

2017-2018



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



Miami Shores Village Dog Park

Miami Shores Village - A Florida Municipality

For the Fiscal Year Ended

September 30, 2018

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**PREPARED BY THE FINANCE DEPARTMENT**

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## INTRODUCTORY SECTION

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# Miami Shores Village

10050 N.E. SECOND AVENUE  
MIAMI SHORES, FLORIDA 33138-2382  
TELEPHONE: (305) 795-2207  
FAX: (305) 756-8972

MacAdam Glinn  
MAYOR

Sean Brady  
VICE MAYOR

Jonathan Meltz  
COUNCILMAN

Alice Burch  
COUNCILWOMAN

Steven Zelkowitz  
COUNCILMAN

Tom Benton  
VILLAGE MANAGER

Richard Sarafan  
VILLAGE ATTORNEY

May 24, 2019

The Mayor and Members of the Village Council  
10050 Northeast Second Avenue  
Miami Shores, Florida 33138-2382

**Subject: FY 2017-18  
Financial Report (CAFR)**

To the Mayor and Members of the Village Council:

In compliance with Florida State Statute Chapter §11.45, Chapter §10.550 of the Rules of the Auditor General, and Chapter 34(3) of the Miami Shores Village Code of Ordinances, we are pleased to submit for your review and consideration the *Miami Shores Village Comprehensive Annual Financial Report (CAFR)* for the fiscal year ended September 30, 2018. 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 Village.

This report consists of management's representations concerning the financial condition of Miami Shores Village ("The Village"). Consequently, management assumes full responsibility for the complete presentation, reliability, and accuracy of all of the information presented in this report. To provide a reasonable basis for making these representations, the Village's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformance with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements have been audited by Caballero Fierman Llerena + Garcia, LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the Village in conformity with GAAP. Their audit was conducted in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards* issued by the Comptroller General of the United States and the Rules of the Auditor General, State of Florida. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended September 30, 2018 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of Miami Shores Village for the fiscal year ended September 30, 2018 are fairly presented in conformity with generally accepted accounting principles (GAAP).

The contents of the CAFR have been influenced by compliance with GASB pronouncements, including Statement 34 that requires the preparation of 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.

### **PROFILE OF THE GOVERNMENT**

Miami Shores Village, a Florida municipal corporation incorporated in 1932, is located in Northeast Miami-Dade County. The Village has a year-round population estimated at 10,500 residents living within the 2.5 square mile jurisdiction. The Village generally begins at Biscayne Bay on the east and goes west to Northwest Second Avenue. The north and south boundaries are generally 115<sup>th</sup> Street and 91<sup>st</sup> Street respectively. The Village is a residential-based community with two (2) commercial districts located on Second Avenue and Biscayne Boulevard. Despite its close proximity to Downtown Miami, the Village maintains a suburban feel. With limited commercial presence, new growth will likely be limited to redevelopment. Wealth levels in the Village are above average, with per capita income at \$46,519 or 156% of the state, and median household income at \$117,188 or 223% of the state.

Operating under a Council-Manager form of government, the Council consists of five members elected at large. The Mayor is chosen by each of the newly formed councils. Historically, the individual receiving the highest number of votes during the election is chosen as the Mayor and the Vice-Mayor has received the second highest. Both the Mayor and Vice-Mayor serve four (4) year terms, two as mayor/vice-mayor and two as regular council members. The Village Council is responsible for the selection and appointment of the Village Manager, Village Clerk and Village Attorney. The Village Manager is responsible for engaging all department heads and their subordinates.

Miami Shores Village provides a full range of municipal services including recreation and culture, public safety through the police, public works and general administrative services for its residents and businesses. For the fiscal year ended September 30, 2018, no legally separate authorities or agencies operated under the auspices of the Village; therefore, no additional financial information will be incorporated into these statements.

### **FACTORS AFFECTING FINANCIAL CONDITIONS**

The information presented in the Village's financial statements primarily focus on the financial position at the end of each fiscal year as measured by existing resources and claims against those resources. To better understand the Village's financial condition, readers should focus on both existing and future resources and potential claims (or liabilities) against those resources. This broader concept is used to assess the financial condition of the Village, reflecting the current financial position as well as the prospects that today's financial condition will improve or deteriorate. To achieve this objective, the Village uses a wide-range of information including local economic conditions and outlook; long-term debt management; capital construction and investments; cash management / investments; and, of course, risk controls.

### **ECONOMIC CONDITION AND OUTLOOK**

Property values in the Village continue in an upward trend. Although substantially built-out, the Village is experiencing a significant amount of residential renovation and teardown/rebuild activity. New construction, additions, and rehabilitative improvements continue with a net new taxable value of \$1.1 million reflected in fiscal year 2019. Building Permits continue to be issued at an all-time high. It is anticipated that property values will continue to increase due to the desirability of the area and the close proximity to Greater Downtown Miami. The Village experienced an increase in assessed property values of 7.9% for fiscal year 2018 and 6.3% for fiscal year 2019. It is anticipated that this trend will continue into fiscal year 2020.

Management continues to make capital improvements that will maintain and further enhance the lifestyle of the residents and improve services. The Village has completed a water and sewer project in the Northeast Second Avenue Business District which will enable new businesses to move into the area. This project is anticipated to improve the vitality and economic value of this Business District. The recently completed Environmental Vulnerability Study commissioned by the Village Council will provide the Village with a list of options to manage sea level rise for future generations by improving our drainage systems. In order to continue to provide the high level of services that have become a hallmark of the community, Management continues to control costs by closely monitoring purchasing procedures and levels of staffing. Due to these efforts the general fund unassigned fund balance for fiscal year 2018 is \$8.2 million. This surplus will enable the Village to continue to provide the same level of services to the residents in the upcoming fiscal years, and to address continuing capital improvement requirements.

The Village maintains a strong financial position with healthy reserve levels, modest tax base with above average socioeconomic indices, and a manageable debt profile. The stable financial operations are a result of management's commitment to conservative budgeting and controlling costs.

## **FINANCIAL INFORMATION**

### **Accounting Control**

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village 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 government 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 Village maintains extensive budgetary controls. The objective of these controls is to ensure compliance with policy and implementation procedures embodied in the annual appropriated budget approved by Village Council. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is the department level within each fund. The Village also maintains an encumbrance accounting system.

The Village'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 Village Council, upon the recommendations of the Village Manager and the Finance Director, which are based upon established and accepted accounting policies and procedures as well as the number of funds required.

### **Budgetary Control**

Florida State Statute §200.065 requires that all municipal governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound fiscal practices. In compliance with this Statute as well as other state regulatory items, the Village adopts an annual operating budget into which funds are either formally appropriated by resolution or non-appropriated in nature, depending upon the fund (i.e. – general, special revenue, debt service, enterprise, internal service or trust funds). However, in practice, all funds but those identified as fiduciary in nature, receive annual budgets and corresponding appropriations.

The annual budget serves as a foundation for the financial planning, guidance and control of the Village. Funds which require legal appropriations cannot exceed their original and amended budgets. All departments are required to



annually submit requests for appropriations to the Village Manager by June 1<sup>st</sup> of each year. The Village Manager then uses those requests as the base from which the annual operating and capital budgets are developed. The budget is presented to the Village Council following the release of the tentatively assessed property values in early July of each year. A workshop is held in July during which council members are free to address department staff with general and specific issues proposed in the budget. Following the summer workshop, the Council adopts a resolution which sets the tentative millage rates which are subsequently sent to the County using Florida Form DR420 for inclusion on the *Proposed Tax Bills*. Two public hearings are held in September of each year during which members of the public are offered the opportunity to provide insight and solicit information regarding the operations of their municipality. After the second public hearing, resolutions presenting the final operating and debt service millage rates along with corresponding budgets for the fiscal year are subsequently adopted by the Village Council.

The annual budget is adopted at the fund and general fund department level. Line-item transfers are permitted with the approval of the Finance Director and Village Manager; however, changes to the bottom line of department or fund totals require council approval and are executed by resolution. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. As shown by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

### **LONG-TERM FINANCIAL PLANNING**

Management maintains financial stability with fiscal management controls by constantly reviewing and monitoring staff levels, and by comparing budget appropriations to actual expenditures, and estimated revenues to actual revenues. The Village maintains a level of revenue sufficient to meet operating expenditures. During the year, management also monitors all user fees to ensure that costs are being matched while at the same time remaining competitive in the marketplace. The Village has plans to conduct a Sanitation Rate Study in fiscal year 2019 to determine if our sanitation rates are sufficient to meet the current community demand. The Village plans to use its strong fund balance to address some of the necessary capital improvements in the upcoming fiscal year.

Although the Village is a highly desirable place to live, management has plans to continue making improvements to our Community. As a Bayside Community, the Village is much more susceptible to issues related to sea level rise. A Stormwater ERU Study is being conducted in order to address the revenue required to complete projects identified in the Environmental Vulnerability Study. Our Public Works Department continues to implement traffic calming measures on various streets throughout our Village as a result of our completed traffic study. This will improve our quality of life by reducing speed and volume of traffic on our Village streets making them more pedestrian friendly. We are also continuing with both the road-resurfacing program and the sidewalk repair program utilizing existing funding.

### **AWARDS and ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Miami Shores Village for its comprehensive annual financial report for the fiscal year ended September 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual 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.

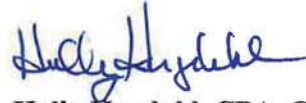
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Credit must also be given to the members of the Village Council for their unfailing

support for maintaining the highest standards of professionalism in the financial and operational management of Miami Shores Village. And, finally, we would like to express our sincere thanks and appreciation to the management and staff of our auditing firm, Caballero Fierman Llerena + Garcia, LLP. Their dedication to ensuring the accuracy of the data presented to you in this report was greatly evident during the past several weeks.

Respectfully submitted,  
**MIAMI SHORES VILLAGE**



**THOMAS J. BENTON**  
Village Manager



**Holly Hugdahl, CPA, CGMA**  
Finance Director



Government Finance Officers Association

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

Presented to

**Miami Shores Village  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# MIAMI SHORES VILLAGE, FLORIDA

LIST OF ELECTED OFFICIALS  
SEPTEMBER 30, 2018



**Mayor Mac Adam Glinn**



**Vice Mayor Sean Brady**



**Councilwoman  
Alice Burch**



**Councilman  
Jonathan Meltz**



**Councilman  
Steven Zelkowitz**

**MIAMI SHORES VILLAGE, FLORIDA**

LIST OF APPOINTED OFFICIALS

SEPTEMBER 30, 2018

**APPOINTED OFFICIALS**

Village Manager.....Thomas J. Benton  
Village Clerk..... Ysabely Rodriguez, CMC  
Village Attorney.....Richard Sarafan

**DEPARTMENT HEADS**

Building Director ..... Ismael Naranjo  
Code Compliance Director ..... Lazaro Remond  
Finance Director..... Holly Hugdahl, CPA  
Library Director ..... Michelle Brown  
Planning & Zoning Director ..... Travis Kendall  
Chief of Police ..... Kevin Lystad  
Public Works Director ..... Scott Davis  
Recreation Director ..... Angela Dorney

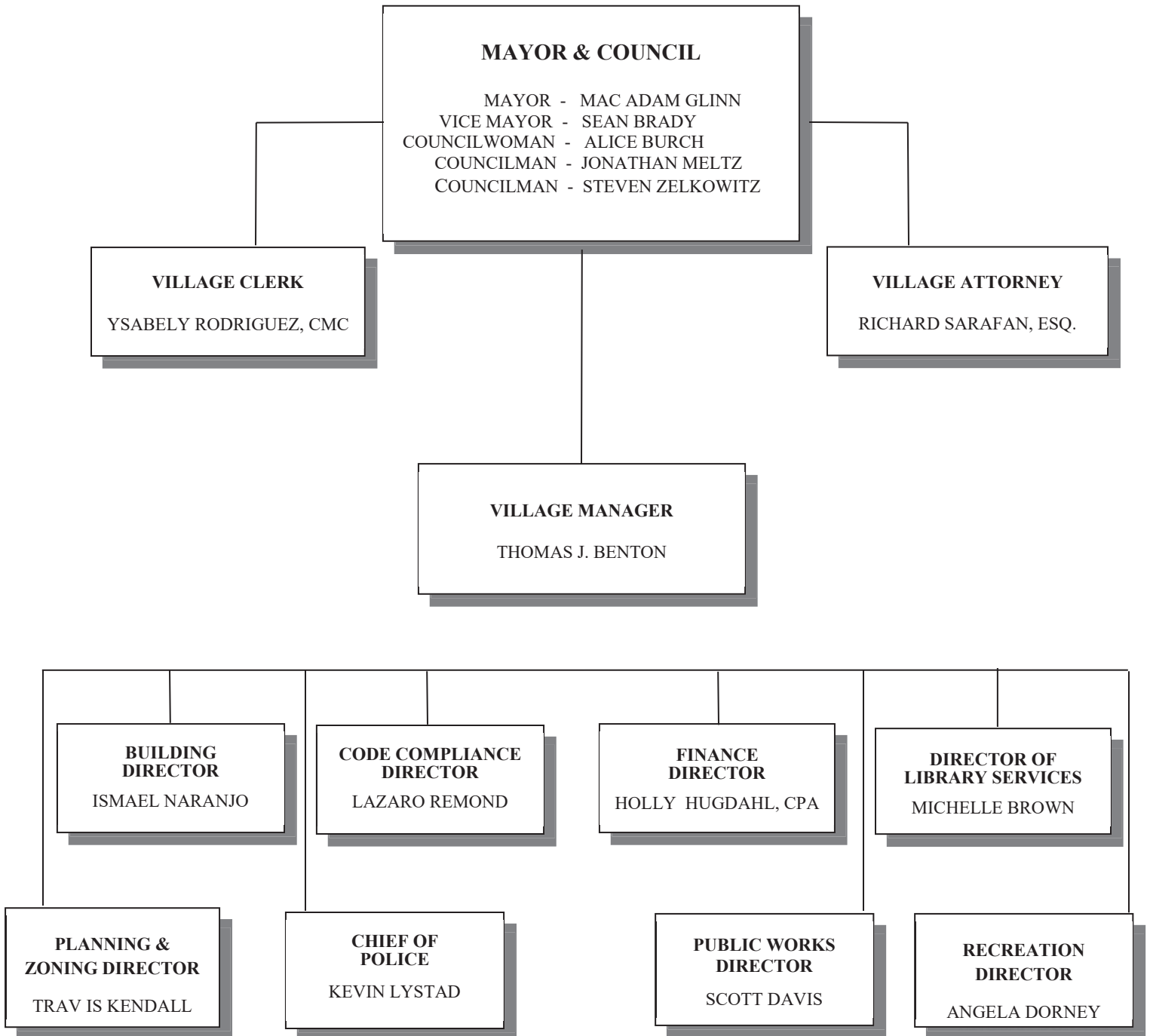
**VILLAGE AUDITORS**

Caballero Fierman Llerena & Garcia, LLP  
Certified Public Accountants and Advisors

# MIAMI SHORES VILLAGE, FLORIDA

## ORGANIZATION CHART

SEPTEMBER 30, 2018



**MIAMI SHORES VILLAGE**  
INC. 1932



VIVENTES IN SOLE  
**FLORIDA**

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**FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Village Council  
Miami Shores Village, 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 Miami Shores Village, Florida (the "Village") as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Village'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 Village'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 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 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 Village, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of a Matter

As discussed in Note 13 to the basic financial statements, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of October 1, 2017. As further discussed in Note 1P, the opening net position has been restated due to the implementation of this new standard.

Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12 and the Budgetary Comparison Schedules Pension and Other Post-Employment Benefits Schedules, on pages 65 through 79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 and budgetary comparison schedules 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 and budgetary comparison schedules 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 May 24, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Coral Gables, Florida  
May 24, 2019

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

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**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

As management of **Miami Shores Village**, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of Miami Shores Village for the fiscal year ended September 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to v of this report.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Village's financial activity; (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges); (d) identify any material deviations from the financial plan (the approved budget); and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole.

**Financial Highlights for Fiscal Year 2018**

At September 30, 2018, Miami Shores Village assets and deferred outflows exceeded its liabilities and deferred inflows by \$32.1 million (net position). Of this amount, \$21 million was invested in capital assets, an increase of \$1.9 million compared with the prior year. Additionally, \$9.5 million was restricted by law, agreements, and debt covenants or for capital projects. The Village had an unrestricted net position of \$1.5 million at September 30, 2018, a decrease of \$2.3 million or a 60% decrease as compared with the prior year. The decrease in unrestricted net position was due to the purchase of capital assets and \$2.2 million in costs associated with hurricane cleanup, which are anticipated to be recovered in fiscal year 2019.

During fiscal year 2018, total net position decreased by \$470 thousand, from \$32.6 million in FY2017 to \$32.1 million in FY2018. Of this decrease, \$390 thousand was in governmental activities \$80 thousand was in business-type activities.

At September 30, 2018, Miami Shores Village's governmental funds had fund balances totaling \$11.3 million. Of the total fund balance, approximately \$4.7 million or 42% was unassigned and \$830 thousand or 7% was committed for future capital projects and encumbrances. The restricted fund balance of approximately \$5.7 million, or 51%, is related to funds restricted by the contributing agency. The nonspendable fund balance of approximately \$18 thousand is related to prepaid items. The net change in fund balances during the year was a decrease of \$1.9 million. This was due to expenses attributable to hurricane cleanup of \$2.2 million moderated by unfilled vacant positions and other lower than budgeted cost savings.

The General Fund's fund balance increased by \$633 thousand for the fiscal year ended September 30, 2018. This increase was a result of departmental savings during the year due to unfilled vacant positions and other lower than budgeted cost savings. In addition, expenses normally incurred in the general fund were reduced due to staff reassignment and other related expenses reallocated to the grant fund for hurricane cleanup.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Miami Shores Village. The Village's basic financial statements comprise of three components: 1) government-wide financial statements; 2) individual fund financial statements; and, 3) 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 financial activity of Miami Shores Village, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the assets and deferred outflows and liabilities and deferred inflows of Miami Shores Village, with the difference 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 Village is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

Both of the government-wide financial statements distinguish functions of Miami Shores Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) as well as other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Miami Shores Village include general government, public safety, public works, building, planning, zoning, code enforcement, parks and recreation. The business-type activities of the Village include Sanitation, Stormwater, and Water and Sewer operations.

The government-wide financial statements may be found on pages 13 to 14 of this report.

**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. Miami Shores Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Miami Shores Village can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 cash flow and 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 and the impact on short term cash flow requirements to meet basic on-going operations. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Miami Shores Village maintains twelve (12) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for the general fund and the four major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements may be found on pages 15 to 18 of this report.

**Proprietary funds.** Miami Shores Village maintains three proprietary or enterprise funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Miami Shores uses enterprise funds to account for its Sanitation, Stormwater, and Water & Sewer operations. *Internal service funds* provide for an accounting method whereby the organization can accumulate and allocate costs internally among the other user divisions. The Village uses internal service funds to account for its risk management costs as well as its fleet operation. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Village's Sanitation, Stormwater, and Water & Sewer operations, the Sanitation Fund is considered to be a major fund of the Village. Additionally, the Village segregates the financial reporting of both internal service funds to better distinguish the costs of each function.

The basic proprietary fund financial statements may be found on pages 19 to 21 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements may be found on pages 22 to 23 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 24 to 64 of this report.

**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the progress in funding its obligations to provide pension benefits to the employees of Miami Shores Village. Required supplementary information may be found on pages 65 to 79 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules may be found on pages 80 to 91 of this report.

**Government-wide Financial Analysis**

The difference between a government's assets and deferred outflows and its liabilities and deferred inflows is its net position. The Village's net position is summarized below:

**Miami Shores Village**  
**Summary of Net Position**  
**(in thousands)**

	Governmental activities		Business-type activities		Total primary governmental		Total percentage change
	2018	2017	2018	2017	2018	2017	2018-2017
Current and other assets	\$14,941	\$17,474	\$8,017	\$8,122	\$22,958	\$25,596	-10.31%
Capital assets	21,460	21,429	6,970	7,043	28,430	28,472	-0.15%
<b>Total assets</b>	<b>36,401</b>	<b>38,903</b>	<b>14,987</b>	<b>15,165</b>	<b>51,388</b>	<b>54,068</b>	<b>-4.96%</b>
Deferred outflows related to pension & OPEB	1,932	3,342	127	237	2,059	3,579	-42.47%
<b>Total deferred outflows of resources</b>	<b>1,932</b>	<b>3,342</b>	<b>127</b>	<b>237</b>	<b>2,059</b>	<b>3,579</b>	<b>-42.47%</b>
Long-term liabilities outstanding	12,936	16,580	4,935	5,490	17,871	22,070	-19.03%
Other liabilities	806	1,580	1,058	882	1,864	2,462	-24.29%
<b>Total liabilities</b>	<b>13,742</b>	<b>18,160</b>	<b>5,993</b>	<b>6,372</b>	<b>19,735</b>	<b>24,532</b>	<b>-19.55%</b>
Deferred inflows related to pension, OPEB & business license tax	1,393	497	172	1	1,565	498	214.26%
<b>Total deferred inflows of resources</b>	<b>1,393</b>	<b>497</b>	<b>172</b>	<b>1</b>	<b>1,565</b>	<b>498</b>	<b>214.26%</b>
Net investment in capital assets,	17,976	15,915	3,118	3,258	21,094	19,173	10.02%
Restricted	5,736	5,817	3,773	3,772	9,509	9,589	-0.83%
Unrestricted	(514)	1,856	2,058	1,999	1,544	3,855	-59.95%
<b>Total net position</b>	<b>\$23,198</b>	<b>\$23,588</b>	<b>\$8,949</b>	<b>\$9,029</b>	<b>\$32,147</b>	<b>\$32,617</b>	<b>-1.44%</b>

Net position may be used to assess the financial position of the Village. The Village's combined net position as of September 30, 2018 was \$32 million. Approximately 66%, or \$21 million, of the Village's net position represent net investment in capital assets. These assets include land, buildings, machinery and equipment, and infrastructure and are not available for future spending. Additionally, \$9.5 million are restricted net position and are subject to external restrictions on how they may be spent.

