County its pro rata share for the Public Service Tax Revenue Bonds (i.e., the QNIP bonds) issued or authorized prior to the Town's incorporation. The payments for the fiscal year ended September 30, 2021 and 2020 were approximately \$345,550 and \$346,190, respectively. The Town's pro rata share of the debt was calculated and recorded in fiscal year 2010.

As a condition of incorporation, the Town agreed that, until the bonds have been paid or provision made for their payment pursuant to the ordinance enacted by the County, the County shall have the right to receive and apply to debt service on the bonds all of the public service taxes, as defined, collected on behalf of the Town with respect to bonds outstanding at the time of the municipal incorporation. The Town's debt service obligations as to the bonds in each fiscal year shall be its pro rata share of such debt service obligation. The Town's pro rata share will be equal to that percentage of the total debt service accruing on the bonds in such fiscal year calculated by multiplying such total debt service by a fraction, the numerator of which will be the total amount of public service taxes collected within the boundaries of the unincorporated area comprising the boundaries of the Town during the fiscal year in which the Town incorporated and the denominator of which will be the total amount of public service taxes collected in the entire unincorporated area of the County. The balance of the public service taxes collected within the boundaries of the Town are remitted to the Town after the County satisfies the debt service requirements for the bonds.

Cash Management

The Town Council and Town Manager are fully charged with the security of the Town's funds and assets with the goal of maximizing return on surplus or idle cash. Cash management policies are clearly identified in the adopted budget documents and conform to regulations defined by the laws of the State of Florida. The Town's excess funds are invested primarily in interest bearing deposits in qualified public depositories.

The principal focus of cash management is to ensure the safety of the Town's cash while maximizing its return on investment. During fiscal year 2021 and 2020 the Town earned approximately \$41,900 and \$138,500, respectively, in investment income. Interest rates were negatively impacted by the COVID-19 pandemic beginning in the third quarter of Fiscal Year 2020 and have continued at depressed levels into Fiscal Year 2022.

The Town Council and Town Management closely monitor the resources available to the Town and its use. At September 30, 2021, the total fund balance of the General Fund is approximately \$19.38 million, an increase of approximately \$5.66 million from September 30, 2020. This total fund balance represents approximately 60% of total Fiscal Year 2021 general fund expenditures (and represents approximately 101% of Fiscal Year 2021 general fund expenditures excluding debt service and capital outlay).





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

Approximately \$18.83 million of the General Fund's total fund balance of \$19.38 million is classified as "unassigned" fund balance which is available for future appropriation by the Town Council for purposes it deems appropriate. This unassigned fund balance level represents approximately 58% of total Fiscal Year 2021 general fund expenditures (and represents approximately 98% of Fiscal Year 2021 general fund expenditures excluding debt service and capital outlay). The remainder of the General Fund's fund balance is classified as "non-spendable" (approximately \$469,000) to indicate that it is not available for new spending because it has already been committed for prepaid expenses and as "restricted" (approximately \$81,600) because it can only be spent for specific purposes due to constitutional provisions or enabling legislation.

FINANCIAL POLICIES

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

Town 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 compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal, State and Local financial assistance, the 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 legal provisions embodied in the annual appropriated budget approved by the Town Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level.

Other financial policies implemented by the Town include the development of policies and procedures manual, the establishment of guidelines for the recording of capital assets, the establishment a formal fund balance policy, and the use of the Town's web site to disseminate budget documents and financial reports, including quarterly budget versus actual reports, to its citizens.





OFFICE OF THE TOWN MANAGER

Rafael G. Casals, ICMA-CM, CFM

Town Manager

AWARDS AND ACKNOWLEDGEMENTS

The Governmental Finance Officers Association of the United States and Canada (the “GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting (the “Certificate of Achievement”) to the Town of Cutler Bay for its annual comprehensive financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Town’s audit firm, Caballero Fierman Llerena & Garcia, LLP. We wish to express our appreciation to the Town staff for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

In closing, without the leadership and support of the Mayor and Town Council, the accomplishments and anticipated future successes noted in this report would not have been possible.

Respectfully submitted,

Rafael G. Casals, Town Manager

Robert Daddario, Finance Director





Government Finance Officers Association

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

Presented to

**Town of Cutler Bay
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

TOWN OF CUTLER BAY, FLORIDA
LIST OF ELECTED TOWN OFFICIALS
SEPTEMBER 30, 2021

Council-Manager Form of Government

TOWN COUNCIL

Tim Meerbott, Mayor

Michael P. Callahan, Vice Mayor

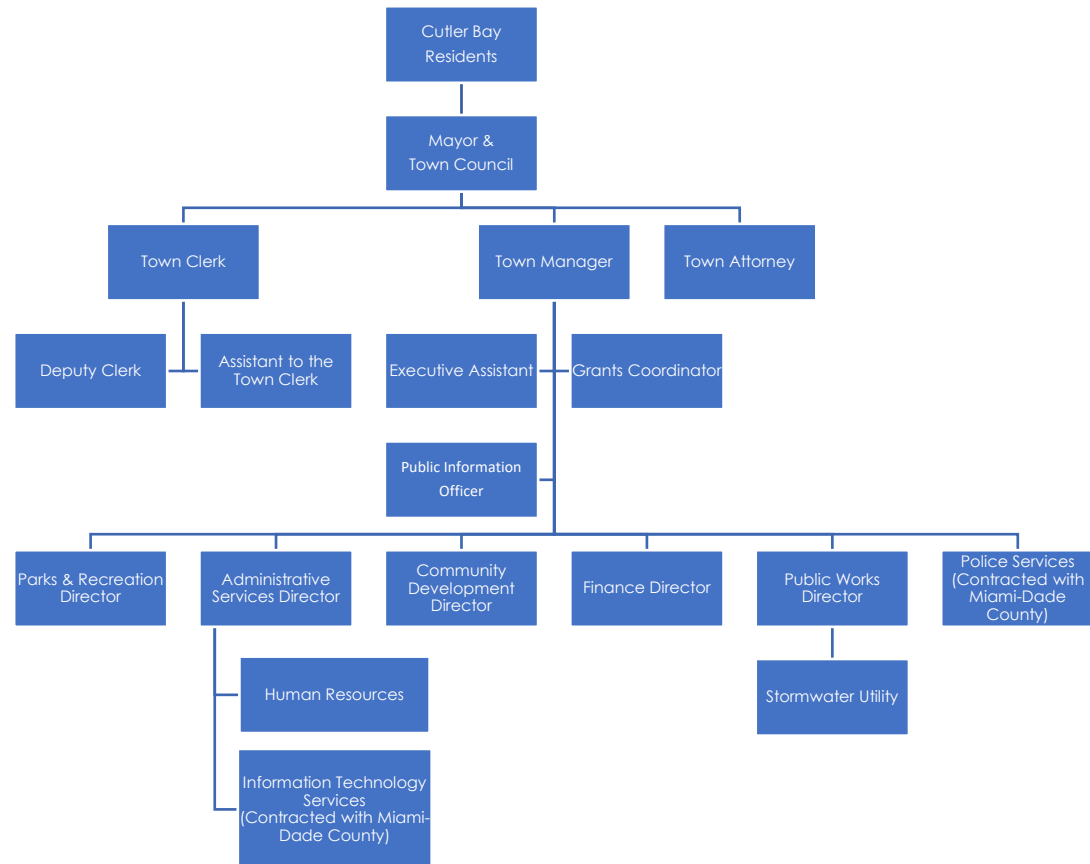
Robert Duncan, Councilmember, Seat 1

Suzy Lord, Councilmember, Seat 2

Roger Coriat, Councilmember, Seat 3



Town of Cutler Bay Organizational Chart



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Town Council
Town of Cutler Bay, 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 Cutler Bay, Florida (the "Town") as of and for the fiscal year ended September 30, 2021, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Town'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, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules of the Town's net pension liabilities and contributions on pages 3–24 and 58–63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 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 June 29, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

As management of the Town of Cutler Bay (the "Town"), we offer in conjunction with the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021 with a comparative analysis with the prior fiscal year.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at September 30, 2021 by approximately \$60.24 million (net position). Of this amount, approximately \$15.37 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by approximately \$2,150,000 from the total net position balance at September 30, 2020. The net increase results primarily from the Town's fiscal year 2021 operations.
- As of September 30, 2021, the Town's governmental funds reported combined ending fund balances of approximately \$26.34 million, an increase of approximately \$7.04 million from the September 30, 2020 balances, due primarily to the Town's current operations during the fiscal year offset by capital expenditures and debt service (an approximate \$10.48 million decrease in fund balance), and by transfers out (an approximate \$127,000 decrease in fund balance), offset by proceeds from the issuance of debt (an approximate \$17.65 million increase in fund balance). This combined fund balance represents 127.5% of combined governmental fund operating expenditures (excluding debt service and capital outlay).
- At September 30, 2021, unassigned fund balance for the General Fund was approximately \$18.83 million, or 58% of total General Fund expenditures, versus \$10.15 million and 43%, respectively, at September 30, 2020. The approximate \$8.68 million increase in unassigned fund balance results primarily from fiscal year 2021 operations (an approximate \$5.66 million increase) as well as by the changes in the composition of the other classifications of fund balance. The Town's unassigned fund balance at September 30, 2021 remains strong and is a positive indicator of the Town's financial health.
- At September 30, 2021, the General Fund's fund balance of approximately \$19.38 million is comprised of approximately \$468,900 classified as "Nonspendable", approximately \$81,600 classified as "Restricted", and approximately \$18.83 million classified as "Unassigned".
- The Town records the activity of its stormwater utility (a business type activity) in the Stormwater Fund, an enterprise fund. In fiscal year 2021, the stormwater utility's net position increased by approximately \$103,400. This increase resulted primarily from an operating loss of approximately \$171,000 which was generated from approximately \$1,018,000 in charges for services and approximately \$1,189,000 in operating expenses, including approximately \$212,700 in depreciation. Operating loss was offset by grants and contributions of approximately \$200,000 and transfers in of approximately \$127,000, offset by net non-operating expenses of approximately \$52,600, comprised of net interest expense.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Cutler Bay's basic financial statements. The basic financial statements are comprised of (a) government-wide financial statements, (b) fund financial statements, and (c) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources and liabilities, and deferred inflows of resources with the difference among these components 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.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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 transactions that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements of the Town are principally supported by taxes and intergovernmental revenues (governmental activities), and also reflect the transfer of infrastructure assets to the Town from the County (park lands and related assets, roadways and sidewalks, and in the case of the stormwater utility fund, a business-type activity, stormwater system assets), as well as by user fees and charges which are intended to recover all or a significant part of the cost of providing services to residents (business-type activities). The governmental activities of the Town include general government, public safety, public works, parks and recreation, and community development. The Town has one business-type activity, the Stormwater Fund. The government-wide financial statements report on only the Town of Cutler Bay.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Cutler Bay, like other state and local governments, uses fund accounting to ensure and demonstrate accountability for the collection and use of public resources. The use of funds is an important tool for governments to demonstrate their compliance with the lawfully permitted use of resources. All of the funds of the Town can be divided into two categories, governmental funds and proprietary funds.

Governmental funds

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

The Town of Cutler Bay maintains various governmental funds, some of which meet the criteria of major funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the CITT Fund. These funds are considered major funds. The Town also maintains several other special revenue funds and a capital projects fund, none of which meet the criteria of major funds. The totals of these funds are presented in the aforementioned governmental fund statements in a separate column entitled "Other Governmental Funds", with the detail provided in supplemental combining financial statements.

The Town of Cutler Bay adopted an annual appropriated budget for its General Fund and its CITT Fund. Budgetary comparison schedules have been provided for the General Fund and the CITT Fund to demonstrate compliance with their respective budgets.

Proprietary funds

The Town maintains one proprietary fund for which the Town adopts an annual appropriated budget. 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 operations.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Overview of the Financial Statements (Continued)

Notes to the 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.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Also, the combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, net position increased approximately \$2,150,000 during fiscal year 2021, primarily due from operations. As a result, assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources were approximately \$60.24 million and \$58.09 million, respectively, at September 30, 2021 and 2020. See the table below.

The largest portion of the Town's assets at September 30, 2021 consists of capital assets (approximately \$61.7 million (net of accumulated depreciation), primarily roadways, sidewalks, park lands and related assets transferred to the Town by the County, park improvements made by the Town, stormwater assets transferred to the Town by the County, additional infrastructure developed by the Town, as well as a building and related land and ancillary assets related to the Town Hall site. The primary contributors to the increase in capital assets in fiscal year 2021 were the acquisition of additional unimproved land and increases to construction in progress for improvement projects related to roadways, parks and stormwater drainage.

Other significant assets at September 30, 2020 and 2019 include cash and receivables due from the County, the State of Florida (the "State"), and from various grants. Cash, totaling approximately \$26.1 million at September 30, 2021, increased approximately \$9.5 million from the fiscal 2020 total primarily resulting from fiscal year 2021 operating activities, adjusted for changes in the timing of the liquidation of assets and liabilities.

Receivables increased approximately \$810,900 primarily as a result of the timing of reimbursements due from others. The primary components of this change are as follows:

- In the General Fund, there was a net decrease in receivables of approximately \$212,300. This related primarily to reduced grants receivable at September 30, 2021 (primarily COVID related grants) of approximately \$243,000 and decreased miscellaneous receivables (primarily amounts due from developers for cost recovery items) of approximately \$64,000, offset by higher receivables for taxes (approximately \$68,200) and increased receivables for fees (primarily franchise fees) of approximately \$27,600. The balance of the difference is comprised of minor increases and decreases from other sources and are not considered material for further discussion.
- In the CITT Fund, higher revenue receivables derived from the CITT program at the end of fiscal year 2021 versus fiscal 2020 represented an approximate \$150,000 increase in receivables, primarily related to rebounds in activity from prior COVID-19 related revenue declines. The increase in receivables was enhanced by the recording of a receivable for revenues unavailable at the fiscal year end which were recorded as a deferred inflow of resources, the net change of this was an increase in receivables of approximately \$53,000.
- In Other Governmental Funds, receivables increased approximately \$716,500, primarily due to:
 - In the Transportation Fund, grant receivables increased by approximately \$28,400. During fiscal year 2021, the Town commenced a grant funded update to its transportation master plan. At year end fiscal 2021, the Town recorded a receivable from this grant of approximately \$28,400. There were no corresponding grant receivables in this fund in fiscal year 2020.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

- The Town operates park programs for youths funded in part from The Children's Trust and the Department of Juvenile Justice (DJJ). As of fiscal year-end 2021, grant receivables from The Children's Trust were approximately \$57,200 more than the fiscal year-end 2020 balance, due primarily to COVID-19 related impacts affecting the programs, including elimination of the summer STEM Camp. Also, there was an approximate \$3,300 increase in the grant receivables from the DJJ versus the prior year-end. These two park grants resulted in a net increase in receivables of approximately \$60,500.
- The Town received a grant to make certain bike and pedestrian friendly roadway improvements, accounted for in the Bike/Pedestrian Fund. The Town recorded a grant receivable of approximately \$330,300 at fiscal year-end 2020 related to this project. There was no corresponding receivable at fiscal year-end 2021.
- The Town received a grant to construct a canoe/kayak launch at Lakes By The Bay park, account in the Capital Projects – Parks Fund. The Town recorded a grant receivable of \$200,000 at fiscal year-end 2020 related to this project. This amount was also outstanding at September 30, 2021. Additionally, at September 30, 2021 the Town had an additional \$200,000 grant receivable related to the Franjo Park restoration project and, as a result, there was a net increase of \$200,000 in receivables in the Capital Projects – Parks Fund in fiscal year 2021 versus fiscal year-end 2020.
- The Town receives from the State a share of the 2nd Local Option Gas Tax, a capital grant recorded in the Special Revenue Fund that can only be used for specified capital projects. The receivable at the end of fiscal year 2021 was approximately \$2,600 more than the corresponding fiscal year 2020 amount, primarily as a result of a rebound in revenues from COVID-19 related revenue impacts.
- In fiscal year 2021, the Town commenced the design of a roadway project along Franjo Road being performed pursuant to a Joint Participation Agreement ("JPA") with Miami-Dade County (the "County"). The project is being accounted for in the JPA – Franjo Road Fund. At fiscal year end 2021, the Town had receivables of approximately \$386,300 due from the County for design cost reimbursement. As the project commenced in fiscal year 2021, there was no corresponding receivable amount at fiscal year end 2020.
- In fiscal year 2021, the Town commenced the operation of an "on demand" transit service in town, funded with a grant and a Town match of CITT Surtax funds. The project is being accounted for in the Transit Fund. At fiscal year end 2021, the Town had receivables of approximately \$369,000 due one-half from the grant and one-half from CITT Surtax funds. As the service commenced in fiscal year 2021, there was no corresponding receivable amount at fiscal year end 2020.
- In the Stormwater Fund (a proprietary fund), receivables were approximately \$156,800 higher at fiscal year end 2021 versus fiscal year end 2020. This resulted primarily from increased grant receivables in the 2021 period (an approximate \$182,900 increase), offset by less stormwater fee receivables in the 2021 period (an approximate \$26,100 decrease).

Receivables at September 30, 2021 and 2020 consist primarily of amounts due from the County (\$347,900 and \$382,100, respectively) as well as intergovernmental receivables due from the State (\$524,000 and \$416,400, respectively), and receivables from various grants (\$488,500 versus \$731,500, respectively). The remainder of the governmental activities receivables balance is comprised of balances from other miscellaneous sources (\$523,800 and \$566,600, respectively at September 30, 2021 and 2020). Stormwater Fund receivables were approximately \$362,700 at September 30, 2021 versus \$206,000 at September 30, 2020.

The receivables due from the County at September 30, 2021 and 2020 related primarily to the timing of property and utility taxes, local business taxes, and Clerk of the Court remittances due the Town at those dates. The decrease in the fiscal year 2021 balance relative to the fiscal year 2020 balance relates primarily to the fact that the outstanding property taxes and local business taxes due the Town at September 30, 2021 were approximately \$43,500 and \$1,100, respectively, less than the respective amounts outstanding at September 30, 2020. This decrease was partially offset by an approximate \$9,300 increase in Clerk of the Court remittance receivables and an approximate \$1,200 increase in utility tax receivables at the end of fiscal year 2021 versus the fiscal year 2020 balance. The

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

balance of the change is the result of small, miscellaneous increases and decreases in various categories. These changes are not considered material for further discussion.

The receivables due from the State at September 30, 2021 and 2020 related primarily to sales taxes, local option gas taxes and communication services taxes due the Town at those dates. The net increase in this receivable balance for the fiscal year 2021 period results primarily to increases of approximately \$90,300 for sales taxes, \$8,200 for communication services taxes, and \$6,700 for local option gas taxes. Revenues for these categories at the end of fiscal year 2021 were higher versus the comparable fiscal year 2020 period as a result of rebound from COVID-19 impacts on revenues in the 2020 period. The balance of the change is the result of small, miscellaneous increases and decreases in various categories. These changes are not considered material for further discussion.

The primary drivers of the decrease in grant receivables at September 30, 2021 over the September 30, 2020 balance is due primarily to less COVID-19 grant related receivables in the 2021 period.

The decrease in other miscellaneous receivables at September 30, 2021 versus the September 30, 2020 balance is due primarily to decreased receivables at year-end fiscal 2021 from developers for cost recovery items (approximately \$63,600 increase) offset by an increase in receivables for franchise fees (an approximate \$19,500 increase in the 2021 period). The balance of the difference is comprised of minor increases and decreases from different revenue sources. These changes are not considered material for further discussion.

In the Stormwater Fund, a proprietary fund, the increase in receivables at September 30, 2021 versus the corresponding fiscal year 2020 period, results primarily from increased grant receivables in the 2021 period (an approximate \$182,900 increase), offset by less stormwater fee receivables in the 2021 period (an approximate \$26,100 decrease).

Deferred outflows of resources decreased approximately \$201,700 at September 30, 2021 versus the balance at September 30, 2020. This results primarily from the changes required by the current year GASB 68 valuation (approximately \$197,600), by the change in the Town's pro-rata share of the loss on the County's refunding of the Stormwater Utility Revenue Bonds (approximately \$4,100).

Long-term debt increased approximately \$10.2 million in fiscal year 2021 primarily resulting from issuance of bonds (approximately \$14.7 million of the increase including unamortized premium) and an increase in compensated absences (approximately \$17,000), offset by bank loan restructuring and the scheduled debt service payments on the Town's existing debt (approximate \$1.46 million decrease) and by a decrease in net pension liability pursuant to GASB 68 (approximately \$3 million).

The approximate \$903,000 increase in other liabilities primarily reflects (1) an approximate \$87,700 net increase in other liabilities primarily reflecting an increase in developer deposit liabilities (approximately \$84,900) and some small changes in security and park deposits and permit surcharge reserves, (2) an approximate \$582,000 increase in accounts payable and (3) an approximate \$233,300 increase in accrued interest (primarily related to the Town's bond issue and other changes in the timing of loan payments).

The increase in accounts payable relates primarily to the timing of vendor payments and are impacted by the timing of Town projects. The year-end fiscal 2021 increase in accounts payable results primarily from an approximate \$184,600 increase in accounts payable in the CITT Fund, an approximate \$415,600 increase in accounts payable in non-major governmental funds, and an approximate \$225,600 increase in accounts payable in the Stormwater Fund, offset an approximate \$243,800 decrease in accounts payable in the General Fund. The increase in the CITT Fund results from the recording of a payable to the Transit Fund for the Town's match of CITT surtax funds for the "On Demand" service that commenced in fiscal year 2021. The increase in accounts payable in non-major governmental funds primarily reflects payables for two projects that commenced in fiscal year 2021 for which there was no corresponding payable in the 2020 period (approximately \$80,100 for the JPA – Franjo Road Fund and approximately \$369,100 for the Transit Fund related to the On Demand service). These increases were offset by an approximate \$30,000 decrease in payables for the Bike and Pedestrian Fund which was completed in fiscal year 2020 and for which there is no corresponding payable in the 2021 period. The balance of the change is the result of small, miscellaneous increases and decreases in various categories. The changes in accounts payable in the Stormwater Fund and General Fund are primarily related to the timing of payments to vendors between the fiscal years.

Deferred inflows of resources at September 30, 2021 reflects an increase of approximately \$2,549,300 versus the balance at September 30, 2020 primarily as a result of an approximate \$2,547,900 increase in pension expenses

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

pursuant to the current year GASB 68 valuation and an approximate \$1,400 increase in revenue received in advance, consisting of business license taxes received in advance.

