

Educational Facilities Impact Fees Custodial Fund of Miami- Dade County, Florida

Financial Reports
September 30, 2021

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RSM US LLP

Independent Auditor's Report

The Honorable Mayor, and Chairperson
and Members of the Board of County
Commissioners

Report on the Financial Statements

We have audited the accompanying financial statements of the Educational Facilities Impact Fees Custodial Fund (the Custodial Fund), of Miami-Dade County, Florida (the County) as of September 30, 2021, and the related notes to the financial statements, as listed on the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Custodial Fund as of September 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements referred to above present only the Custodial Fund and do not purport to, and do not present fairly the financial position of Miami-Dade County, Florida as of September 30, 2021, and the changes in its financial position and, where applicable, cash flows, thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Custodial Fund's basic financial statements. The *combining statement of fiduciary net position* and *combining statement of changes in fiduciary net position* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are the responsibility of management and were derived from and relates 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 statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Restriction on Use

This report is intended solely for the information and use of the Honorable Mayor, Chairperson, Board of County Commissioners, management of Miami-Dade County, Florida, and the School Board of Miami-Dade County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
March 31, 2022

**Educational Facilities Impact Fees Custodial Fund
of Miami-Dade County, Florida**

**Statement of Fiduciary Net Position
September 30, 2021**

Assets

Pooled cash and cash equivalents \$ 5,546,511

Total assets \$ 5,546,511

Liabilities

Due to School Board of Miami-Dade County \$ 5,546,511

Total liabilities 5,546,511

Net position -

Total liabilities and net position \$ 5,546,511

See notes to financial statements.

**Educational Facilities Impact Fees Custodial Fund
of Miami-Dade County, Florida**

**Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2021**

Additions

Impact fees collected for School Board of Miami-Dade County	\$ 20,800,118
Interest earnings	<u>7,180</u>
Total additions	<u><u>\$ 20,807,298</u></u>

Deductions

Impact fees remitted to School Board of Miami-Dade County, net of refunds	<u>\$ 20,807,298</u>
Total deductions	<u><u>\$ 20,807,298</u></u>

Change in net position

\$ -

Net position – beginning

-

Net position – ending

\$ -

See notes to financial statements.

Educational Facilities Impact Fees Custodial Fund of Miami-Dade County, Florida

Notes to Financial Statements

Note 1. General

Nature of business: The Educational Facilities Impact Fees Custodial Fund (the Custodial Fund) of Miami-Dade County, Florida (the County) was established pursuant to Section 235.19 of the *Florida Statutes* and Ordinance 95-79 of the Miami-Dade County, Florida Board of County Commissioners (the Ordinance) in May 1995 for the purpose of levying impact fees on new residential development as well as on additions to residences to provide capital for the construction of educational facilities necessitated by residential development. The educational facilities impact fee is collected and accounted for in each of the districts created by the Ordinance. The Ordinance established an East, Southwest and a Northwest District. Monies collected are required to be expended in the district in which they were collected by the School Board of Miami-Dade County, Florida.

The administration of the Custodial Fund is governed by the Educational Facilities Impact Fee Administration Manual and Interlocal Agreement, both adopted in September 1995, between the School Board of Miami-Dade County, Florida (the School Board) and the Board of County Commissioners of the County. The County accounts for the Custodial Fund activities in 4 separately identifiable sub-funds of the Custodial fund including the three districts (East, Southwest, and Northwest) and an Administrative sub-fund.

The County is responsible for imposing and collecting the educational impact fees in accordance with the Ordinance and agreement discussed above. The fees collected include a 2% administrative fee that is deposited in the Administrative Fund and is to be used to cover administrative expenses. The Interlocal Agreement with the School Board and the County provides for an equal sharing of the 2% administrative fee. The County remits all fees to the School Board, less a 1% administrative fee.

These financial statements present only the Custodial Fund, and do not purport to, and do not present fairly the financial position of the County as of September 30, 2021, and the changes in its financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The custodial fund is used to account for assets held in a trustee capacity or as an agent for other governmental entities and other funds. The assets are for the benefit of organizations or other governments that are not part of the financial reporting entity. In addition, the assets are not derived from the government's provision of goods and services to those organizations or other governments.

Basis of accounting: The County utilizes the accrual basis of accounting to account for the Custodial Fund's activities.

Cash, cash equivalents and investments: The County pools substantially all cash, cash equivalents and investments, except for cash and investment accounts that are maintained separate in accordance with legal provisions or agreements with creditors, grantors or contributors. The Custodial Fund's equity share of the total pooled cash and cash equivalents is included on the accompanying statement of fiduciary net position under the caption "Pooled cash and cash equivalents". The Custodial Fund's balance in the pool is treated as a demand deposit account, as amounts can be deposited or withdrawn without notice or penalty.