At September 30, 2018, Miami Shores Village had an unrestricted net position of \$1.5 million. At the end of the current fiscal year, Miami Shores Village is able to report positive balances in all three categories of net position for the government as a whole. However, the governmental activities reflect a negative position in the unrestricted category.

*Continued on next page*

**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

**Governmental activities.** Financial activities for the fiscal year are reported below. Key indicators, including revenues and expenditures by category are presented herein for review:

**Miami Shores Village**  
**Changes in Net Position**  
**(in thousands)**

	Governmental activities		Business-type activities		Total primary government		Total percentage change
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 4,119	\$ 3,747	\$ 2,953	\$ 2,938	\$ 7,072	\$ 6,685	5.79%
Operating grants & Contributions	816	802	-	-	816	802	1.75%
Capital grants and Contributions	-	-	-	557	-	557	-100.00%
General Revenues:							
Property taxes	8,485	7,924	-	-	8,485	7,924	7.08%
Other taxes	2,122	2,105	-	-	2,122	2,105	0.81%
Intergovernmental revenues	1,146	1,109	-	-	1,146	1,109	3.34%
Interest earnings - unrestricted	116	60	17	11	133	71	87.32%
Miscellaneous	663	549	-	-	663	549	20.77%
<b>Total revenues</b>	<b>17,467</b>	<b>16,296</b>	<b>2,970</b>	<b>3,506</b>	<b>20,437</b>	<b>19,802</b>	<b>3.21%</b>
<b>Expenses:</b>							
General government	3,207	3,478	-	-	3,207	3,478	-7.79%
Public safety	6,970	7,095	-	-	6,970	7,095	-1.76%
Highways Streets	4,820	3,861	-	-	4,820	3,861	24.84%
Sanitation / Stormwater / Water & Sewer	-	-	2,813	2,795	2,813	2,795	0.64%
Culture & recreation	3,203	3,036	-	-	3,203	3,036	5.50%
Interest on Long-term Debt	127	152	-	-	127	152	-16.45%
<b>Total expenses</b>	<b>18,327</b>	<b>17,622</b>	<b>2,813</b>	<b>2,795</b>	<b>21,140</b>	<b>20,417</b>	<b>3.54%</b>
Increase(decrease) in net position before Transfers	(860)	(1,326)	157	711	(703)	(615)	14.31%
Transfers	350	353	(350)	(353)	-	-	-
<b>Increase(decrease) in net position</b>	<b>(510)</b>	<b>(973)</b>	<b>(193)</b>	<b>358</b>	<b>(810)</b>	<b>(615)</b>	<b>14.31%</b>
Beginning net position	23,588	24,561	9,029	8,671	32,617	33,232	-1.85%
Prior period adjustment	120	-	113	-	233	-	-
<b>Ending net position</b>	<b>\$ 23,198</b>	<b>\$ 23,588</b>	<b>\$ 8,949</b>	<b>\$ 9,029</b>	<b>\$ 32,147</b>	<b>\$ 32,617</b>	<b>-1.44%</b>

Ending net position in governmental activities decreased \$510 thousand or 2.2% during FY2018. The decrease in ending net position is attributable to costs associated with hurricane cleanup, which are anticipated to be recovered in fiscal year 2019.

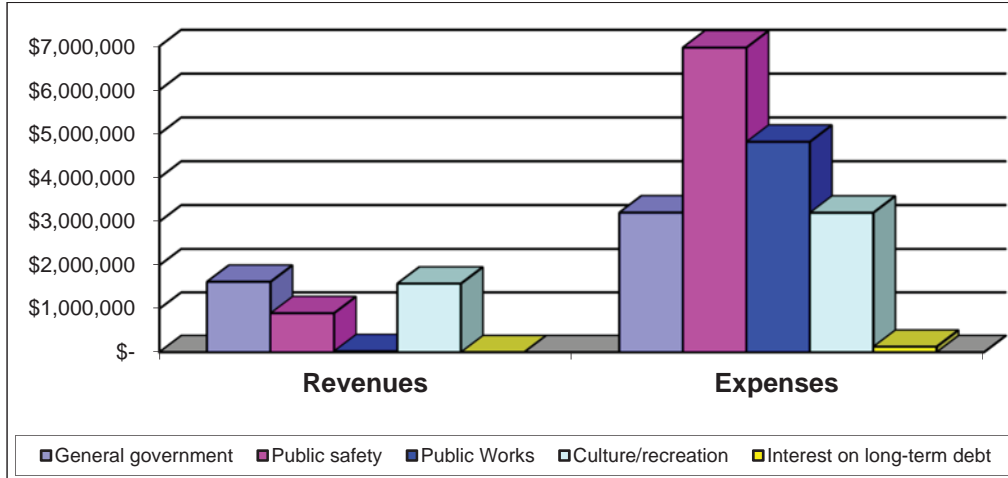


**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

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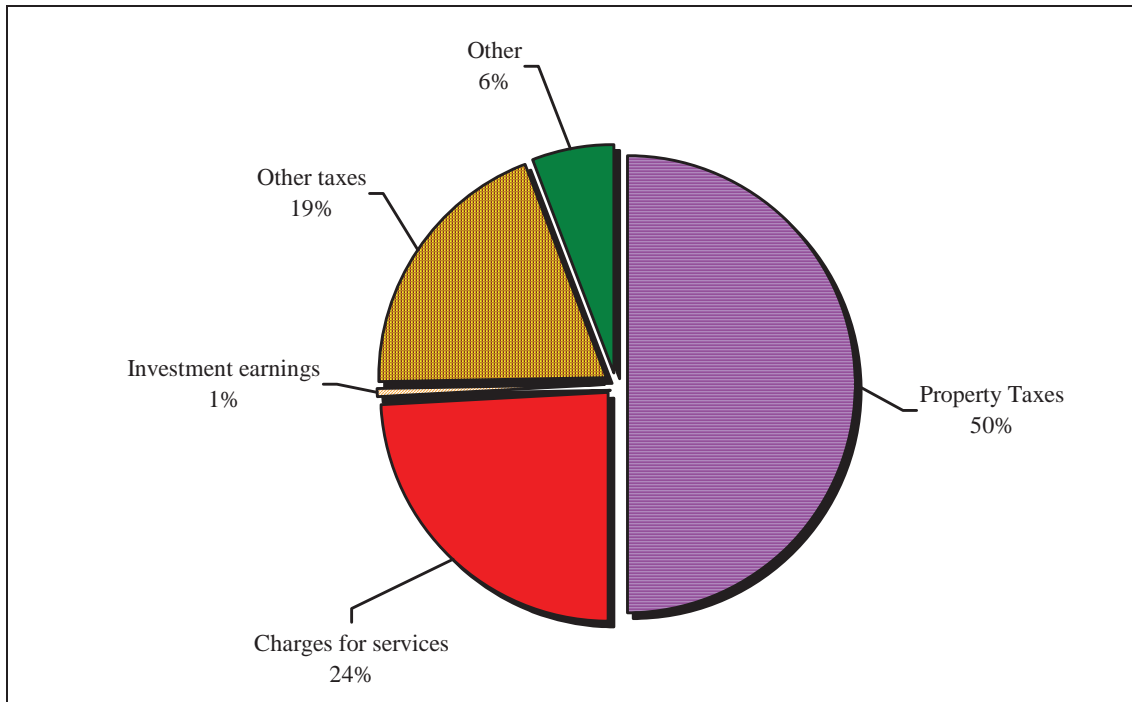
**Figure A-1**

**Expenses and Program Revenues – Governmental Activities**  
**For the Fiscal Year Ended September 30, 2018**



**Figure A-2**

**Revenues by Source – Governmental Activities**  
**For the Fiscal Year Ended September 30, 2018**



**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

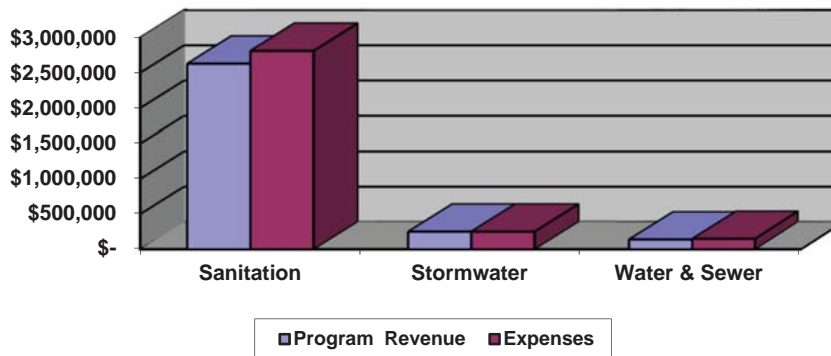
**Business-type activities.** The Miami Shores Village major business-type activities include the following enterprise funds:

- Sanitation Fund
- Stormwater Fund
- Water & Sewer Fund

Net position of business-type activities decreased by approximately \$80 thousand. This decrease is due to increased costs in the Sanitation and Stormwater Funds. The bar graph below summarizes the expenses and program revenues of the business-type activities.

**Figure A-3**

**Expenses and Program Revenues – Business-type Activities  
 For the Fiscal Year ended September 30, 2018**



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

As noted earlier, Miami Shores Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the governmental funds for Miami Shores Village reported combined ending fund balances of \$11.3 million, a \$1.9 million decrease compared to FY2017. This was due to expenses attributable to hurricane cleanup of \$2.2 million moderated by unfilled vacant positions and other lower than budgeted cost savings. Of this amount, \$4.7 million reflects *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *committed or restricted* to indicate that it is **not** available for new spending as those dollars have already been 1) committed to liquidate contracts or encumbered fiscal obligations (outstanding purchase orders) valued at \$831 thousand, 2) restricted for funds which restrict how the funds may be spent of \$5.7 million and 3) nonspendable for funds used to account for amounts which cannot currently be spent, such as prepaid expenses of \$18 thousand.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$8.1 million as compared with \$7.5 million in the prior year.

The Village's General Fund balance increased by \$620 thousand during the 2018 fiscal year. This can be attributed to the reallocation of staff and other related expenses to the grant fund for hurricane cleanup.

**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

The Village has four other major funds, Excise Tax Fund, Police Forfeiture, General Trust Fund and Grant Fund. The Excise Tax Fund collects public service taxes, per loan requirements, and transfers the taxes to the General Fund. The fund balance of \$987 thousand will be transferred to the general fund in future years.

The Police Forfeiture Fund accumulates proceeds which are received from forfeitures related to ongoing investigations. The Village has one officer assigned to the federal program. The expenditure of these funds is restricted by strict governmental rules and approval of the Village Council. The fund balance of \$1.4 million will be used for future projects for the Police Department.

The General Trust Fund accumulates funds that are restricted for specific purposes, i.e. recreation, building department, library, and charter school repairs. During fiscal year 2018, the fund balance decreased \$700 thousand dollars. These funds were used to replace the HVAC system at the Charter School. The fund balance of \$511 thousand will be used for future projects.

The Grant Fund accounts for the proceeds received from Federal, State, and other local sources in the form of grants that are restricted to expenditures for specific purposes. During fiscal year 2018, the Village accumulated expenditures related to hurricane cleanup costs and property damage. These expenditures are reimbursed to the Village by the Federal Emergency Management Administration (FEMA) and the State of Florida. The fund balance at year end was a deficit of \$3.3 million. This deficit will be eliminated in fiscal year 2019 once reimbursement is received from the agencies discussed above.

**Proprietary funds.** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net position of the Sanitation Fund at the end of the year totaled \$1 million. Unrestricted net position will be used to fund future purchases of capital assets.
- Unrestricted net position of the Stormwater Fund at the end of the year totaled \$1 million, a \$93 thousand increase in unrestricted net position. Unrestricted net position is maintained to fund future projects for the existing stormwater system.
- Unrestricted net position of the Water & Sewer Fund at the end of the year totaled \$17 thousand. Unrestricted net position is maintained to fund future maintenance of the system.

### **General Fund Budgetary Highlights**

The Village adopts annual budgets by fund, general fund department and line item in compliance with Florida State Statute Section 200.065 (commonly referred to as the Truth-in Millage Legislation). The law requires municipal organizations to prepare and adopt annual operating budgets for the General, Special Revenue and Debt Service Funds following uniform time frames related to property tax levies. The balanced budgets may be revised throughout the year. The Village's code allows for department level budget transfers without council approval; however, department and fund total changes require Council-approved budget amendments adopted by resolution.

The Village's policy is to adopt the budget following the second public hearing of each fiscal year, held in September for an October 1<sup>st</sup> year. The Village has also adopted a policy which provides for the reappropriation of committed fund balance for encumbrances. This amendment is usually adopted as the first budget amendment of each fiscal year and is normally presented at the first meeting in November of each fiscal year. Additional budget amendments may be presented to council at any time during the fiscal year.

Over the course of the year, the Village amended the General Fund budget eight times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to prior year encumbrances; and (2) supplemental appropriations to provide appropriations for various other needs which have arisen since the adoption of the budget. With these adjustments, disbursements were approximately \$662 thousand below final budgeted amounts. Savings were realized in general government, \$242 thousand, public safety, \$285 thousand, public works, \$60 thousand, and culture and recreation, \$75 thousand. These savings in general government costs and various departmental costs were due to the reassignment of staff and reallocation of other related expenses to the grant fund for hurricane cleanup.

The fiscal year 2018 final amended budget was \$15.7 million, an increase of 1% over the original General Fund budget of \$15.5 million. Correspondingly, the Consumer Price Index (or inflation index) from the U.S. Bureau of Labor Statistics – All Urban Consumers for the past year was 2.3%. The final Adopted Budget is balanced with revenues of \$13 million and \$2.5 million in operating transfers from Excise Tax, Sanitation Fund and Stormwater Fund.

**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

**Capital Asset and Debt Administration**

**Capital Assets.** Miami Shores Village's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$28.4 million (net of accumulated depreciation). The investment in capital assets includes Village-owned buildings, equipment and other infrastructure (streets, sidewalks, easements, right-of-ways). The value of capital investments includes the cost of the Doctors' Charter School of Miami Shores. The following table summarizes the components of the Village's investments in capital assets.

**Miami Shores Village**  
**Capital Assets as of September 30, 2018 and 2017**  
**(net of depreciation, in thousands)**

Classification	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,386,158	\$ 2,358,437	\$ -	\$ -	\$ 2,386,158	\$ 2,358,437
Construction in progress	76,954	448,726	4,314,801	4,251,145	4,391,755	4,699,871
Building	9,723,846	9,993,093	-	-	9,723,846	9,993,093
Land Improvement	987,382	1,198,508	-	-	987,382	1,198,508
Infrastructure	5,565,491	5,740,212	1,730,671	1,809,471	7,296,162	7,549,683
Machinery and equipment	2,309,521	1,689,670	924,629	982,249	3,234,150	2,671,919
Intangible	<u>410,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,508</u>	<u>-</u>
Totals	<u>\$ 21,459,860</u>	<u>\$ 21,428,646</u>	<u>\$ 6,970,101</u>	<u>\$ 7,042,865</u>	<u>\$ 28,429,961</u>	<u>\$ 28,471,511</u>

Additional information on Miami Shores Village's capital assets may be found in Note 6 on Pages 40 to 41 of this report.

**Long-term Liabilities.** At September 30, 2018, Miami Shores Village had \$17.9 million in long-term liabilities, which are summarized in the schedule below. The decrease of \$4.1 million is attributable to a reduction in net pension liability of \$2.8 million, reductions in OPEB and insurance claims payable of \$568 thousand and payments of bonds and notes payable of \$694 thousand.

**Miami Shores Village**  
**Outstanding Long-term Liabilities as of September 30, 2018 and 2017**

	Governmental Activities		Business-type activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 4,979,800	\$ 5,291,600	\$ -	\$ -	\$ 4,979,800	\$ 5,291,600
Other debt	<u>-</u>	<u>222,159</u>	<u>4,520,000</u>	<u>4,680,000</u>	<u>4,520,000</u>	<u>4,902,159</u>
Total bonds and notes payable	4,979,800	5,513,759	4,520,000	4,680,000	9,499,800	10,193,759
Other liabilities:						
OPEB liability	612,919	732,143	30,411	139,107	643,330	871,250
Estimated insurance claims payable	-	340,000	-	-	-	340,000
Compensated absences	731,253	803,287	140,856	134,637	872,109	937,924
Net pension liability	<u>6,611,665</u>	<u>9,103,273</u>	<u>244,061</u>	<u>530,151</u>	<u>6,855,726</u>	<u>9,633,424</u>
Totals	<u>\$12,935,637</u>	<u>\$16,492,462</u>	<u>\$4,935,328</u>	<u>\$5,483,895</u>	<u>\$17,870,965</u>	<u>\$21,976,357</u>

Additional information on the Village's long-term debt may be found in Note 7 on Pages 41 to 43 of this report.

**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

**Economic Factors and Next Year's Budgets and Rates**

Miami Shores Village is a single-family, residential community. As such, standard economic indicators used to determine the overall health of a community are slightly different for Miami Shores. Since the Village's "business community" is restricted to a six-block area on Second Avenue and isolated pockets of business entities on Biscayne Boulevard, the Village must monitor property values and other residentially-related trends to determine the health and vitality of the community. Quality recreational activities, including the Village's first-class aquatics facility, support the residents' requirement for high standards and outstanding recreation and leisure activities. This, along with its own public safety department, provides a higher standard of living than that which is found in surrounding municipalities.

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely upon property taxes and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, occupational licenses, etc.) for funding of their governmental activities. In addition, there are a number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the \$25,000 homestead exemption by another \$25,000 for the portion of assessed property value exceeding \$50,000, except for school district taxes. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

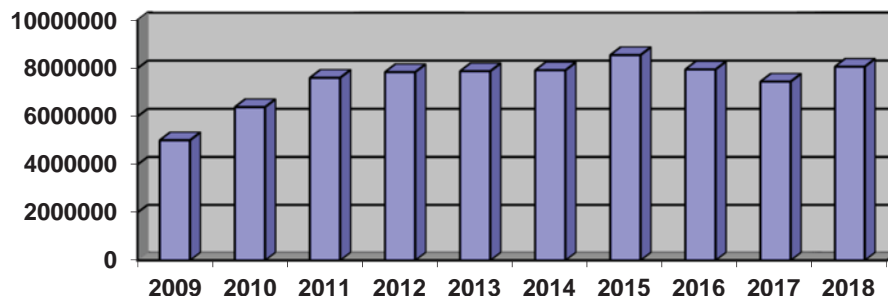
With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on October 1, 2008 with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009. Additional tax relief bills, which could further limit the extent to which municipalities can levy taxes, continue to be introduced by the state legislature.

Actual taxes levied by the Village in 2018 reflected an increase of \$611 thousand, precipitated by an increase in property values of \$77 million or 7.9% in property values as compared with 2017. Based on the current real estate market within the Village, it is anticipated that assessed values will continue to increase due to the desirability of the area and the close location to Greater Downtown Miami.

During the current fiscal year, unassigned fund balance in the General Fund was \$8.1 million, an increase of \$620 thousand compared to the unreserved fund balance in 2017 of \$7.5 million. This \$8.1 million is approximately equal to 6.2 months of General Fund operating expenditures. Even though fair market property values are expected to increase; assessed property values are limited by the "Save Our Homes" benefits. This limits the increase in property tax revenue even when property values are increasing. Expenditures such as payroll and personnel benefits will continue to increase. Fiscal year 2019 budgeted expenditures and transfers are expected to be \$16.3 million, or 3.5%, more than the fiscal year 2018 budget of \$15.7 million. The Village, as can be shown in the following graph, is maintaining its unassigned fund balance so that a portion of unassigned fund balance will be available to preclude or moderate additional increases in operational expenditures, fund capital improvements, or be available to defray the costs associated with future hurricanes or other natural disasters.