Town of Cutler Bay
Statement of Net Position
September 30,
(in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 30,606	\$ 23,067	\$ 75	\$ 318	\$ 30,681	\$ 23,385	31.2%
Capital assets	54,666	46,386	7,034	6,593	61,700	52,979	16.5%
Total assets	<u>85,272</u>	<u>69,453</u>	<u>7,109</u>	<u>6,911</u>	<u>92,381</u>	<u>76,364</u>	21.0%
Deferred Outflows of Resources	<u>1,264</u>	<u>1,462</u>	<u>32</u>	<u>36</u>	<u>1,296</u>	<u>1,498</u>	-13.5%
Long-term debt	24,646	14,299	1,269	1,405	25,915	15,704	65.0%
Other liabilities	<u>4,239</u>	<u>3,561</u>	<u>409</u>	<u>183</u>	<u>4,648</u>	<u>3,744</u>	24.1%
Total liabilities	<u>28,885</u>	<u>17,860</u>	<u>1,678</u>	<u>1,588</u>	<u>30,563</u>	<u>19,448</u>	57.2%
Deferred Inflows of Resources	<u>2,871</u>	<u>322</u>	<u>-</u>	<u>-</u>	<u>2,871</u>	<u>322</u>	791.6%
Net position							
Net investment in capital assets	32,154	37,249	5,765	5,224	37,919	42,473	-10.7%
Restricted	6,959	8,651	-	-	6,959	8,651	-19.6%
Unrestricted	<u>15,667</u>	<u>6,833</u>	<u>(302)</u>	<u>136</u>	<u>15,365</u>	<u>6,969</u>	120.5%
Total net position	<u>\$ 54,780</u>	<u>\$ 52,733</u>	<u>\$ 5,463</u>	<u>\$ 5,360</u>	<u>\$ 60,243</u>	<u>\$ 58,093</u>	3.7%

The balance of unrestricted net position (approximately \$15.37 million and \$6.97 million, respectively at September 30, 2021 and 2020) may be used to meet the government's ongoing obligations to citizens and creditors.

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TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

At September 30, 2020 and 2019, the Town of Cutler Bay is able to report positive balances in all three categories of net position.

Governmental activities

Governmental activities increased net position by approximately \$2.05 million for the year ended September 30, 2021 versus an increase of approximately \$4.48 million for fiscal year 2020, representing the results of the Town's operations for the applicable fiscal periods.

Business-type activities

Business-type activities increased net position by approximately \$103,000 for the year ended September 30, 2021 versus a decrease in net position of approximately \$164,000 for the year ended September 30, 2020, representing the results of the Town's operations of the stormwater utility.

Town of Cutler Bay Changes in Net Position For The Fiscal Year Ended (in thousands)							
	Governmental Activities		Business-Type Activities		Total		Percent Change
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Revenues							
Program revenues:							
Charges for services	\$ 1,815	\$ 1,753	\$ 1,018	\$ 1,011	\$ 2,833	\$ 2,764	2.5%
Operating grants and contributions	3,645	2,632	-	-	3,645	2,632	38.5%
Capital grants and contributions	474	734	200	17	674	751	-10.3%
General revenues:							
Taxes and franchise fees	19,576	17,247	-	-	19,576	17,247	13.5%
Other	97	5,914	-	1	97	5,915	-98.4%
Total revenues	<u>25,607</u>	<u>28,280</u>	<u>1,218</u>	<u>1,029</u>	<u>26,825</u>	<u>29,309</u>	-8.5%
Expenses							
General government	7,003	7,302	-	-	7,003	7,302	-4.1%
Public safety	10,079	10,321	-	-	10,079	10,321	-2.3%
Parks and recreation	3,222	3,238	-	-	3,222	3,238	-0.5%
Community development	2,502	2,563	-	-	2,502	2,563	-2.4%
Stormwater	-	-	1,242	1,279	1,242	1,279	-2.9%
Interest on long-term debt	627	292	-	-	627	292	114.7%
Total expenses	<u>23,433</u>	<u>23,716</u>	<u>1,242</u>	<u>1,279</u>	<u>24,675</u>	<u>24,995</u>	-1.3%
Change in net position before transfers	2,174	4,564	(24)	(250)	2,150	4,314	-50.2%
Transfers	(127)	(86)	127	86	-	-	N/A
Increase (decrease) in net position	2,047	4,478	103	(164)	2,150	4,314	-50.2%
Net position, beginning	<u>52,733</u>	<u>48,255</u>	<u>5,360</u>	<u>5,524</u>	<u>58,093</u>	<u>53,779</u>	8.0%
Net position, ending	<u>\$ 54,780</u>	<u>\$ 52,733</u>	<u>\$ 5,463</u>	<u>\$ 5,360</u>	<u>\$ 60,243</u>	<u>\$ 58,093</u>	3.7%

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

Key elements in the changes in net position are as follows:

Governmental activities

- Taxes and franchise fees (\$19.6 million and \$17.2 million, respectively, for fiscal year 2021 and fiscal year 2020) comprised 77% and 61%, respectively, of total revenues of \$25.6 million and \$28.3 million for fiscal year 2021 and fiscal year 2020, respectively, with property taxes representing the largest single tax source (\$6.9 million and \$6.2 million in fiscal year 2021 and 2020, respectively). Total fiscal year 2021 revenues decreased approximately 9.5%, due primarily to an approximate \$5.7 million decrease in the gain on the disposal of capital assets, offset by increases in other revenue categories.
- Charges for services in fiscal year 2021 increased from fiscal year 2020 by approximately \$62,000 primarily as a result of increased parks fees (approximately \$32,000), burglar alarm fees (approximately \$15,800), building permits and zoning fees (approximately \$229,500), occupational licenses (approximately \$12,400), judgements and fines (approximately \$11,800) and lien search fees (approximately \$7,400), offset by decreases for school crossing guard fees (approximately \$14,500), and rental income (approximately \$231,900). Rental income decreased substantially as a result of the sale of the Town Hall building properties in January 2020. The balance of the decrease is the sum of other small increases and decreases between the years.
- Operating and capital grants and contributions increased approximately \$753,000 primarily as a result of an approximate increases of \$386,300 in the JPA – Franjo Road Fund and \$184,600 in the Transit Fund related to projects that commenced in fiscal year 2021, an approximate \$85,400 in the TCT Fund related to the summer STEM Camp grant (which was not held in fiscal year 2020 due to COVID-19), an approximate \$358,900 increase in CITT Surtax revenues, an approximate \$65,600 increase in impact fees, an approximate \$86,200 increase in the Transportation Fund for a master plan update grant, and an approximate increase of \$9,300 in public safety grants. These increases were offset by decreases of approximately \$330,300 in the Bike and Pedestrian Fund as that project was completed in fiscal year 2020, approximately \$20,100 in funding from a Department of Juvenile Justice grant, and approximately \$72,500 in decreased public assistance grants (primarily related to COVID-19). The remaining change results primarily from minor increases and decreases in grant revenues related to several smaller grants in fiscal year 2021 versus fiscal year 2020.
- Taxes and franchise fees increased approximately \$2,329,000 resulting primarily to increased property taxes (approximately \$727,300), utility taxes (approximately \$227,800), and franchise fees (approximately \$694,600), and by intergovernmental revenues (approximately \$678,600). The increases reflect rebounds in revenue from the 2020 COVID-19 period. The balance of the change is the sum of other small increases and decreases between the years.
- Operating and capital grants and contributions (\$3,645,000 and \$474,000 at September 30, 2021 and \$2,632,000 and \$734,000 at September 30, 2020, respectively) account for 16.1% and 11.9% of total revenues at September 30, 2021 and 2020, respectively. The amounts in both the fiscal year 2021 and fiscal year 2020 periods are comprised primarily of 2nd local option gas tax receipts, impact fees, CITT surtax funds and capital and non-capital project grant funds received by the Town.
- Charges for services account for 7.1% and 6.2% of total revenues for fiscal years 2021 and 2020, respectively. These amounts consist primarily of building and zoning fees, park service fees, rental income, and public safety fees and fines and forfeitures. Use of these funds is generally restricted to certain prescribed uses. The increase in these revenues in fiscal year 2021 is discussed in the bullet point above. These revenue sources were negatively impacted by the COVID-19 pandemic in the fiscal year 2020 period.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

- Expenses for governmental activities decreased approximately \$283,000, resulting primarily from an approximate \$299,000 decrease in expenses related to general government, an approximate \$242,000 decrease in expenses related to public safety, an approximate \$61,000 decrease in expenses related to community development, and an approximate \$16,000 decrease in expenses related to parks and recreation, offset by an approximate \$335,000 increase in interest on long-term debt. The primary reasons for these changes are:
 - The decrease in general government expenses results primarily from decreased costs associated with the Town's ongoing roadway and transportation related projects, as follows:
 1. Expenses related to CITT surtax funded roadway resurfacing and transit related projects decreased approximately \$674,600 in fiscal year 2021 due to project scheduling.
 2. Expenses related to the Safe Routes to School Fund decreased approximately \$33,500 as the project was completed in fiscal year 2020.
 3. The Transportation Fund expended approximately \$107,200 more in fiscal year 2021 related to a grant funded transportation master plan update which was commenced in fiscal year 2021.
 4. The Bike and Pedestrian Fund expenses were approximately \$350,000 less in fiscal year 2021 as the project was completed early in the fiscal year.
 5. Two new projects commenced in fiscal year 2021, a roadway improvement project along Franjo Road and a new on demand transit service. As a result, expenses in the JPA – Franjo Road Fund and the Transit Fund increased by \$386,300 and \$369,100, respectively.

Non roadway/transportation project related items that contributed to the net change of general government expenses included a decrease in depreciation expense (approximately \$233,000), compensated absences (approximately \$43,700), and pension expense (approximately \$178,000 based on the current year pension valuation).

Additionally, general government expenses increased approximately \$351,300 primarily as a result of:

1. The Town Attorney department expenses decreased approximately \$134,500 in fiscal year 2021 versus the fiscal year 2020 period, reflecting lower utilization of services related to the COVID-19 pandemic. The Town contracts for these services.
2. The General Government department expenses increased approximately \$856,000 primarily as a result of increases in contractual services and professional fees (approximately \$86,400 and \$36,900, respectively), rent expense (approximately \$168,700) resulting from the 2020 sale/leaseback of the Town Hall office building, salaries and benefits (approximately \$64,400) resulting from merit and cost of living pay changes, and other current charges (approximately \$537,000) primarily related to debt issuance costs and COVID-19 expenses, offset by decreases in expenses for communications and freight (approximately \$15,500), business insurance (approximately \$3,700), repairs and maintenance (approximately \$8,300), and travel (approximately \$9,700). There were other account balance increases and decreases that individually were not material for further analysis.
3. The Public Works department expenses decreased approximately \$105,400 as a result of decreased expenses for contractual services (approximately \$123,100) primarily resulting from reduced sidewalk repair work and landscape maintenance, offset by increased salaries and benefits (approximately \$3,700 resulting from merit and cost of living pay changes), increased repairs and maintenance (approximately \$5,000), and increased fleet fuel costs (approximately \$6,500). The balance of the difference relates from a combination of smaller changes in various accounts.
4. The Town Hall Building department expenses decreased approximately \$313,000. The Town exchanged its Town Hall properties for vacant land and leased back its occupied office space in January 2020. As a result, there was no expense Town Hall Building department expenses in the fiscal year 2021 period (rent expense for office space is recorded in the General Government department).

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

5. The Finance department expenses increased approximately \$58,900, primarily related to increased salaries and benefits (approximately \$49,300) due to the addition of a part-time accounting staff as well as to merit and cost of living pay changes, and increased repairs and maintenance (approximately \$7,100) related to the maintenance of the Town's enterprise-wide software system. The balance of the difference relates from a combination of smaller changes in various accounts.
6. The Mayor & Council department and the Town Clerk department expenses decreased approximately \$4,400 and \$6,300, respectively. The changes relate from a combination of smaller changes in various accounts which are considered immaterial for discussion.

The balance of the difference in general government expenses results from a combination of smaller changes in various accounts.

- Expenses for public safety decreased approximately \$242,000 primarily due to costs related to contracted police services with the County. Professional services, for local patrol and optional police services, decreased approximately \$234,700, primarily as a result of fewer COVID-19 related details. Repairs and maintenance and printing expenses also decreased approximately \$1,600 and \$3,300, respectively, as did depreciation (approximately \$2,100). The balance of the difference results from a combination of smaller changes in various accounts.
- Expenses for parks and recreation expenses decreased approximately \$16,000. The pandemic related closures curtailed the park activities for fiscal year 2020 resulting in significant decreased expenses that year. In fiscal year 2021, park operations started its return to normal operations and experienced increased expenses for contractual services (approximately \$32,400), utilities (approximately \$77,400), supplies (approximately \$22,000), and repairs and maintenance (approximately \$13,500). Increased staff scheduling as parks reopened resulted in an increase in salaries and benefits as well (approximately \$35,800) related to merit and cost of living pay changes. The pandemic also impacted the Town's two grant funded programs as these programs were severely curtailed in fiscal year 2020 (the summer camp program was not even held). These programs were back to normal operations in fiscal year 2021, including the summer camp program, and, as a result, this contributed to increased expenses for administering grant funded park programs of approximately \$59,000. Additionally, decreased expenses were incurred for pension expense (approximate \$222,000 decrease due to the current year pension valuation) and depreciation (approximate \$9,900 decrease), and compensated absences (approximate \$24,200 decrease). The balance of the difference relates from a combination of smaller changes in various accounts.
- Expenses for community development decreased approximately \$61,000. This resulted primarily from increases in salaries and benefits (approximately \$178,200), primarily related to a restructuring of the department as well as a vacancy in the department Director position for part of fiscal year 2020, as well as increases in other contractual services (approximately \$79,900) related to increased payments made to the contractor that performs the Town's permit and inspection functions (primarily related to increased building permit revenues which are shared with the contractor), and increased supplies expense (approximately \$5,900), partially offset by a decrease in professional services (approximately \$157,000) reflecting the outsourcing of the Director function for part of fiscal year 2020 until a permanent department Director was hired. Additionally, expenses decreased for compensated absences decreased approximately \$10,700, depreciation (approximately \$18,900) and pension expense (approximately \$139,000). The balance of the difference relates from a combination of smaller changes in various accounts.
- Interest on long-term debt increased approximately \$335,000, primarily as a result debt service on a new bond issue in fiscal year 2021 as well as to the +120900debt amortization of the Town's other long-term debt.
- Transfers out increased approximately \$41,000 reflecting increased transfers out from the CITT Fund (a major governmental fund) to the Stormwater Fund (a proprietary fund) for use on the transportation/roadway related costs of drainage projects.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Government-Wide Financial Analysis (Continued)

Business-type activities

- Charges for services for stormwater fees, which represent 83.6% and 98.3% of total revenues for fiscal years 2021 and 2020, respectively, in the proprietary fund, resulted from the Town's operation of the stormwater utility within the Town's boundaries which commenced in the fourth quarter of fiscal 2008.
- Capital grants and contributions increased approximately \$183,000 related to a grant awarded to the Town for the construction of a drainage improvement project which commenced in fiscal year 2021, offset by the completion of a grant for another drainage improvement project that was completed in early fiscal year 2020.
- Total expenses of the stormwater utility decreased approximately \$37,000 reflecting decreased operating expenses of approximately \$32,900 and decreased interest expense of approximately \$4,500. Operating expenses decreased primarily as a result of an approximate \$57,200 decrease in other contractual services offset by an approximate \$18,200 increase in professional services. The balance of the difference relates from a combination of smaller changes in various accounts.
- Interest expense decreased approximately \$4,500, primarily as a result of scheduled debt amortization.
- Transfers in increased approximately \$41,000 reflecting increased transfers in from the CITT Fund (a major governmental fund) for use on the transportation/roadway related costs of drainage projects.

Financial Analysis of the Government's Funds

The Town of Cutler Bay uses fund accounting to ensure and demonstrate accountability for the collection and use of public resources.

Governmental funds

The focus of the Town of Cutler Bay'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.

As of September 30, 2021, and 2020, the Town's governmental funds reported combined ending fund balances of \$26.34 million and \$19.3 million, respectively. The fiscal year 2021 operations increased fund balance by approximately \$7.04 million primarily from normal current operating activities (approximate \$4.9 million increase) increased by transfers in (approximately \$2.32 million) and proceeds from debt issuance (approximately \$17.65 million), offset by capital expenditures (approximately \$10.71 million), debt service (approximately \$4.67 million), and transfers out (approximately \$2.45 million).

Total revenues for fiscal year 2021 increased approximately \$3,019,500 from fiscal year 2020 levels, due primarily to several factors, as follows:

- Ad valorem revenues increased in fiscal year 2021 approximately \$727,300 as a result of increased property values and the timing of collections.
- Utility taxes increased approximately \$227,800 primarily as a result of growth in the Town and increased utilization of utility related services.
- Franchise fees increased approximately \$694,600 primarily due to enhanced revenues derived from the Town's franchise fee agreement directly with the utility provider commencing May 2020 upon termination of the Town's Interlocal agreement with the County.
- Building activity in Town was impacted by the COVID-19 pandemic slowdowns in fiscal 2020 but rebounded in fiscal year 2021 resulting in a increase in licenses and permit revenues of approximately \$244,600 from fiscal year 2020 levels. Building permit and zoning related fees decreased approximately \$229,500 and local business tax receipts and other licenses increased approximately \$15,100.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

Governmental funds (Continued)

- Impact fees increased approximately \$65,600 relating to the timing of application for new project developments within Town subject to impact fee assessments.
- Intergovernmental revenues increased approximately \$1,318,000, primarily resulting from:
 1. Revenue from the CITT surtax funds increased approximately \$305,800 in fiscal year 2021 versus the 2020 period due primarily to rebounding from the impacts from COVID-19.
 2. The Transportation Fund had an approximate \$86,200 increase in revenues primarily as a result of commencement of a grant funded transportation master plan update offset by completion of the grant funded mobility hub study in early fiscal year 2020.
 3. The Town is a recipient of two grants, one from The Children's Trust ("TCT") and one from the Department of Juvenile Justice ("DJJ"), to provide after school programs for children. Revenues from the TCT grant increased in fiscal year 2021 approximately \$79,400 and revenues from the DJJ grant decreased approximately \$20,100. Both grants were impacted by COVID-19 shutdowns of the parks with included cancellation of The Children's Trust summer STEM Camp program in fiscal year 2020.
 4. Construction of a grant funded bike/pedestrian improvement project commenced and was substantially completed at the end of fiscal year 2020. The Town recorded grant revenues of approximately \$330,300 (the full grant amount) in the fiscal year 2020 period. There were no corresponding grant revenues in the fiscal year 2021 period.
 5. In fiscal year 2021, the Town commenced the design of a roadway improvement project along Franjo Road, being developed in conjunction with Miami-Dade County pursuant to a Joint Participation Agreement ("JPA"). The project is being accounted for in the JPA – Franjo Road Fund. The Town recorded revenues from the County pursuant to the JPA for the cost incurred during the 2021 period for design (approximately \$386,300). No such amounts were applicable to the 2020 period.
 6. In fiscal year 2021, the Town commenced an "on demand" transit service funded by a grant with a Town match from CITT Surtax funds. The project is being accounted for in the Transit Fund. In fiscal year 2021, the Town recorded grant funds of approximately \$184,600 for the grant portion of the operating costs. No such amounts were applicable to the 2020 period.
 7. The Town experienced an approximate \$5,000 increase in the 2nd Local Option Gas tax restricted for use to capital items in fiscal year 2021 primarily due to the rebound from the impacts of COVID-19.
 8. The Town experienced increases in all State shared revenue categories as these revenues rebounded from the fiscal year 2020 COVID-19 declines, resulting in a increase in revenues of approximately \$678,600. Sales tax revenues increased approximately \$626,700, local option gas taxes increased approximately \$11,300, State revenue sharing increased approximately \$38,100, and communication services taxes increased approximately \$2,500.
 9. Revenues from COVID-19 related grants decreased approximately \$72,500.
 10. The Town received forestry grants in fiscal years 2021 and 2020. The revenue from such grants increased approximately \$10,400 in fiscal year 2021.
 11. The Town received public safety grants totaling approximately \$9,300 and \$4,700 in fiscal year 2021 and 2020, respectfully, an increase of approximately \$4,600.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

Governmental funds (Continued)

- Rental income decreased approximately \$231,900 primarily as a result of the sale of the Town Hall building in January 2020 as part of the exchange/leaseback of the Town Hall properties for vacant land.
- Charges for services increased approximately \$38,400, primarily due to increases in park fees (approximate \$32,100 increase) due to return from COVID-19 park closures in the 2020 period, burglar alarm fees (approximate \$15,800 increase), and lien search fees (approximate \$7,400 increase), partially offset by a decrease in school crossing guard fees (an approximate \$14,500 decrease). The balance of the change relates primarily to increases and decreases in various smaller accounts.
- Fines and forfeitures increased approximately \$10,700 resulting primarily from decreased revenue from traffic enforcement fines (approximately \$37,000), partially offset by increased code enforcement fines (approximately \$47,700).
- Interest income decreased approximately \$96,400 due primarily to a deterioration in the interest rate environment during the COVID-19 pandemic that carried forward to fiscal year 2021.
- Miscellaneous revenues increased approximately \$20,700 primarily reflecting an increase in insurance proceeds for storm claims of approximately \$33,400, offset by a reduction in contributions from private sources of approximately \$10,000, a reduction in lobbyist fees of approximately \$1,400, and a decrease in other miscellaneous revenues of approximately \$1,400.
- The balance of the net change is comprised of minor increases and decreases from various revenue sources.

The Town's total debt service increased approximately \$2,804,200 in fiscal year 2021 versus the amounts in fiscal year 2020. This debt service results from debt service related to a new bond issuance, the restructuring of certain long-term debt, and the normal amortization of the Town's outstanding other debt.

