

VILLAGE OF PALMETTO BAY, FLORIDA

FINANCIAL AND COMPLIANCE REPORTS
FOR THE BUILDING BETTER COMMUNITIES GENERAL
OBLIGATION BOND PROJECT IN ACCORDANCE WITH
MIAMI-DADE COUNTY, FLORIDA ORDINANCE 05-47

FOR THE YEAR ENDED SEPTEMBER 30, 2019

VILLAGE OF PALMETTO BAY, FLORIDA

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF THE BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROJECT IN ACCORDANCE WITH THE PROGRAM-SPECIFIC AUDIT OPTION UNDER MIAMI-DADE COUNTY, FLORIDA ORDINANCE 05-47, APPLICABLE RESOLUTIONS AND BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM ADMINISTRATIVE RULES

Honorable Mayor, Village Council, and Village Manager
Village of Palmetto Bay, Florida

Report on the Schedule of Expenditures for the Building Better Communities General Obligation Bond Project

We have audited the accompanying Schedule of Expenditures of the Building Better Communities General Obligation Bond Project (the "Schedule") of the Village of Palmetto Bay, Florida (the "Village") for the fiscal year ended September 30, 2019, and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. 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 Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities General Obligation Bond Program Administrative Rules*. Those standards and Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities General Obligation Bond Program Administrative Rules* require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the Schedule 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 Village'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 Schedule.

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

Honorable Mayor, Village Council, and Village Manager
Village of Palmetto Bay, Florida
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Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the expenditures of the Building Better Communities General Obligation Bond Project of the Village of Palmetto Bay, Florida for the fiscal year ended September 30, 2019, under the Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities General Obligation Bond Program Administrative Rules*.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Schedule. The Fund Summary Status Report, Exhibit J, is presented for purposes of additional analysis and is not a required part of the Schedule. The Fund Summary Status Report, Exhibit J, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Schedule. Such information has been subjected to the auditing procedures applied in the audit of the Schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedule or to the Schedule itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Fund Summary Status Report, Exhibit J, is fairly stated, in all material respects, in relation to the Schedule as a whole.

Monison, Brown, Aging & Lema

Miami, Florida
July 22, 2020

VILLAGE OF PALMETTO BAY, FLORIDA

SCHEDULE OF EXPENDITURES OF THE BUILDING BETTER COMMUNITIES
GENERAL OBLIGATION BOND PROJECT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Project</u>	<u>Expenditures</u>
GOB Project No. 124: Downtown Palmetto Bay Development Project	\$ 3,617,708
	<u>\$ 3,617,708</u>

See notes to schedule of expenditures of the Building Better Communities General Obligation Bond Project

VILLAGE OF PALMETTO BAY, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF THE BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROJECT FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. GENERAL

The Village of Palmetto Bay, Florida (the "Village") was incorporated on September 10, 2002. The Village operates under a Council-Manager form of government. In addition to the general government function, the Village provides its residents with public safety (police), public works, parks and recreation, planning and zoning and building and permitting. The Village does not provide educational or water and sewer, solid waste or hospital facilities; those services are provided by the Miami-Dade County School Board and Miami-Dade County (the "County"), respectively.

The Building Better Communities General Obligation Bond ("BBC-GOB") Program Project No.124 was created on November 2, 2004 by Miami-Dade County, Florida, Ordinance 05-47 for the purpose of providing municipal governments with funding to develop, improve, rehabilitate and restore or acquire real property.

The Village utilized the BBC-GOB Program Project No.124 funds for the Downtown Palmetto Bay Development Project ("GOB Project"). On July 2016, the Village entered into an interlocal agreement ("Interlocal") with the Miami-Dade Board of County Commissioners to fund certain public infrastructure improvements in connection with the revitalization of the Village's Downtown District. Phase I of the development is the Downtown Streetscape Project, which involves the transformation of Franjo Road into a pedestrian-friendly street, and the construction of new lateral roads. Phase II is the Transit Station that involves the construction of a transit station with ground retail and upper level parking. The total anticipated cost of the public infrastructure improvements under Phase I is projected at \$12.44 million. The Interlocal provides that \$7.5 million from the BBC-GOB Program Project No. 124 shall be made available to the Village on a reimbursable basis for costs related to the GOB Project. The funding source for the Interlocal is BBC-GOB Program bond proceeds. The Village will be responsible for the remaining \$4.94 million.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Schedule of Expenditures of the Building Better Communities General Obligation Bond Project (the "Schedule") presents the expenditures of the Building Better Communities General Obligation Bond Program of the Village for the fiscal year ended September 30, 2019. The Schedule was prepared on the accrual basis of accounting. The Schedule presents only the activity of the Downtown Palmetto Bay Development Project – GOB Project No. 124 of the Village for the fiscal year ended and does not present the financial position, results of operations, or cash flows of the Village for the fiscal year ended September 30, 2019.

Allocation of Expenditures: Expenditures are invoiced in accordance with the agreement signed with the County. Payments to the Village are on a cost reimbursement method of payment. Therefore, expenditures for allowable activities per the GOB rules and agreement with the County have to be incurred and paid for by the Village before the Village can submit a request.

Due from the County: As of September 30, 2019, the Village was owed \$4,490,177 by the County in relationship with the Building Better Communities General Obligation Bond Project.

VILLAGE OF PALMETTO BAY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Building Better Communities Bond Projects

Internal control over program:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor’s report issued on compliance for specific program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Ordinance 05-47? ☐ Yes ☒ No

SECTION II - FINDINGS AND RESPONSES - DOWNTOWN PALMETTO BAY DEVELOPMENT PROJECT

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE PROGRAM-SPECIFIC AUDIT OPTION UNDER THE MIAMI-DADE COUNTY, FLORIDA ORDINANCE 05-47, APPLICABLE RESOLUTIONS AND BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM ADMINISTRATIVE RULES

Honorable Mayor, Village Council, and Village Manager
Village of Palmetto Bay, Florida

Report on Compliance for the Building Better Communities Bond Project

We have audited the Village of Palmetto Bay, Florida's (the "Village") compliance with the types of compliance requirements described in the Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities General Obligation Bond Program Administrative Rules* that could have a direct and material effect on the Building Better Communities General Obligation Bond Project for the fiscal year ended September 30, 2019.

Management's Responsibility

Management is responsible for the compliance with the requirements of laws, regulations, contracts and grants applicable to this project.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Village's Building Better Communities General Obligation Bond Project based on our audit of the types of compliance referenced above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities General Obligation Bond Program Administrative Rules* (Ordinance 05-47). Those standards and Ordinance 05-47 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Schedule of Expenditures of the Building Better Communities General Obligation Bond Project occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Village's Building Better Communities General Obligation Bond Project. However, our audit does not provide legal determination of the Village's compliance.

Opinion on Compliance with Requirements Applicable to the Building Better Communities General Obligation Bond Project

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Building Better Communities General Obligation Bond Project for the fiscal year ended September 30, 2019.

Honorable Mayor, Village Council, and Village Manager
Village of Palmetto Bay, Florida

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on its Building Better Communities General Obligation Bond Project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on the internal control over compliance in accordance with Miami-Dade County, Florida Ordinance 05-47, *Applicable Resolutions and Building Better Communities General Obligation Bond Program Administrative Rules*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Ordinance 05-47. Accordingly, this report is not suitable for any other purpose.

Monison, Brown, Agin & Fana

Miami, Florida
July 22, 2020