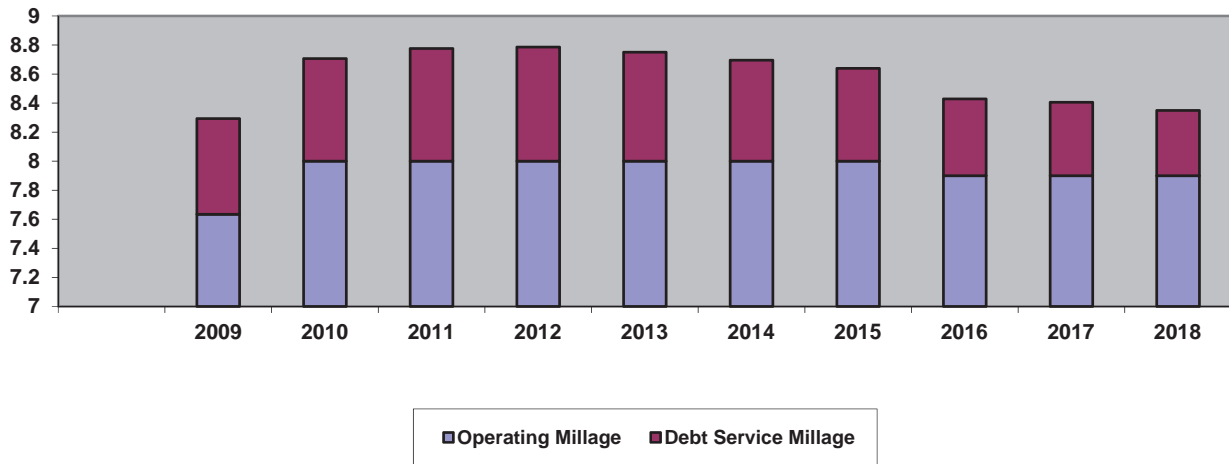
**General Fund Unrestricted and Unassigned Surplus  
For the Fiscal Years ended September 30, 2009-2018**



**MIAMI SHORES VILLAGE, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2018**

In 1995, the state of Florida limited all local governments' ability to increase property assessments of homestead property in any given year to 3 percent or cost of living, whichever is lower. The graph below shows the millage rates over the past ten years. For many years, the Village, just like many cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect.

**Miami Shores Village**  
**Total Village Millage**  
**For the Fiscal Years ended September 30, 2009-2018**



Fiscal year 2019 budgeted expenditures and transfers are expected to increase \$522 thousand compared with fiscal year 2018. This increase in expenditures is due to additional staffing to better meet the needs of the community.

**Requests for Information**

This financial report is designed to provide a general overview of Miami Shores Villages' finances to our citizens, taxpayers, customers, investors, creditors, and others with an interest in the Villages' finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Holly Hugdahl, CPA, CGMA.

**MIAMI SHORES VILLAGE**  
 Finance Department  
 10050 Northeast Second Avenue  
 Miami Shores, Florida 33138-2382

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## **BASIC FINANCIAL STATEMENTS**

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**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 13,802,505	\$ 3,746,588	\$ 17,549,093
Investments	309,481	-	309,481
Accounts receivable - net	744,607	261,909	1,006,516
Special assessment receivable	-	3,930,739	3,930,739
Prepaid items	29,381	3,150	32,531
Inventories	55,531	67,935	123,466
Restricted assets:			
Cash and cash equivalents	-	6,502	6,502
Capital assets not being depreciated	2,463,112	4,314,801	6,777,913
Capital assets being depreciated, net	<u>18,996,748</u>	<u>2,655,300</u>	<u>21,652,048</u>
Total assets	<u>36,401,365</u>	<u>14,986,924</u>	<u>51,388,289</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
OPEB	29,595	7,398	36,993
Pension	<u>1,902,012</u>	<u>119,604</u>	<u>2,021,616</u>
Total deferred outflows of resources	<u>1,931,607</u>	<u>127,002</u>	<u>2,058,609</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	756,298	272,985	1,029,283
Unearned revenues	49,328	785,022	834,350
Accrued interest payable	-	-	-
Noncurrent liabilities:			
The amount due in one year	322,513	195,214	517,727
The amount due in more than one year	<u>12,613,124</u>	<u>4,740,114</u>	<u>17,353,238</u>
Total liabilities	<u>13,741,263</u>	<u>5,993,335</u>	<u>19,734,598</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Business license tax	78,939	-	78,939
OPEB	16,031	3,577	19,608
Pension	<u>1,298,253</u>	<u>168,432</u>	<u>1,466,685</u>
Total deferred inflows of resources	<u>1,393,223</u>	<u>172,009</u>	<u>1,565,232</u>
<u>NET POSITION</u>			
Net investment in capital assets	17,975,743	3,117,914	21,093,657
Restricted for:			
Water & sewer	-	3,772,478	3,772,478
Public safety	1,461,840	-	1,461,840
Transportation	1,992,456	-	1,992,456
Building department	158,833	-	158,833
Library	699,341	-	699,341
Debt service	1,164,565	-	1,164,565
Charter school	143,616	-	143,616
Recreation	115,812	-	115,812
Unrestricted	<u>(513,720)</u>	<u>2,058,190</u>	<u>1,544,470</u>
Total net position	<u>\$ 23,198,486</u>	<u>\$ 8,948,582</u>	<u>\$ 32,147,068</u>

See notes to basic financial statements



**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Program Revenues			Capital Grants and Contributions		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Functions/Programs</b>							
Governmental activities:							
General government	\$ 3,206,652	\$ 1,619,903	\$ -	\$ (1,586,749)	\$ -	\$ (1,586,749)	
Public safety	6,970,163	896,856	-	(6,073,307)	-	(6,073,307)	
Public works	4,820,309	24,175	816,300	(3,979,834)	-	(3,979,834)	
Culture and recreation	3,202,922	1,577,949	-	(1,624,973)	-	(1,624,973)	
Interest on long-term debt	126,553	-	-	(126,553)	-	(126,553)	
Total governmental activities	<u>18,326,599</u>	<u>4,118,883</u>	<u>816,300</u>	<u>(13,391,416)</u>	<u>-</u>	<u>(13,391,416)</u>	
Business-type activities:							
Sanitation	2,461,906	2,623,039	-	-	161,133	161,133	
Stormwater	201,904	245,407	-	-	43,503	43,503	
Water & sewer	148,717	84,159	-	-	(64,558)	(64,558)	
Total business-type activities	<u>2,812,527</u>	<u>2,952,605</u>	<u>-</u>	<u>-</u>	<u>140,078</u>	<u>140,078</u>	
Total	<u>\$ 21,139,126</u>	<u>\$ 7,071,488</u>	<u>\$ 816,300</u>	<u>(13,391,416)</u>	<u>140,078</u>	<u>(13,251,338)</u>	
General revenues:							
Property taxes, levied for general purpose				8,484,744	-	8,484,744	
Public service taxes				2,121,676	-	2,121,676	
Intergovernmental (unrestricted)				1,145,885	-	1,145,885	
Investment income (unrestricted)				115,871	17,370	133,241	
Miscellaneous				662,875	-	662,875	
Transfers				350,076	(350,076)	-	
Total general revenues				<u>12,881,127</u>	<u>(332,706)</u>	<u>12,548,421</u>	
Change in net position				(510,289)	(192,628)	(702,917)	
Net position - beginning				23,588,403	9,028,556	32,616,959	
Prior period adjustment				120,372	112,654	233,026	
Net position, beginning, as restated (Note 1P)				23,708,775	9,141,210	32,849,985	
Net position, ending				<u>\$ 23,198,486</u>	<u>\$ 8,948,582</u>	<u>\$ 32,147,068</u>	

See notes to basic financial statements

**MIAMI SHORES VILLAGE, FLORIDA**  
**BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

	Major Funds						
	General	Excise Tax	Police Forfeiture	General Trust	Grants	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>							
Cash and cash equivalents	\$ 4,583,845	\$ 635,176	\$ 1,428,992	\$ 934,029	\$ -	\$ 3,466,155	\$ 11,048,197
Investments	309,481	-	-	-	-	-	309,481
Accounts receivable - net	196,546	352,241	9,366	-	-	179,023	737,176
Due from other funds	3,319,090	-	-	-	-	-	3,319,090
Prepaid items	17,851	-	-	-	-	10,000	27,851
Total assets	<u>\$ 8,426,813</u>	<u>\$ 987,417</u>	<u>\$ 1,438,358</u>	<u>\$ 934,029</u>	<u>\$ -</u>	<u>\$ 3,655,178</u>	<u>\$ 15,441,795</u>
<u>LIABILITIES</u>							
Accounts payable and accrued liabilities	\$ 214,210	-	\$ 1,997	\$ 422,613	-	\$ 23,278	\$ 662,098
Due to other funds	-	-	-	-	3,319,090	-	3,319,090
Unearned revenues	45,166	-	-	-	4,162	-	49,328
Total liabilities	<u>259,376</u>	<u>-</u>	<u>1,997</u>	<u>422,613</u>	<u>3,323,252</u>	<u>23,278</u>	<u>4,030,516</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Business license tax	78,939	-	-	-	-	-	78,939
<u>FUND BALANCES</u>							
Nonspendable	17,851	-	-	-	-	-	17,851
Restricted	-	987,417	1,436,361	511,416	-	2,801,268	5,736,462
Committed	-	-	-	-	-	830,632	830,632
Unassigned	8,070,647	-	-	-	(3,323,252)	-	4,747,395
Total fund balances	<u>8,088,498</u>	<u>987,417</u>	<u>1,436,361</u>	<u>511,416</u>	<u>(3,323,252)</u>	<u>3,631,900</u>	<u>11,332,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,426,813</u>	<u>\$ 987,417</u>	<u>\$ 1,438,358</u>	<u>\$ 934,029</u>	<u>\$ -</u>	<u>\$ 3,655,178</u>	<u>\$ 15,441,795</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

Fund balances - total governmental funds (Page 15) \$ 11,332,340

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	\$ 42,959,583	
Less accumulated depreciation	<u>(23,380,670)</u>	19,578,913

Deferred inflows/outflows of resources in the statement of net position will be recognized in future periods.

Deferred outflows related to OPEB	29,595	
Deferred inflows related to OPEB	(16,031)	
Deferred outflows related to pension	1,872,111	
Deferred inflows related to pension	<u>(1,256,145)</u>	629,530

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

Bonds and notes payable	(4,979,800)	
OPEB liability	(612,919)	
Net pension liability	(6,550,650)	
Compensated absences	<u>(709,601)</u>	(12,852,970)

Net position of internal service funds are not reported with governmental funds 4,510,673

Net position of governmental activities (Page 13) \$ 23,198,486

**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Major Funds						Total Governmental Funds
	General	Excise Tax	Police Forfeiture	General Trust	Grants	Other Governmental Funds	
<b>Revenues:</b>							
Property taxes	\$ 8,027,601	\$ -	\$ -	\$ -	\$ -	\$ 457,143	\$ 8,484,744
Public service taxes	-	2,121,676	-	-	-	-	2,121,676
Licenses and permits	1,211,448	-	-	-	-	-	1,211,448
Intergovernmental revenues	1,131,324	-	-	-	14,561	816,300	1,962,185
Charges for services	2,034,859	-	-	-	-	-	2,034,859
Fines and forfeitures	435,792	-	51,152	-	-	2,302	489,246
Miscellaneous	461,779	-	77,919	123,002	-	175	662,875
Interest income	74,081	-	8,826	6,882	-	13,409	103,198
<b>Total revenues</b>	<b>13,376,884</b>	<b>2,121,676</b>	<b>137,897</b>	<b>129,884</b>	<b>14,561</b>	<b>1,289,329</b>	<b>17,070,231</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	3,106,681	-	-	30,239	14,561	5,052	3,156,533
Public safety	6,772,524	-	136,966	-	-	-	6,909,490
Public Works	1,693,516	-	-	-	2,243,730	414,179	4,351,425
Culture and recreation	2,796,265	-	-	16,444	-	-	2,812,709
Capital outlay	-	-	46,737	788,747	-	542,640	1,378,124
Debt service:							
Principal	-	-	-	-	-	533,959	533,959
Interest	-	-	-	-	-	141,846	141,846
<b>Total expenditures</b>	<b>14,368,986</b>	<b>-</b>	<b>183,703</b>	<b>835,430</b>	<b>2,258,291</b>	<b>1,637,676</b>	<b>19,284,086</b>
(Deficiency) excess of revenues over expenditures before other financing sources (uses)	(992,102)	2,121,676	(45,806)	(705,546)	(2,243,730)	(348,347)	(2,213,855)
<b>Other financing sources (uses):</b>							
Transfers in	2,300,000	-	-	-	-	681,015	2,981,015
Transfers (out)	(674,814)	(1,900,000)	-	-	-	(56,125)	(2,630,939)
<b>Total other financing sources (uses)</b>	<b>1,625,186</b>	<b>(1,900,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>624,890</b>	<b>350,076</b>
<b>Net change in fund balances</b>	<b>633,084</b>	<b>221,676</b>	<b>(45,806)</b>	<b>(705,546)</b>	<b>(2,243,730)</b>	<b>276,543</b>	<b>(1,863,779)</b>
<b>Fund balance, beginning</b>	<b>7,455,414</b>	<b>765,741</b>	<b>1,482,167</b>	<b>1,216,962</b>	<b>(1,079,522)</b>	<b>3,355,357</b>	<b>13,196,119</b>
<b>Fund balance, ending</b>	<b>\$ 8,088,498</b>	<b>\$ 987,417</b>	<b>\$ 1,436,361</b>	<b>\$ 511,416</b>	<b>\$ (3,323,252)</b>	<b>\$ 3,631,900</b>	<b>\$ 11,332,340</b>

See notes to basic financial statements

**MIAMI SHORES VILLAGE, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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 17) \$ (1,863,779)

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 outlay capitalized	\$ 1,378,124	
Less current year depreciation	<u>(1,315,406)</u>	
Net adjustment		62,718

The net effect of various transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase (decrease) net position. (71,794)

The issuance of long term debt (e.g., bonds, leases) provides current financial debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. resources to governmental funds, while the repayment of the principal of long term.

Principal payments	<u>533,959</u>	
		533,959

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

Change in net pension liability and other deferral amounts	234,815	
Change in compensated absences	93,686	
Change in OPEB liability	88,813	
Change in accrued interest payable	15,293	
Allocation of internal service funds' net income	<u>396,000</u>	
		<u>828,607</u>

Change in net position of governmental activities (Page 14) \$ (510,289)

**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Stormwater	Water & Sewer	Total	
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 2,030,825	\$ 1,135,047	\$ 580,716	\$ 3,746,588	\$ 2,754,308
Accounts receivable - net	244,260	17,649	-	261,909	7,431
Special assessment receivable	-	-	3,930,739	3,930,739	-
Inventories	67,935	-	-	67,935	55,531
Prepaid items	-	-	3,150	3,150	1,530
Restricted assets:					
Cash and cash equivalents	-	-	6,502	6,502	-
Total current assets	<u>2,343,020</u>	<u>1,152,696</u>	<u>4,521,107</u>	<u>8,016,823</u>	<u>2,818,800</u>
Capital assets:					
Capital assets not being depreciated	-	-	4,314,801	4,314,801	7,127
Capital assets being depreciated, net	924,629	1,730,671	-	2,655,300	1,873,820
Total noncurrent assets	<u>924,629</u>	<u>1,730,671</u>	<u>4,314,801</u>	<u>6,970,101</u>	<u>1,880,947</u>
Total assets	<u>3,267,649</u>	<u>2,883,367</u>	<u>8,835,908</u>	<u>14,986,924</u>	<u>4,699,747</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension	107,644	11,960	-	119,604	29,901
OPEB	6,659	739	-	7,398	-
Total deferred outflows of resources	<u>114,303</u>	<u>12,699</u>	<u>-</u>	<u>127,002</u>	<u>29,901</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable and accrued liabilities	243,056	13,522	16,407	272,985	94,200
Unearned revenues	673,964	63,882	47,176	785,022	-
Compensated absences	34,227	987	-	35,214	5,413
Notes payable	-	-	160,000	160,000	-
Total current liabilities	<u>951,247</u>	<u>78,391</u>	<u>223,583</u>	<u>1,253,221</u>	<u>99,613</u>
Non-current liabilities:					
Compensated absences	102,680	2,962	-	105,642	16,239
Notes payable	-	-	4,360,000	4,360,000	-
Net pension liability	219,655	24,406	-	244,061	61,015
OPEB liability	27,370	3,041	-	30,411	-
Total noncurrent liabilities	<u>349,705</u>	<u>30,409</u>	<u>4,360,000</u>	<u>4,740,114</u>	<u>77,254</u>
Total liabilities	<u>1,300,952</u>	<u>108,800</u>	<u>4,583,583</u>	<u>5,993,335</u>	<u>176,867</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pension	151,589	16,843	-	168,432	42,108
OPEB	3,219	358	-	3,577	-
Total deferred inflows of resources	<u>154,808</u>	<u>17,201</u>	<u>-</u>	<u>172,009</u>	<u>42,108</u>
<u>NET POSITION</u>					
Net investment in capital assets	924,629	1,730,671	462,614	3,117,914	1,880,947
Restricted for:					
Capital activities	-	-	3,772,478	3,772,478	-
Unrestricted	1,001,563	1,039,394	17,233	2,058,190	2,629,726
Total net position	<u>\$ 1,926,192</u>	<u>\$ 2,770,065</u>	<u>\$ 4,252,325</u>	<u>\$ 8,948,582</u>	<u>\$ 4,510,673</u>

See notes to basic financial statements

**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Water &amp; Sewer</u>	<u>Total</u>	
Operating revenues:					
Charges for services	\$ 2,623,039	\$ 245,407	\$ 84,159	\$ 2,952,605	\$ 2,017,243
Operating expenses:					
Administrative and general	775,462	34,675	26,868	837,005	373,683
Personnel expenses	1,022,494	68,349	-	1,090,843	235,169
Depreciation	186,507	78,800	-	265,307	240,790
Contractual services	477,443	20,080	-	497,523	-
Insurance premiums and claims	-	-	-	-	784,271
Total operating expenses	<u>2,461,906</u>	<u>201,904</u>	<u>26,868</u>	<u>2,690,678</u>	<u>1,633,913</u>
Operating income	<u>161,133</u>	<u>43,503</u>	<u>57,291</u>	<u>261,927</u>	<u>383,330</u>
Non-operating revenues (expenses):					
Interest income	6,986	5,077	5,307	17,370	12,670
Interest expense	-	-	(121,849)	(121,849)	-
Net non-operating revenues (expenses)	<u>6,986</u>	<u>5,077</u>	<u>(116,542)</u>	<u>(104,479)</u>	<u>12,670</u>
Income before transfers and contributions	168,119	48,580	(59,251)	157,448	396,000
Transfers in	-	-	49,924	49,924	-
Transfers out	<u>(350,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>
Change in net position	(181,881)	(1,420)	(9,327)	(192,628)	396,000
Net position, beginning	<u>2,008,128</u>	<u>2,758,776</u>	<u>4,261,652</u>	<u>9,028,556</u>	<u>4,114,673</u>
Prior period adjustment (see note 1P)	<u>99,945</u>	<u>12,709</u>	<u>-</u>	<u>112,654</u>	<u>-</u>
Net position, beginning as restated	<u>2,108,073</u>	<u>2,771,485</u>	<u>-</u>	<u>9,141,210</u>	<u>-</u>
Net position, ending	<u>\$ 1,926,192</u>	<u>\$ 2,770,065</u>	<u>\$ 4,252,325</u>	<u>\$ 8,948,582</u>	<u>\$ 4,510,673</u>

See notes to basic financial statements.