Capital expenditures increased approximately \$6,012,200 in fiscal year 2021 versus the fiscal year 2020 period primarily as a result of the following:

- Work continued in fiscal year 2021 related to the restoration of Franjo Park and to the construction of a canoe/kayak launch at Lakes By The Bay Park, resulting in an approximate \$923,500 increase in expenditures.
- The Town completed a grant funded bike/pedestrian transportation project in early fiscal year 2021 resulting in an approximate \$350,000 decrease in expenditures.
- In the Children's Trust Fund, approximately \$13,500 in expenditures were made in fiscal year 2021 for capital items pursuant to the grant. No such amounts were expended in the 2020 period.
- In the Lighting Fund, the project was completed in early fiscal year 2020 and there were no expenditures in the 2021 period, resulting in an approximate decrease in capital outlay of \$3,200.
- In the General Fund, public safety capital expenditures decreased approximately \$23,300 as a result of purchase of radar equipment in fiscal year 2020. Community development capital expenditures increased approximately \$2,000 as a result of computer equipment purchased in fiscal year 2021 with no corresponding purchases in fiscal year 2020. General government capital expenditures increased approximately \$5,448,000 primarily as a result of the purchase of a vacant land parcel for approximately \$8,450,000 in fiscal year 2021, offset by approximately \$3 million paid in fiscal year 2020 towards the purchase of vacant land in town. Parks and recreation capital expenditures increased approximately \$1,700.
- The balance of the difference relates from a combination of smaller changes in various accounts.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

Governmental funds (Continued)

Transfers out (approximately \$2,453,700) reflect:

- transfers of CITT surtax funds from the CITT Fund to (1) the Transportation Fund (approximately \$22,500), (2) the Bike and Pedestrian Fund (approximately \$34,200), (3) the Transit Fund (approximately \$184,600), and (4) the Stormwater Fund, a proprietary fund, (approximately \$127,000) to fund eligible transportation expenditures;
- transfer of gas taxes (approximately \$150,000) from the Special Revenue Fund to the General Fund for sidewalk repairs;
- transfer of park impact fees (approximately \$41,700) from the Special Revenue Fund to the Capital Projects Fund for cost of added park capacity;
- transfer of approximately \$1,893,700 from the General Fund to the Capital Projects (Parks) Fund to pay for the cost of infrastructure improvements not eligible to be paid with park impact fees;

This represented an increase of approximately \$1,038,400 from the fiscal year 2020 transfers out, primarily as a result of:

- Increased transfers out from the General Fund (approximately \$1,155,300) to the Capital Projects (Parks) Fund (approximate \$1,158,500 increase) for the Franjo Park restoration project, offset by a decrease in transfers to the Lighting Fund (approximate \$3,200 decrease) for the LED lighting project.
- Increased transfers out from the CITT Fund (approximately \$193,100) to the Stormwater Fund, a proprietary fund, (approximate \$40,700 increase), to the Bike and Pedestrian Fund (approximate \$19,600 decrease), to the Safe Routes to School Fund (approximate \$33,500 decrease), to the Transit Fund (approximate \$184,600 increase), and to the Transportation Fund (approximate \$20,900 increase).
- Decreased transfers out from the Special Revenue Fund (approximately \$310,000) reflecting decreased park impact fees transferred out to the Capital Projects (Parks) Fund (approximate \$235,000 decrease) related to funding for the canoe/kayak launch project and decreased gas taxes transferred out to the General Fund for sidewalk related projects (approximate \$75,000 decrease).

Transfers in reflect inflows into various funds of amounts transferred out, as specified above. Transfers in for fiscal year 2021 increased approximately \$997,600 over fiscal year 2020 amounts due primarily to the reasons stated in the preceding paragraph (exclusive of the amount transferred to the Stormwater Fund, a proprietary fund, the transfer in for which is reflected in the Stormwater Fund's Statement of Revenues, Expenses, and Changes in Net Position).

Approximately 71% and 53% of the combined ending fund balance, or \$18.83 million and \$10.15 million, respectively, constitutes "Unassigned" fund balance at September 30, 2021 and 2020, respectively, which is available for spending at the Town's discretion. Approximately 27% and 45% of the combined ending fund balance, or \$7.04 million and \$8.65 million, respectively, at September 30, 2021 and 2020 are classified as "Restricted" fund balance as these amounts are legally restricted as to use. The remainder of fund balance is classified as "Nonspendable" to indicate that it is not available for new spending because it has already been committed for prepaid expenses.

General Fund

The General Fund is the primary operating fund of the Town of Cutler Bay. At September 30, 2021 and 2020, unassigned fund balance of the General Fund was \$18.83 million and \$10.15 million, respectively. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the General Fund at September 30, 2021 represents 58% of total General Fund expenditures (43% at September 30, 2020), while total fund balance of the General Fund represents 81% of that same total fund expenditure amount (58% at September 30, 2020). This indicator remains positive and reflects a healthy financial condition for the Town.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

General Fund (Continued)

The fund balance of the Town's General Fund increased by approximately \$5,655,100 during fiscal year 2021, versus an approximate decrease of \$4,409,900 during fiscal year 2020. The fiscal year 2021 increase primarily reflects the results of the Town's operating activity for the fiscal year (approximately \$2,948,200 surplus), increased by transfers in (approximately \$150,000) and proceeds from debt issuance (approximately \$17,650,400) and offset by capital expenditures (approximately \$8,530,600), transfers out (approximately \$1,893,700), and debt service (approximately \$4,669,200).

Revenues of the General Fund in fiscal year 2021 were approximately \$2,278,700 more than fiscal year 2020, as a result of the following:

- Ad valorem revenues increased in fiscal year 2021 approximately \$727,300 as a result of increased property values and the timing of collections.
- Utility taxes increased approximately \$227,800 primarily as a result of growth in the Town and increased utilization of utility related services.
- Franchise fees increased approximately \$694,600 primarily due to enhanced revenues derived from the Town's franchise fee agreement directly with the utility provider commencing May 2020 upon termination of the Town's Interlocal agreement with the County.
- Building activity in Town was impacted by the COVID-19 pandemic slowdowns in fiscal 2020 but rebounded in fiscal year 2021 resulting in a increase in licenses and permit revenues of approximately \$244,600 from fiscal year 2020 levels. Building permit and zoning related fees decreased approximately \$229,500 and local business tax receipts and other licenses increased approximately \$15,100.
- Intergovernmental revenues increased approximately \$621,200, primarily resulting from:
 1. The Town experienced increases in all State shared revenue categories as these revenues rebounded from the fiscal year 2020 COVID-19 declines, resulting in a increase in revenues of approximately \$678,600. Sales tax revenues increased approximately \$626,700, local option gas taxes increased approximately \$11,300, State revenue sharing increased approximately \$38,100, and communication services taxes increased approximately \$2,500.
 2. Revenues from COVID-19 related grants decreased approximately \$72,500.
 3. The Town received forestry grants in fiscal years 2021 and 2020. The revenue from such grants increased approximately \$10,400 in fiscal year 2021.
 4. The Town received public safety grants totaling approximately \$9,300 and \$4,700 in fiscal year 2021 and 2020, respectfully, an increase of approximately \$4,600.
 5. The balance of the net change is comprised of minor increases and decreases from various revenue sources.
- Rental income decreased approximately \$231,900 primarily as a result of the sale of the Town Hall building in January 2020 as part of the exchange/leaseback of the Town Hall properties for vacant land.
- Charges for services increased approximately \$38,400, primarily due to increases in park fees (approximate \$32,100 increase) due to return from COVID-19 park closures in the 2020 period, burglar alarm fees (approximate \$15,800 increase), and lien search fees (approximate \$7,400 increase), partially offset by a decrease in school crossing guard fees (an approximate \$14,500 decrease). The balance of the change relates primarily to increases and decreases in various smaller accounts.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

General Fund (Continued)

- Fines and forfeitures increased approximately \$10,700 resulting primarily from decreased revenue from traffic enforcement fines (approximately \$37,000), partially offset by increased code enforcement fines (approximately \$47,700).
- Interest income decreased approximately \$74,700 due primarily to a deterioration in the interest rate environment during the COVID-19 pandemic that carried forward to fiscal year 2021.
- Miscellaneous revenues increased approximately \$20,700 primarily reflecting an increase in insurance proceeds for storm claims of approximately \$33,400, offset by a reduction in contributions from private sources of approximately \$10,000, a reduction in lobbyist fees of approximately \$1,400, and a decrease in other miscellaneous revenues of approximately \$1,400.

Current expenditures of the General Fund in fiscal year 2021 increased approximately \$869,000 versus the expenditure total in fiscal year 2020 due to the following primary reasons:

- General government expenditures increased approximately \$351,300 primarily as a result of:
 1. The Town Attorney department expenditures decreased approximately \$134,500 in fiscal year 2021 versus the fiscal year 2020 period, reflecting lower utilization of services related to the COVID-19 pandemic. The Town contracts for these services.
 2. The Mayor & Council department and the Town Clerk department expenses decreased approximately \$4,400 and \$6,300, respectively. The changes relate from a combination of smaller changes in various accounts which are considered immaterial for discussion.
 7. The General Government department expenditures increased approximately \$856,000 primarily as a result of increases in contractual services and professional fees (approximately \$86,400 and \$36,900, respectively), rent expense (approximately \$168,700) resulting from the 2020 sale/leaseback of the Town Hall office building, salaries and benefits (approximately \$64,400) resulting from merit and cost of living pay changes, and other current charges (approximately \$537,000) primarily related to debt issuance costs and COVID-19 expenses, offset by decreases in expenses for communications and freight (approximately \$15,500), business insurance (approximately \$3,700), repairs and maintenance (approximately \$8,300), and travel (approximately \$9,700). There were other account balance increases and decreases that individually were not material for further analysis.
 3. The Public Works department expenditures decreased approximately \$105,400 as a result of decreased expenses for contractual services (approximately \$123,100) primarily resulting from reduced sidewalk repair work and landscape maintenance, offset by increased salaries and benefits (approximately \$3,700 resulting from merit and cost of living pay changes), increased repairs and maintenance (approximately \$5,000), and increased fleet fuel costs (approximately \$6,500). The balance of the difference relates from a combination of smaller changes in various accounts.
 4. The Town Hall Building department expenditures decreased approximately \$313,000. The Town exchanged its Town Hall properties for vacant land and leased back its occupied office space in January 2020. As a result, there was no expense Town Hall Building department expenses in the fiscal year 2021 period (rent expense for office space is recorded in the General Government department).
 5. The Finance department expenses increased approximately \$58,900, primarily related to increased salaries and benefits (approximately \$49,300) due to the addition of a part-time accounting staff as well as to merit and cost of living pay changes, and increased repairs and maintenance (approximately \$7,100) related to the maintenance of the Town's enterprise-wide software system. The balance of the difference relates from a combination of smaller changes in various accounts.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

General Fund (Continued)

- Public safety expenditures decreased approximately \$239,800 primarily as a result of:

Expenditures for public safety increased primarily due to costs related to contracted police services with the County. Professional services, for local patrol and optional police services, decreased approximately \$234,700, primarily as a result of fewer COVID-19 related details. Repairs and maintenance and printing expenses also decreased approximately \$1,600 and \$3,300, respectively. The balance of the difference results from a combination of smaller changes in various accounts

- Parks and recreation expenditures increased approximately \$181,900, primarily as a result of:

The pandemic related closures curtailed the park activities for fiscal year 2020 resulting in significant decreased expenses that year. In fiscal year 2021, park operations started its return to normal operations and experienced increased expenses for contractual services (approximately \$32,400), utilities (approximately \$77,400), supplies (approximately \$22,000), and repairs and maintenance (approximately \$13,500). Increased staff scheduling as parks reopened resulted in an increase in salaries and benefits as well (approximately \$35,800) related to merit and cost of living pay changes. The balance of the difference relates from a combination of smaller changes in various accounts.

- Community development expenditures increased approximately \$107,900 primarily due to:

Salaries and benefits increased (approximately \$178,200), primarily related to a restructuring of the department as well as a vacancy in the department Director position for part of fiscal year 2020, as well as increases in other contractual services (approximately \$79,900) related to increased payments made to the contractor that performs the Town's permit and inspection functions (primarily related to increased building permit revenues which are shared with the contractor), and increased supplies expense (approximately \$5,900), partially offset by a decrease in professional services (approximately \$157,000) reflecting the outsourcing of the Director function for part of fiscal year 2020 until a permanent department Director was hired. The balance of the difference relates from a combination of smaller changes in various accounts.

Also, as discussed above, the General Fund experienced an approximate \$2,804,200 increase in debt service. This debt service results from debt service related to a new bond issuance, the restructuring of certain long-term debt, and the normal amortization of the Town's outstanding other debt.

Capital outlay in the General Fund increased approximately \$5,428,400 in fiscal year 2021. Public safety capital expenditures decreased approximately \$23,300 as a result of purchase of radar equipment in fiscal year 2020. No such purchases were made in the 2021 period. Community development capital expenditures increased approximately \$2,000 as a result of computer equipment purchased in fiscal year 2021 with no corresponding purchases in fiscal year 2020. General government capital expenditures increased approximately \$5,448,000 primarily as a result of the acquisition of a vacant land parcel for \$8.45 million in fiscal year 2021 versus an approximate \$3 million paid towards the purchase of vacant land in town in fiscal year 2020. Parks and recreation capital expenditures increased approximately \$1,700 as a result of fewer improvements made to park properties in fiscal year 2021. The balance of the difference relates from a combination of smaller changes in various accounts.

General Fund transfers out in fiscal year 2021 increased approximately \$1,155,300 over fiscal year 2020 as a result of increased funding from the General Fund for the Franjo Park restoration project (approximate \$1,158,500 increase) accounted for in the Capital Projects (Parks) Fund, offset by reduced transfers out for the LED lighting project (approximate \$3,200 decrease) accounted for in the Lighting Fund which was completed in early fiscal year 2020. General Fund transfers in decreased approximately \$75,000, reflecting decreased transfers in of gas taxes from the Special Revenue Fund for sidewalk repairs.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Financial Analysis of the Government's Funds (Continued)

CITT Fund

In February 2012, the Town entered into an Interlocal agreement with the County to allow the Town to receive funds from the People's Transportation Plan ("PTP") surtax. This PTP surtax was authorized in 2002 and is shared by the County (80%) and the incorporated municipalities (20%). Since the Town was incorporated after enactment of the PTP surtax, the County had not previously included the Town in the distribution of the funds raised by the PTP surtax. On an annual basis, at least 20% of the PTP surtax proceeds must be spent on transit related items.

In fiscal year 2021, the CITT Fund received intergovernmental revenues from this program of approximately \$2,008,400, an increase of approximately \$305,900 from the prior year. The CITT Fund earned interest income of approximately \$7,800 in fiscal year 2021 (versus approximately \$22,700 in fiscal year 2020). Total expenditures decreased approximately \$674,600 from fiscal year 2020. This resulted primarily from decreased roadway resurfacing projects in fiscal year 2021 (approximate \$629,200 decrease) and corresponding professional services for project design and oversight costs (approximate \$38,800 decrease), and by decreased transit related expenditures (approximately \$7,000) for bus shelter design/construction and circulator bus enhancement costs. The balance of the decrease in expenditures is comprised of small changes in other accounts and are immaterial for discussion.

The fund balance of the CITT Fund increased by approximately \$1,301,000 during fiscal 2021 and by approximately \$528,500 in fiscal year 2020, reflecting the net operating results for the respective fiscal periods. The CITT Fund reported fund balances at September 30, 2021 and September 30, 2020 of approximately \$5,587,100 and \$4,286,100, respectively, and are classified as restricted at both reporting dates.

Proprietary fund

The Town's proprietary fund was created to account for the Town's stormwater operations, which commenced in July 2008. Operations during fiscal year 2021 generated an increase in net position of approximately \$103,400, versus a decrease in net position of approximately \$163,900 during fiscal year 2020. The fiscal year 2021 increase in net position resulted from an operating loss of approximately \$171,000 plus net non-operating expenses of approximately \$52,600 (comprised primarily of interest expense), plus grants and contributions of approximately \$200,000 and transfers in of approximately \$127,000.

Of the total net position at September 30, 2021 of approximately \$5.46 million, approximately \$5.77 million is classified as net investment in capital assets and approximately (\$302,100) is classified as unrestricted. At September 30, 2020, total net position of approximately \$5.36 million, approximately \$5.22 million was classified as net investment in capital assets and \$135,600 as unrestricted.

General Fund Budget Highlights

During fiscal years 2021 and 2020, the actual "excess of revenues over expenditures" exceeded the corresponding budgetary amounts by approximately \$1.85 million and \$2.76 million, respectively. For fiscal year 2021, the results were achieved as actual revenues exceeded budgeted amounts by approximately \$1.42 million while actual expenditures were approximately \$428,600 less than budgeted. In fiscal year 2020, actual revenues exceeded budgeted amounts by approximately \$1.56 million while actual expenditures were approximately \$1.2 million less than budgeted. The favorable results in both fiscal periods result from close monitoring of operations by Town personnel.

In the fiscal year 2021 period, the primary contributing factors to the favorable revenue variance were better than expected collections from all revenue sources as the economy rebounded from the COVID-19 pandemic. In fiscal year 2021 the Town continued to be impacted by the COVID-19 pandemic. Revenues were buoyed by access to COVID-19 related grants generating approximately \$617,200 in fiscal year 2021 (versus approximately \$689,700 in fiscal year 2020) to help ease the burden. While the economic climate in which the Town operated under in recent years has been improving, management continued its practice, as a precautionary measure, of conservatively estimating various revenue streams when preparing its fiscal year 2021 budget. Similarly, the Town had favorable expenditure budget variances with all departments except for General Government. This resulted from a conscious effort by management for fiscal restraint, as well as deferring expenditures for some planned projects to future fiscal years.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

General Fund Budget Highlights (continued)

In November 2021, the Town Council passed a budget amendment by resolution (#21-90) to:

1. In the General Fund, the net decrease in total revenues was \$2,056,000 with a corresponding increase to appropriation of prior year fund balance. The revenue changes reflected increases to utility taxes (\$215,000 for electricity, \$85,000 for water, and \$100,000 for gas), 1st local option gas taxes (\$30,000), communications services taxes (\$70,000), building permits (\$300,000), other licenses, fees and permits (\$10,000), grants from private sources (\$8,000), lien search fees (\$90,000), state revenue sharing (\$100,000), local government half-cent sales tax (\$400,000), parks fee (\$5,000) and lobbyist fees (\$9,000), offset by decreases for judgements and fines (\$35,000), interest income (\$65,000), and proceeds from issuance of debt (\$3,378,000).
2. In the General Fund, the net decrease in total expenditures was \$2,539,000 with a corresponding decrease to appropriation of prior year fund balance.

The budget amendment increased expenditures in (a) the Community Development department by \$300,000 (\$50,000 for professional services and \$250,000 for other contractual services) (b) the Public Works department by \$100,000 for other contractual services, (c) the Finance department by \$35,000 (\$5,000 for other contractual services, \$5,000 for repairs and maintenance, and \$25,000 for capital outlay), and (d) Transfers Out (\$480,000) to other funds for project matching.

The budget amendment decreased expenditures in (a) the Parks department by \$204,000 (\$150,000 for salaries, \$50,000 for other contractual services, and \$20,000 for utilities, offset by increases of \$16,000 for capital outlay), (b) the Town Attorney department by \$100,000 for professional services, (c) the Town Clerk department by \$89,000 (\$30,000 for salaries, \$2,500 for payroll taxes, \$7,000 for retirement contributions, \$9,500 for life and health insurance, \$5,000 for other contractual services, and \$35,000 for other current charges), (d) the General Government department by \$2,861,000 (decreases of \$3,430,000 for debt service-principal and \$5,000 for debt service-interest, offset by increases of \$50,000 for professional services, \$300,000 for other contractual services, and \$224,000 for other current charges), and (e) the Law enforcement department by \$200,000 for decreased professional services.

3. In the Special Revenue Fund, transfers out were increased \$69,000 with a corresponding increase to appropriation of prior year fund balance.
4. In the Capital Projects (Parks) Fund, fund revenues increased \$349,000 (\$549,000 increase in transfers in, offset by a decrease in grant revenue of \$200,000). Fund expenditures increased \$349,000 (\$131,000 decrease related to the Lakes by the Bay Park Canoe/Kayak project offset by a \$480,000 increase in expenditures for the Franjo Park project).

Capital Assets and Debt Administration

Capital assets

The Town of Cutler Bay's investment in capital assets, net of accumulated depreciation, for its governmental and business type activities as of September 30, 2021 and 2020, amounts to approximately \$54.7 million and \$7 million and \$46.4 million and \$6.6 million, respectively. This investment in capital assets includes acquisition, by purchase and/or through capital lease, of computer hardware and software, furniture and equipment, vehicles and improvements (to land and buildings) which are necessary for the Town to operate, infrastructure assets transferred to the Town by the County and additional infrastructure assets developed by the Town, including land acquisitions and improvements. In fiscal year 2021, the Town acquired an approximate 8.45-acre parcel for approximately \$8.45 million. This parcel was acquired to be used for conservation and resiliency purposes. In fiscal year 2020, the Town entered into an exchange/leaseback transaction in which it exchanged its Town Hall properties, and \$3 million, for vacant land along Old Cutler Road.

The following summarizes the Town's investment in capital assets for its governmental and business type activities, net of accumulated depreciation:

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TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Capital Assets and Debt Administration (continued)

Capital assets (continued)

Town of Cutler Bay
Investment in Capital Assets, net of Accumulated Depreciation
September 30,
(in thousands)

	Governmental Activities		Business-type Activities		Total		Percent
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
General Government	\$ 17,374	\$ 17,404	\$ -	\$ -	\$ 17,374	\$ 17,404	-0.2%
Community Development	17,029	18,162	-	-	17,029	18,162	-6.2%
Public Safety	20	28	-	-	20	28	-28.6%
Culture and Recreation	20,243	10,792	-	-	20,243	10,792	87.6%
Public Works-Stormwater	-	-	7,034	6,593	7,034	6,593	6.7%
	<u>\$ 54,666</u>	<u>\$ 46,386</u>	<u>\$ 7,034</u>	<u>\$ 6,593</u>	<u>\$ 61,700</u>	<u>\$ 52,979</u>	16.5%

Additional information regarding the Town's capital assets can be found in footnotes 1 and 5 in the accompanying notes to financial statements.

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TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Capital Assets and Debt Administration (Continued)

Long-term debt

At September 30, 2021, the Town's pro rata share of QNIP bonds (interlocal debt) was approximately \$1.33 million, representing a 17.4% decrease from the prior year. Notes payable were issued in fiscal year 2010 in conjunction with the acquisition and improvement of the Town Hall building site and the purchase of the adjacent land parcel and final draw downs on those notes payable was made in fiscal year 2011. In fiscal year 2012, the Town borrowed an additional \$2.578 million from the same lender to fund its educational initiative with the Miami-Dade County School Board. During fiscal year 2015, the Town refunded the 2010 loans into new issues on more favorable terms providing long-term savings for the Town. During fiscal year 2021, the 2012 bank loan was satisfied and one of the 2015 bank loans was refunded with a bank loan from another financial institution. At September 30, 2021, approximately \$6.5 million was outstanding on the two remaining notes payable, representing a 13.9% decrease from the prior year.

In fiscal year 2021, the Town issued open-market bonds at a premium. At September 30, 2021, bonds payable (including unamortized premium) was approximately \$14.7 million. There were no corresponding amounts in the 2020 period.

In conjunction with recording the stormwater assets transferred to the Town by the County, the Town recorded associated debt of approximately \$2.36 million at September 30, 2010. The Stormwater Utility Revenue Bonds balance at September 30, 2021, approximately \$1.27 million, represents a 9.7% decrease from the prior year.

The net pension liability at September 30, 2021 (approximately \$1.75 million) decreased approximately 63.5% from the balance at September 30, 2020 (approximately \$4.79 million), primarily as a result of the current year GASB 68 valuation.

The Town also has liabilities related compensated absences. This approximates \$385,000 at September 30, 2021, versus \$368,000 at September 30, 2020, an increase of 4.6% from the prior year.

Total long-term debt increased approximately \$10.2 million, or 65%, primarily resulting from issuance of bonds and an increase in compensated absences, offset by bank loan restructuring and the scheduled debt service payments on the Town's existing debt and by a decrease in net pension liability pursuant to GASB 68.