Educational Facilities Impact Fees Custodial Fund of Miami-Dade County, Florida

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The carrying amounts of the Custodial Fund's cash and cash equivalents with the County was approximately \$5.5 million, which represents less than 1% of the County's pooled cash and cash equivalent as of September 30, 2021. (See the County's Annual Comprehensive Financial Report for disclosures relating to its interest rate risk, credit risk, custodial credit risk and concentration of credit risk and fair value measures. The Custodial Fund's reported balance represents its percentage share of the pool's net asset value. Assets of the pool are reported at a combination of cost, amortized cost and fair value.

Additions and deductions: Additions, net of refunds, in the Custodial Fund's financial statements represent collections of educational impact fees from new residential development activity or additions to residences within each of the three districts within the school district (East, Southwest and Northwest). Additions also include interest earnings allocations that are distributed across all County funds based on the individual funds' equity share of the total pooled cash, cash equivalents and investments.

Deductions in the Custodial Fund's financial statements represent payments to the School Board of Miami-Dade County for the impact fees previously collected. All educational impact fees collections are remitted to the School Board of Miami-Dade County on a quarterly basis.

Implementation of GASB Statement No.84: On January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, which was originally effective for reporting periods beginning after December 15, 2018. In response to the COVID 19 pandemic, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Accordingly, Statement No. 84, *Fiduciary Activities*, became effective for reporting periods beginning after December 15, 2019, which began in fiscal year 2021 for the County.

The Statement establishes guidance and criteria regarding what constitutes fiduciary activities for accounting and financial reporting purposes, The Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The focus of the criteria generally is on: (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists.

The County implemented the statement effective this year and as a result the 1% Administrative Fee retained by the County does not meet the criteria of a fiduciary activity to be included within the Custodial Fund, refer to Note 4 for more information on administrative fees. The County has also presented the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as required in the standard for the Custodial fund.

Educational Facilities Impact Fees Custodial Fund of Miami-Dade County, Florida

Notes to Financial Statements

Note 3. Refunds

The County is responsible for administering all refunds provided for in the Ordinance. All refunds shall be paid from the previously collected impact fees corresponding to the appropriate district. Refunds are netted against additions in the statement of changes in fiduciary net position.

The following is a summary of refunds, by district, for the year ended September 30, 2021:

East District	\$ 731,945
Southwest District	142,702
Northwest District	524,150
Total	<u>\$ 1,398,797</u>

Note 4. Administrative Fee

The County is responsible for collecting the 2% administrative fee as outlined in the Administration Manual and Interlocal Agreement between the School Board and the County. For the period ending September 30, 2021, the County collected \$491,376 of administrative fees which earned interest of \$196 for a total of \$491,572. Of this amount \$245,786 was retained by the County and \$183,255 was distributed to the School Board. The remaining \$62,531 reflected as a liability on the Statement of Fiduciary Net Position, will be distributed to the School Board in the first quarter of fiscal year 2022.

Supplementary Information

**Educational Facilities Impact Fees Custodial Fund
of Miami-Dade County, Florida**

**Combining Statement of Fiduciary Net Position
September 30, 2021**

	East District	Southwest District	Northwest District	Administrative Fund	Total
Assets					
Pooled cash and cash equivalents	\$ 4,019,557	\$ 768,428	\$ 695,995	\$ 62,531	\$ 5,546,511
Total assets	\$ 4,019,557	\$ 768,428	\$ 695,995	\$ 62,531	\$ 5,546,511
Liabilities					
Due to School Board of Miami-Dade County	\$ 4,019,557	\$ 768,428	\$ 695,995	\$ 62,531	\$ 5,546,511
Total liabilities	4,019,557	768,428	695,995	62,531	5,546,511
Net position	-	-	-	-	-
Total liabilities and net position	\$ 4,019,557	\$ 768,428	\$ 695,995	\$ 62,531	\$ 5,546,511

**Educational Facilities Impact Fees Custodial Fund
of Miami-Dade County, Florida**

**Combining Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2021**

	East District	Southwest District	Northwest District	Administrative Fund	Total
Additions					
Impact fees collected for School Board of Miami Dade County	\$ 16,494,872	\$ 1,677,160	\$ 2,382,398	\$ 245,688	\$ 20,800,118
Interest earnings	5,724	492	866	98	7,180
Total additions	\$ 16,500,596	\$ 1,677,652	\$ 2,383,264	\$ 245,786	\$ 20,807,298
Deductions					
Impact fees remitted to School Board of Miami Dade County, net of refunds	\$ 16,500,596	\$ 1,677,652	\$ 2,383,264	\$ 245,786	\$ 20,807,298
Total deductions	\$ 16,500,596	\$ 1,677,652	\$ 2,383,264	\$ 245,786	\$ 20,807,298
Change in net position	-	-	-	-	-
Net position – beginning	-	-	-	-	-
Net position – ending	\$ -	\$ -	\$ -	\$ -	\$ -