**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sanitation	Stormwater	Water & Sewer	Total	
<b>Cash flows from operating activities:</b>					
Cash received from customers, governments and other funds	\$ 2,650,846	\$ 247,179	\$ 81,742	\$ 2,979,767	\$ 2,175,359
Cash paid to suppliers	(1,062,171)	(42,719)	(59,250)	(1,164,140)	(1,306,197)
Cash paid for employees	(1,122,351)	(80,937)	-	(1,203,288)	(235,344)
Net cash provided by operating activities	<u>466,324</u>	<u>123,523</u>	<u>22,492</u>	<u>612,339</u>	<u>633,818</u>
<b>Cash flows from non-capital financing activities:</b>					
Transfers in	-	-	49,924	49,924	-
Transfers out	(350,000)	(50,000)	-	(400,000)	-
Net cash provided by (used in) non-capital financing activities	<u>(350,000)</u>	<u>(50,000)</u>	<u>49,924</u>	<u>(350,076)</u>	<u>-</u>
<b>Cash flows from capital related financing activities:</b>					
Acquisition and construction of capital assets	(128,887)	-	(66,931)	(195,818)	(203,459)
Sale of capital assets	-	18	-	18	-
Special assessments received	-	-	108,268	108,268	-
Principal paid on long-term debt	-	-	(160,000)	(160,000)	-
Interest paid on capital debt	-	-	(121,849)	(121,849)	-
Net cash provided by (used in) capital and related financing activities	<u>(128,887)</u>	<u>18</u>	<u>(240,512)</u>	<u>(369,381)</u>	<u>(203,459)</u>
<b>Cash flows from investing activities:</b>					
Interest and other income	106,931	16,260	5,307	128,498	12,670
Net cash provided by investing activities	<u>106,931</u>	<u>16,260</u>	<u>5,307</u>	<u>128,498</u>	<u>12,670</u>
Net increase (decrease) in cash and cash equivalents	94,368	89,801	(162,789)	21,380	443,029
Cash and cash equivalents, October 1	1,936,457	1,045,246	750,007	3,731,710	2,311,279
Cash and cash equivalents, September 30	<u>\$ 2,030,825</u>	<u>\$ 1,135,047</u>	<u>\$ 587,218</u>	<u>\$ 3,753,090</u>	<u>\$ 2,754,308</u>
<b>Reported in statement of net position as follows:</b>					
Unrestricted	\$ 2,030,825	\$ 1,135,047	\$ 580,716	\$ 3,746,588	\$ 2,754,308
Restricted	-	-	6,502	6,502	-
	<u>\$ 2,030,825</u>	<u>\$ 1,135,047</u>	<u>\$ 587,218</u>	<u>\$ 3,753,090</u>	<u>\$ 2,754,308</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 161,133	\$ 43,503	\$ 57,291	\$ 261,927	\$ 383,330
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>					
Depreciation	186,507	78,800	-	265,307	240,790
<b>Change in assets and liabilities:</b>					
<b>(Increase) decrease in:</b>					
Accounts receivable	27,662	1,752	-	29,414	158,116
Inventories	(4,182)	-	-	(4,182)	(3,578)
Prepays	-	-	(3,150)	(3,150)	163,453
Deferred outflows of resources for pension	106,606	2,872	-	109,478	30,882
<b>Increase (decrease) in:</b>					
Accounts payable and accrued liabilities	194,916	12,036	(29,232)	177,720	31,882
Compensated absences	7,206	(987)	-	6,219	(5,742)
OPEB liability	(101,993)	(11,603)	-	(113,596)	-
Unearned revenues	145	20	(2,417)	(2,252)	-
Net pension liability	(266,035)	(20,055)	-	(286,090)	(67,328)
Deferred inflows of resources for pension	154,359	17,185	-	171,544	42,013
Total adjustments	<u>305,191</u>	<u>80,020</u>	<u>(34,799)</u>	<u>350,412</u>	<u>250,488</u>
Net cash provided by operating activities	<u>\$ 466,324</u>	<u>\$ 123,523</u>	<u>\$ 22,492</u>	<u>\$ 612,339</u>	<u>\$ 633,818</u>
<b>Noncash capital related financing activities:</b>					
Contributions	\$ -	\$ -	\$ 3,930,739	\$ 3,930,739	\$ -
Total noncash capital related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,930,739</u>	<u>\$ 3,930,739</u>	<u>\$ -</u>

See notes to basic financial statements



**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2018**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,941,750	\$ 1,450,798
Receivables:		
Accrued interest and dividends	<u>170,528</u>	<u>-</u>
Total receivables	<u>170,528</u>	<u>-</u>
Investments, at fair value		
Mutual funds - equity	21,835,067	-
Common stock	6,667,097	-
Corporate bonds	5,073,704	-
U.S. Government securities	3,375,100	-
Mortgage backed securities	1,482,260	-
Foreign bonds	364,203	-
Municipal bonds	<u>43,788</u>	<u>-</u>
Total investments	<u>38,841,219</u>	<u>-</u>
Total assets	<u>41,953,497</u>	<u>1,450,798</u>
<u>LIABILITIES</u>		
Other liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
<u>NET POSITION</u>		
Net position restricted for pensions and charter school	<u>\$ 41,953,497</u>	<u>\$ 1,450,798</u>

See notes to basic financial statements

**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Pension Trust <u>Funds</u>	Private Purpose <u>Trust</u>
<u>ADDITIONS</u>		
Contributions:		
Employer	\$ 1,608,502	\$ -
Employees	432,727	-
State of Florida	99,702	-
Total contributions	<u>2,140,931</u>	<u>-</u>
Investment income:		
Unrealized gains	1,458,202	-
Realized gains	21,345	-
Interest and dividend income	<u>2,588,948</u>	<u>16,063</u>
Total investment income	4,068,495	16,063
Less investment expenses	<u>(151,819)</u>	<u>-</u>
Net investment income	3,916,676	16,063
Total additions	<u>6,057,607</u>	<u>16,063</u>
<u>DEDUCTIONS</u>		
Benefits paid	1,876,763	-
Administrative expenses	<u>96,149</u>	<u>-</u>
Total deductions	<u>1,972,912</u>	<u>-</u>
Net increase	<u>4,084,695</u>	<u>16,063</u>
Net position restricted for pensions and charter school		
Beginning of year	<u>37,868,802</u>	<u>1,434,735</u>
End of year	<u>\$ 41,953,497</u>	<u>\$ 1,450,798</u>

See notes to basic financial statements

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**A. Financial Reporting Entity**

Miami Shores Village, Florida, (the Village) was incorporated in 1931 and is a political subdivision of the State of Florida located in northeastern Miami-Dade County. The Village operates under a Council-Manager form of government, with its legislative function being vested in a five-member council. The Village Council is governed by the Village Charter and by state and local laws and regulations. The Village Council is responsible for the establishment and adoption of policy. The Village provides the following full range of municipal services as authorized by its charter: public safety, streets, sanitation, stormwater, culture and recreational activities, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the Village. 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 Village'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.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The more significant of the Village's accounting policies are described below:

**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 of the nonfiduciary activities of the Village. 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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as other governmental or other proprietary funds.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 Village considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

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

Grant Fund - This fund accounts for the use of specific designated resources related to grant programs.

Excise Tax Fund - This fund records revenues received by the Village for contractually-adopted franchise fee agreements and corresponding public service or utility taxes. The receipts of these funds are used to subordinate the Village's General Obligation Bond Series 1999 should insufficient debt service revenues be received from ad valorem levies. Surplus proceeds are then transferred out of this fund and into the General Fund for operating purposes.

Police Forfeiture - This fund accounts for proceeds obtained through the sale of confiscated and unclaimed property turned over to the Village through court judgments. Proceeds are to be used solely for law enforcement purposes.

General Trust Fund - This fund accumulates assets for its employees, other governmental entities and/or funds, primarily for the recreation, library and police departments, as well as the charter school.

The Village reports the following major proprietary fund:

Sanitation Fund - This fund accounts for the operations and maintenance of the Village's sanitation system.

Stormwater Fund - This fund accounts for the operations and maintenance of the Village's stormwater system.

Water & Sewer Fund - This fund accounts for the annual assessments to pay for the construction cost and maintenance fees for the NE Second Avenue Business District Water & Sewer Project. Future maintenance costs for the grind pumps will be paid from this fund.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

Additionally, the Village reports the following fund types:

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Village, on a cost reimbursement basis. The Village has two internal service funds, the Risk Management Fund and the Fleet Maintenance Fund.

Pension Trust Funds - The pension trust funds account for the activities of the Police Pension and General Employees' Retirement Plans, which accumulate resources for pension benefits to qualified employees.

Private Purpose Trust Fund - This fund accounts for a donation from a foundation to be held by the Village on behalf of the Doctors Charter School to assist with meeting the operating needs of the school.

Agency Fund - The agency fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Village holds for others in an agency capacity.

The financial statements of the Village 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 Village 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. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The Village has elected not to follow subsequent FASB guidance.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 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. Proceeds from local option gas tax and Transportation Surtax are used to fund transportation related expenditures and therefore are reported as program revenues under the function "Public Works".

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 sanitation, and stormwater fund and internal service funds are charges to customers or other funds for services. Operating expenses for the enterprise funds and internal service 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.

When both restricted and unrestricted resources are available for use, it is Village policy to use restricted resources first, and then unrestricted resources as needed.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**D. Deposits and Investments**

The Village's cash and cash equivalents, for purpose of the statement of cash flows, include cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Village maintains a cash pool that is available for use by all funds. Interest earned on pooled cash is allocated to each of the funds, based on the fund's average pooled cash balance on a monthly basis.

All of the Village's investments are reported at fair value, which is based on quoted market prices. The Village's investments consist of amounts placed with the State Board of Administration in the Local Government Surplus Funds Trust Fund (Florida PRIME) investment pool. The Florida PRIME is considered a SEC 2a-7-like fund, thus reported at its fair value of its position in the pool, which is the same as its value of the pool shares.

The Plan's investments are carried at fair value using quoted market prices to value investments. Differences between cost and market value are recorded as net unrealized gains or losses. Net realized gains or losses for securities which are sold are combined with the unrealized gains and losses and shown as "net appreciation (depreciation) in fair value of investments" in plan net position. Dividends and interest are recognized as earned. Purchases and sales of investments are recorded on a trade-date basis.

The Village's investments in Florida PRIME are governed by the provisions of Florida Statutes Section 218.415. Investments in the Village's retirement plans are governed by the Plan's investment policies.

**E. Receivables and Payables**

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" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "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."

**F. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method). In the governmental funds, reported inventories are offset by fund balance reserve which indicates that they do not constitute available spendable resources. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded – in both, the government-wide and fund financial statements – as prepaid items by recording an asset for the prepaid amount and recognizing the expenditure in the year such item is consumed (consumption method). Amounts reported in the governmental funds are offset by an equal reservation of fund balance in the fund financial statements. This is an indication that these components of current assets do not constitute available spending resources.

**G. Property Taxes**

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on the property. Tax bills are mailed for the Village by Miami Dade County on or about October 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.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**G. Property Taxes (Continued)**

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 Village.

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 Village is established by the Village Council and the Miami-Dade County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Village for the year ended September 30, 2018 was 7.9000 mills (\$7.9000 per \$1,000 of taxable assessed valuation).

**H. Restricted Assets**

Assets of the debt service fund have been classified as restricted because their use is restricted by a bond indenture agreement for the Village's debt service requirements. Proceeds from forfeiture funds are classified as restricted in the Law Enforcement Training and Police Forfeiture Special Revenue Funds since these resources are specifically earmarked for law enforcement purposes only. Additionally, proceeds from the People's Transportation Tax and Local Option Gas Tax are classified as restricted since these resources may only be used for road and transportation related expenditures.

Assets held in the General Trust Fund are restricted primarily for recreation, library and police departments, as well as the charter school.

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Village defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-40
Land improvements	40
Infrastructure	30
Sanitation equipment	10
Vehicles	5
Other equipment, machinery, furniture and fixtures	3-10



**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has pension amounts of \$2,021,616 and OPEB amounts of \$36,993 that qualify for reporting in this category on the government-wide statement of net position.

In additions to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time. The Village has local business licenses taxes of \$78,937, pension amounts of \$1,466,685, and OPEB amount of \$19,608. That qualify for reporting in this category on the government – wide statement of net position.

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

**K. Compensated Absences**

Village employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee serves. The Village's vacation policy allows all regular non-temporary employees to accrue vacation leave on a monthly basis. Vacation leave accrued in previous year must be used prior to the next year's anniversary date (unless authorized by the Village Manager). Upon separation from Village employment in good standing, employees shall receive a lump sum payment for any unused accrued vacation leave up to a maximum allotted for the employee's length of service.

The Village's sick leave policy provides for the accumulation of one workday per month up to a maximum of 720 hours for a general employee. A general employee shall receive payment for one hundred percent (100% to a maximum of 720 hours) of accrued sick leave upon retirement and fifty (50%) upon separation in good standing.

For both vacation and sick leave, there is no payout for an employee who is discharged for misconduct, termination or is not in good standing with the Village.

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

**L. Unearned Revenues**

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The unearned items consist primarily of license and permit revenues. Unearned revenues in the proprietary funds are related to billings for the 17-18 fiscal year.

**M. Employee Benefit Plan**

The Village provides a separate defined benefit pension plan for its police officers and general employees. At September 30, 2018, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the General Employees' Retirement Plan and the Police Officers' Retirement Plan are presented in the government-wide statement of net position. The net pension liability is a function of the annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employer's contributions made to the Plans. Please refer to Note 10 for further information.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**N. Post-Employment Benefits Other Than Pensions (OPEB)**

Pursuant to Section 112.0801, Florida Statutes, the Village 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 a 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 Village currently provides these benefits in accordance with the vesting and retirement requirements of the Village.

The Village is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the Village records an OPEB liability in its government-wide and proprietary financial statements related to the implicit subsidy. For governmental funds, the OPEB liability is generally liquidated by the General Fund. The OPEB plan does not issue separate financial statements.

**O. 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 expensed as incurred except for insurance cost which are amortized over the term of the related debt. For proprietary fund types, bonds payable are reported net of the applicable bond premium or discount.

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 as debt service expenditures as incurred.

**P. Net Position**

Total net position as of September 30, 2018, 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 that are attributable to the acquisition, construction, and improvements of those assets, excluding unexpended proceeds.

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.

**Adjustments to Net Position of Government-Wide and Fund Financial Statements**

Net position of the governmental activities, as of October 1, 2017, was restated due to implementation of GASB 75:

Net position – beginning, as previously reported	\$ 23,588,403
Eliminate prior year net OPEB liability	120,372
Net position – beginning, as restated	<u>\$ 23,708,775</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**P. Net Position (Continued)**

Net position of the business-type activities, as of October 1, 2017, was restated due to implementation of GASB 75:

Net position – beginning, as previously reported	\$ 9,028,556
Eliminate prior year net OPEB liability	112,654
Net position – beginning, as restated	<u>\$ 9,141,210</u>

Net position of the Sanitation Fund, as of October 1, 2017, was restated due to implementation of GASB 75:

Net position – beginning, as previously reported	\$ 2,008,128
Eliminate prior year net OPEB liability	99,945
Net position – beginning, as restated	<u>\$ 2,108,073</u>

Net position of the Stormwater Fund, as of October 1, 2017, was restated due to implementation of GASB 75:

Net position – beginning, as previously reported	\$ 2,258,776
Eliminate prior year net OPEB liability	12,709
Net position – beginning, as restated	<u>\$ 2,271,485</u>

**Q. Fund Balance**

As of September 30, 2018, 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 Village Council. The Village Council is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Village Council. Both ordinances and resolutions are equally binding. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**Q. Fund Balance (Continued)**

Assigned

Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Village Council who has the authority to assign, modify or rescind amounts to be used for specific purposes. This is delegated to the Village Manager 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 Village itself.

Unassigned

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

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit this, such as grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

	<u>General</u>	<u>Excise Tax</u>	<u>Police Forfeiture</u>	<u>General Trust</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:							
Nonspendable:							
Prepays	\$ 17,851	\$ -	\$ -	\$ -		\$ -	\$ 17,851
Restricted:							
Transportation	-	987,417	-	-		1,005,039	1,992,456
Library	-	-	-	114,376		584,965	699,341
Recreation	-	-	-	115,812		-	115,812
Building	-	-	-	158,833		-	158,833
Charter School	-	-	-	121,889		-	121,889
Public Safety	-	-	1,436,361	507		24,972	1,461,840
Debt service	-	-	-	-		1,164,566	1,164,566
Committed:							
Capital projects	-	-	-	-		852,359	852,359
Unassigned	<u>8,070,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,323,252)</u>	<u>-</u>	<u>4,747,393</u>
Total Fund Balances	<u>\$ 8,088,496</u>	<u>\$ 987,417</u>	<u>\$ 1,436,361</u>	<u>\$ 511,417</u>	<u>\$ (3,323,252)</u>	<u>\$ 3,631,901</u>	<u>\$ 11,332,340</u>
Fund Balances:							
Nonspendable	\$ 17,851	\$ -	\$ -	\$ -		\$ -	\$ 17,851
Restricted	-	987,417	1,436,361	511,417		2,801,269	5,736,464
Committed	-	-	-	-		830,632	830,632
Unassigned	<u>8,070,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,323,252)</u>	<u>-</u>	<u>4,747,393</u>
Total Fund Balances	<u>\$ 8,088,496</u>	<u>\$ 987,417</u>	<u>\$ 1,436,361</u>	<u>\$ 511,417</u>	<u>\$ (3,323,252)</u>	<u>\$ 3,631,901</u>	<u>\$ 11,332,340</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**R. Fund Balance Flow Assumption**

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance, if any, is applied last.

**S. Capital Contributions**

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

**T. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, the realization of pension obligations, OPEB and the useful lives of capital assets. Although these estimates as well as all 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 Village is subject to various federal, state, and local laws and contractual regulations. The Village 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 Village, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

**Revenue Restrictions**

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Transportation Surtax	Transportation and roads
Police Forfeitures	Law Enforcement
Federal Emergency Management Agency	Disaster mitigation

For the fiscal year ended September 30, 2018, the Village complied, in all material respects, with these revenue restrictions.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**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 another 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 with securities held by the entity or its agent in the entity's name.

**Investments**

The Village is authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA). The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

The SBA administers Florida PRIME ("PRIME"), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 219 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures of the administration of PRIME. PRIME is not a registrant with the Securities and Exchange Commission; however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value ("NAV") of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares.

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

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Village's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures for financial reporting purposes all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

**Investments - Village**

As of September 30, 2018, the Village had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
SBA - PRIME	309,481
Total	<u>309,481</u>

**Interest Rate Risk**

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Village does not have a written policy on interest rate risk; however, the Village manages its exposure to declines in fair values by limiting the weighted average monthly maturity of its investment portfolio to less than 180 days. The weighted average days to maturity (WAM) of the Florida PRIME as of September 30, 2018 is 33 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average like (WAL) of Florida PRIME at September 30, 2018, is 72 days.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**Investments – Village (Continued)**

Credit Risk

State law limits investments in bonds, U.S. Treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States. The PRIME is rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The Village's investment policy does not stipulate any limit on the percentage that can be invested in any one issuer. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. As of September 30, 2018, the value of each position held in the Village's portfolio comprised of less than 5% of the Village's investment assets.

**Investments Pension Plans**

The Pension Board of Trustees has developed certain investment guidelines and has retained investment managers. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment managers are compensated based on a percentage of their portfolio's market value.

The Plans' investment policy is determined by the Board who is responsible for directing the investment of the assets of the Plans to ensure that there will be adequate monies for future benefits. The policy has been identified by the Board to conduct the operations of the Plans in a manner so that the assets will provide the pension and other benefits provided under applicable laws, including Village ordinances, preserving principal while maximizing the rate of return.

Investment in all equity securities shall be limited to those listed on a major U.S stock exchange and limited to no more than 70% (at market) of the Plan's total asset value. The equity position in any one company shall not exceed 5% of the Plan's total asset value at the time of purchase. Investments in stocks of foreign companies shall be limited to 25% of the Plan's market value.

Investments in fixed income securities shall meet or exceed a rating of investment grade as determined by at least one major credit rating service. The market value of bonds issued by any single issuer shall not exceed 3% of the manager's portfolio.

**Types of Investments**

Florida statutes and Plan investment policy authorize the Board to invest funds in various investments. The current target allocation of these investments at fair value is as follows:

<u>Asset Group</u>	<u>Target Allocation</u>	
	<u>General Employees</u>	<u>Police</u>
Domestic Equity	50%	50%
International Equity	15%	15%
Domestic Bonds	35%	35%

**Rate of Return**

For the fiscal year ending September 30, 2018, the annual money-weighted rate of return on pension plan investments, net pension plan investment expense, was 10.22% for the General Employee Retirement Plan and 9.83% for the Police Retirement Plan. The money weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

As of September 30, 2018, the Plans had the following investments and maturities:

General Employees' Retirement Plan

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Corporate/Foreign Bonds	1,911,232	160,120	885,253	360,130	505,728
U.S. government agencies	1,101,057	-	845,927	74,338	180,792
Municipal bonds	14,596	-	-	-	14,596
Collateralized mortgage obligations	480,468	-	239,929	32,697	207,842
<b>Total</b>	<b>3,507,353</b>	<b>160,120</b>	<b>1,971,110</b>	<b>467,165</b>	<b>908,958</b>

Police Officers' Retirement Plan

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Corporate/Foreign Bonds	3,526,675	304,005	1,541,711	721,369	959,591
U.S. government agencies	2,274,043	-	1,742,553	186,288	345,201
Municipal bonds	29,192	-	-	-	29,192
Collateralized mortgage obligations	1,001,792	-	448,468	176,887	376,437
<b>Total</b>	<b>6,831,702</b>	<b>304,005</b>	<b>3,732,732</b>	<b>1,084,544</b>	<b>1,710,421</b>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk. The Plan's investment policies limit investments in fixed income securities to a rating of investment grade or higher.