Town of Cutler Bay
Long-term Debt
September 30,
(in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
QNIP bonds	\$ 1,328	\$ 1,607	\$ -	\$ -	\$ 1,328	\$ 1,607	-17.4%
Bonds Payable (including unamortized premium)	14,702	-	-	-	14,702	-	N/A
Notes payable	6,482	7,530	-	-	6,482	7,530	-13.9%
Stormwater Utility Revenue Bonds	-	-	1,269	1,405	1,269	1,405	-9.7%
Net pension liability	1,750	4,794	-	-	1,750	4,794	-63.5%
Compensated absences	385	368	-	-	385	368	4.6%
	<u>\$ 24,647</u>	<u>\$ 14,299</u>	<u>\$ 1,269</u>	<u>\$ 1,405</u>	<u>\$ 25,916</u>	<u>\$ 15,704</u>	65.0%

Additional information regarding the Town's long-term debt can be found in footnotes 1 and 6 in the accompanying notes to financial statements.

TOWN OF CUTLER BAY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Miami-Dade County area at September 30, 2021 is approximately 4.2%, which is an decrease from a rate of 10.8% a year ago. The rate is better than the national unemployment rate of 4.7% at that date. These unemployment rates reflect the nation, and region, recovering from the COVID-19 pandemic.
- Inflationary trends in the region are consistent with the national average.
- In setting its fiscal year 2022 budget, the Town adopted a mil rate of 2.8332, higher than the rate as adopted and in effect for fiscal year 2021. The adopted 2022 mil rate was 14.88% higher than the statutorily computed "roll-back" mil rate.
- On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. The amendment, which primarily provides for additional property tax exemptions and adds a "portability" provision, began impacting the Town in fiscal year 2009 and will have a negative impact on the amount of property tax revenue the Town generates going forward, assuming the Town does not increase its millage rate or achieve growth in its tax base which will offset the amendment's effects.
- As noted in the preceding comment, shortly after the Town's incorporation, changes to property taxation laws were enacted that had a negative impact on the taxable base upon which property tax revenue of the Town is calculated. Additionally, Cutler Bay, like most communities across the state and nation, was negatively impacted by the financial crisis and economic downturn that gripped the United States during the 2008 to 2012 time period. The South Florida real estate market was especially hard hit with property values experiencing significant declines and foreclosure activity spiking.

Property values within the Town saw significant declines from 2008 through 2012 (an approximate 40% decline from the 2008 valuation level). Since 2012, property values within the Town have increased each year (from 2013 through 2021), reflecting a gain of approximately 71% from the 2012 bottom. Building activity and new development within the Town in recent years are anticipated to extend into fiscal year 2022 with significant new planned projects in process. The Town anticipates property values to increase further in 2022 and possibly into 2023. These values are subject to property owner appeal via the Valuation Adjustment Board ("VAB") process.

- While the Town has seen encouraging signs in building activity and new development within the Town since fiscal year 2012, and while the area continues to rebound from the COVID-19 pandemic, the Town will continue to operate in an extremely lean and efficient manner. Additionally, the Town has been very successful in obtaining grants and other funding sources to proceed with planned projects within the Town without having to rely on ad valorem revenues.

Requests for Information

This financial report is designed to provide a general overview of the Town of Cutler Bay's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, 10720 Caribbean Blvd., Suite 105, Cutler Bay, FL 33189.

BASIC FINANCIAL STATEMENTS

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash	\$ 19,157,985	\$ -	\$ 19,157,985
Restricted cash	6,980,409	-	6,980,409
Accounts receivable - net	3,707,738	362,745	4,070,483
Prepays	469,942	2,204	472,146
Internal balances	290,752	(290,752)	-
Capital assets not being depreciated:			
Land	31,890,609	-	31,890,609
Construction in progress	3,398,818	839,419	4,238,237
Capital assets being depreciated:			
Building	1,948,884	-	1,948,884
Computer hardware and software	647,147	1,308	648,455
Furniture and equipment	860,428	2,367	862,795
Infrastructure	58,818,137	10,418,148	69,236,285
Improvements	14,320,441	-	14,320,441
Total capital assets	111,884,464	11,261,242	123,145,706
Less accumulated depreciation	(57,218,950)	(4,226,797)	(61,445,747)
Total capital assets - net	54,665,514	7,034,445	61,699,959
Total assets	85,272,340	7,108,642	92,380,982
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on refunding	-	32,449	32,449
Pension contributions	1,264,056	-	1,264,056
Total deferred outflows of resources	1,264,056	32,449	1,296,505
<u>LIABILITIES</u>			
Accounts payable	3,881,587	408,784	4,290,371
Other liabilities	115,200	-	115,200
Accrued interest	241,360	-	241,360
Noncurrent liabilities:			
Due within one year:			
Compensated absences	82,873	-	82,873
Bonds and notes payable	916,408	140,384	1,056,792
Net pension liability	5,335	-	5,335
Due in more than one year:			
Compensated absences	302,065	-	302,065
Bonds and notes payable	21,595,279	1,128,548	22,723,827
Net pension liability	1,744,861	-	1,744,861
Total liabilities	28,884,968	1,677,716	30,562,684
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business license tax	40,700	-	40,700
Pension expenses	2,830,513	-	2,830,513
Total deferred inflows of resources	2,871,213	-	2,871,213
<u>NET POSITION</u>			
Net investment in capital assets	32,153,827	5,765,513	37,919,340
Restricted for:			
Capital projects	229,184	-	229,184
Public safety	110,961	-	110,961
Parks and recreation	830,769	-	830,769
Transportation	5,787,827	-	5,787,827
Unrestricted	15,667,647	(302,138)	15,365,509
Total net position	\$ 54,780,215	\$ 5,463,375	\$ 60,243,590

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

		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
Functions/Programs	Expenses						
Governmental activities:							
General government	\$ 7,002,525	\$ 198,992	\$ 3,367,919	\$ 246,142	\$ (3,189,472)	\$ -	\$ (3,189,472)
Public safety	10,078,672	286,915	9,326	5,754	(9,776,677)	-	(9,776,677)
Community development	2,502,571	1,247,021	-	-	(1,255,550)	-	(1,255,550)
Parks and recreation	3,222,287	82,324	267,984	222,396	(2,649,583)	-	(2,649,583)
Interest on long-term debt	627,088	-	-	-	(627,088)	-	(627,088)
Total governmental activities	<u>23,433,143</u>	<u>1,815,252</u>	<u>3,645,229</u>	<u>474,292</u>	<u>(17,498,370)</u>	<u>-</u>	<u>(17,498,370)</u>
Business-type activities:							
Stormwater	<u>1,241,620</u>	<u>1,017,995</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>(23,625)</u>	<u>(23,625)</u>
Total business-type activities	<u>1,241,620</u>	<u>1,017,995</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>(23,625)</u>	<u>(23,625)</u>
Total	<u>\$ 24,674,763</u>	<u>\$ 2,833,247</u>	<u>\$ 3,645,229</u>	<u>\$ 674,292</u>	<u>(17,498,370)</u>	<u>(23,625)</u>	<u>(17,521,995)</u>
General revenues:							
Property taxes					6,897,920	-	6,897,920
Utility taxes					3,651,893	-	3,651,893
Franchise fees based on gross receipts					2,498,625	-	2,498,625
Intergovernmental (unrestricted)					6,527,188	-	6,527,188
Interest and other income (unrestricted)					96,861	89	96,950
Transfers					(126,996)	126,996	-
Total general revenues and transfers					<u>19,545,491</u>	<u>127,085</u>	<u>19,672,576</u>
Change in net position					<u>2,047,121</u>	<u>103,460</u>	<u>2,150,581</u>
Net position - Beginning					<u>52,733,094</u>	<u>5,359,915</u>	<u>58,093,009</u>
Net position - Ending					<u>\$ 54,780,215</u>	<u>\$ 5,463,375</u>	<u>\$ 60,243,590</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>CITF</u> <u>Fund</u>	<u>Governmental</u> <u>Funds</u>	<u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 19,157,985	\$ -	\$ -	\$ 19,157,985
Restricted cash	81,635	5,539,531	1,359,243	6,980,409
Accounts receivable - net	1,884,241	543,991	1,279,506	3,707,738
Prepays	468,869	-	1,073	469,942
Due from other funds	1,100,154	-	-	1,100,154
Total assets	<u>\$ 22,692,884</u>	<u>\$ 6,083,522</u>	<u>\$ 2,639,822</u>	<u>\$ 31,416,228</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 3,156,524	\$ 266,300	\$ 458,763	\$ 3,881,587
Other liabilities	115,200	-	-	115,200
Due to other funds	-	-	809,402	809,402
Total liabilities	<u>3,271,724</u>	<u>266,300</u>	<u>1,268,165</u>	<u>4,806,189</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	-	230,138	-	230,138
Business license tax	40,700	-	-	40,700
Total deferred inflows of resources	<u>40,700</u>	<u>230,138</u>	<u>-</u>	<u>270,838</u>
<u>FUND BALANCES</u>				
Nonspendable	468,869	-	1,073	469,942
Restricted	81,635	5,587,084	1,371,657	7,040,376
Unassigned	18,829,956	-	(1,073)	18,828,883
Total fund balances	<u>19,380,460</u>	<u>5,587,084</u>	<u>1,371,657</u>	<u>26,339,201</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,692,884</u>	<u>\$ 6,083,522</u>	<u>\$ 2,639,822</u>	<u>\$ 31,416,228</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Fund balances - total government funds (Page 27) \$ 26,339,201

Amounts reported for governmental activities in the statement of net position are different as a result of:

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

Governmental capital assets	111,884,464	
Less accumulated depreciation	<u>(57,218,950)</u>	54,665,514

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

Long term debt	(22,511,687)	
Net pension liability	(1,750,196)	
Compensated absences	(384,938)	
Accrued interest payable	<u>(241,360)</u>	
		(24,888,181)

Revenue collected outside of the period of availability is not available to pay for current period expenditures and therefore, is a deferred inflow in the funds.	230,138
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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	1,264,056
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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>(2,830,513)</u>
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Net position of governmental activities (Page 25)	<u>\$ 54,780,215</u>
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TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Major Funds		Other	Total
	General	CITT Fund	Governmental Funds	Governmental Funds
REVENUES:				
Property taxes	\$ 6,897,920	\$ -	\$ -	\$ 6,897,920
Franchise fees	2,498,625	-	-	2,498,625
Utility taxes	3,651,893	-	-	3,651,893
Charges for services	364,495	-	-	364,495
Intergovernmental	7,174,138	2,008,359	1,324,064	10,506,561
Licenses and permits	1,247,021	-	-	1,247,021
Impact fees	-	-	79,126	79,126
Fines and forfeitures	160,040	-	-	160,040
Interest	31,572	7,803	2,399	41,774
Rental income	43,696	-	-	43,696
Miscellaneous	63,086	-	-	63,086
Total revenues	<u>22,132,486</u>	<u>2,016,162</u>	<u>1,405,589</u>	<u>25,554,237</u>
EXPENDITURES:				
Current:				
General government	5,858,550	346,891	867,972	7,073,413
Public safety	10,070,627	-	-	10,070,627
Community development	1,409,942	-	-	1,409,942
Parks and recreation	1,845,155	-	254,484	2,099,639
Debt service:				
Principal retirement	4,182,138	-	-	4,182,138
Interest	487,079	-	-	487,079
Capital outlay:				
General government	8,477,050	-	34,258	8,511,308
Community development	1,990	-	-	1,990
Parks and recreation	51,561	-	2,148,902	2,200,463
Total expenditures	<u>32,384,092</u>	<u>346,891</u>	<u>3,305,616</u>	<u>36,036,599</u>
Excess (deficiency) of revenues over expenditures	<u>(10,251,606)</u>	<u>1,669,271</u>	<u>(1,900,027)</u>	<u>(10,482,362)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from debt issuance	17,650,384	-	-	17,650,384
Transfers in	150,000	-	2,176,718	2,326,718
Transfers out	(1,893,717)	(368,312)	(191,685)	(2,453,714)
Total other financing sources (uses)	<u>15,906,667</u>	<u>(368,312)</u>	<u>1,985,033</u>	<u>17,523,388</u>
Net change in fund balances	5,655,061	1,300,959	85,006	7,041,026
Fund balances, beginning	13,725,399	4,286,125	1,286,651	19,298,175
Fund balances, ending	<u>\$ 19,380,460</u>	<u>\$ 5,587,084</u>	<u>\$ 1,371,657</u>	<u>\$ 26,339,201</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, 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, 2021

Amounts reported for governmental activities in the statement
of activities are different as a result of:

Net change in fund balances - total government funds (Page 29) \$ 7,041,026

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

Expenditures for capital outlays	10,713,761	
Less current year depreciation	<u>(2,433,928)</u>	8,279,833

The issuance of long-term debt (e.g. bonds, leases) provided 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.

Proceeds from issuance of debt	(17,650,384)	
Principal payments	<u>4,182,138</u>	(13,468,246)

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

Accrued interest payable		(233,277)
Amortization of bond premium		93,269
Compensated absences		(16,999)
Adjustment to net pension liability		3,044,047

Changes in the Town's pension deferred outflows and pension deferred inflows for the current year are not reported in the governmental funds but are reported in the statement of activities		(2,745,555)
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Revenue collected outside of the period of availability is not available to pay for current period expenditures however it is available to pay long term obligations of the Town.		<u>53,023</u>
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Change in net position of governmental activities (Page 26)		<u>\$ 2,047,121</u>
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TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2021

	<u>Stormwater</u>
<u>ASSETS</u>	
Current assets:	
Accounts receivables	\$ 362,745
Prepays	<u>2,204</u>
Total current assets	<u>364,949</u>
Non-current assets:	
Capital assets, net	<u>7,034,445</u>
Total non-current assets	<u>7,034,445</u>
Total assets	<u>7,399,394</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Loss on refunding	<u>32,449</u>
Total deferred outflows of resources	<u>32,449</u>
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities:	
Accounts payable	408,784
Due to other funds	290,752
Current portion of revenue bonds	<u>140,384</u>
Total current liabilities	<u>839,920</u>
Non-current liabilities:	
Revenue bonds	<u>1,128,548</u>
Total non-current liabilities	<u>1,128,548</u>
Total liabilities	<u>1,968,468</u>
Net position:	
Net investment in capital assets	5,765,513
Unrestricted	<u>(302,138)</u>
Total net position	<u>\$ 5,463,375</u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Stormwater</u>
Operating revenues:	
Charges for services	\$ 1,017,995
Total revenues	<u>1,017,995</u>
Operating expenses:	
Operations and maintenance	976,268
Depreciation	<u>212,694</u>
Total operating expenses	<u>1,188,962</u>
Operating income (loss)	<u>(170,967)</u>
Non-operating revenues (expenses):	
Interest income	89
Interest expense	<u>(52,658)</u>
Total non-operating revenues (expenses)	<u>(52,569)</u>
Income (loss) before capital contributions and transfers	(223,536)
Grants and contributions	200,000
Transfers in	<u>126,996</u>
Change in net position	103,460
Net position - Beginning	<u>5,359,915</u>
Net position - Ending	<u><u>\$ 5,463,375</u></u>

See notes to basic financial statements

TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Stormwater</u>
Cash flows from operating activities:	
Cash received from customers	\$ 861,238
Cash paid for interfund services used	290,752
Cash paid to employees	(220,764)
Cash paid to suppliers	(529,864)
Cash paid for prepaid assets	(121)
Net cash provided by operating activities	<u>401,241</u>
Cash flows from non-capital financing activities:	
Transfers from other funds	<u>126,996</u>
Net cash provided by non-capital financing activities	<u>126,996</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(654,618)
Interest payments	(48,602)
Principal payments	(135,747)
Capital grant contribution	<u>200,000</u>
Net cash used in capital and related financing activities	<u>(638,967)</u>
Cash flows from investing activities	
Interest income	<u>89</u>
Net cash provided by investing activities	<u>89</u>
Net decrease in cash	(110,641)
Cash - beginning	<u>110,641</u>
Cash - ending	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ <u>(170,967)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	212,694
Change in operating assets and liabilities:	
Accounts receivables	(156,757)
Prepays	(121)
Due to other funds	290,752
Accounts payable	<u>225,640</u>
Net cash provided by operating activities	<u>\$ 401,241</u>
Noncash capital and related financing activities	
Deferred loss on refunding	<u>\$ (4,056)</u>

See notes to basic financial statements

NOTES TO FINANCIAL STATEMENTS

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Town of Cutler Bay, Florida's (the "Town") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

A. Financial Reporting Entity

The Town was incorporated on November 9, 2005 as a municipal corporation, resulting from the election authorized by Resolution R-1318-04 adopted by the Miami-Dade County Board of County Commissioners, and was established to conduct a government, perform municipal functions, and provide services to its citizens, as provided by the Constitution of the State of Florida and the Home Rule Charter of Miami-Dade County. The Town operates under a Council-Manager form of government. The Town Council is responsible for legislative and fiscal control of the Town. A Town Manager is appointed by the Town Council and is responsible for the administration of all Town affairs placed in the manager's charge by charter or action of the Town Council.

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

B. Government Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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. 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 60 days of the end of the current fiscal period. Revenues resulting from expenditure driven transactions such as certain grants are considered collectible at the time the expenditure has been made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, insurance claims, pensions and other post-employment benefits are recorded only when payment is due or when the Town has made a decision to fund these obligations with current available resources. Property taxes, communication taxes, gas taxes, sales taxes, utility taxes, franchise fees, 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.

The Town reports the following major governmental funds:

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

CITT Fund – This fund was established to account for the revenues derived from the County Charter Transit System Surtax to be used specifically for eligible transit and transportation related expenditures.

The Town reports the following major proprietary fund:

Stormwater Fund - This fund accounts for stormwater fees assessed on property owners. Funds are dedicated to the ongoing renewal and replacement costs of the Town's stormwater drainage system.

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

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

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources and then from the unrestricted resources.

1. Deposits - The Town's cash consists of cash on hand and demand deposits.
2. Prepays - Prepaid items are accounted for using the consumption method and recorded as expenditure/expense in the fund level and government-wide financial statements in the period benefited.
3. Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

4. Restricted Assets - Proceeds from impact fees, CITT surtax and 2nd local option gas taxes are classified as restricted in various special revenue funds since these resources are specifically earmarked for restricted purposes including law enforcement, transportation and recreational eligible items.
5. Property Taxes - Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Miami-Dade County (the County) on or about November 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

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

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town Council and the Miami-Dade County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, the County School Board, and other taxing jurisdictions' tax requirements. The millage rate to finance general governmental services for the fiscal year ended September 30, 2021 was 2.6198 mills per \$1,000 of assessed valuation.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Capital Assets - Capital assets, which include land, furniture, equipment, including computers, leasehold improvements and certain infrastructure assets (e.g. roadways, sidewalks, park lands, facilities and improvements) are reported in the government-wide financial statements. Capital assets, excluding infrastructure assets, are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure assets are recorded as capital assets if they have an initial, individual cost in excess of \$50,000 and an estimated useful life in excess of one year. Capital 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 reported at acquisition value.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20
Roadways and sidewalks	40-50
Infrastructure	25-50
Improvements	5-10
Furniture, equipment and software	3-5

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

7. Compensated Absences - It is the Town's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. Other than for the Town Manager as noted below, the Town's sick leave policy does not meet the criteria for accrual under current accounting standards. In the governmental funds, a liability is recorded only when they matured, for example, as a result of employee resignations or retirements. The compensated absences balance is measured using the employees' rates of pay, and associated salary related costs, at the balance sheet date. Compensated absences of governmental funds are typically liquidated from the general fund.

For employees other than the Town Manager and Town Clerk, the vacation policy of the Town provides for employees to earn 80 hours of vacation leave during each of the first five years of service. From five through nine years of service, 120 hours are earned each year and for ten or more years of service, 160 hours are earned each year. Pursuant to their employment contracts, the Town Manager receives 184 hours of vacation leave per year.

Unused vacation leave for all employees, excluding the Town Manager, may be carried over to the following year and accumulated up to a maximum of 280 hours. The Town Manager may accrue hours beyond that limit but, upon termination, are only entitled to receive pay for a maximum of 480 hours of accumulated/unused vacation time. All employees who terminate employment under terms of voluntary separation are paid for all unused accumulated vacation leave, within the prescribed limits.

Employees earn 96 hours of sick leave each year with a maximum accumulation of 1,040 hours. Unused sick leave is not paid to employees, other than the Town Manager as conditioned below, upon separation from Town service. Pursuant to his employment contract, the Town Manager, upon separation, is entitled to a payout of the balance of his accrued sick leave, unless the Town Manager voluntarily resigns with less than 60 days advance notice or if he is terminated for misconduct or ethical violations, as defined, in which case the Town Manager will then not be entitled to a payout for any accrued vacation or sick leave.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported in current expenditures.

9. Grant Revenue - The Town, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any) when all applicable eligibility requirements, including time requirements, are met.
10. Unearned Revenue - Unearned revenues include amounts collected before revenue recognition criteria are met. The deferred items consist primarily of business license renewals received in advance.
11. Net Position - Total equity as of September 30, 2021, is classified into three components of net position:
- Net investment in capital assets
This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings as well as any retainage payable and accounts payable that are attributable to the acquisition, construction, and improvements of those assets.
 - Restricted net position
This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
 - Unrestricted net position
This category includes all of the remaining net position that does not meet the definition of the other two categories.
12. Fund Balance - As of September 30, 2021, fund balances of the governmental funds are classified as follows:
- Non-spendable
Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
 - Restricted
Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
 - Committed
Amounts that can be used only for specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making Authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund Balance (Continued)

- **Assigned**

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

- **Unassigned**

This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

	<u>General</u>	<u>CITT Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:				
Nonspendable:				
Prepays	\$ 468,869	\$ -	\$ 1,073	\$ 469,942
Restricted:				
Capital projects	-	-	229,184	229,184
Public safety	81,635	-	110,961	192,596
Parks and recreation	-	-	830,769	830,769
Transportation	-	5,587,084	200,743	5,787,827
Unassigned	18,829,956	-	(1,073)	18,828,883
Total fund balances	<u>\$ 19,380,460</u>	<u>\$ 5,587,084</u>	<u>\$ 1,371,657</u>	<u>\$ 26,339,201</u>
Fund balances:				
Nonspendable	\$ 468,869	\$ -	\$ 1,073	\$ 469,942
Restricted	81,635	5,587,084	1,371,657	7,040,376
Unassigned	18,829,956	-	(1,073)	18,828,883
Total fund balances	<u>\$ 19,380,460</u>	<u>\$ 5,587,084</u>	<u>\$ 1,371,657</u>	<u>\$ 26,339,201</u>

- **Minimum Level of Unassigned Fund Balance Policy**

The Town's fund balance policy establishes a minimum unassigned fund balance level of 17% of the next fiscal year's operating expenditure budget for the General Fund excluding capital outlay, debt service, and transfers out.