**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**Rate of Return (Continued)**

General Employees' Retirement Plan

The following tables disclose credit ratings by investment type, at September 30, 2018:

Moody's Quality Ratings of Credit <u>Risk Debt Securities</u>	<u>Fair Value</u>	Percentage of Fixed Income <u>Portfolio</u>
A1	196,480	6%
A2	316,773	9%
A3	316,317	9%
Aa2	40,116	1%
Aa3	33,695	1%
Aaa	1,439,835	41%
Ba1	3,939	0%
Baa1	583,803	17%
Baa2	300,751	9%
Baa3	168,587	5%
NR	<u>107,056</u>	<u>3%</u>
	<u>\$ 3,507,353</u>	<u>100%</u>

Police Officers' Retirement Plan

Moody's Quality Ratings of Credit <u>Risk Debt Securities</u>	<u>Fair Value</u>	Percentage of Fixed Income <u>Portfolio</u>
Aaa	111,493	2%
A1	364,685	5%
A2	637,264	9%
A3	576,555	8%
Aa2	70,171	1%
Aa3	102,361	1%
Aaa	2,893,070	42%
Ba1	6,893	0%
Baa1	988,663	14%
Baa2	561,419	8%
Baa3	316,338	5%
NR	<u>202,789</u>	<u>3%</u>
	<u>6,831,702</u>	<u>100%</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. As of September 30, 2018, no investment by any one issuer was above the 5% threshold required for disclosure.

Custodial of Credit Risk

This is the risk that in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

Risks and Uncertainties

The Plan has investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plan, through its investment advisors, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

The Village does not participate in any securities lending transactions nor has it used, held or written derivative financial instruments.

**NOTE 4 - FAIR VALUE MEASUREMENT**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value:

Fixed income securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes government securities, corporate bonds, and mortgage backed securities.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. This includes equity mutual funds, common stock, and exchange-traded fund.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 4 - FAIR VALUE MEASUREMENT (CONTINUED)**

The Plans have the following recurring fair value measurements as of September 30, 2018:

General Employees' Retirement Plan

	Fair Value Measurements Using			
	9/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. government agencies	\$ 1,101,057	\$ 1,101,057	\$ -	\$ -
Foreign Bonds	126,726	-	126,726	-
Municipal bonds	14,596	-	14,596	-
Collateralized mortgage obligations	480,468	-	480,468	-
Corporate bonds	1,784,506	-	1,784,506	-
Total debt securities	<u>3,507,353</u>	<u>1,101,057</u>	<u>2,406,295</u>	<u>-</u>
Equity securities:				
Common stock	2,425,320	2,425,320	-	-
Foreign Stock	21,809	21,809	-	-
Mutual fund equities	8,185,333	8,185,333	-	-
Total equity securities	<u>10,632,462</u>	<u>10,632,462</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 14,139,815</u>	<u>\$ 11,733,519</u>	<u>\$ 2,406,295</u>	<u>\$ -</u>

Police Officers' Retirement Plan

	Fair Value Measurements Using			
	9/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. government agencies	\$ 2,274,043	\$ 2,274,043	\$ -	\$ -
Foreign Bonds	237,477	-	237,477	-
Municipal bonds	29,192	-	29,192	-
Collateralized mortgage obligations	1,001,792	-	1,001,792	-
Corporate bonds	3,289,198	-	3,289,198	-
Total debt securities	<u>6,831,702</u>	<u>2,274,043</u>	<u>4,557,659</u>	<u>-</u>
Equity securities:				
Common stock	4,182,320	4,182,320	-	-
Foreign Stock	37,649	37,649	-	-
Mutual fund equities	13,649,734	13,649,734	-	-
Total equity securities	<u>17,869,702</u>	<u>17,869,702</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 24,701,404</u>	<u>\$ 20,143,745</u>	<u>\$ 4,557,659</u>	<u>\$ -</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 5 - RECEIVABLES**

Receivables as of September 30, 2018 for the Village's individual major funds and non-major funds in the aggregate consist of the following:

	General	Excise Tax Fund	Police Forfeiture	Sanitation Fund	Stormwater Fund	Water & Sewer Fund	Non-major Governmental Funds	Internal Enterprise Funds	Total
Receivables:									
Accounts	\$ -	\$ -	\$ -	244,260	\$ 17,649	\$ -	\$ -	\$ 7,431	\$ 269,340
Taxes	154,821	352,241	-	-	-	-	178,672	-	685,734
Special Assessment	-	-	-	-	-	3,930,739	-	-	3,930,739
Grants and other	41,725	-	9,366	-	-	-	351	-	51,442
Total receivables	<u>\$ 196,546</u>	<u>\$ 352,241</u>	<u>\$ 9,366</u>	<u>\$ 244,260</u>	<u>\$ 17,649</u>	<u>\$ 3,930,739</u>	<u>\$ 179,023</u>	<u>\$ 7,431</u>	<u>\$ 4,937,255</u>

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended September 30, 2018 was as follows:

**Capital assets not being depreciated:**

Land	2,358,437	27,721	-	2,386,158
Construction in progress	448,726	23,464	(395,236)	76,954
Total capital assets not being depreciated	<u>2,807,163</u>	<u>51,185</u>	<u>(395,236)</u>	<u>2,463,112</u>

**Capital assets being depreciated:**

Building and improvements	14,366,839	25,659	-	14,392,498
Land improvements	4,816,280	-	-	4,816,280
Infrastructure	18,539,047	305,890	-	18,844,937
Machinery and equipment	5,768,920	1,174,194	(359,350)	6,583,764
Intangible	-	433,958	-	433,958
Total capital assets being depreciated	<u>43,491,086</u>	<u>1,939,701</u>	<u>(359,350)</u>	<u>45,071,437</u>

**Less accumulated depreciation for:**

Building and improvements	(4,373,746)	(294,905)	-	(4,668,651)
Land improvements	(3,617,772)	(208,115)	-	(3,825,887)
Infrastructure	(12,798,835)	(483,623)	-	(13,282,458)
Machinery and equipment	(4,079,250)	(546,103)	351,110	(4,274,243)
Intangible	-	(23,450)	-	(23,450)
Total accumulated depreciation	<u>(24,869,603)</u>	<u>(1,556,196)</u>	<u>351,110</u>	<u>(26,074,689)</u>
Total capital assets being depreciated, net	<u>18,621,483</u>	<u>383,505</u>	<u>(8,240)</u>	<u>18,996,748</u>
Governmental activities capital assets, net	<u>\$ 21,428,646</u>	<u>\$ 434,690</u>	<u>\$ (403,476)</u>	<u>\$ 21,459,860</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

<u>Business-type activities</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
<b>Capital assets not being depreciated:</b>				
Construction in progress	\$ 4,251,145	\$ 66,931	\$ (3,275)	\$ 4,314,801
Total capital assets not being depreciated	<u>4,251,145</u>	<u>66,931</u>	<u>(3,275)</u>	<u>4,314,801</u>
<b>Capital assets being depreciated:</b>				
Machinery and equipment	2,337,550	128,887	(234,318)	2,232,119
Drainage improvements	<u>2,689,710</u>	<u>-</u>	<u>-</u>	<u>2,689,710</u>
Total capital assets being depreciated	<u>5,027,260</u>	<u>128,887</u>	<u>(234,318)</u>	<u>4,921,829</u>
<b>Less accumulated depreciation for:</b>				
Machinery and equipment	(1,355,301)	(186,507)	234,318	(1,307,490)
Drainage improvements	<u>(880,239)</u>	<u>(78,800)</u>	<u>-</u>	<u>(959,039)</u>
<b>Total accumulated depreciation</b>	<u>(2,235,540)</u>	<u>(265,307)</u>	<u>234,318</u>	<u>(2,266,529)</u>
Total capital assets being depreciated, net	<u>2,791,720</u>	<u>(136,420)</u>	<u>-</u>	<u>2,655,300</u>
Business-type activities capital assets, net	<u>\$ 7,042,865</u>	<u>\$ (69,489)</u>	<u>\$ (3,275)</u>	<u>\$ 6,970,101</u>

Depreciation expense was charged to functions/programs of the Village as follows:

**Governmental activities**

General Government	\$ 298,593
Public Safety	227,877
Public Works	483,623
Culture and Recreation	<u>546,103</u>
Total depreciation expense – governmental activities	<u>\$ 1,556,196</u>

**Business-type activities**

Sanitation	\$ 186,507
Stormwater	<u>78,800</u>
Total depreciation expense – business-type activities	<u>\$ 265,307</u>

**NOTE 7 - LONG-TERM DEBT**

**Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013**

In February 2013, the Village issued the Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013, in order to refund the cost of the Florida Municipal Loan Council Revenue Bonds, Series 1999. Principal is due annually (through 2029) at various amounts ranging from \$133,000 in 2018 to a final payment of \$169,000 in 2029. The bonds bear interest at variable rates ranging from 2.49 to 3.03%, payable semi-annually. The bonds are secured by ad-valorem revenues.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

**Miami Shores Village, Florida Refunding General Obligation Bond, Series 2013 (Continued)**

Debt service requirements to maturity for the fiscal year ending September 30, 2018 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 133,000	\$ 40,123	\$ 173,123
2020	136,000	36,834	172,834
2021	138,000	33,269	171,269
2022	145,000	29,697	174,697
2023	146,000	26,023	172,023
2024-2028	789,000	98,049	887,049
2029	169,000	2,127	171,127
	<u>\$ 1,656,000</u>	<u>\$ 266,122</u>	<u>\$ 1,922,122</u>

**Miami Shores Village, Florida Refunding General Obligation Bond, Series 2015**

In June 2015, the Village issued the Miami Shores Village, Florida Refunding General Obligation Bond Series 2015, in order to refund the cost of the Miami Shores Village, Florida General Obligation Bonds, Series 2004. Principal is due annually (through 2033) at various amounts ranging from 184,100 in 2018 to a final payment of \$263,700 in 2033. The bonds bear interest at a rate of 2.54% per annum. The bonds are secured by ad-valorem revenues. The refunding resulted in an economic gain of approximately \$764,000 and a cash flow savings of approximately \$947,000.

Debt service requirements to maturity for the fiscal year ending September 30, 2018 are summarized as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 184,100	\$ 84,424	\$ 268,524
2020	191,400	79,748	271,148
2021	193,400	74,887	268,287
2022	200,300	69,974	270,274
2023	201,800	64,887	266,687
2024-2028	1,099,600	214,610	1,314,210
2029-2033	1,253,200	115,971	1,369,171
	<u>\$ 3,323,800</u>	<u>\$ 704,501</u>	<u>\$ 4,028,301</u>

**Florida Local Government Finance Commission**

During fiscal year 2017, the Village entered into a pooled commercial paper loan agreement with the Florida Local Government Finance Commission (FLGFC) for total available funds of \$5,000,000 to finance various capital improvements within the Village, including the water main and sewer system project construction in the downtown area. The loan is collateralized by the Village's non-ad valorem revenues. The variable interest rate is paid monthly on the outstanding note balance. Other loan costs include various administrative fees and draw down costs of \$2,000 for each \$1,000,000 of draw down. During the year, there were two drawdowns for \$2,500,000 each. The outstanding balance under this agreement for the year ended September 30, 2018 is \$4,520,000 which is due on September 1, 2020.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Long-term debt activity for the fiscal year ended September 30, 2018 was as follows:

<b>2018 MSV Audit Debt Rollforward Fiscal Year Ending 9/30/18</b>					
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within one year</u>
<b>Governmental activities</b>					
Bonds and notes payable:					
Promissory Note, Series 2013	\$ 222,159	\$ -	\$ (222,159)	\$ -	\$ -
Refunding General Obligation Bond, Series 2013	1,787,000	-	(131,000)	1,656,000	133,000
Refunding General Obligation Bond, Series 2015	<u>3,504,600</u>	<u>-</u>	<u>(180,800)</u>	<u>3,323,800</u>	<u>184,100</u>
Total bonds and notes payable	<u>5,513,759</u>	<u>-</u>	<u>(533,959)</u>	<u>4,979,800</u>	<u>317,100</u>
Other liabilities:					
OPEB liability	699,264	-	(86,345)	612,919	-
Claims payable	340,000	-	(340,000)	-	-
Compensated absences	803,287	751,772	(823,806)	731,253	5,413
Net pension liability	<u>9,103,273</u>	<u>5,720,998</u>	<u>(8,212,606)</u>	<u>6,611,665</u>	<u>-</u>
Total other liabilities	<u>10,945,824</u>	<u>6,472,770</u>	<u>(9,462,757)</u>	<u>7,955,837</u>	<u>5,413</u>
Governmental activity long-term liabilities	<u>\$ 16,459,583</u>	<u>\$ 6,472,770</u>	<u>\$ (9,996,716)</u>	<u>\$ 12,935,637</u>	<u>\$ 322,513</u>
<b>Business-type activities</b>					
FLGFC Notes Payable	\$ 4,680,000	\$ -	\$ (160,000)	\$ 4,520,000	\$ 160,000
Other liabilities:					
OPEB liability	32,879	-	(2,468)	30,411	-
Compensated absences	134,637	71,326	(65,107)	140,856	35,214
Net pension liability	<u>530,151</u>	<u>391,926</u>	<u>(678,016)</u>	<u>244,061</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 5,377,667</u>	<u>\$ 463,252</u>	<u>\$ (905,591)</u>	<u>\$ 4,935,328</u>	<u>\$ 195,214</u>

For government activities, compensated absences and other post-employment (OPEB) benefits are generally liquidated by the general fund. Claims and adjustments are liquidated by the Risk Management internal service fund.

**NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund transfer activity for the year ended September 30, 2018 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,300,000	\$ 674,814
Excise Tax	-	1,900,000
Water & Sewer	49,924	-
Sanitation Fund	-	350,000
Stormwater Fund	-	50,000
Non-Major Governmental Funds	681,015	56,125
Internal Service Funds	-	-
Total	<u>\$ 3,030,939</u>	<u>\$ 3,030,939</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund the statute or budget requires to expend them and (b) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

- The Excise Tax Fund transferred \$1,900,000 to the General Fund for operating purposes after all debt service requirements have been made.
- The General Fund transferred \$624,890 to the Capital Improvement Fund as funding for various ongoing capital projects of the Village, including the purchase of the Archdiocese property for future use as a Village facility.

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING**

The Village maintains two separate defined benefit single-employer pension plans, the General Employees' Retirement Plan and the Police Officers' Retirement Plan which cover substantially all of its full-time employees. The Village accounts for these pension plans as pension trust funds.

**Basis of Accounting**

The Village's pension plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

**Membership**

The membership in the Plans as of October 1, 2017 (the date of the latest actuarial valuations) consisted of:

	<u>General Employees</u>	<u>Police</u>
Inactive employees:		
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	60	31
Active participants:	<u>66</u>	<u>27</u>
Total members	<u>126</u>	<u>58</u>



**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**General Employees' Retirement Plan**

Plan Description

The General Employees' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers all Village employees, except for police, and certain appointed employees. The Plan was established on January 1, 1957 by the Village Council. On December 31, 1999, the Plan was split between the general employees and the police officers. The Plan is governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective December 5, 2006, current employees may elect to participate in the deferred retirement option plan (DROP) the first day of the month coincident with or next following the date of normal retirement. Election into the DROP is voluntary. The employee may elect to participate in the plan for a maximum of 60 months. Once participation in the DROP commences, such participation constitutes an irrevocable election.

A member's continuous service and accrued benefit under the Plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the Plan shall not be accrued. No payments are made directly to the employee from the Plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the General Employees' Pension Plan will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

Upon termination of employment with the Village or 60 months of DROP participation, the balance of the DROP account will become payable in addition to the monthly normal retirement benefit (which is based on credited service and average monthly salary on the DROP election date). The DROP account is distributed to the member in a single lump sum payment or a direct rollover to another qualified retirement plan. If a member dies before the member's DROP account balance has been paid in full, distribution of the DROP account balance will be made according to the member's designation. DROP payments to a beneficiary will be in addition to any retirement benefits payable by the Plan. Under any option and in no event may the total benefit payments to the member or the beneficiary be less than the member's own accumulated contributions. As of September 30, 2018, there were 9 members in the DROP and their fair value of DROP investment was \$737,469 which is included in the Plan's net position. At the end of September 30, 2018, the Plan had no DROP Liability.

Funding Requirement

Plan members are required to contribute 6% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2018.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**General Employees' Retirement Plan (Continued)**

Funding Requirement (Continued)

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2017 for the year ended September 30, 2018. The contributions consisted of the following at September 30, 2018:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$ 443,102	13.18%
Members	\$ 201,687	N/A

Net Pension Liability

Total pension liability	15,896,701
Plan fiduciary net position	<u>15,246,755</u>
Net pension liability	<u>649,946</u>
Plan fiduciary net position as a percentage of total pension liability	95.91%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2017 and rolled forward to the measurement date of September 30, 2018 using the following actuarial assumptions:

Interest rates:	
Single discount rate	7.50%
Long-term expected rate of return	7.50%
Inflation	2.50%
Mortality table	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment for General employees and a 90% blue collar adjustment and a 10% white collar adjustment for Police transfers. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as required under Florida Statutes, Chapter 112.63.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2018 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Fixed Income	2.5%

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**General Employees' Retirement Plan (Continued)**

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability (Asset) to the Single Discount Rate Assumption

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.50%	7.50%	8.50%
\$ 2,443,467	\$ 649,946	\$ (855,902)

Financial Information

The Plan does not issue separate stand-alone financial statements, therefore, included below is the Statement of Plan Net Position and the Statement of Changes in Plan Net Position as of and for the fiscal year ended September 30, 2018.

STATEMENT OF FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2018

<u>ASSETS</u>	
Cash and cash equivalents	\$ 985,320
Investments, at fair value	14,139,815
Accrued interest receivable	<u>123,134</u>
Total assets	<u>15,248,269</u>
<u>LIABILITIES AND NET POSITION</u>	
Due to Police Pension	<u>1,514</u>
Total liabilities	<u>1,514</u>
Net position restricted for pensions	<u>\$ 15,246,755</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**General Employees' Retirement Plan (Continued)**

STATEMENT OF CHANGES IN PLAN NET POSITION  
 FISCAL YEAR ENDED SEPTEMBER 30, 2018

ADDITIONS	
Contributions	\$ 644,789
Net investment income	<u>1,452,542</u>
Total additions	<u>2,097,331</u>
DEDUCTIONS	
Pension benefits	597,378
Administrative expenses	<u>40,842</u>
Total deductions	<u>638,220</u>
Increase	1,459,111
Net position restricted for pensions:	
Beginning of year	<u>13,787,644</u>
End of year	<u>\$ 15,246,755</u>

Tax Status

The Internal Revenue Service has determined and informed the Plan by a letter on April 20, 2016, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code, conditioned upon the adoption of certain proposed modifications. Further, the Village and legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

**Police Officers' Retirement Plan**

Plan Description

The Police Officers' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the Village's certified police officers. The Plan was established as of the effective date of January 1, 1957 by the Village Council. It was amended on December 31, 1999, to split the Plan between General Employees and Police Officers. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

Deferred Retirement Option Plan

Effective May 5, 1998, subsequent to the approval from the State of Florida, Division of Retirement, current employees with at least 25 but not more than 30 years of continuous service as a member of the plan may elect to participate in the deferred retirement option plan (DROP) for sworn police personnel. The employee may elect to participate in the plan for a maximum of 60 months before the employee attains 30 years of continuous service. A member's continuous service and accrued benefit under the plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the plan shall not be accrued, except for cost-of-living adjustments provided to retirees under the plan. No payments are made directly to the employee from the pension plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the police officers' retirement system will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

At the conclusion of the member's participation in the DROP, the member will receive a normal benefit calculated in accordance with the plan using an average monthly earnings and continuous service as of the effective date of the member's election to participate in the DROP. The DROP account is distributed to the member in a cash lump sum, unless the member alternatively elects to receive payments in approximately equal quarterly or annual installments over a period designated by the member. If a member dies before distribution of the member's DROP plan commences, the account balance is paid to the member's designated beneficiary in an immediate cash lump sum. Provisions of the plan do not allow for the distribution of a member's DROP account to begin later than April 1 following the later of the calendar year in which the member separates from service with the Village or attains age 70 1/4 years. As of September 30, 2018, there were 4 members in the DROP and their fair value of DROP investment was \$1,235,765 which is included in the Plan's net position. At the end of September 30, 2018, the Plan had no DROP liability.

Funding Requirement

Plan members are required to contribute 9% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2018.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of the threshold of \$60,386 are to be utilized to provide future minimum extra benefits and may not be used to reduce or offset the contribution requirements of the employer.