The Town considers 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 in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. 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.
14. Post-Employment Benefits Other Than Pensions (OPEB) - Pursuant to Section 112.0801, Florida Statutes, the Town is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The Town currently provides these benefits in accordance with the vesting and retirement requirement of the Town. The Town is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the Town calculates a total OPEB liability related to the implicit rate subsidy. For governmental activities, the total OPEB liability typically will be liquidated by the general fund. The OPEB plan does not issue separate financial statements.

15. Use of Estimates - The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, postretirement obligations and useful lives and impairment of tangible assets, the determination of the actuarially accrued liability for unpaid claims, which is prepared based upon certain assumptions pertaining to interest rates, inflation rates, etc., among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. 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.

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.

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 government, uses fund accounting to ensure and demonstrate compliance with finance related requirements, and segregation for management purposes.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks and steets
Transportation Tax	Transportation and roads
Various Grant Programs	Grants program expenditures
Police Forfeitures	Law enforcement
Impact Fees	Eligible capacity enhancements

For the year ended September 30, 2021, the Town complied, in all material respects, with these revenue restrictions.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The Town does not have a written investment policy and follows the State of Florida investment policy as set forth in State Statute 218.415. In accordance with Section 218.415 of the Florida Statutes, the Town is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities and in the Local Government Surplus Trust Funds administered by the State Board of Administration (SBA). As of September 30, 2021, the Town has no investments or cash equivalents, only deposits with banking institutions.

NOTE 4 - RECEIVABLES/PAYABLES

Receivables

The Town's receivables at September 30, 2021 were as follows:

	<u>Taxes</u>	<u>Grants</u>	<u>Fees</u>	<u>Others</u>	<u>Totals</u>
General Fund	\$ 857,637	\$ 488,483	\$ 522,365	\$ 15,756	\$1,884,241
CITT Fund	543,991	-	-	-	543,991
Non-major governmental funds	17,358	1,077,620	-	184,528	1,279,506
Stormwater Fund	-	200,000	162,745	-	362,745
	<u>\$1,418,986</u>	<u>\$1,766,103</u>	<u>\$ 685,110</u>	<u>\$ 200,284</u>	<u>\$4,070,483</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 - RECEIVABLES/PAYABLES (CONTINUED)

All amounts due from Miami-Dade County, the State of Florida and grants are considered fully collectible.

Payables

The Town's payables at September 30, 2021 were as follows:

		Miami-Dade	
	<u>Vendors</u>	<u>County</u>	<u>Total</u>
General Fund	\$ 562,375	\$2,594,149	\$3,156,524
CITT Fund	185,145	81,155	266,300
Non-major governmental funds	89,707	369,056	458,763
Stormwater Fund	329,988	78,796	408,784
	<u>\$1,167,215</u>	<u>\$3,123,156</u>	<u>\$4,290,371</u>

NOTE 5 - CAPITAL ASSETS

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

	Balance October 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance September 30, <u>2021</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 23,440,609	\$ 8,450,000	\$ -	\$ -	\$ 31,890,609
Construction in progress	2,323,955	2,169,660	-	(1,094,797)	3,398,818
Total capital assets not being depreciated	<u>25,764,564</u>	<u>10,619,660</u>	<u>-</u>	<u>(1,094,797)</u>	<u>35,289,427</u>
Capital assets being depreciated:					
Building	1,948,884	-	-	-	1,948,884
Infrastructure	58,340,728	-	-	477,409	58,818,137
Improvements	13,692,168	15,829	-	612,444	14,320,441
Computer hardware and software	598,227	48,920	-	-	647,147
Furniture and equipment	826,132	29,352	-	4,944	860,428
Total capital assets being depreciated	<u>75,406,139</u>	<u>94,101</u>	<u>-</u>	<u>1,094,797</u>	<u>76,595,037</u>
Less accumulated depreciation for:					
Building	(1,144,638)	(97,588)	-	-	(1,242,226)
Infrastructure	(40,665,298)	(1,135,304)	-	-	(41,800,602)
Improvements	(11,695,880)	(1,127,569)	-	-	(12,823,449)
Computer hardware and software	(558,103)	(31,036)	-	-	(589,139)
Furniture and equipment	(721,103)	(42,431)	-	-	(763,534)
Total accumulated depreciation	<u>(54,785,022)</u>	<u>(2,433,928)</u>	<u>-</u>	<u>-</u>	<u>(57,218,950)</u>
Total capital assets being depreciated, net	<u>20,621,117</u>	<u>(2,339,827)</u>	<u>-</u>	<u>1,094,797</u>	<u>19,376,087</u>
Governmental activities capital assets, net	<u>\$ 46,385,681</u>	<u>\$ 8,279,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,665,514</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

	Balance October 1, 2020	Additions	Deletions	Transfers	Balance September 30, 2021
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 184,801	\$ 654,618	\$ -	\$ -	\$ 839,419
Total capital assets not being depreciated	184,801	654,618	-	-	839,419
Capital assets being depreciated:					
Furniture and equipment	2,367	-	-	-	2,367
Computer hardware and software	1,308	-	-	-	1,308
Infrastructure	10,418,148	-	-	-	10,418,148
Total capital assets being depreciated	10,421,823	-	-	-	10,421,823
Less accumulated depreciation for:					
Furniture and equipment	(1,933)	(434)	-	-	(2,367)
Computer hardware and software	(690)	(436)	-	-	(1,126)
Infrastructure	(4,011,480)	(211,824)	-	-	(4,223,304)
Total accumulated depreciation	(4,014,103)	(212,694)	-	-	(4,226,797)
Total capital assets being depreciated, net	6,407,720	(212,694)	-	-	6,195,026
Business-type activities capital assets, net	\$ 6,592,521	\$ 441,924	\$ -	\$ -	\$ 7,034,445

Depreciation expense for the governmental activities was charged to functions/programs of the Town as follows:

General government	\$ 50,727
Public safety	8,045
Community development	1,175,109
Culture and recreation	1,200,047
Total depreciation expense - governmental activities	<u>\$ 2,433,928</u>

NOTE 6 - LONG-TERM DEBT

Public Service Tax Revenue Bonds, Series 1999 and 2002 (QNIP Bonds)

As a condition of incorporation, the Town agreed to pay the County its pro rata share for the Public Service Tax Revenue Bonds, Series 1999 and 2002 (QNIP Bonds) issued prior to the Town's incorporation. The Town agreed that, until the bonds have been paid or provision made for their payment pursuant to the ordinance enacted by the County, the County shall have the right to receive and apply to debt service on the bonds all of the public service taxes, as defined, collected on behalf of the Town with respect to bonds outstanding at the time of the municipal incorporation. The Town's debt service obligations as to the bonds in each fiscal year shall be its pro rata share of such debt service obligation. The Town's pro rata share will be equal to that percentage of the total debt service accruing on the bonds in such fiscal year calculated by multiplying such total debt service by a fraction the numerator of which will be the total amount of public service taxes collected within the boundaries of the unincorporated area comprising the boundaries of the Town during the fiscal year in which the Town was incorporated and the denominator of which will be the total amount of public service taxes collected in the entire unincorporated area of the County. The balance of the public service taxes collected within the boundaries of the Town are remitted to the Town after the County satisfies the debt service requirements for the bonds. The bonds contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment and contain a subjective acceleration clause that allows for the acceleration of payment of the entire principal amount to become immediately due if it determined that a material adverse event occurs. For the year ended September 30, 2021, the public service taxes pledged amounted to \$3,651,893 and the debt service was \$345,552. The pledged revenues provided a coverage ratio of 10.6.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

During the fiscal year ended September 30, 2012, the County refinanced the Public Service Tax Revenue Bonds, Series 1999 and 2002 with the Public Service Tax Refunding Bonds (UMSA), Series 2011.

Debt service requirements to maturity for the fiscal year ending September 30, 2021 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 290,895	\$ 55,034	\$ 345,929
2023	302,785	43,259	346,044
2024	315,290	30,996	346,286
2025	132,430	20,920	153,350
2026	139,400	14,299	153,699
2027	146,575	7,329	153,904
Totals	<u>\$ 1,327,375</u>	<u>\$ 171,837</u>	<u>\$ 1,499,212</u>

Notes Payable

On June 14, 2010, the Town executed a loan agreement with a local bank to borrow up to \$13,800,000 (Notes A through E) for the purpose of financing the costs of the acquisition and renovations to the new Town Hall and acquisition of vacant land adjacent to the new Town Hall. Certain of these loans were modified on September 20, 2012, to provide for a revised amortization structure. In May 2015 the Town refunded certain of its existing Notes Payable (the 2010 Series A through E Notes, as amended). Under the terms of the refunding, the Town refunded the three tax-exempt promissory notes (the Series A, C & D Notes), totaling approximately \$6,039,000 and with interest rates ranging from 3.05% to 3.81%, into one new 15 year tax-exempt promissory note (the 2015A Note) bearing interest at 2.5% and refunded the two taxable promissory notes (the Series B & E Notes), totaling approximately \$6,268,000 and with interest rates of 4.42%, into one new 10 year taxable promissory note (the 2015B Note) bearing interest at 2.8%. During the fiscal year ended September 30, 2021, the 2015B Note was refunded through the issuance of the Taxable Capital Improvement Revenue Note Series 2020.

The remaining promissory note (the 2015A Note) is secured by the Town's share of the Local Government Half-Cent Sales Tax. There is no prepayment penalty associated with the new promissory note. The Taxable Sales Tax Revenue refunding note, Series 2015A is secured by a pledge of the Town's share of the Local Government Half-Cent Sales Tax. For the fiscal year ended September 30, 2021, the Town's share of the Local Government Half-Cent Sales Tax available for this pledge was \$3,720,322 and debt service was \$451,154. The pledged revenues provided a coverage ratio of 8.2. The note contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately, and in any such acceleration the Town shall also be obligated to pay all costs of collection and enforcement thereof.

Also, on September 20, 2012, the Town executed a loan agreement (the 2012 Note) with a local bank to borrow \$2,578,000 for the purpose of financing certain costs for the establishment of a high school level curriculum within the Town pursuant to an educational initiative with the Miami-Dade County School Board. The notes are secured by a pledge to budget and appropriate sufficient funds to pay for the principal and interest due on the notes from the Town's Non-Ad Valorem Revenues. Principal and interest payments vary from year to year and the loan bears interest at the rate of 2.18%. The loan contained a provision that in an event of default, outstanding amounts including accrued interest are due immediately. This Note was paid off during the fiscal year ended September 30, 2021.

During the fiscal year ended September 30, 2021, both the 2015B Series Note and the 2012 Note (the "Notes") were paid off. These Notes were excluded from the pledged revenue coverage calculations since their inclusion would have incorrectly skewed the coverage ratio due to the nature of the debt payoff payments.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

On October 15, 2020, the Town issued a 15 year Taxable Capital Improvement Revenue Note, Series 2020 (the 2020 Note), bearing interest at 2.38%, in the amount of approximately \$2.855 million. The Series 2020 Note was issued on a parity basis with the Town's existing Taxable Sales Tax Revenue Refunding Note, Series 2015A (the 2015A Note). Simultaneous with this issuance, the Town retired its Taxable Sales Tax Revenue Refunding Note, Series 2015B (the 2015B Note). The refunding resulted in an economic loss of \$604,910. The Series 2020 Note is secured by a pledge of the Town's Local Government Half-Cent Sales Tax Clearing Trust Fund revenue, as defined and described in the Florida Statutes, as amended.

The 2020 Note was issued for the purpose of (a) prepaying in full the outstanding balance of the Series 2015B Note, (b) redesignating such debt as being used to finance a portion of the cost of the undeveloped land acquired in the "land swap deal", and (c) extending the maturity date of the debt beyond the current maturity date of the Series 2015B Note, thereby reducing the yearly debt service that would otherwise be payable on the Series 2015B Note. The note is secured by a pledge to budget and appropriate sufficient funds to pay for the principal and interest due on the notes from the Town's half-cent sales tax revenues. Annual debt service totals \$228,557 at an interest rate of 2.38% with the first payment due during fiscal year 2022. The loan contains a provision that in an event of default, outstanding amounts including accrued interest are due immediately. For the year ended September 30, 2021, the revenues pledged amounted to \$3,720,322. There was no debt service for the fiscal year ended September 30, 2021 and the debt coverage ratio for pledged revenues would not be applicable.

Debt service requirements to maturity for the fiscal year ending September 30, 2021 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	524,494	155,218	679,712
2023	537,500	142,212	679,712
2024	550,829	128,883	679,712
2025	564,488	115,224	679,712
2026	578,486	101,226	679,712
2027-2031	2,660,883	286,522	2,947,405
2032-2036	1,065,517	77,270	1,142,787
Totals	<u>\$ 6,482,197</u>	<u>\$ 1,006,555</u>	<u>\$ 7,488,752</u>

Stormwater Utility Revenue Bonds

The Town is required to pay the County its pro rata share for the Stormwater Utility Revenue Bonds, Series 1999 and 2004 issued prior to the Town's incorporation. All of the Town's stormwater fees have been pledged as security for the bond payments. For the year ended September 30, 2021 the stormwater fees pledged amounted to \$1,017,995 and the debt service was \$184,349. The pledged revenues provided a coverage ratio of 5.5. On September 16, 2013 the Miami-Dade County Stormwater Utility Revenue Refunding Bonds, Series 2013, refunded all of the outstanding Stormwater Utility Revenue Bonds, Series 1999 and Series 2004, except for the Stormwater Utility Revenue Bonds, Series 2004, maturing on April 1, 2014 and April 1, 2015. As a result of this, the County adjusted the Town's required payment schedule. This resulted in a reduction in the amount of interest to be paid over the remaining life and an increase in the amount of principal to be paid. This resulted in a cash flow savings of approximately \$9,500 per year over the life of the new payment plan to the County. As a result of the increase in principal to be paid, the Town reported a deferred loss on refunding of \$36,505 in the statement of net position which will be amortized to interest expense over the remaining life of the debt. The principal payment for the fiscal year ended September 30, 2021 was \$135,747 and the balance of the remaining principal payments range from \$140,384 to \$178,091 through September 2029.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Stormwater Utility Revenue Bonds (Continued)

Debt service requirements to maturity for the fiscal year ending September 30, 2021 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 140,384	\$ 43,905	\$ 184,289
2023	145,275	39,048	184,323
2024	150,269	34,021	184,290
2025	155,467	28,822	184,289
2026	160,843	23,442	184,285
2027-2029	516,694	36,159	552,853
Totals	<u>\$ 1,268,932</u>	<u>\$ 205,397</u>	<u>\$ 1,474,329</u>

Capital Improvements Revenue Bonds Series 2020.

On October 29, 2020, the Town issued, at a premium, \$12.935 million in open market Capital Improvements Revenue Bonds, Series 2020 (the "Series 2020 Bonds"). These premium bonds were issued in a term series with maturities ranging from December 1, 2027 through December 1, 2050, at interest rates ranging from 1.16% to 2.59%. The premium on the bonds payable totaled \$1,860,384 and will be amortized throughout the term of the bonds. The Series 2020 Bonds are payable from legally available non-ad valorem revenues of the Town. While the Town has covenanted and agreed to appropriate from non-ad valorem revenues amounts sufficient to pay amounts due on the Series 2020 Bonds, such covenant to budget and appropriate does not create any lien or pledge of such non-ad-valorem revenues.

The Series 2020 Bonds were issued to (a) finance the cost of improvements to Franjo Park, (b) acquire vacant land for preservation, conservation and resiliency, (c) reimburse the Town for the acquisition of vacant land for the site of a new civic center and public park, together with financing architectural, engineering, environmental, legal and other planning costs related thereto, and (d) pay costs of issuance of the 2020 Series Bonds. These projects are long lived projects whose benefits will extend over decades. For the fiscal year ended September 30, 2021, pledged revenues amounted to \$11,139,182 resulting in a coverage ratio of 36.6. As of September 30, 2021, the principal balance outstanding was \$12,935,000.

In the event of default, any Holder of Bonds issued or any trustee or receiver acting for such Bondholders either may enforce any and all rights under the Laws of the State, or granted and contained in the bond resolution, and may enforce and compel the performance of all duties required by the resolution or by any applicable statutes to be performed by the Town. However, no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable. The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25)% of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for the Holders of Bonds issued pursuant to the bond resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Town Clerk.

Debt service requirements to maturity for the fiscal year ending September 30, 2021 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 517,400	\$ 517,400
2023	-	517,400	517,400
2024	-	517,400	517,400
2025	-	517,400	517,400
2026	-	517,400	517,400
2027-2031	745,000	2,532,300	3,277,300
2032-2036	1,355,000	2,306,900	3,661,900
2037-2041	2,920,000	1,884,000	4,804,000
2042-2046	3,560,000	1,238,400	4,798,400
2047-2051	4,355,000	449,100	4,804,100
Totals	<u>\$ 12,935,000</u>	<u>\$ 10,997,700</u>	<u>\$ 23,932,700</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in the long-term debt for the fiscal year ended September 30, 2021:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ -	\$ 12,935,000	\$ -	\$ 12,935,000	\$ -
Premium on bonds payable	-	1,860,384	(93,269)	1,767,115	101,018
Notes payable	7,530,125	2,855,000	(3,902,928)	6,482,197	524,495
Net pension liability	4,794,243	-	(3,044,047)	1,750,196	5,335
Compensated absences	367,939	202,574	(185,575)	384,938	82,873
QNIP Bonds	1,606,585	-	(279,210)	1,327,375	290,895
Total governmental activities	<u>\$ 14,298,892</u>	<u>\$ 17,852,958</u>	<u>\$ (7,505,029)</u>	<u>\$ 24,646,821</u>	<u>\$ 1,004,616</u>
Business-type activities:					
Stormwater utility revenue bonds	\$ 1,404,679	\$ -	\$ (135,747)	\$ 1,268,932	\$ 140,384
Total business-type activities	<u>\$ 1,404,679</u>	<u>\$ -</u>	<u>\$ (135,747)</u>	<u>\$ 1,268,932</u>	<u>\$ 140,384</u>

Compensated absences and the net pension liability are typically liquidated by the general fund for the governmental activities.

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances as of September 30, 2021, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,100,154	\$ -
Non-major Governmental Funds	-	809,402
Stormwater Fund	-	290,752
	<u>\$ 1,100,154</u>	<u>\$ 1,100,154</u>

The outstanding balances between funds result primarily from revenues received in and expenditures made by the general fund on behalf of special revenue and other funds.

Interfund transfer activity for the year ended September 30, 2021 was as follows:

	<u>Transfers In*</u>	<u>Transfers Out*</u>
General Fund	\$ 150,000	\$ 1,893,717
CITT Fund	-	368,312
Non-major Governmental Funds	2,176,718	191,685
Stormwater Fund	126,996	
	<u>\$ 2,453,714</u>	<u>\$ 2,453,714</u>

*Transfers in/out during the fiscal year are as follows:

- \$368,312 was transferred from the CITT Fund (a major governmental fund) to fund the Town's portion of costs related to several projects. \$22,530 was transferred to the Transportation Fund (a non-major governmental fund) to provide the Town's grant match for a transportation master plan update, \$34,258 was transferred to the Bike and Pedestrian Fund to provide for the Town's grant match for construction of pedestrian friendly transportation connectivity projects, \$184,528 was transferred to the Transit Fund for the Town's grant match for a grant providing on demand transit services, and \$126,996 was transferred to the Stormwater Fund (an Enterprise Fund) for roadway improvements related to the Cutler Ridge Sec. 3 project.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

- \$191,685 was transferred from the Special Revenue Fund (a non-major governmental fund), including transfer of gas taxes (\$150,000) to the General Fund for sidewalk repair projects and transfer of park impact fees (\$41,685) to the Capital Projects (Parks) Fund (a non-major governmental fund) for various park infrastructure improvement projects.
- \$1,893,717 was transferred from the General Fund to the Capital Projects (Parks) Fund (a non-major governmental fund) to cover the cost of park infrastructure improvements that were not eligible for funding with park impact fees.

NOTE 8 - RETIREMENT PLANS

Florida Retirement System Overview

The Town participates in the Florida Retirement System ("the FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers all of the Town's full-time employees. The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective October 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Florida Retirement System Overview

Essentially all regular employees of the Town are eligible to enroll as members of the State- administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site.

http://www.dms.myflorida.com/workforce_operations/retirement/publications).

Plan Description

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected Town Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age / Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Elected Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2020 through June 30, 2021 were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	10.00
FRS, Elected County Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
FRS, Special Risk Regular	3.00	24.45
DROP - Applicable to members from all of the above classes	N/A	16.98

*Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan.

The Town's contributions for FRS totaled \$522,281 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the Town reported a liability of \$749,337 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Town's proportionate share of the net pension liability was based on the Town's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating member. At June 30, 2021, the Town's proportionate share was 0.0099%, which was an increase from its proportionate share of 0.0089% measured at June 30, 2020.

For the fiscal year ended September 30, 2021, the Town recognized pension expense of \$50,378 related to the Plan. In addition, the Town reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 128,438	\$ -
Change of assumptions	512,734	-
Net difference between projected and actual earnings on FRS pension plan investments	-	2,614,250
Changes in proportion and differences between Town FRS contributions and proportionate share of contributions	326,801	150,058
Town FRS contributions subsequent to measurement date	107,208	-
Total	\$ 1,075,181	\$ 2,764,308

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to pensions, totaling \$107,208, resulting from the Town's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Deferred outflows/(inflows), net
2022	\$ (300,293)
2023	(364,989)
2024	(513,497)
2025	(660,896)
2026	43,340
Thereafter	-

Actuarial Assumptions

The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2021, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Long-Term Expected Rate of Return

The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
	100%			
Assumed inflation-Mean			2.4%	1.2%

Note: (1) As outlined in the Plan's investment policy

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Discount Rate

The discount rate used to measure the net pension liability of the Plan was 6.80 percent. 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.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

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

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Village's proportionate share of the net pension liability	\$ 3,351,087	\$ 749,337	\$ (1,425,434)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report (see above).

Town Allocation

The Town's proportionate share of the Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2021, and pension expense / adjustment for the fiscal year ended September 30, 2021 was allocated as follows:

FRS PENSION			
NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	PENSION EXPENSE / ADJUSTMENT
\$ 749,337	\$ 1,075,181	\$ 2,764,308	\$ 50,378

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided

For the fiscal year ended September 30, 2021 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period July 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 was 1.66 percent. The Town contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Town's contributions to the HIS Plan totaled \$48,277 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the Town reported a net pension liability of \$1,000,859 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of July 1, 2021 and was recalculated and projected to the measurement date of June 30, 2021 using a standard actuarial roll-forward technique. The Town's proportionate share of the net pension liability was based on the Town's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the Town's proportionate share was 0.0082 percent, which was an increase from its proportionate share of 0.0077 percent measured at June 30, 2020.

For the fiscal year ended September 30, 2021, the Town recognized pension expense of \$85,860 related to the HIS Plan. In addition, the Town reported, in the government-wide financial statements, deferred outflows or resources and deferred inflows of resources related to the HIS Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,491	\$ 419
Change of assumptions	78,645	41,238
Net difference between projected and actual earnings on HIS pension plan investments	1,043	-
Changes in proportion and differences between Town HIS contributions and proportionate share of contributions	62,785	24,548
Town HIS contributions subsequent to measurement date	12,911	-
Total	\$ 188,875	\$ 66,205

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

The Retiree Health Insurance Subsidy Program (HIS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to pensions, totaling \$12,911, resulting from the Town's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Deferred outflows/(inflows), net
2022	\$ 30,936
2023	15,765
2024	18,661
2025	20,860
2026	18,124
Thereafter	5,413

Actuarial Assumptions

The HIS pension as of July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Municipal Bond Rates	2.16%

The actuarial assumptions that determined total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability for the HIS Plan was updated from 2.21 to 2.16 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate 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 HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following presents the Town's proportionate share of the net pension liability calculated using a discount rate of 2.16 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate is one percentage point lower (1.16 percent) or one percentage point higher (3.16 percent) than the current rate:

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Village's proportionate share of the net pension liability	\$ 1,157,090	\$ 1,000,859	\$ 872,862

Pension plan fiduciary net position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report (see above).

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - RETIREMENT PLANS (CONTINUED)

The Retiree Health Insurance Subsidy Program (HIS) (Continued)

Town Allocation

The Town's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2021, and pension expense/adjustment for the fiscal year ended September 30, 2021 was as follows:

HIS PLAN			
NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	PENSION EXPENSE / ADJUSTMENT
\$ 1,000,859	\$ 188,875	\$ 66,205	\$ 85,860

The proportionate share of the Town's proportionate share of the net pension liability, deferred outflow of resources, deferred inflow of resources, and pension expense for all plans is summarized as follows:

	FRS	HIS	Total
Net pension liability	\$ 749,337	\$ 1,000,859	\$ 1,750,196
Deferred outflows of resources	1,075,181	188,875	1,264,056
Deferred inflows of resources	2,764,308	66,205	2,830,513
Pension expense/expenditure	50,378	85,860	136,238

NOTE 9 - 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; injuries to employees; and natural disasters.

The Town participates in the Florida League of Cities (FLC) risk pool. This is a statewide pool with several hundred governmental members. FLC provides the Town with auto liability, general liability, property and workers' compensation coverage. There is no self-insured retention for the Town, excluding a \$1,000 per occurrence property deductible. FLC provides \$1,000,000 for general liability and statutorily required coverage for workers' compensation.

During its past three years, the Town has not incurred any significant claims nor have there been any significant reductions in coverage.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Claims and Lawsuits

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 material adverse effect on the financial position of the Town.

Agreement with Miami-Dade County for Stormwater Utility Billing

On June 20, 2008, the Town executed an agreement with Miami-Dade County for the County to administer, bill and collect the stormwater utility service charges for the Town. The County bills the Town \$1.14 per bill and also deducts the Town's pro-rata share of debt service on 1999 and 2004 Stormwater Bonds issued by the County. The agreement was set to expire on June 20, 2018 but was continued on a month to month basis while the new agreement was being ratified. The new agreement was signed by the parties and became effective October 22, 2018 and is for a term of ten (10) years.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement with Miami-Dade County for Local Police Patrol Services

The Town contracts for its local police patrol and other law enforcement services through an Interlocal agreement (the "agreement") with Miami-Dade County (the "County"). The agreement for these services was set to expire on August 20, 2019, however, the Town and County agreed to continue the existing agreement on the same terms and conditions for a period of up to 90 days while the parties finalized a new agreement. The parties finalized a new five (5) year agreement effective October 1, 2019 and the new agreement expires on September 30, 2024 unless terminated earlier as specified in the agreement.

Payments for the services provided by the County are based upon the level of staffing services requested by the Town utilizing the actual personnel costs of officers and equipment. The County bills the Town on a quarterly basis for local patrol services and for optional services (primarily school crossing guards, if applicable). For fiscal year 2021, approximately \$10,050,540 was paid by the Town for such services.

Agreement with the Town Manager

The contract with the current Town Manager provides for a severance payment to him should the Town Council wish to terminate the Town Manager for convenience. The severance payment, which is payable in lump sum upon termination or within 30 days thereafter at the Town Council's option, shall be equal to twenty weeks of his regular base salary at the time of termination. The Town shall also continue to pay the premium for the Town Manager's health insurance for twenty weeks after the effective date of his termination. No other fringe benefits will be payable under this provision.

The terms of this severance provision do not apply if the Town Manager is terminated for misconduct and/or for violating ethical standards, as defined.

Operating Lease

In January 2020, the Town entered into a sale-leaseback agreement under which the Town Hall office building and additional property owned by the Town. The office building previously owned by the Town was subsequently leased back from the new owner. The term of the lease is for 5 years commencing January 9, 2020 and calls for cost of living rent increases based on a defined CPI index, if applicable, on the lease anniversary date. The lease also provides for additional rent in the event certain specified expenses exceed base year amounts. To date the Town has not had to pay such additional rent. The Town has the option to renew and extend the term of lease for three successive additional terms of two years each.

The following is a schedule by years of future minimum lease payments required under the master lease:

<u>Year Ended</u> <u>September 30,</u>	<u>Lease Payments</u>
2022	\$ 619,522
2023	630,840
2024	630,840
2025	172,972
	<u>\$ 2,054,174</u>

TOWN OF CUTLER BAY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 11 - POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Town has a single-employer health insurance postretirement benefit plan. Retirees can continue the same medical coverage they had (including family coverage) as active employees. As required by Florida Law, retirees under age 65 are required to have access to their current plan if they pay the full premium. This is a benefit to retirees because the cost of health insurance for retirees under age 65 exceeds the full premium. Employees will subsidize the cost of retirees under the Group Coverage. There is no benefit for retirees over age 65.

Funding Policy

These benefits are financed on a pay-as-you-go basis.

Total OPEB Liability

Management has evaluated the Total OPEB Liability and has concluded that it is immaterial to the financial statements. Therefore, the Total OPEB Liability and related disclosures have been excluded from the Financial Statements.

NOTE 12 - SUBSEQUENT EVENTS

General Obligation Bond Referendum

On March 22, 2022, in a special mail-in ballot referendum election, the Cutler Bay electorate voted to approve the authorization for the Town to issue General Obligation Bonds, in an amount up to \$37 million, to fund the construction of a park, community center and municipal complex on the 16-acre parcel of land, along Old Cutler Road and SW 212 Street, acquired by the Town in January 2020.

American Rescue Plan Act ("ARPA")

In late September 2021, the Town Council authorized the Town Manager to enter into an agreement with the State of Florida's Division of Emergency Management to accept pass-through Coronavirus Local Fiscal Recovery Fund grant funding under the ARPA. As a municipality designated as a Non-Entitlement Unit, the Town's total Fiscal Recovery Fund allocation under ARPA was \$21,896,320. In October 2021, the Town finalized its agreement with the State of Florida for this pass-through grant and received its first tranche of funding in the amount of \$10,948,160. These funds will be used on eligible ARPA defined projects.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 6,887,845	\$ 6,887,845	\$ 6,897,920	\$ 10,075
Franchise fees	2,420,000	2,420,000	2,498,625	78,625
Utility taxes	3,100,000	3,500,000	3,651,893	151,893
Charges for services	235,500	330,500	364,495	33,995
Intergovernmental	5,782,340	6,382,340	7,174,138	791,798
Licenses and permits	719,000	1,029,000	1,247,021	218,021
Fines and forfeitures	105,000	70,000	160,040	90,040
Interest	100,000	35,000	31,572	(3,428)
Rental income	40,000	40,000	43,696	3,696
Miscellaneous	500	17,500	63,086	45,586
Total revenues	<u>19,390,185</u>	<u>20,712,185</u>	<u>22,132,486</u>	<u>1,420,301</u>
Expenditures:				
General government	19,196,593	16,335,593	16,470,344	(134,751)
Legislative	206,144	206,144	137,426	68,718
Town clerk	615,145	526,145	483,697	42,448
Finance	538,119	573,119	559,483	13,636
Town attorney	500,000	400,000	349,549	50,451
Community development	1,254,692	1,554,692	1,411,930	142,762
Public works	1,029,388	1,129,388	1,004,320	125,068
Parks and recreation	2,165,968	1,961,968	1,896,716	65,252
Police services	<u>10,325,672</u>	<u>10,125,672</u>	<u>10,070,627</u>	<u>55,045</u>
Total expenditures	<u>35,831,721</u>	<u>32,812,721</u>	<u>32,384,092</u>	<u>428,629</u>
Excess (deficiency) of revenues over expenditures	<u>(16,441,536)</u>	<u>(12,100,536)</u>	<u>(10,251,606)</u>	<u>1,848,930</u>
Other financing sources (uses):				
Proceeds from debt issuance	18,115,000	14,737,000	17,650,384	2,913,384
Transfers in	150,000	150,000	150,000	-
Transfers out	<u>(1,360,000)</u>	<u>(1,840,000)</u>	<u>(1,893,717)</u>	<u>(53,717)</u>
Total other financing sources (uses)	<u>16,905,000</u>	<u>13,047,000</u>	<u>15,906,667</u>	<u>2,859,667</u>
Revenues over (under) expenditures and other financing sources (uses)	463,464	946,464	5,655,061	4,708,597
Fund balance appropriated	<u>(463,464)</u>	<u>(946,464)</u>	<u>-</u>	<u>946,464</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>5,655,061</u>	<u>\$ 5,655,061</u>
Fund balance - beginning			<u>13,725,399</u>	
Fund balance - ending			<u><u>\$ 19,380,460</u></u>	

See notes to budgetary comparison schedule

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CITT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 2,008,359	\$ 508,359
Interest	<u>30,000</u>	<u>30,000</u>	<u>7,803</u>	<u>(22,197)</u>
Total revenues	<u>1,530,000</u>	<u>1,530,000</u>	<u>2,016,162</u>	<u>508,359</u>
Expenditures:				
Current:				
General government	<u>467,880</u>	<u>467,880</u>	<u>346,891</u>	<u>120,989</u>
Total expenditures	<u>467,880</u>	<u>467,880</u>	<u>346,891</u>	<u>120,989</u>
Excess (deficiency) of				
revenues over expenditures	<u>1,062,120</u>	<u>1,062,120</u>	<u>1,669,271</u>	<u>607,151</u>
Other financing sources (uses) :				
Transfers out	<u>(2,172,056)</u>	<u>(2,172,056)</u>	<u>(368,312)</u>	<u>1,803,744</u>
Total other financing sources (uses)	<u>(2,172,056)</u>	<u>(2,172,056)</u>	<u>(368,312)</u>	<u>1,803,744</u>
Revenues over (under) expenditures and				
other financing sources (uses)	(1,109,936)	(1,109,936)	1,300,959	2,410,895
Fund balance appropriated	<u>1,109,936</u>	<u>1,109,936</u>	<u>-</u>	<u>(1,109,936)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,300,959</u>	<u>\$ 1,300,959</u>
Fund balance, beginning			<u>4,286,125</u>	
Fund balance, ending			<u>\$ 5,587,084</u>	

See notes to budgetary comparison schedule

TOWN OF CUTLER BAY, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to September 1, 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 the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of two resolutions - one fixing a millage rate and another adopting the final budget.
- d. Appropriations which are neither expended, encumbered, nor specifically designated to be carried over lapse at the end of the fiscal year.
- e. The Town prepares and adopts a budget for the General Fund and for all other funds known as of the October 1 fiscal year start date. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for principal payments on their debt. No differences exist between the budgetary or GAAP basis of accounting. Budgeted amounts are as originally adopted, or as amended by the Town Council. The Town Manager may transfer any unencumbered line item allocation of funds, or any portion thereof, to another line item classification within the same department. Amendments to total budgeted appropriations of any of the Town's departments must be approved by the Town Council. Therefore, the legal level of control (level of which expenditures may not exceed the budget) is at the department level.
- f. Formal budgetary integration is employed as a management control device. Additionally, the Town does not utilize encumbrance accounting.

In November 2021, the Town Council passed a budget amendment by resolution (#21-90) to:

1. In the General Fund, the net decrease in total revenues was \$2,056,000 with a corresponding increase to appropriation of prior year fund balance. The revenue changes reflected increases to utility taxes (\$215,000 for electricity, \$85,000 for water, and \$100,000 for gas), 1st local option gas taxes (\$30,000), communications services taxes (\$70,000), building permits (\$300,000), other licenses, fees and permits (\$10,000), grants from private sources (\$8,000), lien search fees (\$90,000), state revenue sharing (\$100,000), local government half-cent sales tax (\$400,000), parks fee (\$5,000) and lobbyist fees (\$9,000), offset by decreases for judgements and fines (\$35,000), interest income (\$65,000), and proceeds from issuance of debt (\$3,378,000).
2. In the General Fund, the net decrease in total expenditures was \$2,539,000 with a corresponding decrease to appropriation of prior year fund balance.

The budget amendment increased expenditures in (a) the Community Development department by \$300,000 (\$50,000 for professional services and \$250,000 for other contractual services) (b) the Public Works department by \$100,000 for other contractual services, (c) the Finance department by \$35,000 (\$5,000 for other contractual services, \$5,000 for repairs and maintenance, and \$25,000 for capital outlay), and (d) Transfers Out (\$480,000) to other funds for project matching.

The budget amendment decreased expenditures in (a) the Parks department by \$204,000 (\$150,000 for salaries, \$50,000 for other contractual services, and \$20,000 for utilities, offset by increases of \$16,000 for capital outlay), (b) the Town Attorney department by \$100,000 for professional services, (c) the Town Clerk department by \$89,000 (\$30,000 for salaries, \$2,500 for payroll taxes, \$7,000 for retirement contributions, \$9,500 for life and health insurance, \$5,000 for other contractual services, and \$35,000 for other current charges), (d) the General Government department by \$2,861,000 (decreases of \$3,430,000 for debt service-principal and \$5,000 for debt service-interest, offset by increases of \$50,000 for professional services, \$300,000 for other contractual services, and \$224,000 for other current charges), and (e) the Law enforcement department by \$200,000 for decreased professional services.

3. In the Special Revenue Fund, transfers out were increased \$69,000 with a corresponding increase to appropriation of prior year fund balance.

TOWN OF CUTLER BAY, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

4. In the Capital Projects (Parks) Fund, fund revenues increased \$349,000 (\$549,000 increase in transfers in, offset by a decrease in grant revenue of \$200,000). Fund expenditures increased \$349,000 (\$131,000 decrease related to the Lakes by the Bay Park Canoe/Kayak project offset by a \$480,000 increase in expenditures for the Franjo Park project).

TOWN OF CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the FRS net pension liability	0.0099%	0.0089%	0.0095%	0.0099%	0.0093%	0.0086%	0.0090%	0.0079%
Town's proportionate share of the FRS net pension liability	\$ 749,337	\$ 3,858,186	\$ 3,275,922	\$ 2,988,680	\$ 2,756,704	\$ 2,173,623	\$ 1,161,135	\$ 479,192
Town's covered payroll	2,888,756	2,660,786	2,627,355	2,619,488	2,522,996	2,346,800	2,267,234	2,170,781
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	25.94%	145.00%	124.69%	114.09%	109.26%	92.62%	51.21%	22.07%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.69%	84.88%	92.00%	96.09%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 522,281	\$ 434,654	\$ 401,481	\$ 322,591	\$ 291,685	\$ 263,864	\$ 257,764	\$ 221,937
FRS contribution in relation to the contractually required contribution	<u>(522,281)</u>	<u>(434,654)</u>	<u>(401,481)</u>	<u>(322,591)</u>	<u>(291,685)</u>	<u>(263,864)</u>	<u>(257,764)</u>	<u>(221,937)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	2,908,256	2,739,748	2,613,721	2,618,896	2,563,058	2,452,272	2,292,976	2,191,509
FRS contribution as a percentage of covered payroll	17.96%	15.86%	15.36%	12.32%	11.38%	10.76%	11.24%	10.13%

Note: 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 CUTLER BAY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the HIS net pension liability	0.0082%	0.0077%	0.0079%	0.0080%	0.0079%	0.0076%	0.0075%	0.0073%
Town's proportionate share of the HIS net pension liability	\$ 1,000,859	\$ 936,057	\$ 878,997	\$ 848,850	\$ 846,350	\$ 885,811	\$ 762,143	\$ 683,152
Town's covered payroll	2,888,756	2,660,786	2,627,355	2,619,488	2,522,996	2,346,800	2,267,234	2,170,781
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	34.65%	35.18%	33.46%	32.41%	33.55%	37.75%	33.62%	31.47%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 48,277	\$ 45,480	\$ 43,388	\$ 43,474	\$ 42,547	\$ 40,708	\$ 31,082	\$ 26,611
HIS contribution in relation to the contractually required contribution	<u>(48,277)</u>	<u>(45,480)</u>	<u>(43,388)</u>	<u>(43,474)</u>	<u>(42,547)</u>	<u>(40,708)</u>	<u>(31,082)</u>	<u>(26,611)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	2,908,256	2,739,748	2,613,721	2,618,896	2,563,058	2,452,272	2,292,976	2,191,509
HIS contribution as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.21%

Note: 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

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Special Revenue Fund – This fund was established to account for impact fees and gas tax revenues that are restricted to use for specific purposes.

Transportation Fund – This fund was established to account for revenues derived from grants and other sources to be used specifically for transportation and/or Complete Streets related projects.

Bike and Pedestrian Fund – This fund was established to account for the revenues derived from grants and other sources to be used specifically for pedestrian friendly transportation connectivity projects within the Town.

The Children's Trust Fund – This fund was established to account for revenues derived from grants from The Children's Trust of Miami Dade County to be used specifically for children's programs at the Town's parks.

JPA – Franjo Road Fund – This fund was established to account for revenues derived from Miami-Dade County, pursuant to a Joint Participation Agreement, and other sources to be used specifically for roadway improvements to Franjo Road within the Town.

Transit Fund – This fund was established to account for revenues derived from grants and other sources to be used specifically for transit related projects within the Town.

DJJ Fund – This fund was established to account for revenues derived from a grant by the Department of Juvenile Justice to provide programs for at-risk youths at the Town's parks.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for acquisition or construction of major capital assets other than those financed by proprietary or trust funds.

Capital Projects (Parks) Fund – This fund was established to account for revenues derived from grants, impact fees and other sources to be used on various park improvement projects within the Town.

TOWN OF CUTLER BAY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds						Capital Projects	Total Nonmajor Governmental Funds
	Special Revenue Fund	Transportation Fund	Bike and Pedestrian Fund	The Children's Trust Fund	JPA-Franjo Road Fund	Transit Fund	DJJ Fund	Capital Projects (Parks) Fund
<u>ASSETS</u>								
Restricted cash	\$ 1,359,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables, net	17,358	28,380	-	71,490	386,266	369,056	6,956	400,000
Prepays	-	-	-	1,073	-	-	-	-
Total assets	<u>1,376,601</u>	<u>28,380</u>	<u>-</u>	<u>72,563</u>	<u>386,266</u>	<u>369,056</u>	<u>6,956</u>	<u>400,000</u>
<u>LIABILITIES</u>								
Accounts payable	-	-	-	6,832	80,078	369,056	2,777	20
Due to other funds	<u>4,944</u>	<u>28,380</u>	<u>-</u>	<u>65,731</u>	<u>306,188</u>	<u>-</u>	<u>4,179</u>	<u>399,980</u>
Total liabilities	<u>4,944</u>	<u>28,380</u>	<u>-</u>	<u>72,563</u>	<u>386,266</u>	<u>369,056</u>	<u>6,956</u>	<u>400,000</u>
<u>FUND BALANCES</u>								
Nonspendable	-	-	-	1,073	-	-	-	-
Restricted	<u>1,371,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,073)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,371,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,376,601</u>	<u>\$ 28,380</u>	<u>\$ -</u>	<u>\$ 72,563</u>	<u>\$ 386,266</u>	<u>\$ 369,056</u>	<u>\$ 6,956</u>	<u>\$ 400,000</u>

TOWN OF CUTLER BAY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							Capital Projects	Total Nonmajor Governmental Funds
	Special Revenue Fund	Transportation Fund	Bike and Pedestrian Fund	The Children's Trust Fund	JPA-Franjo Road Fund	Transit Fund	DJJ Fund	Capital Projects (Parks) Fund	
Revenues:									
Intergovernmental	\$ 195,166	\$ 90,120	\$ -	\$ 236,445	\$ 386,266	\$ 184,528	\$ 31,539	\$ 200,000	\$ 1,324,064
Impact fees	79,126	-	-	-	-	-	-	-	79,126
Interest	2,399	-	-	-	-	-	-	-	2,399
Total revenues	<u>276,691</u>	<u>90,120</u>	<u>-</u>	<u>236,445</u>	<u>386,266</u>	<u>184,528</u>	<u>31,539</u>	<u>200,000</u>	<u>1,405,589</u>
Expenditures:									
Current:									
General government	-	112,650	-	-	386,266	369,056	-	-	867,972
Parks and recreation	-	-	-	222,945	-	-	31,539	-	254,484
Capital outlay:									
General government	-	-	34,258	-	-	-	-	-	34,258
Parks and recreation	-	-	-	13,500	-	-	-	2,135,402	2,148,902
Total expenditures	<u>-</u>	<u>112,650</u>	<u>34,258</u>	<u>236,445</u>	<u>386,266</u>	<u>369,056</u>	<u>31,539</u>	<u>2,135,402</u>	<u>3,305,616</u>
Excess (deficiency) of revenues over expenditures	<u>276,691</u>	<u>(22,530)</u>	<u>(34,258)</u>	<u>-</u>	<u>-</u>	<u>(184,528)</u>	<u>-</u>	<u>(1,935,402)</u>	<u>(1,900,027)</u>
Other financing sources:									
Transfers in	-	22,530	34,258	-	-	184,528	-	1,935,402	2,176,718
Transfers out	(191,685)	-	-	-	-	-	-	-	(191,685)
Total other financing sources (uses)	<u>(191,685)</u>	<u>22,530</u>	<u>34,258</u>	<u>-</u>	<u>-</u>	<u>184,528</u>	<u>-</u>	<u>1,935,402</u>	<u>1,985,033</u>
Net change in fund balance	<u>85,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,006</u>
Fund balances, beginning	<u>1,286,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,286,651</u>
Fund balances, ending	<u>\$ 1,371,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,371,657</u>