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2017 for the year ended September 30, 2018. The contributions consisted of the following at September 30, 2018:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	1,165,400	45.40%
State of Florida	<u>99,702</u>	<u>3.88%</u>
Total contributions from Village and State of Florida	<u>1,265,102</u>	<u>49.28%</u>
Members	231,040	N/A

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

Net Pension Liability

Total pension liability	\$	30,282,738
Plan fiduciary net position		26,706,742
Net pension liability		3,575,996
Plan fiduciary net position as a percentage of total pension liability		88.19%

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2017 and rolled forward to the measurement date of September 30, 2018, using the following actuarial assumptions:

Interest rates:

Single discount rate	7.50%
Long term expected rate of return	7.50%
Inflation	2.50%

Mortality table

RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. For disabled retirees, the mortality table used was 60% of the RP-2000 Mortality Table for Disabled Annuity and 40% of the RP-2000 Annuity Mortality Table with a White Collar adjustment, set back 4 years for males and set forward 2 years for females, with no provision being made for future mortality improvements. These are the same rates currently used for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Fixed Income	2.5%

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount Rate Assumption	1% Increase
0.065	0.075	0.085
\$ 7,372,107	\$ 3,575,996	\$ 458,440

Financial Information

The Plan does not issue separate stand-alone financial statements, therefore, included below is the Statement of Plan Net Position and the Statement of Changes in Plan Net Position as of and for the fiscal year ended September 30, 2018.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2018

<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,956,430
Investments, at fair value	24,701,404
Receivables	48,908
Total assets	26,706,742
<u>LIABILITIES AND NET POSITION</u>	
Accounts payable and accrued expenses	-
Net position restricted for pensions	\$ 26,706,742

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 - EMPLOYEE RETIREMENT PLANS - PLANS' REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

STATEMENT OF CHANGES IN PLAN NET POSITION  
FISCAL YEAR ENDED SEPTEMBER 30, 2018

<b>ADDITIONS</b>	
Contributions	\$ 1,496,142
Net investment income	2,464,134
Total additions	3,960,276
 <b>DEDUCTIONS</b>	
Pension benefits	1,279,385
Administrative expenses	55,307
Total deductions	1,334,692
Increase	2,625,584
 Net position restricted for pensions:	
Beginning of year	24,081,158
End of year	\$ 26,706,742

Tax Status

The Internal Revenue Service has determined and informed the Plan by a letter on April 20, 2016, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code, conditioned upon the adoption of certain proposed modifications. Further, the Village and legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING**

As described in Note 9, the Village maintains two separate defined benefit single-employer pension plans, the General Employees' Retirement Plan and the Police Officers' Retirement Plan which cover substantially all of its full-time employees. The following details the disclosures as required by GASB Statement No. 68.

**Basis of Accounting**

The Village's pension plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each Plan.

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.



**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)**

**Membership**

The membership in the General Employees' Retirement Plan (as of October 1, 2015) and the Police Officers' Retirement Plan (as of October 1, 2016) consisted of:

	<u>General Employees</u>	<u>Police</u>
Inactive employees:		
Retirees and beneficiaries currently receiving benefits and	49	26
Retirees entitled to benefits but not yet receiving them	8	2
Active participants:	<u>65</u>	<u>28</u>
Total members	<u>122</u>	<u>56</u>

**General Employees' Retirement Plan**

Plan Description

The General Employees' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers all Village employees, except for police, and certain appointed employees. The Plan was established on January 1, 1957 by the Village Council. On December 31, 1999, the Plan was split between the general employees and the police officers. The Plan is governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan amendments must be authorized by the Village Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective December 5, 2006, current employees may elect to participate in the deferred retirement option plan (DROP) the first day of the month coincident with or next following the date of normal retirement. Election into the DROP is voluntary. The employee may elect to participate in the plan for a maximum of 60 months. Once participation in the DROP commences, such participation constitutes an irrevocable election.

A member's continuous service and accrued benefit under the Plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the Plan shall not be accrued. No payments are made directly to the employee from the Plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the General Employees' Pension Plan will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS VILLAGE'S REPORTING (CONTINUED)**

**General Employees' Retirement Plan (Continued)**

Deferred Retirement Option Plan (Continued)

Upon termination of employment with the Village or 60 months of DROP participation, the balance of the DROP account will become payable in addition to the monthly normal retirement benefit (which is based on credited service and average monthly salary on the DROP election date). The DROP account is distributed to the member in a single lump sum payment or a direct rollover to another qualified retirement plan. If a member dies before the member's DROP account balance has been paid in full, distribution of the DROP account balance will be made according to the member's designation. DROP payments to a beneficiary will be in addition to any retirement benefits payable by the Plan. Under any option and in no event may the total benefit payments to the member or the beneficiary be less than the member's own accumulated contributions. As of September 30, 2018, there were 9 members in the DROP and their fair value of DROP investment was \$737,469 which is included in the Plan's net position. At the end of September 30, 2018, the Village had no DROP liability.

Funding Requirement

Plan members are required to contribute 6% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2017.

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2015 for the year ended September 30, 2017. The contributions consisted of the following at September 30, 2017:

		<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	\$	443,102	14.25%
Members		186,555	N/A

Net Pension Liability:

The Village's net pension liability was measured as of September 30, 2017. The total pension liability used to calculate the net pension liability was determined as of that date.

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of September 30, 2017, using the following actuarial assumptions:

Interest rates:	
Single discount rate	7.50%
Long-term expected rate of return	7.50%
Inflation	2.50%
Mortality table	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS VILLAGE'S REPORTING (CONTINUED)**

**General Employees' Retirement Plan (Continued)**

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Fixed Income	2.5%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 7.50% was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting period ending at September 30, 2017	\$ 15,090,867	\$ 12,299,360	\$ 2,791,507
Service Cost	345,113	-	345,113
Interest	1,134,060	-	1,134,060
Assumptions changes	(931,742)	-	(931,742)
Contributions - Employer	-	443,102	(443,102)
Contributions - Member	-	186,555	(186,555)
Benefit Payments	(630,350)	-	(630,350)
Net Investment Income	-	1,531,913	(1,531,913)
Benefit Payments	-	(630,350)	630,350
Administrative Expense	-	(42,936)	42,936
Reporting period ending at September 30, 2018	\$ 15,007,948	\$ 13,787,644	\$ 1,220,304

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.87%
Covered Payroll	\$ 3,109,250
Net Pension Liability as a Percentage of Covered Payroll	39.25%

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)**

**General Employees' Retirement Plan (Continued)**

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	Current Single Discount	
1% Decrease	Rate Assumption	1% Increase
6.50%	7.50%	8.50%
\$ 2,974,012	\$ 1,220,304	\$ (246,904)

Pension Expense and Deferred Outflows/(Inflows) of Resources

For the year ended September 30, 2018, the Village will recognize pension expense of \$348,934. At September 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 30,547	\$ 693,542
Changes in assumptions	154,922	-
Net difference between projected and actual earnings on pension plan investments	<u>446,079</u>	<u>625,245</u>
Total	<u>\$ 631,548</u>	<u>\$ 1,318,787</u>

The Village contributions subsequent to the measurement date of \$443,102 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019 (which will include the net pension liability measured at September 30, 2018).

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,	Net Deferred Outflows of Resources
2019	(64,741)
2020	(117,585)
2021	(382,692)
2022	(122,221)
2023	-
Thereafter	-
Total	<u>\$ (687,239)</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)**

**Police Officers' Retirement Plan**

Plan Description

The Police Officers' Retirement System (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the Village's certified police officers. The Plan was established as of the effective date of January 1, 1957 by the Village Council. It was amended on December 31, 1999, to split the Plan between General Employees and Police Officers. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan.

Plan amendments must be authorized by the Village Council. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Plan does not issue a separate financial report.

Deferred Retirement Option Plan

Effective May 5, 1998, subsequent to the approval from the State of Florida, Division of Retirement, current employees with at least 25 but not more than 30 years of continuous service as a member of the plan may elect to participate in the deferred retirement option plan (DROP) for sworn police personnel. The employee may elect to participate in the plan for a maximum of 60 months before the employee attains 30 years of continuous service. A member's continuous service and accrued benefit under the plan shall be determined and frozen on the effective date of the employee's election to participate in the DROP. Additional continuous service or benefits under the plan shall not be accrued, except for cost-of-living adjustments provided to retirees under the plan. No payments are made directly to the employee from the pension plan while the member participates in the drop plan.

During the period of the member's participation in the DROP, the employee's normal retirement benefit shall be credited to the employee's DROP account. No further contributions to the police officers' retirement system will be required by the Village nor the employee on behalf of any employee who has elected participation in the DROP. The member's account is invested as part of the corpus of the system by the Board and is credited with interest equal to the overall net rate of return on the fund assets during the reporting period during which the member participates in the DROP.

At the conclusion of the member's participation in the DROP, the member will receive a normal benefit calculated in accordance with the plan using an average monthly earnings and continuous service as of the effective date of the member's election to participate in the DROP. The DROP account is distributed to the member in a cash lump sum, unless the member alternatively elects to receive payments in approximately equal quarterly or annual installments over a period designated by the member. If a member dies before distribution of the member's DROP plan commences, the account balance is paid to the member's designated beneficiary in an immediate cash lump sum. Provisions of the plan do not allow for the distribution of a member's DROP account to begin later than April 1 following the later of the calendar year in which the member separates from service with the Village or attains age 70 & 1/4 years. As of September 30, 2018, there were 4 members in the DROP and their fair value of DROP investment was \$1,235,765 which is included in the Plan's net position. At the end of September 30, 2018, the Plan had no DROP liability.

Funding Requirement

Plan members are required to contribute 9% of their annual covered salary. The Village contributes at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain contribution method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the fiscal year ended September 30, 2017.

Pursuant to Chapter 185, Florida Statutes, a portion of all insurance premium tax monies received in excess of the threshold of \$60,386 are to be utilized to provide future minimum extra benefits and may not be used to reduce or offset the contribution requirements of the employer.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

The actual contribution from the Village for active members were actuarially determined using the actuarial valuation as of October 1, 2016 for the year ended September 30, 2017. The contributions consisted of the following at September 30, 2018:

	<u>Actual Contribution</u>	<u>Percentage of Covered Payroll</u>
Village	1,105,854	47.25%
State of Florida	<u>100,575</u>	<u>4.30%</u>
Total contributions from Village and		
State of Florida	<u>1,206,429</u>	<u>51.55%</u>
Members	210,630	N/A

Net Pension Liability:

The Village's net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by the October 1, 2016 actuarial valuation.

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2016 and rolled forward to the measurement date of September 30, 2017, using the following actuarial assumptions:

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2016, using the following actuarial assumptions:

Interest rates:

Single discount rate	7.50%
Long-term expected rate of return	7.50%
Inflation	2.50%

Mortality table

RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investment was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2016 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.5%
International Equity	8.5%
Fixed Income	2.5%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 7.50% was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Reporting period ending at September 30, 2016	\$ 28,022,822	\$ 21,180,905	\$ 6,841,917
Service Cost	660,242	-	660,242
Interest	2,115,601	-	2,115,601
Change of Benefit Terms	-	-	-
Difference between actual & expected experience	101,437	-	101,437
Contributions - Employer	-	1,105,854	(1,105,854)
Contributions - State	-	100,575	(100,575)
Contributions - Employee (Including Buyback Contributions)	-	210,630	(210,630)
Change of Assumptions	(303,810)	-	(303,810)
Net Investment Income	-	2,495,997	(2,495,997)
Benefit Payments	(950,094)	(950,094)	-
Administrative Expense	-	(62,709)	62,709
Other (Changes in State Contribution Reserve	70,382	-	70,382
Reporting period ending at September 30, 2017	<u>\$ 29,716,580</u>	<u>\$ 24,081,158</u>	<u>\$ 5,635,422</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		81.04%	
Covered Payroll		\$ 2,340,333	
Net Pension Liability as a Percentage of Covered Payroll		240.80%	

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 - EMPLOYEE RETIREMENT PLANS - VILLAGE'S REPORTING (CONTINUED)**

**Police Officers' Retirement Plan (Continued)**

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
0.065	0.075	0.085
\$ 9,396,930	\$ 5,635,422	\$ 2,548,346

For the year ended September 30, 2018, the Village will recognize pension expense of \$1,178,615. At September 30, 2018, the Village reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 83,198	\$ 289,483
Changes in assumptions	330,164	244,239
Net difference between projected and actual earnings on pension plan investments	700,832	929,034
Total	\$ 1,114,194	\$ 1,462,756

The Village contributions subsequent to the measurement date of \$1,165,400 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019 (which will include the net pension liability measured at September 30, 2018).

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

Fiscal year ending <u>September 30,</u>	Net Deferred Outflows of Resources
2019	\$ 84,039.00
2020	49,194
2021	(259,692)
2022	(218,135)
2023	(3,968)
Thereafter	-
Total	\$ (348,562)

Reconciliation of pension activity to statement of Net Position

	General Employees	Police Officers'
Net Pension Liability by Plan	649,946	3,575,996
Deffered Outflows of Resources	631,548	114,194
Deffered Inflows of Resources	(1,318,787)	(1,462,756)
Total	(37,293)	2,227,434



**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 11 RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions and natural disasters for which it has purchased commercial insurance. Prior to October 1, 2005, the Village was self-insured for these claims up to certain limits.

The amount of settlements for each of the past three fiscal years did not exceed insurance coverage.

Liabilities in the risk management internal service fund include amounts for claims that have been incurred but not reported (IBNR's) as well as known claims that existed prior to purchasing commercial insurance. Claim liabilities are calculated considering the recent claim settlement trends.

**NOTE 12- COMMITMENTS AND CONTINGENCIES**

**Litigation**

Various suits and claims arising in the ordinary course of operations are pending against the Village. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the Village has sufficient insurance coverage to cover any claims and/or liabilities, which may arise from such action. The effect of such losses would not materially affect the financial position of the Village or the results of its operations.

**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 applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the Village's financial condition.

**NOTE 13 - OTHER POST EMPLOYMENT BENEFITS**

**Plan Description and Provisions**

Other Post-Employment Benefits (OPEB) are available to all employees eligible for Disability, Early or Normal Retirement, as above, after terminating employment with the Village. The OPEB benefits include access to coverage for the retiree and dependents under the Medical and Prescription Plans as well as participation in the Dental group plans sponsored by the Village for employees. The Village provides all financial information and required disclosures of its single employer other post-employment benefit plan in this document; therefore, a separate audited post-employment benefits plan report is not available.

**Membership**

As of September 30, 2017 (the date of the latest actuarial valuations) health care and dental plan participants consisted of:

Active participants	102
Retired participants	<u>9</u>
Total participants	<u>111</u>

**Health-Related Benefits**

Eligible retirees may choose among the same Medical Plan options available for active employees of the Village. Dependents of retirees may be covered at the retiree's option the same as dependents of active employees. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees.

Retirees who are over age 65 are only eligible to enroll in Medicare Advantage Plan.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 13 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Retiree Contributions for Medical/Prescription**

In order to begin and maintain retiree Medical/Prescription coverage, premium contributions are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the contributions required for retiree and dependent coverage may change from time to time.

**Medical Insurance Supplement**

Retired Police Officers are eligible for supplemental payments from the Village in the amount of \$100 per month to help pay for the costs of health insurance, even if retired officers have coverage through a different health plan. Eligibility is conditioned upon demonstration that the Officer has health insurance coverage. The benefit stops at age 65.

This benefit is partially funded during active employment with the Village – Police officers contribute \$4.05 per pay period towards future payments from the Village. In the event of termination prior to 10 years of service, the accumulated employee contributions are forfeited. In the event of termination after 10 years of service but prior to OPEB eligibility, the member may request a refund of the employee contribution and forfeit the right to future coverage. The employee contributions are not held in a qualifying trust or similar arrangement.

**Disabled Retirees Premium Contributions**

Members eligible for disability retirement are subject to premium payments the same as all regular retirees. An exception is made to Police Officers who had sustained catastrophic injuries in the line of duty. Premiums for health coverage of such officers, their spouses and any dependent children will be paid by the Village as prescribed by the Florida Statute Sections 112.19(2)(g)1 and 112.19(2)(h)1 respectively (first introduced as the Alu-O'Hara Public Safety Act).

**Funding Policy**

Benefits are funded on a pay-as-you-go basis.

Total OPEB Liability

The Plan's total OPEB liability of \$643,330 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Actuarial valuation date	09/30/2017
Measurement date	09/30/2017
Actuarial Cost Method	Entry Age Normal
Discount rate	3.50%
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition.
Mortality Table	Mortality tables used in the July 1, 2016 actuarial valuation of the Florida retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 13 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Actuarial assumptions and other inputs (Continued)

Inflation Rate	0%
Projected Salary Increases-General	5.0% based on service includes inflation
Projected Salary Increases-Police	6.0% based on service includes inflation
Heathcare Cost Trend Rate	Based on the Getzen Model, with trend starting at - 2.00% to reflect actual premiums decreased for 2018, then 6.75% for 2019 and gradually decreasing to an ultimate trend rate of 4.24% plus 0.34% increase to reflect the excise tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs- From Birth to Death"
Expenses	Administrative expenses are included in the per capita health costs.
Other Information:	The discount rate from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2017. This change is reflected in the Schedule of Changes in Total OPEB liability.

Changes in the Total OPEB Liability

Balance at 9/30/17	\$	732,143
Changes for the year:		
Service cost		48,122
Interest		22,769
Changes in benefit terms		(48,084)
Changes in assumptions and other inputs		(20,041)
Benefit payments		(91,579)
Net change in OPEB liability		(88,813)
Balance at 9/30/18	\$	643,330

Sensitivity of the total OPEB liability to changes in the discount rate assumption

The following presents the plan's total OPEB liability, calculated using a discount rate of 3.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	2.50%	3.50%	4.50%
\$	694,534	\$ 643,330	\$ 596,132

**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 13 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Sensitivity of the total OPEB liability to the Healthcare Cost Trend Rate assumption

The following presents the plan's total OPEB liability the assured trend rates, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare Cost Trend Rate Assumption	
1% Decrease		1% Increase
\$	574,999	\$ 643,330
		\$ 723,948

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the Village Plan recognized OPEB expenses of \$20,652. At September 30, 2018, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions and other inputs	-	17,886
Total	<u>\$ -</u>	<u>\$ 17,886</u>

At the beginning of the current measurement period, the average of the expected remaining service lives for the purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 5.1 years.

Deferred Outflows and Inflows of Resources by Year to be recognized in future OPEB expenses are as follows:

The Village contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019 (which will include the net pension liability measured at September 30, 2018).

Fiscal year Ending <u>September 30</u>	Net Deferred Inflows of Resources
2019	\$ (2,155)
2020	(2,155)
2021	(2,155)
2022	(2,155)
2023	(2,155)
Thereafter	<u>(7,111)</u>
Total	\$ (17,886)

Estimated Deferred Outflows of Resources due to benefits paid after the Measurement Date is \$36,994.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 7,912,665	\$ 7,912,665	\$ 8,027,601	\$ 114,936
Licenses and permits:				
Business licenses - County	25,000	25,000	23,911	(1,089)
Building permits	869,500	869,500	871,857	2,357
Certificate of reoccupancy	14,200	14,200	12,755	(1,445)
Other licenses and permits	288,800	313,700	302,925	(10,775)
Total licenses and permits	<u>1,197,500</u>	<u>1,222,400</u>	<u>1,211,448</u>	<u>(10,952)</u>
Intergovernmental revenues:				
State shared revenues:				
State revenue sharing	266,660	266,660	278,626	11,966
Local government half cent sales tax	854,700	854,700	851,907	(2,793)
Other	745	745	791	46
Total intergovernmental revenues	<u>1,122,105</u>	<u>1,122,105</u>	<u>1,131,324</u>	<u>9,219</u>
Charges for services:				
Physical environment	20,300	20,300	23,092	2,792
Police extra duty	420,840	420,840	393,264	(27,576)
Landscape maintenance	22,000	22,000	26,208	4,208
Culture/recreation	1,484,676	1,445,506	1,592,295	146,789
Total charges for services	<u>1,947,816</u>	<u>1,908,646</u>	<u>2,034,859</u>	<u>126,213</u>
Fines and forfeitures:				
Court fines and costs	32,240	32,240	12,966	(19,274)
School crossing guards	18,500	18,500	16,727	(1,773)
Other	312,000	323,715	406,099	82,384
Total fines and forfeitures	<u>362,740</u>	<u>374,455</u>	<u>435,792</u>	<u>61,337</u>
Miscellaneous:				
Rents	356,500	356,500	380,166	23,666
Other	76,842	76,842	81,613	4,771
Total miscellaneous	<u>433,342</u>	<u>433,342</u>	<u>461,779</u>	<u>28,437</u>
Interest	<u>72,000</u>	<u>72,000</u>	<u>74,081</u>	<u>2,081</u>
Total revenues	<u>\$ 13,048,168</u>	<u>\$ 13,045,613</u>	<u>\$ 13,376,884</u>	<u>\$ 331,271</u>

See notes to budgetary comparison schedule

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government:				
Village council	\$ 46,175	\$ 46,175	\$ 37,672	\$ 8,503
Village attorney	256,100	256,100	250,655	5,445
Village manager	311,497	311,497	249,977	61,520
Village clerk	136,169	152,917	144,216	8,701
Code enforcement	185,552	170,518	169,817	701
Building department	618,947	627,321	575,149	52,172
Planning and zoning	189,081	287,499	272,093	15,406
Finance	612,061	625,617	546,345	79,272
Other general government	<u>1,111,915</u>	<u>828,431</u>	<u>817,614</u>	<u>10,817</u>
Total general government	<u>3,467,497</u>	<u>3,306,075</u>	<u>3,063,538</u>	<u>242,537</u>
Public safety:				
Law enforcement	6,873,142	7,008,572	6,724,561	284,011
School crossing guard	<u>47,109</u>	<u>48,656</u>	<u>47,963</u>	<u>693</u>
Total public safety	<u>6,920,251</u>	<u>7,057,228</u>	<u>6,772,524</u>	<u>284,704</u>
Public works:				
Parks	371,300	378,683	354,087	24,596
Street maintenance	673,508	678,081	674,588	3,493
Public works administration	486,654	496,775	469,478	27,297
Recreation maintenance	<u>197,357</u>	<u>200,363</u>	<u>195,363</u>	<u>5,000</u>
Total public services	<u>1,728,819</u>	<u>1,753,902</u>	<u>1,693,516</u>	<u>60,386</u>
Culture and recreation:				
Recreation	2,382,645	2,406,600	2,362,760	43,840
Library	<u>456,599</u>	<u>464,330</u>	<u>433,505</u>	<u>30,825</u>
Total culture and recreation	<u>2,839,244</u>	<u>2,870,930</u>	<u>2,796,265</u>	<u>74,665</u>
Total expenditures	<u>14,955,811</u>	<u>14,988,135</u>	<u>14,325,843</u>	<u>662,292</u>
(Deficiency) of revenues (under) expenditures	(1,907,643)	(1,942,522)	(948,959)	993,563
Other financing sources (uses):				
Transfers in	2,492,000	2,492,000	2,300,000	192,000
Transfers out	<u>(584,357)</u>	<u>(717,957)</u>	<u>(717,957)</u>	<u>-</u>
(Deficiency) of revenues (under) other financing sources (uses)	-	(168,479)	633,084	801,563
Fund balance appropriated	<u>-</u>	<u>168,479</u>	<u>-</u>	<u>\$ 168,479</u>
Net change in fund balance	-	-	633,084	
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>7,455,414</u>	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,088,498</u>	

See notes to budgetary comparison schedule

**MIAMI SHORES VILLAGE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULES**  
**SPECIAL REVENUE FUND - EXCISE TAX**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Public service taxes	\$ 2,092,000	\$ 2,092,000	\$ 2,121,676	\$ 29,676
Total revenues	<u>2,092,000</u>	<u>2,092,000</u>	<u>2,121,676</u>	<u>29,676</u>
Other financing sources (uses):				
Transfers out	<u>(2,092,000)</u>	<u>(2,092,000)</u>	<u>(1,900,000)</u>	<u>192,000</u>
Excess (deficiency) of revenues over (under) other financing sources (uses)	-	-	221,676	221,676
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Net change in fund balance	-	-	221,676	
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>765,741</u>	
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 987,417</u>	

See notes to budgetary comparison schedules



**MIAMI SHORES VILLAGE, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**SEPTEMBER 30, 2018**

**BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Village annually adopts operating budgets for the following governmental funds: General Fund, Excise Tax Fund, Local Option Gas Tax Fund, Transportation, the Capital Improvements Fund and Debt Service Fund. Budgets are also adopted for the Stormwater fund, Sanitation fund, Risk Management and Fleet Maintenance Fund.

- a) 35 days prior to the fiscal year end, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget is restricted to proposed expenditures and the means of financing them by means of appropriated revenues, other financing sources and appropriations of fund balances. Budgetary control over expenditures for the General Fund is legally maintained at the departmental level. For all other funds it is legally maintained at the fund level.
- b) Two public hearings are conducted to obtain taxpayer comments as required by Truth in Millage (TRIM) legislation.
- c) Prior to September 28th (unless preempted by TRIM) as stated in the Village's Charter, the budget is legally enacted through passage of a resolution.
- d) The Village Manager may at any time transfer any unencumbered appropriated balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the Village Manager and within the last three months of the budget year, the Council may by resolution transfer any unencumbered appropriated balance or portion thereof, from one office, department or agency to another.
- e) Budgeted amounts are as originally adopted or as amended. There were supplemental appropriations in the General Fund totaling \$331,271, during the fiscal year ended September 30, 2018 for funding outstanding obligations and unanticipated expenses
- f) Unencumbered appropriations lapse at year end.

**Excesses of Expenditures over Appropriations**

For the year ended September 30, 2018, expenditures exceeded appropriations in the Grant Fund by \$2,081. These over-expenditures were funded by available fund balance.

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM (VILLAGE'S REPORTING)**  
(as required by GASB Statement No. 68)

Reporting fiscal year ending September 30, Measurement fiscal year ending September 30,	<u>2018</u> 2017	<u>2017</u> 2016	<u>2016</u> 2015	<u>2015</u> 2014
<b>Total Pension Liability</b>				
Service Cost	\$ 345,113	\$ 315,449	\$ 325,868	\$ 308,880
Interest	1,134,060	1,079,053	1,018,010	960,279
Difference between actual & expected experience of the Total Pension Liability	(931,742)	-	106,918	(7,788)
Difference between actual & expected assumption	-	317,996	-	-
Benefit Payments	(630,350)	(639,713)	(655,520)	(373,038)
Refunds	-	-	-	(28,655)
<b>Net Change in Total Pension Liability</b>	<u>(82,919)</u>	<u>1,072,785</u>	<u>795,276</u>	<u>859,678</u>
<b>Total Pension Liability - Beginning</b>	<u>15,090,867</u>	<u>14,018,082</u>	<u>13,222,806</u>	<u>12,363,128</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 15,007,948</u>	<u>\$ 15,090,867</u>	<u>\$ 14,018,082</u>	<u>\$ 13,222,806</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 443,102	\$ 371,453	\$ 371,453	\$ 261,966
Contributions - Member	186,555	188,786	188,793	179,680
Net Investment Income	1,531,913	1,074,730	(160,205)	715,959
Benefit Payments	(630,350)	(639,713)	(655,520)	(373,038)
Refunds	-	-	-	(28,655)
Administrative Expense	(42,936)	(69,962)	(15,448)	(29,411)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,488,284</u>	<u>925,294</u>	<u>(270,927)</u>	<u>726,501</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>12,299,360</u>	<u>11,374,066</u>	<u>11,644,993</u>	<u>10,918,492</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 13,787,644</u>	<u>\$ 12,299,360</u>	<u>\$ 11,374,066</u>	<u>\$ 11,644,993</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 1,220,304</u>	<u>\$ 2,791,507</u>	<u>\$ 2,644,016</u>	<u>\$ 1,577,813</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.87%	81.50%	81.14%	88.07%
Covered Payroll <sup>1</sup>	\$ 3,109,250	\$ 3,146,433	\$ 3,146,550	\$ 2,994,667
Net Pension Liability as a Percentage of Covered Payroll	39.25%	88.72%	84.03%	52.69%

<sup>1</sup> Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM (PLAN'S REPORTING)**  
(as required by GASB Statement No. 67)

Fiscal year ending September 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>					
Service Cost	\$ 355,620	\$ 345,113	\$ 315,449	\$ 325,868	\$ 308,880
Interest	1,199,747	1,134,060	1,070,820	1,018,010	960,279
Difference between actual & expected experience	(1,001,623)	-	115,151	-	(7,788)
Assumption Changes	645	-	317,996	-	-
Benefit Payments	(597,378)	(630,350)	(639,713)	(655,520)	(373,038)
Refunds	-	-	-	-	(28,655)
<b>Net Change in Total Pension Liability</b>	<u>(42,989)</u>	<u>848,823</u>	<u>1,179,703</u>	<u>688,358</u>	<u>859,678</u>
<b>Total Pension Liability - Beginning</b>	<u>15,939,690</u>	<u>15,090,867</u>	<u>13,911,164</u>	<u>13,222,806</u>	<u>12,363,128</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 15,896,701</u>	<u>\$ 15,939,690</u>	<u>\$ 15,090,867</u>	<u>\$ 13,911,164</u>	<u>\$ 13,222,806</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 443,102	\$ 443,102	\$ 371,453	\$ 371,453	\$ 261,966
Contributions - Member	201,687	186,555	188,786	188,793	179,680
Net Investment Income	1,452,542	1,531,913	1,074,730	(160,205)	715,959
Benefit Payments	(597,378)	(630,350)	(639,713)	(655,520)	(373,038)
Refunds	-	-	-	-	(28,655)
Administrative Expense	(40,842)	(42,936)	(69,962)	(15,448)	(29,411)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,459,111</u>	<u>1,488,284</u>	<u>925,294</u>	<u>(270,927)</u>	<u>726,501</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>13,787,644</u>	<u>12,299,360</u>	<u>11,374,066</u>	<u>11,644,993</u>	<u>10,918,492</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 15,246,755</u>	<u>\$ 13,787,644</u>	<u>\$ 12,299,360</u>	<u>\$ 11,374,066</u>	<u>\$ 11,644,993</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 649,946</u>	<u>\$ 2,152,046</u>	<u>\$ 2,791,507</u>	<u>\$ 2,537,098</u>	<u>\$ 1,577,813</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.91%	86.50%	81.50%	81.76%	88.07%
Covered Payroll <sup>1</sup>	\$ 3,361,450	\$ 3,109,250	\$ 3,146,433	\$ 3,146,550	\$ 2,994,667
Net Pension Liability as a Percentage of Covered Payroll	19.34%	69.21%	88.72%	80.63%	52.69%

<sup>1</sup> Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM (VILLAGE'S REPORTING)**  
(as required by GASB Statement No. 68)

Fiscal Year Ending <u>September 30.</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u> <sup>1</sup>	Actual Contribution as a % of <u>Covered Payroll</u>
2018	\$ 443,102	\$ 443,102	\$ -	\$ 3,361,450	13.18%
2017	443,102	443,102	-	3,109,250	14.25%
2016	371,453	371,453	-	3,146,433	11.81%
2015	371,453	371,453	-	3,146,550	11.81%
2014	261,966	261,966	-	2,994,667	8.75%

<sup>1</sup> Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

**Notes to the Schedule of Contributions**

Valuation Date 10/1/2015  
Notes Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.0%
Salary Increases	5.50% , including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM (PLAN'S REPORTING)**  
(as required by GASB Statement No. 67)

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll <sup>1</sup>	Actual Contribution as a % of Covered Payroll
2018	\$ 443,102	\$ 443,102	\$ -	\$ 3,361,450	13.18%
2017	443,102	443,102	-	3,109,250	14.25%
2016	371,453	371,453	-	3,146,433	11.81%
2015	371,453	371,453	-	3,146,550	11.81%
2014	261,966	261,966	-	2,994,667	8.75%

<sup>1</sup> Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

**Notes to the Schedule of Contributions**

Valuation Date	10/1/2015
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	5.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Fiscal year ending <u>September 30.</u>	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2018	10.22%
2017	11.96%
2016	8.73%
2015	-1.20%
2014	6.23%
2013	10.44%
2012	12.95%
2011	9.06%
2010	8.51%
2009	7.10%

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE OFFICERS' RETIREMENT SYSTEM (VILLAGE'S REPORTING)**  
(as required by GASB Statement No. 68)

Reporting fiscal year ending September 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement fiscal year ending September 30,	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service Cost	\$ 660,242	\$ 536,463	\$ 554,721	\$ 672,275
Interest	2,115,601	1,991,408	1,937,284	1,796,408
Benefit Changes	-	-	(173,336)	-
Difference between actual & expected experience	101,437	(51,582)	(582,646)	5,315
Assumption Changes	(303,810)	326,835	307,647	-
Benefit Payments	(950,094)	(1,023,327)	(941,093)	(1,180,510)
Other	<u>70,382</u>	<u>65,088</u>	<u>-</u>	<u>113,175</u>
<b>Net Change in Total Pension Liability</b>	1,693,758	1,844,885	1,102,577	1,406,663
<b>Total Pension Liability - Beginning</b>	<u>28,022,822</u>	<u>26,177,937</u>	<u>25,075,360</u>	<u>23,668,697</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 29,716,580</u>	<u>\$ 28,022,822</u>	<u>\$ 26,177,937</u>	<u>\$ 25,075,360</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer (from Village)	\$ 1,105,854	\$ 1,122,197	\$ 1,249,668 <sup>1</sup>	\$ 1,207,161
Contributions - Employer (from State)	100,575	95,281	- <sup>2</sup>	173,561
Contributions - Member	210,630	191,425	180,728	205,660
Net Investment Income	2,495,997	1,818,553	(201,097)	1,168,552
Benefit Payments	(950,094)	(1,023,327)	(941,093)	(1,180,510)
Administrative Expense	<u>(62,709)</u>	<u>(78,167)</u>	<u>(11,783)</u>	<u>(39,391)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	2,900,253	2,125,962	276,423	1,535,033
<b>Plan Fiduciary Net Position - Beginning</b>	<u>21,180,905</u>	<u>19,054,943</u>	<u>18,778,520</u>	<u>17,243,487</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 24,081,158</u>	<u>\$ 21,180,905</u>	<u>\$ 19,054,943</u>	<u>\$ 18,778,520</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 5,635,422</u>	<u>\$ 6,841,917</u>	<u>\$ 7,122,994</u>	<u>\$ 6,296,840</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.04%	75.58%	72.79%	74.89%
Covered Payroll <sup>3</sup>	\$ 2,340,333	\$ 2,126,944	\$ 2,008,089	\$ 2,285,111
Net Pension Liability as a Percentage of Covered Payroll	240.80%	321.68%	354.72%	275.56%

<sup>1</sup> Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

<sup>2</sup> State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

<sup>3</sup> Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE OFFICERS' RETIREMENT SYSTEM (PLAN'S REPORTING)**  
(as required by GASB Statement No. 67)

Fiscal year ending September 30,	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ 686,704	\$ 660,242	\$ 536,463	\$ 554,721	\$ 672,275
Interest	2,232,269	2,115,601	1,991,408	1,937,284	1,796,408
Benefit Changes	-	-	-	(173,336)	-
Difference between actual & expected experience	(1,142,939)	101,437	(51,582)	(582,646)	5,315
Assumption Changes	-	(303,810)	326,835	307,647	-
Benefit Payments	(1,279,385)	(950,094)	(1,023,327)	(941,093)	(1,180,510)
Other	69,509	70,382	65,088	-	113,175
<b>Net Change in Total Pension Liability</b>	566,158	1,693,758	1,844,885	1,102,577	1,406,663
<b>Total Pension Liability - Beginning</b>	29,716,580	28,022,822	26,177,937	25,075,360	23,668,697
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 30,282,738</u>	<u>\$ 29,716,580</u>	<u>\$ 28,022,822</u>	<u>\$ 26,177,937</u>	<u>\$ 25,075,360</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ 1,165,400	\$ 1,105,854	\$ 1,122,197	\$ 1,249,668 <sup>1</sup>	\$ 1,207,161
Contributions - Employer (from State)	99,702	100,575	95,281	-	173,561
Contributions - Member	231,040	210,630	191,425	180,728	205,660
Net Investment Income	2,464,134	2,495,997	1,818,553	(201,097)	1,168,552
Benefit Payments	(1,279,385)	(950,094)	(1,023,327)	(941,093)	(1,180,510)
Administrative Expense	(55,307)	(62,709)	(78,167)	(11,783)	(39,392)
<b>Net Change in Plan Fiduciary Net Position</b>	2,625,584	2,900,253	2,125,962	276,423	1,535,032
<b>Plan Fiduciary Net Position - Beginning</b>	24,081,158	21,180,905	19,054,943	18,778,520	17,243,488
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 26,706,742</u>	<u>\$ 24,081,158</u>	<u>\$ 21,180,905</u>	<u>\$ 19,054,943</u>	<u>\$ 18,778,520</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 3,575,996</u>	<u>\$ 5,635,422</u>	<u>\$ 6,841,917</u>	<u>\$ 7,122,994</u>	<u>\$ 6,296,840</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.19%	81.04%	75.58%	72.79%	74.89%
Covered Payroll <sup>3</sup>	\$ 2,567,111	\$ 2,340,333	\$ 2,126,944	\$ 2,008,089	\$ 2,285,111
Net Pension Liability as a Percentage of Covered Payroll	139.30%	240.80%	321.68%	354.72%	275.56%

<sup>1</sup> Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

<sup>2</sup> State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

<sup>3</sup> Covered payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution of 9%.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.



**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**POLICE OFFICERS' RETIREMENT SYSTEM (VILLAGE'S REPORTING)**  
(as required by GASB Statement No. 68)

Fiscal Year Ending <u>September 30,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u> <sup>3</sup>	Actual Contribution as a % of <u>Covered Payroll</u>
2018	\$ 1,165,401	\$ 1,165,400	\$ 1	\$ 2,567,111	45.40%
2017	1,136,047	1,136,047	-	2,340,333	48.54%
2016	1,152,390	1,152,390	-	2,126,944	54.18%
2015	1,249,668 <sup>1</sup>	1,249,668 <sup>2</sup>	-	2,008,089	62.23%
2014	1,237,354	1,267,547	(30,193)	2,285,111	55.47%

<sup>1</sup> Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

<sup>2</sup> State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

<sup>3</sup> Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

**Notes to the Schedule of Contributions**

Valuation Date	10/1/2016
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	6.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants for post-retirement mortality), eith mortality improvements projected to all future years after 2000 using Scale BB. For males;the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. For disabled retirees, the mortality table used was 60% of the RP-2000 Mortality Table for Disabled Annuitants and 40% of the RP-2000 Annuitant Mortality Table with a White Collar adjustment, set back 4 years for males and set forward 2 years for females, with no provision being made for future mortality improvements. These are the same rates currently used for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2016 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**POLICE OFFICERS' RETIREMENT SYSTEM (PLAN'S REPORTING)**  
(as required by GASB Statement No. 67)

Fiscal Year Ending <u>September 30.</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u>	Actual Contribution as a % of <u>Covered Payroll</u>
2018	\$ 1,195,594	\$ 1,195,593	1	\$ 2,567,111	46.57%
2017	1,136,047	1,136,047	-	2,340,333	48.54%
2016	1,152,390	1,152,390	-	2,126,944	54.18%
2015	1,249,668 <sup>1</sup>	1,249,668 <sup>2</sup>	-	2,008,089	62.23%
2014	1,237,354	1,267,547	(30,193)	2,285,111	55.47%

<sup>1</sup> Includes receivable Employer contribution in the amount of \$32,922 for fiscal year ending September 30, 2015.

<sup>2</sup> State contributions for fiscal year ending September 30, 2015 were not received until after the end of the fiscal year (therefore not permitted to be used until next fiscal year).

Note: Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 9%.

**Notes to the Schedule of Contributions**

Valuation Date 10/1/2016  
Notes Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	6.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	All actives are assumed to retire when first eligible for Normal Retirement. The rate of retirement is 1% for each year of eligibility for Early Retirement.

Mortality RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. For disabled retirees, the mortality table used was 60% of the RP-2000 Mortality Table for Disabled Annuitants and 40% of the RP-2000 Annuitant Mortality Table with a White Collar adjustment, set back 4 years for males and set forward 2 years for females, with no provision being made for future mortality improvements. These are the same rates currently used for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2017 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**MIAMI SHORES VILLAGE, FLORIDA**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS  
POLICE OFFICERS' RETIREMENT SYSTEM

Fiscal year ending <u>September 30,</u>	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2018	9.83%
2017	11.22%
2016	8.97%
2015	-0.90%
2014	6.30%
2013	9.48%
2012	11.52%
2011	8.38%
2010	7.99%
2009	6.89%

**MIAMI SHORES VILLAGE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**SEPTEMBER 30, 2018**

<b>Total OPEB Liability:</b>	<b>2018</b>
Service cost	\$ 48,122
Interest	22,769
Changes of benefit terms	(48,084)
Differences between expected and actual experience of the Total OPEB Liability*	-
Changes in assumptions	(20,041)
Benefit payments	(91,579)
Net Change in total OPEB liability	(88,813)
Total OPEB liability- beginning	732,143
Total OPEB liability- ending	\$ 643,330
Covered employee payroll	\$ 5,980,879
Total OPEB liability as a percentage of covered-employee payroll	10.76%

Notes to Schedule:

\* Total OPEB Liability at the beginning of the initial period of implementation was developed by rolling back the liability from the measurement date as permitted by Q&A 4.499 of the Implementation Guide No. 2017-3. Consequently, there was no difference between expected and actual experience.

Note: Covered-Employee Payroll presented above is an estimate based on data submitted for the September 30, 2017 valuation. GASB Statement 75 defines Covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ending September 30, 2017).

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## **COMBINING FINANCIAL STATEMENTS**

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## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

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

**Transportation Surtax** – This fund accounts for the Village’s portion of the Miami-Dade County one-half percent transportation surtax approved by voters in November 2002.