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 180,661	\$ 180,661	\$ 195,166	\$ 14,505
Impact fees	46,000	46,000	79,126	33,126
Interest	2,500	2,500	2,399	(101)
Total revenues	<u>229,161</u>	<u>229,161</u>	<u>276,691</u>	<u>47,530</u>
Other financing uses:				
Transfers out	<u>(187,000)</u>	<u>(256,000)</u>	<u>(191,685)</u>	<u>64,315</u>
Total other financing use	<u>(187,000)</u>	<u>(256,000)</u>	<u>(191,685)</u>	<u>64,315</u>
Revenues over (under) other financing sources (uses)	42,161	(26,839)	85,006	111,845
Fund balance appropriated	<u>(42,161)</u>	<u>26,839</u>	<u>-</u>	<u>(26,839)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>85,006</u>	<u>\$ 85,006</u>
Fund balance, beginning			<u>1,286,651</u>	
Fund balance, ending			<u><u>\$ 1,371,657</u></u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 90,120	\$ (9,880)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>90,120</u>	<u>(9,880)</u>
Expenditures:				
Current				
General government	<u>125,000</u>	<u>125,000</u>	<u>112,650</u>	<u>12,350</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>112,650</u>	<u>12,350</u>
Deficiency of revenues under expenditures before other financing sources	<u>(25,000)</u>	<u>(25,000)</u>	<u>(22,530)</u>	<u>2,470</u>
Other financing sources:				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>22,530</u>	<u>(2,470)</u>
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>22,530</u>	<u>(2,470)</u>
Revenues over (under) expenditures and other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - BIKE AND PEDESTRIAN FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 31,766	\$ 31,766	\$ -	\$ (31,766)
Total revenues	<u>31,766</u>	<u>31,766</u>	<u>-</u>	<u>(31,766)</u>
Expenditures:				
Capital outlay:				
General government	<u>38,916</u>	<u>38,916</u>	<u>34,258</u>	<u>4,658</u>
Total expenditures	<u>38,916</u>	<u>38,916</u>	<u>34,258</u>	<u>4,658</u>
Deficiency of revenues under expenditures				
before other financing sources	<u>(7,150)</u>	<u>(7,150)</u>	<u>(34,258)</u>	<u>(27,108)</u>
Other financing sources:				
Transfers in	<u>7,150</u>	<u>7,150</u>	<u>34,258</u>	<u>27,108</u>
Total other financing sources	<u>7,150</u>	<u>7,150</u>	<u>34,258</u>	<u>27,108</u>
Revenues over (under) expenditures and				
other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - THE CHILDREN'S TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 321,336	\$ 321,336	\$ 236,445	\$ (84,891)
Total revenues	<u>321,336</u>	<u>321,336</u>	<u>236,445</u>	<u>(84,891)</u>
Expenditures:				
Current:				
Parks and recreation	<u>321,336</u>	<u>321,336</u>	<u>222,945</u>	<u>98,391</u>
Capital Outlay:				
Parks and recreation	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>(13,500)</u>
Total expenditures	<u>321,336</u>	<u>321,336</u>	<u>236,445</u>	<u>84,891</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u><u>\$ -</u></u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - JPA-FRANJO ROAD FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 541,786	\$ 541,786	\$ 386,266	\$ (155,520)
Total revenues	<u>541,786</u>	<u>541,786</u>	<u>386,266</u>	<u>(155,520)</u>
Expenditures:				
Current:				
General Government	<u>541,786</u>	<u>541,786</u>	<u>386,266</u>	<u>155,520</u>
Total expenditures	<u>541,786</u>	<u>541,786</u>	<u>386,266</u>	<u>155,520</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u><u>\$ -</u></u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - TRANSIT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 192,500	\$ 192,500	\$ 184,528	\$ (7,972)
Total revenues	<u>192,500</u>	<u>192,500</u>	<u>184,528</u>	<u>(7,972)</u>
Expenditures:				
Current:				
General government	<u>385,000</u>	<u>385,000</u>	<u>369,056</u>	<u>15,944</u>
Total expenditures	<u>385,000</u>	<u>385,000</u>	<u>369,056</u>	<u>15,944</u>
Deficiency of revenues under expenditures				
before other financing sources	<u>(192,500)</u>	<u>(192,500)</u>	<u>(184,528)</u>	<u>7,972</u>
Other financing sources:				
Transfers in	<u>192,500</u>	<u>192,500</u>	<u>184,528</u>	<u>(7,972)</u>
Total other financing sources	<u>192,500</u>	<u>192,500</u>	<u>184,528</u>	<u>(7,972)</u>
Revenues over (under) expenditures and				
other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - DJJ FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Intergovernmental	\$ 61,500	\$ 61,500	\$ 31,539	\$ (29,961)
Total revenues	<u>61,500</u>	<u>61,500</u>	<u>31,539</u>	<u>(29,961)</u>
Expenditures:				
Current:				
Parks and recreation	<u>61,500</u>	<u>61,500</u>	<u>31,539</u>	<u>29,961</u>
Total expenditures	<u>61,500</u>	<u>61,500</u>	<u>31,539</u>	<u>29,961</u>
Revenues over (under) expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - CAPITAL PROJECTS (PARKS) FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 400,000	\$ 200,000	\$ 200,000	\$ -
Total revenues	<u>400,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Parks and recreation	<u>1,797,000</u>	<u>2,146,000</u>	<u>2,135,402</u>	<u>10,598</u>
Total expenditures	<u>1,797,000</u>	<u>2,146,000</u>	<u>2,135,402</u>	<u>10,598</u>
Deficiency of revenues under expenditures before other financing sources	<u>(1,397,000)</u>	<u>(1,946,000)</u>	<u>(1,935,402)</u>	<u>10,598</u>
Other financing sources:				
Transfers in	<u>1,397,000</u>	<u>1,946,000</u>	<u>1,935,402</u>	<u>(10,598)</u>
Total other financing sources	<u>1,397,000</u>	<u>1,946,000</u>	<u>1,935,402</u>	<u>(10,598)</u>
Revenues over (under) expenditures and other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ -</u>	

TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET VS ACTUAL - STORMWATER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 1,025,000	\$ 1,025,000	\$ 1,017,995	\$ (7,005)
Total operating revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,017,995</u>	<u>(7,005)</u>
Operating expenses:				
Operations and maintenance	1,305,538	1,305,538	976,268	329,270
Depreciation	<u>200,000</u>	<u>200,000</u>	<u>212,694</u>	<u>(12,694)</u>
Total operating expenses	<u>1,505,538</u>	<u>1,505,538</u>	<u>1,188,962</u>	<u>316,576</u>
Operating income (loss)	<u>(480,538)</u>	<u>(480,538)</u>	<u>(170,967)</u>	<u>309,571</u>
Non-operating revenues (expenses):				
Interest income	-	-	89	89
Interest expense	<u>-</u>	<u>-</u>	<u>(52,658)</u>	<u>(52,658)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(52,569)</u>	<u>(52,569)</u>
Income (loss) before capital contributions and transfers	<u>(480,538)</u>	<u>(480,538)</u>	<u>(223,536)</u>	<u>257,002</u>
Capital grants and contributions	800,000	800,000	200,000	(600,000)
Transfers in	<u>1,947,406</u>	<u>1,947,406</u>	<u>126,996</u>	<u>(1,820,410)</u>
Total capital contributions and transfers	<u>2,747,406</u>	<u>2,747,406</u>	<u>326,996</u>	<u>(2,420,410)</u>
Net position appropriated	<u>(2,266,868)</u>	<u>(2,266,868)</u>	<u>-</u>	<u>2,266,868</u>
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>103,460</u>	<u>\$ 103,460</u>
Net position, beginning			<u>5,359,915</u>	
Net position, ending			<u>\$ 5,463,375</u>	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Cutler Bay'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>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	75-79
Revenue Capacity	
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	80-84
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	85-86
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	87-88
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	89-91

TOWN OF CUTLER BAY, FLORIDA
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:										
Net investment in capital assets	\$ 38,086,861	\$ 35,405,031	\$ 32,556,771	\$ 31,256,699	\$ 31,594,819	\$ 30,309,365	\$ 29,728,390	\$ 27,912,310	\$ 37,248,971	\$ 32,153,827
Restricted	5,155,469	5,423,140	5,359,233	5,250,912	4,899,680	5,274,302	4,546,311	5,407,236	8,651,089	6,958,741
Unrestricted	<u>17,822,255</u>	<u>19,647,398</u>	<u>21,592,128</u>	<u>19,504,090</u>	<u>16,861,145</u>	<u>14,795,314</u>	<u>14,720,275</u>	<u>14,935,831</u>	<u>6,833,034</u>	<u>15,667,647</u>
Total governmental activities net position	<u>\$ 61,064,585</u>	<u>\$ 60,475,569</u>	<u>\$ 59,508,132</u>	<u>\$ 56,011,701</u>	<u>\$ 53,355,644</u>	<u>\$ 50,378,981</u>	<u>\$ 48,994,976</u>	<u>\$ 48,255,377</u>	<u>\$ 52,733,094</u>	<u>\$ 54,780,215</u>
Business-type activities:										
Net investment in capital assets	\$ 3,054,780	\$ 3,252,882	\$ 3,233,375	\$ 3,748,383	\$ 3,804,419	\$ 3,834,666	\$ 4,105,252	\$ 5,150,203	5,224,347	5,765,513
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,060,938</u>	<u>1,000,073</u>	<u>1,102,740</u>	<u>1,168,704</u>	<u>1,109,730</u>	<u>1,021,056</u>	<u>794,095</u>	<u>373,613</u>	<u>135,568</u>	<u>(302,138)</u>
Total business-type activities net position	<u>\$ 4,115,718</u>	<u>\$ 4,252,955</u>	<u>\$ 4,336,115</u>	<u>\$ 4,917,087</u>	<u>\$ 4,914,149</u>	<u>\$ 4,855,722</u>	<u>\$ 4,899,347</u>	<u>\$ 5,523,816</u>	<u>\$ 5,359,915</u>	<u>\$ 5,463,375</u>
Primary government:										
Net investment in capital assets	\$ 41,141,641	\$ 38,657,913	\$ 35,790,146	\$ 35,005,082	\$ 35,399,238	\$ 34,144,031	\$ 33,833,642	\$ 33,062,513	\$ 42,473,318	\$ 37,919,340
Restricted	5,155,469	5,423,140	5,359,233	5,250,912	4,899,680	5,274,302	4,546,311	5,407,236	8,651,089	6,958,741
Unrestricted	<u>18,883,193</u>	<u>20,647,471</u>	<u>22,694,868</u>	<u>20,672,794</u>	<u>17,970,875</u>	<u>15,816,370</u>	<u>15,514,370</u>	<u>15,309,444</u>	<u>6,968,602</u>	<u>15,365,509</u>
Total primary government net position	<u>\$ 65,180,303</u>	<u>\$ 64,728,524</u>	<u>\$ 63,844,247</u>	<u>\$ 60,928,788</u>	<u>\$ 58,269,793</u>	<u>\$ 55,234,703</u>	<u>\$ 53,894,323</u>	<u>\$ 53,779,193</u>	<u>\$ 58,093,009</u>	<u>\$ 60,243,590</u>

TOWN OF CUTLER BAY, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 4,254,352	\$ 4,113,511	\$ 4,423,111	\$ 4,384,908	\$ 4,638,277	\$ 5,077,377	\$ 5,412,467	\$ 5,852,830	\$ 6,170,581	\$ 6,897,920
Utility taxes	2,472,062	2,640,920	2,920,053	2,921,455	3,026,608	3,137,950	3,202,656	3,224,375	3,424,120	3,651,893
Franchise fees based on gross receipts	1,616,617	1,531,087	1,240,721	1,252,984	1,319,529	1,080,786	1,452,706	1,340,786	1,804,006	2,498,625
Unrestricted intergovernmental revenue	5,653,427	5,815,863	6,063,408	6,247,502	6,281,535	6,390,738	7,102,045	6,510,769	5,848,630	6,527,188
Unrestricted interest earnings	63,705	70,392	70,473	54,002	73,330	70,576	149,147	200,047	138,138	41,773
Miscellaneous revenues	-	-	-	105,167	-	25,758	537,185	94,020	24,432	55,088
Gains (losses) on disposal of capital assets	(707)	-	-	-	-	-	-	-	5,750,705	-
Total governmental activities	<u>14,059,456</u>	<u>14,171,773</u>	<u>14,717,766</u>	<u>14,966,018</u>	<u>15,339,279</u>	<u>15,783,185</u>	<u>17,856,206</u>	<u>17,222,827</u>	<u>23,160,612</u>	<u>19,672,487</u>
Business-type activities:										
Interest earnings	2,237	2,646	2,637	2,226	1,354	2,597	5,057	3,848	326	89
Miscellaneous revenues	-	-	-	18,430	-	-	-	-	-	-
Total business-type activities	<u>2,237</u>	<u>2,646</u>	<u>2,637</u>	<u>20,656</u>	<u>1,354</u>	<u>2,597</u>	<u>5,057</u>	<u>3,848</u>	<u>326</u>	<u>89</u>
Total primary government	<u>\$ 14,061,693</u>	<u>\$ 14,174,419</u>	<u>\$ 14,720,403</u>	<u>\$ 14,986,674</u>	<u>\$ 15,340,633</u>	<u>\$ 15,785,782</u>	<u>\$ 17,861,263</u>	<u>\$ 17,226,675</u>	<u>\$ 23,160,938</u>	<u>\$ 19,672,576</u>
Transfers										
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (38,878)	(316,941)	(86,287)	(126,996)
Business-type activities	-	-	-	-	-	-	38,878	316,941	86,287	126,996
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental activities	\$ (66,182)	\$ (589,016)	\$ (967,437)	\$ (2,364,251)	\$ (2,656,057)	\$ (2,976,663)	\$ (610,686)	\$ (739,599)	\$ 4,477,717	\$ 19,545,491
Business-type activities	247,612	137,237	83,162	580,971	(2,938)	(58,427)	43,625	624,469	(163,901)	127,085
Total primary government	<u>\$ 181,430</u>	<u>\$ (451,779)</u>	<u>\$ (884,275)</u>	<u>\$ (1,783,280)</u>	<u>\$ (2,658,995)</u>	<u>\$ (3,035,090)</u>	<u>\$ (567,061)</u>	<u>\$ (115,130)</u>	<u>\$ 4,313,816</u>	<u>\$ 19,672,576</u>

TOWN OF CUTLER BAY, FLORIDA

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental activities:										
General government	\$ 9,891,870	\$ 8,791,886	\$ 10,559,285	\$ 10,446,141	\$ 9,441,001	\$ 8,297,990	\$ 7,705,651	\$ 6,788,772	\$ 7,301,727	\$ 7,002,525
Public safety	8,093,112	7,935,541	8,040,961	8,834,295	8,993,764	9,790,469	9,442,229	10,047,839	10,320,605	10,078,672
Community development	2,534,614	3,100,748	2,576,918	2,538,437	2,427,984	2,535,174	2,732,777	2,656,304	2,563,408	2,502,571
Parks and recreation	2,784,113	3,045,599	3,186,576	3,282,201	3,364,464	3,533,963	3,685,932	3,706,960	3,238,385	3,222,287
Interest on long-term debt	569,292	693,494	685,863	618,922	464,240	424,647	392,443	336,879	291,505	627,088
Total governmental activities	<u>23,873,001</u>	<u>23,567,268</u>	<u>25,049,603</u>	<u>25,719,995</u>	<u>24,691,452</u>	<u>24,582,243</u>	<u>23,959,032</u>	<u>23,536,754</u>	<u>23,715,630</u>	<u>23,433,143</u>
Business-type activities:										
Stormwater	921,574	765,001	881,372	1,028,082	1,014,553	1,031,549	1,130,815	1,043,563	1,221,901	1,188,962
Interest on long-term debt	111,070	107,847	55,157	69,563	72,139	69,923	65,825	61,583	57,197	52,658
Total business-type activities	<u>1,032,644</u>	<u>872,848</u>	<u>936,529</u>	<u>1,097,645</u>	<u>1,086,692</u>	<u>1,101,472</u>	<u>1,196,640</u>	<u>1,105,146</u>	<u>1,279,098</u>	<u>1,241,620</u>
Total primary government expenses	<u>\$ 24,905,645</u>	<u>\$ 24,440,116</u>	<u>\$ 25,986,132</u>	<u>\$ 26,817,640</u>	<u>\$ 25,778,144</u>	<u>\$ 25,683,715</u>	<u>\$ 25,155,672</u>	<u>\$ 24,641,900</u>	<u>\$ 24,994,728</u>	<u>\$ 24,674,763</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	678,010	747,983	714,016	655,583	724,140	554,355	707,244	860,706	425,779	198,992
Public safety	746,851	635,494	604,101	692,474	672,027	381,480	391,919	317,643	274,933	286,915
Community development	1,165,854	2,310,194	1,379,074	1,094,979	1,037,220	1,029,705	1,339,332	1,198,225	1,002,412	1,247,021
Parks and recreation	412,148	787,381	216,547	182,384	151,233	123,292	140,923	155,033	50,279	82,324
Operating grants and contributions	6,003,742	4,127,545	5,838,648	5,503,496	3,807,943	3,434,440	2,409,808	2,975,129	2,631,573	3,645,229
Capital grants and contributions	740,758	197,882	612,014	260,810	303,553	299,123	541,792	384,533	734,046	474,292
Total governmental activities program revenues	<u>9,747,363</u>	<u>8,806,479</u>	<u>9,364,400</u>	<u>8,389,726</u>	<u>6,696,116</u>	<u>5,822,395</u>	<u>5,531,018</u>	<u>5,891,269</u>	<u>5,119,022</u>	<u>5,934,773</u>
Business-type activities:										
Charges for services:										
Stormwater	986,525	1,007,439	967,654	1,028,456	1,011,803	1,040,448	1,037,701	1,028,455	1,011,443	1,017,995
Operating grants and contributions	-	-	49,400	-	-	-	-	-	-	-
Capital grants and contributions	291,494	-	-	629,504	70,597	-	158,629	380,371	17,141	200,000
Total business-type activities program revenues	<u>1,278,019</u>	<u>1,007,439</u>	<u>1,017,054</u>	<u>1,657,960</u>	<u>1,082,400</u>	<u>1,040,448</u>	<u>1,196,330</u>	<u>1,408,826</u>	<u>1,028,584</u>	<u>1,217,995</u>
Total primary government revenues	<u>\$ 11,025,382</u>	<u>\$ 9,813,918</u>	<u>\$ 10,381,454</u>	<u>\$ 10,047,686</u>	<u>\$ 7,778,516</u>	<u>\$ 6,862,843</u>	<u>\$ 6,727,348</u>	<u>\$ 7,300,095</u>	<u>\$ 6,147,606</u>	<u>\$ 7,152,768</u>
Net revenue (expense):										
Governmental activities	(14,125,638)	(14,760,789)	(15,685,203)	(17,330,269)	(17,995,336)	(18,759,848)	(18,428,014)	(17,645,485)	(18,596,608)	(17,498,370)
Business-type activities	<u>245,375</u>	<u>134,591</u>	<u>80,525</u>	<u>560,315</u>	<u>(4,292)</u>	<u>(61,024)</u>	<u>(310)</u>	<u>303,680</u>	<u>(250,514)</u>	<u>(23,625)</u>
Total primary government net revenues (expenses)	<u>\$ (13,880,263)</u>	<u>\$ (14,626,198)</u>	<u>\$ (15,604,678)</u>	<u>\$ (16,769,954)</u>	<u>\$ (17,999,628)</u>	<u>\$ (18,820,872)</u>	<u>\$ (18,428,324)</u>	<u>\$ (17,341,805)</u>	<u>\$ (18,847,122)</u>	<u>\$ (17,521,995)</u>

TOWN OF CUTLER BAY, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	333,852	\$ 401,549	\$ 433,700	\$ 362,970	\$ 456,977	\$ 426,781	\$ 432,821	\$ 390,662	\$ 493,083	\$ 468,869
Restricted	-	2,542	2,548	49,907	58,012	63,190	68,851	74,111	3,078,313	81,635
Assigned	5,860,700	5,395,000	5,060,700	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000	-	-
Unassigned	11,781,272	14,047,222	16,301,450	18,519,846	18,014,568	16,260,846	17,093,506	16,670,523	10,154,003	18,829,956
Total general fund	<u>\$ 17,975,824</u>	<u>\$ 19,846,313</u>	<u>\$ 21,798,398</u>	<u>\$ 20,932,723</u>	<u>\$ 20,529,557</u>	<u>\$ 18,750,817</u>	<u>\$ 18,595,178</u>	<u>\$ 18,135,296</u>	<u>\$ 13,725,399</u>	<u>\$ 19,380,460</u>
 All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958	\$ 969	\$ 1,012	\$ 1,073
Restricted	5,155,469	5,420,598	5,356,686	5,201,005	4,841,668	5,211,112	4,477,460	5,333,125	5,572,776	6,958,741
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(958)	(969)	(1,012)	(1,073)
Total all other governmental funds	<u>\$ 5,155,469</u>	<u>\$ 5,420,598</u>	<u>\$ 5,356,686</u>	<u>\$ 5,201,005</u>	<u>\$ 4,841,668</u>	<u>\$ 5,211,112</u>	<u>\$ 4,477,460</u>	<u>\$ 5,333,125</u>	<u>\$ 5,572,776</u>	<u>\$ 6,958,741</u>

TOWN OF CUTLER BAY, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES										
Property taxes	\$ 4,254,352	\$ 4,113,511	\$ 4,423,111	\$ 4,384,908	\$ 4,638,277	\$ 5,077,377	\$ 5,412,467	\$ 5,852,830	\$ 6,170,581	\$ 6,897,920
Licenses and permits	1,125,494	2,195,599	1,379,074	1,094,979	1,037,219	1,029,704	1,339,332	1,198,224	1,002,412	1,247,021
Utility taxes	2,472,062	2,640,920	2,920,053	2,921,455	3,026,608	3,137,950	3,202,656	3,224,375	3,424,120	3,651,893
Franchise fees	1,616,617	1,531,087	1,240,721	1,252,984	1,319,529	1,080,786	1,452,706	1,340,786	1,804,006	2,498,625
Intergovernmental revenue	12,160,953	10,141,289	12,108,477	11,963,293	10,348,390	10,045,463	9,824,188	9,822,973	9,188,594	10,506,561
Charges for services	417,966	472,880	462,867	444,105	413,625	372,035	380,943	383,500	326,071	364,495
Interest and other	1,760,082	1,882,515	1,515,307	1,294,020	1,251,747	862,265	1,594,869	1,288,502	618,998	387,722
Total revenues	<u>23,807,526</u>	<u>22,977,801</u>	<u>24,049,610</u>	<u>23,355,744</u>	<u>22,035,395</u>	<u>21,605,580</u>	<u>23,207,161</u>	<u>23,111,190</u>	<u>22,534,782</u>	<u>25,554,237</u>
EXPENDITURES										
Current:										
General government	9,175,385	8,016,148	9,819,200	9,700,760	8,356,818	7,084,965	6,852,224	5,743,761	6,567,746	7,073,413
Public safety	8,066,879	7,918,949	8,030,573	8,824,873	8,981,112	9,782,445	9,434,650	10,038,756	10,310,449	10,070,627
Community development	1,195,292	1,780,152	1,282,914	1,300,320	1,222,815	1,343,494	1,490,476	1,360,530	1,302,025	1,409,942
Parks and recreation	1,548,745	1,647,765	1,816,070	1,903,493	1,995,324	2,151,812	2,274,376	2,193,182	1,871,880	2,099,639
Capital outlay	2,176,667	582,433	314,439	557,810	290,044	699,565	1,280,826	1,111,277	4,701,587	10,713,761
Debt service:										
Principal	82,639	204,180	212,380	1,470,921	1,487,545	1,527,948	1,570,168	1,614,081	1,572,184	4,182,138
Interest	567,749	692,556	685,863	618,922	464,240	424,647	381,534	336,879	292,870	487,079
Total expenditures	<u>22,813,356</u>	<u>20,842,183</u>	<u>22,161,439</u>	<u>24,377,099</u>	<u>22,797,898</u>	<u>23,014,876</u>	<u>23,284,254</u>	<u>22,398,466</u>	<u>26,618,741</u>	<u>36,036,599</u>
Excess (deficiency) of revenues over expenditures	994,170	2,135,618	1,888,171	(1,021,355)	(762,503)	(1,409,296)	(77,093)	712,724	(4,083,959)	(10,482,362)
Other financing sources (uses):										
Transfers	-	-	-	-	-	-	(38,878)	(316,941)	(86,287)	(126,996)
Debt proceeds	2,578,000	-	-	12,306,539	-	-	-	-	-	17,650,384
Debt service - principal refunded	-	-	-	(12,306,539)	-	-	-	-	-	-
Net change in fund balances	<u>\$ 3,572,170</u>	<u>\$ 2,135,618</u>	<u>\$ 1,888,171</u>	<u>\$ (1,021,355)</u>	<u>\$ (762,503)</u>	<u>\$ (1,409,296)</u>	<u>\$ (115,971)</u>	<u>\$ 395,783</u>	<u>\$ (4,170,246)</u>	<u>\$ 7,041,026</u>
Debt service as a percentage of noncapital expenditures	<u>3.2%</u>	<u>4.4%</u>	<u>4.1%</u>	<u>8.8%</u>	<u>8.7%</u>	<u>8.8%</u>	<u>8.9%</u>	<u>9.2%</u>	<u>8.5%</u>	<u>18.4%</u>

TOWN OF CUTLER BAY, FLORIDA
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Taxes General Purpose</u>	<u>Utility Tax</u>	<u>Intergovernmental</u>	<u>Franchise Fees</u>	<u>Licenses and Permits</u>	<u>Charges for Services</u>	<u>Interest and Other</u>	<u>Total</u>
2012	\$ 4,254,352	\$ 2,472,062	\$ 12,160,953	\$ 1,616,617	\$ 1,125,494	\$ 417,966	\$ 1,760,082	\$ 23,807,526
2013	\$ 4,113,511	\$ 2,640,920	\$ 10,141,289	\$ 1,531,087	\$ 2,195,599	\$ 472,880	\$ 1,882,515	\$ 22,977,801
2014	\$ 4,423,111	\$ 2,920,053	\$ 12,108,477	\$ 1,240,721	\$ 1,379,074	\$ 462,867	\$ 1,515,307	\$ 24,049,610
2015	\$ 4,384,908	\$ 2,921,455	\$ 11,963,293	\$ 1,252,984	\$ 1,094,979	\$ 444,105	\$ 1,294,020	\$ 23,355,744
2016	\$ 4,638,277	\$ 3,026,608	\$ 10,348,390	\$ 1,319,529	\$ 1,037,219	\$ 413,625	\$ 1,251,747	\$ 22,035,395
2017	\$ 5,077,377	\$ 3,137,950	\$ 10,045,463	\$ 1,080,786	\$ 1,029,704	\$ 372,035	\$ 862,265	\$ 21,605,580
2018	\$ 5,412,467	\$ 3,202,656	\$ 9,824,188	\$ 1,452,706	\$ 1,339,332	\$ 380,943	\$ 1,594,869	\$ 23,207,161
2019	\$ 5,852,830	\$ 3,224,375	\$ 9,822,973	\$ 1,340,786	\$ 1,198,224	\$ 383,500	\$ 1,288,502	\$ 23,111,190
2020	\$ 6,170,581	\$ 3,424,120	\$ 9,188,594	\$ 1,804,006	\$ 1,002,412	\$ 326,071	\$ 618,998	\$ 22,534,782
2021	\$ 6,897,920	\$ 3,651,893	\$ 10,506,561	\$ 2,498,625	\$ 1,247,021	\$ 364,495	\$ 387,722	\$ 25,554,237

TOWN OF CUTLER BAY, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands, except as noted)

Fiscal Year	Real Property		Personal Property	Net Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property					
2012	\$ 1,232,081	\$ 430,445	\$ 65,033	\$ 1,727,559	2.5702	\$ 2,537,919	68.07%
2013	\$ 1,207,112	\$ 428,425	\$ 65,435	\$ 1,700,972	2.5702	\$ 2,490,028	68.31%
2014	\$ 1,260,094	\$ 433,470	\$ 67,151	\$ 1,760,715	2.5702	\$ 2,566,716	68.60%
2015	\$ 1,415,618	\$ 423,658	\$ 66,336	\$ 1,905,612	2.3907	\$ 2,971,427	64.13%
2016	\$ 1,557,646	\$ 423,811	\$ 67,257	\$ 2,048,714	2.3907	\$ 3,299,958	62.08%
2017	\$ 1,670,080	\$ 459,523	\$ 67,986	\$ 2,197,589	2.3907	\$ 3,604,247	60.97%
2018	\$ 1,799,450	\$ 461,921	\$ 67,729	\$ 2,329,100	2.3907	\$ 3,835,146	60.73%
2019	\$ 1,934,770	\$ 481,599	\$ 69,024	\$ 2,485,393	2.4323	\$ 4,061,828	61.19%
2020	\$ 2,063,647	\$ 485,946	\$ 70,943	\$ 2,620,536	2.4323	\$ 4,234,450	61.89%
2021	\$ 2,178,411	\$ 480,289	\$ 76,215	\$ 2,734,915	2.6198	\$ 4,344,592	62.95%

(1) Property tax rates are assessed per \$1,000 of taxable assessed valuation

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

Source: Miami-Dade County Property Appraiser's office.

TOWN OF CUTLER BAY, FLORIDA
Property Tax Rates
Direct and Overlapping Governments (1)
Last Ten Fiscal Years

Fiscal Year	DIRECT RATES		OVERLAPPING RATES						Total Direct and Overlapping Rates
	Town of Cutler Bay		County			Special Districts			
	Operating Millage	Town Millage	County-wide	Debt Service	Fire	Library	School	State/Other	
2012	2.5702	2.5702	4.8050	0.2850	2.4627	0.1795	8.0050	0.9708	19.2782
2013	2.5702	2.5702	4.7035	0.2850	2.4627	0.1725	7.9980	0.9634	19.1553
2014	2.5702	2.5702	4.7035	0.4220	2.4623	0.1725	7.9770	0.9455	19.2530
2015	2.3907	2.3907	4.6669	0.4500	2.4321	0.2840	7.9740	0.9187	19.1164
2016	2.3907	2.3907	4.6669	0.4500	2.4293	0.2840	7.6120	0.8871	18.7200
2017	2.3907	2.3907	4.6669	0.4000	2.4282	0.2840	7.3220	0.8627	18.3545
2018	2.3907	2.3907	4.6669	0.4000	2.4282	0.2840	6.9940	0.8093	17.9731
2019	2.4323	2.4323	4.6669	0.4644	2.4207	0.2840	6.7330	0.7671	17.7684
2020	2.4323	2.4323	4.6669	0.4780	2.4207	0.2840	7.1480	0.7795	18.2094
2021	2.6198	2.6198	4.6669	0.4780	2.4207	0.2840	7.1290	0.7502	18.3486

(1) Overlapping rates are those of local and county governments and other taxing districts that apply to property owners within the Town of Cutler Bay.

Additional information:

Property tax rates are assessed per \$1,000 of taxable assessed valuation

Tax rate limits:

Town	10.0000 mills
County	10.0000 mills
School	10.0000 mills
State	10.0000 mills

Source: Miami-Dade County Property Appraiser's office.

TOWN OF CUTLER BAY, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

2021			2012		
Taxpayer	Assessed Valuation	Percentage Total Assessed Valuation	Taxpayer	Assessed Valuation	Percentage Total Assessed Valuation
SOUTHLAND MALL PROPERTIES LLC	62,857	2.3%	SOUTHLAND MALL PROPERTIES LLC	\$ 72,777	4.2%
FLORIDA POWER & LIGHT COMPANY	38,994	1.4%	WRI TC S DADE SHOPPING CENTER LLC	27,320	1.6%
SOUTH DADE SHOPPING LLC	38,830	1.4%	FLORIDA POWER AND LIGHT	24,137	1.4%
EQUITY ONE FL PORTFOLIO INC	21,437	0.8%	EQUITY ONE INC	18,832	1.1%
OLD CUTLER PLAZA LLC	20,480	0.7%	THE REALTY ASSOCIATES FUND IX LP	16,100	0.9%
BILL USSERY MOTORS OF CUTLER BAY	15,762	0.6%	BILL USSERY MOTORS OF CUTLER BAY	15,327	0.9%
A & E PARTNERS HOLDING LLC	14,800	0.5%	A&E PARTNERS HOLDING LLC	11,000	0.6%
QUAIL ROOST INVESTORS JOINT VENTURE	12,700	0.5%	QUAIL ROOST INVESTORS JOINT VENTURE	10,377	0.6%
DESTINY BUILDINGS LLC	12,650	0.5%	HEALTHSOUTH REHAB HOSP OF MIA LLC	10,064	0.6%
ADVANCE BUSINESS ASSOCIATE LLP	12,431	0.5%	SEARS ROEBUCK & CO	8,902	0.5%
	<u>\$ 250,941</u>	<u>9.3%</u>		<u>\$ 214,836</u>	<u>12.4%</u>

Source: Miami-Dade County Property Appraiser's office.

TOWN OF CUTLER BAY, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Taxes Levied for Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$ 4,440,172	\$ 4,211,235	94.8%	\$ 43,117	\$ 4,254,352	95.8%
2013	\$ 4,371,838	\$ 4,065,237	93.0%	\$ 48,274	\$ 4,113,511	94.1%
2014	\$ 4,525,390	\$ 4,320,764	95.5%	\$ 102,347	\$ 4,423,111	97.7%
2015	\$ 4,555,747	\$ 4,242,833	93.1%	\$ 142,075	\$ 4,384,908	96.3%
2016	\$ 4,897,861	\$ 4,599,179	93.9%	\$ 39,098	\$ 4,638,277	94.7%
2017	\$ 5,253,776	\$ 5,046,736	96.1%	\$ 30,641	\$ 5,077,377	96.6%
2018	\$ 5,568,179	\$ 5,353,508	96.1%	\$ 58,959	\$ 5,412,467	97.2%
2019	\$ 6,045,221	\$ 5,819,172	96.3%	\$ 33,658	\$ 5,852,830	96.8%
2020	\$ 6,373,930	\$ 6,136,688	96.3%	\$ 33,893	\$ 6,170,581	96.8%
2021	\$ 7,164,930	\$ 6,891,592	96.2%	\$ 6,328	\$ 6,897,920	96.3%

Note: Total adjusted tax levy is based on final assessed property tax values by Miami-Dade County Department of Property Appraisal Office after the Property Appraisal Adjustment Board has completed hearings on the tax roll, and before discounts.

Discounts Allowed:

November	4%
December	3%
January	2%
February	1%
April	Taxes delinquent

Source: Miami-Dade County Tax Collector's Office.

TOWN OF CUTLER BAY, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Interlocal Debt	Notes Payable	Capital Leases	Bonds	Interlocal Debt	Notes Payable	Capital Leases	Bonds			
2012	\$ 3,492,995	\$ 15,303,122	\$ -	\$ -	\$ 2,200,395	\$ -	\$ -	\$ -	\$ 20,996,512	1.261%	\$ 506.66
2013	\$ 3,288,815	\$ 15,303,122	\$ -	\$ -	\$ 2,113,950	\$ -	\$ -	\$ -	\$ 20,705,887	1.240%	\$ 492.59
2014	\$ 3,076,435	\$ 15,303,122	\$ -	\$ -	\$ 2,129,939	\$ -	\$ -	\$ -	\$ 20,509,496	1.125%	\$ 477.59
2015	\$ 2,854,010	\$ 14,054,626	\$ -	\$ -	\$ 2,019,830	\$ -	\$ -	\$ -	\$ 18,928,466	0.959%	\$ 429.13
2016	\$ 2,622,565	\$ 12,798,526	\$ -	\$ -	\$ 1,903,665	\$ -	\$ -	\$ -	\$ 17,324,756	0.867%	\$ 385.84
2017	\$ 2,382,510	\$ 11,510,633	\$ -	\$ -	\$ 1,785,218	\$ -	\$ -	\$ -	\$ 15,678,361	0.711%	\$ 346.70
2018	\$ 2,133,640	\$ 10,189,335	\$ -	\$ -	\$ 1,662,618	\$ -	\$ -	\$ -	\$ 13,985,593	0.582%	\$ 308.24
2019	\$ 1,875,135	\$ 8,833,759	\$ -	\$ -	\$ 1,535,865	\$ -	\$ -	\$ -	\$ 12,244,759	0.496%	\$ 269.64
2020	\$ 1,606,585	\$ 7,530,125	\$ -	\$ -	\$ 1,404,679	\$ -	\$ -	\$ -	\$ 10,541,389	0.406%	\$ 232.13
2021	\$ 1,327,375	\$ 6,482,197	\$ -	\$ 12,935,000	\$ 1,268,932	\$ -	\$ -	\$ -	\$ 22,013,504	n/a	\$ 484.03

(1) See the schedule of Demographics and Economic Statistics for the personal income and per capita.

n/a All data necessary for computation not available.

TOWN OF CUTLER BAY, FLORIDA
Direct and Overlapping Governmental Activities Debt
Fiscal Year Ended September 30, 2021
(amounts expressed in thousands, except as noted)

Jurisdiction	Net Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Cutler Bay
Miami-Dade County Schools (2)	\$ 866,840	0.85%	\$ 7,396
Miami-Dade County (3)	<u>2,216,000</u>	0.85%	<u>18,907</u>
Subtotal overlapping debt	3,082,840		26,303
Town of Cutler Bay direct debt	<u>20,745</u>	100.00%	<u>20,745</u>
Total direct and overlapping debt	<u><u>\$ 3,103,585</u></u>		<u><u>\$ 47,048</u></u>

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the Town's boundaries and dividing it by the County's total taxable assessed value, as reported by the Property Appraiser for current fiscal year's budget.

(2) Miami-Dade County Schools, General Finance Department (includes Bonds Payable)

(3) Miami-Dade County, Finance Department (includes General Obligation Bonds)

TOWN OF CUTLER BAY, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	41,441	\$ 1,665,431	\$ 40,188	8.1%
2013	42,035	\$ 1,670,219	\$ 39,734	7.5%
2014	42,944	\$ 1,822,672	\$ 42,443	6.4%
2015	44,109	\$ 1,973,216	\$ 44,735	5.6%
2016	44,901	\$ 1,997,152	\$ 44,479	5.3%
2017	45,222	\$ 2,204,799	\$ 48,755	4.4%
2018	45,373	\$ 2,402,137	\$ 52,942	3.6%
2019	45,411	\$ 2,466,544	\$ 54,316	2.9%
2020	45,411	\$ 2,598,100	\$ 57,213	10.8%
2021	45,480	n/a	n/a	4.2%

- (1) Population estimate based on data published by the University of Florida, Bureau of Economic and Business Research.
- (2) Personal income is the Miami-Dade per capita personal income applied to the Cutler Bay population.
- (3) Per Capita Personal Income is for Miami-Dade County from the Federal Reserve Bank of St. Louis, Economic Research Division
- (4) Bureau of Labor Statistics, Unemployment Statistics, Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan area (rate for September of year indicated).
- n/a Data not available.

TOWN OF CUTLER BAY, FLORIDA

Principal Employers
Current Year and Nine Years Ago

2021			2012		
Employer	Employees	Percentage of Total	Employer	Employees	Percentage of Total
EAST RIDGE RETIREMENT VILLAGE	278	14.7%	ALORICA (FORMERLY PRC, INC)	1,537	45.6%
ALORICA	249	13.1%	EAST RIDGE RETIREMENT VILLAGE	306	9.1%
PUBLIX SUPERMARKETS	215	11.4%	PUBLIX SUPERMARKETS	267	7.9%
HEALTH SOUTH REHABILITATION	160	8.4%	SEARS ROEBUCK & CO	180	5.3%
MERCEDES BENZ OF CUTLER BAY	143	7.6%	HEALTH SOUTH REHABILITATION	145	4.3%
MACY'S	125	6.6%	JC PENNEY	121	3.6%
OLIVE GARDEN	113	6.0%	BEST BUY	103	3.1%
McDONALD'S	110	5.8%	MACY'S	101	3.0%
WINN DIXIE STORES	95	5.0%	MERCEDES BENZ OF CUTLER BAY	100	3.0%
BURLINGTON COAT FACTORY	91	4.8%	WINN DIXIE STORES	99	2.9%
APPLEBEE'S	68	3.6%	REGAL CINEMA INC (FORMERLY SOUTHLAND MALL 16)	99	2.9%
ROSS DEPARTMENT STORE	65	3.4%	CAC FLORIDA MEDICAL	97	2.9%
PETERSON'S HARLEY-DAVIDSON	65	3.4%	TOYS R US	80	2.4%
BUFFALO WILD WINGS	60	3.2%	TOWN OF CUTLER BAY	79	2.3%
TOWN OF CUTLER BAY	57	3.0%	PETERSON'S HARLEY-DAVIDSON	59	1.7%
	<u>1,894</u>	<u>100.0%</u>		<u>3,373</u>	<u>100.0%</u>

Source: Town of Cutler Bay local business tax registrations

TOWN OF CUTLER BAY, FLORIDA
Full-Time Equivalent Town Government Employees By Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Legislative	5	5	5	5	5	5	5	5	5	5
Clerk	1	2	2.5	1	3	3	3	3	3	3
General government	8	10	9.5	10.5	9.5	9.5	9.5	9	8.5	11
Community Development	6	7	7	7.5	7.5	7.5	7.5	6.5	5.5	7
Public Works	4	6	6	6	6	6	6	6	6	6
Parks	17	17	17	19	20	18	17.5	18.5	18.0	17
Public Safety:										
Police	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)	n/a (1)
Civilian administrative staff	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>42</u>	<u>48</u>	<u>48</u>	<u>50</u>	<u>52</u>	<u>49</u>	<u>48.5</u>	<u>48.0</u>	<u>46.0</u>	<u>48.5</u>

(1) - Police services contracted through Miami-Dade County.

Source: Town of Cutler Bay Finance Department

TOWN OF CUTLER BAY, FLORIDA

Operating Indicators By Function

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Police:										
Number of emergency calls for service	945	987	950	1,112	1,214	1,172	1,150	1,263	855	749
Number of priority calls for service	832	747	692	804	947	973	871	826	826	719
Number of non-emergency calls for service	14,991	14,001	13,985	14,447	14,538	14,390	13,460	17,117	11,346	10,965
Number of arrests	1,188	1,149	1,272	1,061	906	677	553	499	226	193
Number of sworn personnel	50	50	52	51	53	55	55	55	55	55
Building and Zoning:										
Number of building permits issued	2,684	4,657	2,436	2,343	2,510	2,052	3,412	2,920	2,554	2,722
Number of certificates of use issued	127	113	100	87	88	87	90	68	53	81
Number of occupational licenses issued	898	839	890	888	893	968	982	986	932	929
Culture and Recreation										
Number of parks	8	8	9	9	9	10	10	10	10	11

Source: Various Town departments

TOWN OF CUTLER BAY, FLORIDA
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Culture and Recreation										
Parks	8	8	9	9	9	10	10	10	10	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	5	5	5	5	5
Playgrounds	5	5	5	5	5	5	5	5	5	5
Soccer/Football/Lacrosse fields	5	5	5	5	5	5	5	5	5	5
Baseball fields	6	6	6	6	6	6	6	6	6	6
Picnic shelters	2	2	2	2	5	5	5	5	5	5
Canoe/Kayak launch	-	-	-	-	-	-	-	-	-	1
Public Works										
Streets (length in feet)	472,102	472,102	472,102	472,102	472,102	472,102	472,102	472,102	472,102	472,102
Sidewalks (area in square feet)	267,325	267,325	267,325	267,325	267,325	267,325	285,667	295,522	295,522	323,377

Source: Town of Cutler Bay Parks and Public Works departments.

COMPLIANCE SECTION



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

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

Honorable Mayor and Members of the Town Council
Town of Cutler Bay, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cutler Bay, Florida, (the "Town"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated June 29, 2021.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 29, 2022

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and Members of the Town Council
Town of Cutler Bay, Florida

Report on the Financial Statements

We have audited the basic financial statements of Town of Cutler Bay, Florida (the "Town"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 29, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated June 29, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Additional Matters

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 29, 2022



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

Honorable Mayor and Members of the Town Council
Town of Cutler Bay, Florida

We have examined the Town of Cutler Bay, Florida's, (the "Town") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021. Management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements. In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2020 to September 30, 2021.

This report is intended solely for the information and use of management, the Mayor, 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.

Caballero Fierman Llerena & Garcia, LLP

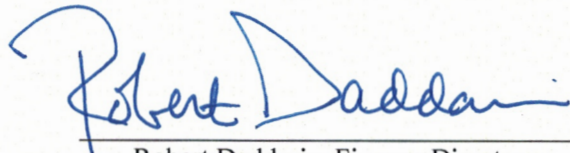
Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
June 29, 2022



BEFORE ME, the undersigned authority, personally appeared Robert Daddario, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the Town of Cutler Bay which is a local governmental entity of the State of Florida;
2. The governing body of the Town of Cutler Bay adopted Ordinance No. 09-15 implementing an impact fee; and
3. In accordance with Section 163.31801, Florida Statutes, to the best of my knowledge and belief, all impact fees for the period October 1, 2020 through September 30, 2021, and through the date hereof, were collected and expended by the Town of Cutler Bay, in full compliance with the spending period provision of Ordinance No. 09-15, and that funds expended from each impact fee account were used only to acquire, construct, or improve specific infrastructure needs.

FURTHER AFFIANT SAYETH NAUGHT.


Robert Daddario, Finance Director

STATE OF FLORIDA
COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 22 day of June, 2022.


NOTARY PUBLIC

Print Name DEBRA BERNARD

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires: 3/6/2024



DEBRA BERNARD
Commission # GG 960122
Expires March 6, 2024
Bonded Thru Budget Notary Services



10720 Caribbean Boulevard, Suite 105 • Cutler Bay, FL 33189 • 305-234-4262 • www.cutlerbay-fl.gov