**Local Option Gas Tax** – This fund accounts for the revenues from the six cents and additional three cents sales tax levied on all petroleum products sold in Miami-Dade County.

**Law Enforcement Training** – This fund accounts for proceeds obtained through fines designated specifically for training law enforcement officers.

**Brockway Memorial Library Fund** – This fund accounts for donations to be applied toward the Library’s Children’s Wing Expansion Project. All funds in this account are available to be used in the renovation and addition slated as part of the expansion project.

### Debt Service Fund

**General Obligation Bonds** – This fund accounts for the 1999 and 2004 General Obligation bonds issued to fund the design, developments and construction of the Miami Shores Aquatic Facility (1999) and for the charter school construction (2004) and other banking financing.

### Capital Project Funds

**Capital Improvement Fund** – This fund accounts for major capital acquisitions and projects to improve the Village.

**Charter High School Construction** – This fund accounts for all costs associated with the construction of the Doctors Charter School of Miami Shores which was substantially completed in 2005.

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

	Special Revenue Funds					
	Transportation Surtax	Local Option Gas Tax	Law Enforcement Training	Brockway Memorial Expansion	Total	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 469,888	\$ 369,764	\$ 24,621	\$ 584,965	\$ 1,449,238	
Accounts receivable - net	147,321	31,344	351	-	179,016	
Total assets	<u>617,209</u>	<u>401,108</u>	<u>24,972</u>	<u>584,965</u>	<u>1,628,254</u>	
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	11,343	1,935	-	-	13,278	
Total liabilities	<u>11,343</u>	<u>1,935</u>	<u>-</u>	<u>-</u>	<u>13,278</u>	
<u>FUND BALANCES</u>						
Restricted	605,866	399,173	24,972	584,965	1,614,976	
Total fund balances	<u>605,866</u>	<u>399,173</u>	<u>24,972</u>	<u>584,965</u>	<u>1,614,976</u>	
Total liabilities and fund balances	<u>\$ 617,209</u>	<u>\$ 401,108</u>	<u>\$ 24,972</u>	<u>\$ 584,965</u>	<u>\$ 1,628,254</u>	

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

	<u>Debt</u>	<u>Capital Projects</u>			<u>Total</u>
	<u>Service</u>	<u>Capital</u>	<u>Charter</u>	<u>High School</u>	<u>Nonmajor</u>
		<u>Improvement</u>	<u>High School</u>	<u>Construction</u>	<u>Governmental</u>
	<u>GO Bonds</u>	<u>Fund</u>	<u>Construction</u>	<u>Total</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,164,558	\$ 830,632	\$ 21,727	\$ 852,359	\$ 3,466,155
Prepaid items		10,000		10,000	10,000
Accounts receivable - net	7	-	-	-	179,023
Total assets	<u>1,164,565</u>	<u>840,632</u>	<u>21,727</u>	<u>862,359</u>	<u>3,655,178</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	-	10,000	-	10,000	23,278
Total liabilities	-	<u>10,000</u>	-	<u>10,000</u>	<u>23,278</u>
<u>FUND BALANCES</u>					
Restricted	1,164,565	-	21,727	21,727	2,801,268
Committed	-	830,632	-	830,632	830,632
Total fund balances	<u>1,164,565</u>	<u>830,632</u>	<u>21,727</u>	<u>852,359</u>	<u>3,631,900</u>
Total liabilities and fund balances	<u>\$ 1,164,565</u>	<u>\$ 840,632</u>	<u>\$ 21,727</u>	<u>\$ 862,359</u>	<u>\$ 3,655,178</u>



**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds					Total
	Transportation Surtax	Local Option Gas Tax	Law Enforcement Training	Brockway Memorial Expansion	Total	
Revenues:						
Intergovernmental revenues	\$ 442,755	\$ 373,545	\$ -	\$ -	\$ -	\$ 816,300
Fines and forfeitures	-	-	2,302	-	-	2,302
Miscellaneous	-	-	-	175	-	175
Interest income	2,562	1,264	-	-	-	3,826
Total revenues	<u>445,317</u>	<u>374,809</u>	<u>2,302</u>	<u>175</u>	<u>175</u>	<u>822,603</u>
Expenditures:						
General government	-	-	-	52	-	52
Public works	199,109	212,070	-	-	-	411,179
Capital outlay	169,175	-	-	-	-	169,175
Total expenditures	<u>368,284</u>	<u>212,070</u>	<u>-</u>	<u>52</u>	<u>52</u>	<u>580,406</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>77,033</u>	<u>162,739</u>	<u>2,302</u>	<u>123</u>	<u>123</u>	<u>242,197</u>
Other financing sources (uses):						
Transfers out	-	(56,125)	-	-	-	(56,125)
Total other financing sources (uses)	<u>-</u>	<u>(56,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,125)</u>
Net change in fund balance	<u>77,033</u>	<u>106,614</u>	<u>2,302</u>	<u>123</u>	<u>123</u>	<u>186,072</u>
Fund balances, beginning	<u>528,833</u>	<u>292,559</u>	<u>22,670</u>	<u>584,842</u>	<u>584,842</u>	<u>1,428,904</u>
Fund balances, ending	<u>\$ 605,866</u>	<u>\$ 399,173</u>	<u>\$ 24,972</u>	<u>\$ 584,965</u>	<u>\$ 584,965</u>	<u>\$ 1,614,976</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Debt		Capital Projects			Total Nonmajor Governmental Funds
	Service	GO Bonds	Capital Improvement Fund	Charter High School Construction	Total	
<b>Revenues:</b>						
Property taxes		457,143	\$ -	\$ -	\$ -	\$ 457,143
Intergovernmental revenues		-	-	-	-	816,300
Fines and forfeitures		-	-	-	-	2,302
Miscellaneous		-	-	-	-	175
Interest income		6,240	3,343	-	3,343	13,409
<b>Total revenues</b>		<b>463,383</b>	<b>3,343</b>	<b>-</b>	<b>3,343</b>	<b>1,289,329</b>
<b>Expenditures:</b>						
General government		5,000	-	-	-	5,052
Public works		-	-	3,000	3,000	414,179
Capital outlay		-	373,465	-	373,465	542,640
Debt service:						
Principal		533,959	-	-	-	533,959
Interest		141,846	-	-	-	141,846
<b>Total expenditures</b>		<b>680,805</b>	<b>373,465</b>	<b>3,000</b>	<b>376,465</b>	<b>1,637,676</b>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)		(217,422)	(370,122)	(3,000)	(373,122)	(348,347)
<b>Other financing sources (uses):</b>						
Transfers in		224,500	456,515	-	456,515	681,015
Transfers out		-	-	-	-	(56,125)
<b>Total other financing sources (uses)</b>		<b>224,500</b>	<b>456,515</b>	<b>-</b>	<b>456,515</b>	<b>624,890</b>
<b>Net change in fund balance</b>		<b>7,078</b>	<b>86,393</b>	<b>(3,000)</b>	<b>83,393</b>	<b>276,543</b>
<b>Fund balances, beginning</b>		<b>1,157,487</b>	<b>744,239</b>	<b>24,727</b>	<b>768,966</b>	<b>3,355,357</b>
<b>Fund balances, ending</b>		<b>\$ 1,164,565</b>	<b>\$ 830,632</b>	<b>\$ 21,727</b>	<b>\$ 852,359</b>	<b>\$ 3,631,900</b>

**MIAMI SHORES VILLAGE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue Funds											
	Transportation Surtax					Local Option Gas Tax						
	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		Original	Final		Original	Final		Original	Final		
<b>Revenues:</b>												
Intergovernmental revenues	\$ 409,975	\$ 409,975	\$ 32,780	\$ 379,000	\$ 373,545	\$ (5,455)						
Interest income	2,455	2,455	107	1,180	1,264	84						
Total revenues	412,430	412,430	32,887	380,180	374,809	(5,371)						
<b>Expenditures:</b>												
Public works	221,799	242,249	43,140	294,055	212,070	75,845						
Capital outlay	535,000	535,000	365,825	30,000	-	36,140						
Total expenditures	756,799	777,249	408,965	324,055	212,070	111,985						
Excess (deficiency) of revenues over (under) expenditures	(344,369)	(364,819)	441,852	56,125	162,739	106,614						
Other financing (uses):												
Transfers (out)	-	-	-	(56,125)	(56,125)	-						
(Deficiency) of revenues (under) other financing (uses)	(344,369)	(364,819)	441,852	-	106,614	106,614						
Fund balance appropriated	344,369	364,819	\$ 364,819	-	-	-						
Net change in fund balance	-	-	77,033	-	106,614	106,614						
Fund balances, beginning	-	-	528,833	-	292,559	292,559						
Fund balances, ending	\$ -	\$ -	\$ 605,866	\$ -	\$ 399,173	\$ 399,173						

**MIAMI SHORES VILLAGE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Debt Service Fund			Capital Improvement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	
<b>Revenues:</b>							
Property taxes	\$ 449,280	\$ 455,160	\$ 457,143	\$ -	\$ -	\$ -	\$ -
Interest income	1,850	1,850	6,240	-	-	3,343	3,343
Total revenues	<u>451,130</u>	<u>457,010</u>	<u>463,383</u>	<u>-</u>	<u>-</u>	<u>3,343</u>	<u>3,343</u>
<b>Expenditures:</b>							
General government	6,850	5,000	5,000	-	-	-	-
Capital outlay	-	-	-	322,915	623,696	373,465	250,231
Debt service:							
Principal	533,910	534,010	533,959	-	-	-	-
Interest	134,870	142,500	141,846	-	-	-	-
Total expenditures	<u>675,630</u>	<u>681,510</u>	<u>680,805</u>	<u>322,915</u>	<u>623,696</u>	<u>373,465</u>	<u>250,231</u>
(Deficiency) of revenues (under) expenditures	(224,500)	(224,500)	(217,422)	(322,915)	(623,696)	(370,122)	253,574
Other financing sources:							
Transfers in	224,500	224,500	224,500	322,915	456,515	456,515	-
Excess (deficiency) of revenues over (under) expenditures and other financing	-	-	7,078	-	(167,181)	86,393	253,574
Fund balance appropriated	-	-	-	-	167,181	-	\$ 167,181
Net change in fund balance	-	-	7,078	-	-	86,393	
Fund balances, beginning	-	-	1,157,487	-	-	744,239	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,164,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 830,632</u>	

## INTERNAL SERVICE FUNDS

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Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the Village on a cost reimbursement basis.

**Risk Management Fund** – This fund accounts for the accumulation and allocation of costs associated with insurance.

**Fleet Maintenance Fund** – This fund accounts for all direct and indirect costs to maintain and operate the Village's vehicles and equipment fleet.

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2018**

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 1,192,216	\$ 1,562,092	\$ 2,754,308
Accounts receivable - net	7,431	-	7,431
Inventories	-	55,531	55,531
Prepaid items	1,530	-	1,530
Total current assets	<u>1,201,177</u>	<u>1,617,623</u>	<u>2,818,800</u>
Capital assets:			
Capital assets not being depreciated	-	7,127	7,127
Capital assets being depreciated, net	-	1,873,820	1,873,820
Total noncurrent assets	<u>-</u>	<u>1,880,947</u>	<u>1,880,947</u>
Total assets	<u>1,201,177</u>	<u>3,498,570</u>	<u>4,699,747</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	<u>-</u>	<u>29,901</u>	<u>29,901</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	44,219	49,981	94,200
Compensated absences	-	5,413	5,413
Total current liabilities	<u>44,219</u>	<u>55,394</u>	<u>99,613</u>
Noncurrent liabilities:			
Compensated absences	-	16,239	16,239
Net pension liability	-	61,015	61,015
Total noncurrent liabilities	<u>-</u>	<u>77,254</u>	<u>77,254</u>
Total liabilities	<u>44,219</u>	<u>132,648</u>	<u>176,867</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>-</u>	<u>42,108</u>	<u>42,108</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	1,880,947	1,880,947
Unrestricted	1,156,958	1,472,768	2,629,726
Total net position	<u>\$ 1,156,958</u>	<u>\$ 3,353,715</u>	<u>\$ 4,510,673</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 867,357	\$ 1,149,886	\$ 2,017,243
Operating expenses:			
Administrative and general	(325,369)	699,052	373,683
Personnel expenses	-	235,169	235,169
Depreciation	-	240,790	240,790
Insurance premiums and claims	784,271	-	784,271
Total operating expenses	<u>458,902</u>	<u>1,175,011</u>	<u>1,633,913</u>
Operating income (loss)	<u>408,455</u>	<u>(25,125)</u>	<u>383,330</u>
Non-operating revenues:			
Interest income	4,880	7,790	12,670
Total non-operating revenues	<u>4,880</u>	<u>7,790</u>	<u>12,670</u>
Income before transfers and contributions	413,335	(17,335)	396,000
Transfers in	-	-	-
Transfers out	-	-	-
Contributions	-	-	-
Change in net position	<u>413,335</u>	<u>(17,335)</u>	<u>396,000</u>
Net position, beginning	<u>743,623</u>	<u>3,371,050</u>	<u>4,114,673</u>
Net position, ending	<u>\$ 1,156,958</u>	<u>\$ 3,353,715</u>	<u>\$ 4,510,673</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Risk Management <u>Fund</u>	Fleet Maintenance <u>Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers, governments and other funds	\$ 1,025,473	\$ 1,149,886	\$ 2,175,359
Cash paid to suppliers	(601,151)	(705,046)	(1,306,197)
Cash paid to employees	<u>-</u>	<u>(235,344)</u>	<u>(235,344)</u>
Net cash provided by operating activities	<u>424,322</u>	<u>209,496</u>	<u>633,818</u>
Cash flows from capital related financing activities:			
Acquisition and construction of capital assets	<u>-</u>	<u>(203,459)</u>	<u>(203,459)</u>
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(203,459)</u>	<u>(203,459)</u>
Cash flows from investing activities:			
Interest and other income	<u>4,880</u>	<u>7,790</u>	<u>12,670</u>
Net cash provided by investing activities	<u>4,880</u>	<u>7,790</u>	<u>12,670</u>
Net increase in cash and cash equivalents	429,202	13,827	443,029
Cash and cash equivalents, October 1	<u>763,014</u>	<u>1,548,265</u>	<u>2,311,279</u>
Cash and cash equivalents, September 30	<u>\$ 1,192,216</u>	<u>\$ 1,562,092</u>	<u>\$ 2,754,308</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 408,455	\$ (25,125)	\$ 383,330
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	240,790	240,790
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	158,116	-	158,116
Inventories	-	(3,578)	(3,578)
Prepays	163,453	-	163,453
Deferred outflows of resources for pension	-	30,882	30,882
Increase (decrease) in:			
Accounts payable and accrued liabilities	34,298	(2,416)	31,882
Claims payable	(340,000)	-	(340,000)
Compensated absences	-	(5,742)	(5,742)
Net Pension Liability	-	(67,328)	(67,328)
Deferred inflows of resources for pension	<u>-</u>	<u>42,013</u>	<u>42,013</u>
Total adjustments	<u>15,867</u>	<u>234,621</u>	<u>250,488</u>
Net cash provided by operating activities	<u>\$ 424,322</u>	<u>\$ 209,496</u>	<u>\$ 633,818</u>



## FIDUCIARY FUNDS

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These funds account for assets held by the Village in a trustee capacity or as an agent for employees.

### **Pension Trust Funds:**

**Police Officers Retirement System** – To account for the accumulation of resources for pension benefit payments to police officers who have retired from Miami Shores Village.

**General Employees Retirement System** – To account for the accumulation of resources for pension benefit payments to employees, other than police, who have retired from Miami Shores Village.

### **Agency Fund:**

**Police Insurance Trust Fund** – To accumulate resources on behalf of police personnel to partially cover retirement health insurance.

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2018**

	General Employee's Pension <u>Trust</u>	Police Pension <u>Trust</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 985,320	\$ 1,956,430	\$ 2,941,750
Receivables:			
Due from GE pension	-	1,514	1,514
Accrued interest and dividends	<u>123,134</u>	<u>47,394</u>	<u>170,528</u>
Total receivables	<u>123,134</u>	<u>48,908</u>	<u>172,042</u>
Investments, at fair value			
Mutual funds - equity	8,185,333	13,649,734	21,835,067
Common stock	2,447,129	4,219,968	6,667,097
Corporate bonds	1,784,506	3,289,198	5,073,704
U.S. Government securities	1,101,057	2,274,043	3,375,100
Mortgage backed securities	480,468	1,001,792	1,482,260
Foreign bonds	126,726	237,477	364,203
Municipal bonds	<u>14,596</u>	<u>29,192</u>	<u>43,788</u>
Total investments	<u>14,139,815</u>	<u>24,701,404</u>	<u>38,841,219</u>
Total assets	<u>15,248,269</u>	<u>26,706,742</u>	<u>41,955,011</u>
<u>LIABILITIES</u>			
Due to Police pension	<u>1,514</u>	-	<u>1,514</u>
Total liabilities	<u>1,514</u>	-	<u>1,514</u>
<u>NET POSITION</u>			
Net position restricted for pensions	<u>\$ 15,246,755</u>	<u>\$ 26,706,742</u>	<u>\$ 41,953,497</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	General Employee's Pension <u>Trust</u>	Police Pension <u>Trust</u>	<u>Total</u>
<u>ADDITIONS</u>			
Contributions:			
Employer	\$ 443,102	\$ 1,165,400	\$ 1,608,502
Employees	201,687	231,040	432,727
State of Florida	-	99,702	99,702
Total contributions	<u>644,789</u>	<u>1,496,142</u>	<u>2,140,931</u>
Investment income:			
Unrealized gains	554,176	904,026	1,458,202
Realized gains	10,169	11,176	21,345
Interest and dividend income	945,248	1,643,700	2,588,948
Total investment	<u>1,509,593</u>	<u>2,558,902</u>	<u>4,068,495</u>
Less investment expenses	<u>(57,051)</u>	<u>(94,768)</u>	<u>(151,819)</u>
Net investment income	<u>1,452,542</u>	<u>2,464,134</u>	<u>3,916,676</u>
Total additions	<u>2,097,331</u>	<u>3,960,276</u>	<u>6,057,607</u>
<u>DEDUCTIONS</u>			
Benefits paid	597,378	1,279,385	1,876,763
Administrative expenses	40,842	55,307	96,149
Total deductions	<u>638,220</u>	<u>1,334,692</u>	<u>1,972,912</u>
Net increase	<u>1,459,111</u>	<u>2,625,584</u>	<u>4,084,695</u>
Net position restricted for pensions			
Beginning of year	<u>13,787,644</u>	<u>24,081,158</u>	<u>37,868,802</u>
End of year	<u>\$ 15,246,755</u>	<u>\$ 26,706,742</u>	<u>\$ 41,953,497</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

POLICE INSURANCE TRUST AGENCY FUND

	Balance September 30, <u>2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2018</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 186,680	\$ -	\$ 186,680	\$ -
<u>LIABILITIES</u>				
Other liabilities	\$ 186,680	\$ -	\$ 186,680	\$ -

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**STATISTICAL SECTION**

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**MIAMI SHORES VILLAGE, FLORIDA**  
**STATISTICAL SECTION**

This part of the Miami Shore Village'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 Village's overall financial health.

**Contents**

	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>92-95</b>
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	<b>96-100</b>
<i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	<b>101-104</b>
<i>These schedules contain information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in future.</i>	
<b>Demographic and Economic Information</b>	<b>105</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i>	
<b>Operating Information</b>	<b>106-107</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.*

**MIAMI SHORES VILLAGE, FLORIDA**  
**NET ASSETS BY COMPONENT**  
**FOR THE LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 17,975,743	\$ 15,914,887	\$ 15,398,737	\$ 14,140,442	\$ 14,460,317	\$ 13,445,077	\$ 13,160,184	\$ 12,279,776	\$ 11,507,713	\$ 12,276,631
Restricted	5,736,464	6,051,262	5,710,324	5,953,557	5,521,292	6,042,082	5,834,992	3,975,983	3,509,136	3,025,933
Unrestricted	(513,721)	1,622,254	3,452,368	3,737,341	9,971,992	9,916,183	9,592,734	9,904,824	9,350,904	8,901,635
<b>Total governmental activities net assets</b>	<b>23,198,486</b>	<b>23,588,403</b>	<b>24,561,429</b>	<b>23,831,340</b>	<b>29,953,601</b>	<b>29,403,342</b>	<b>28,587,910</b>	<b>26,160,583</b>	<b>24,367,753</b>	<b>24,204,199</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	3,117,914	3,257,609	3,123,374	2,785,010	2,195,243	2,252,711	1,921,615	1,924,061	2,043,795	558,671
Restricted	3,772,478	3,772,478								
Unrestricted	2,058,190	1,998,469	1,933,358	2,832,838	2,677,461	2,598,838	2,688,382	2,385,331	2,032,852	1,578,649
<b>Total business-type activities net assets</b>	<b>8,948,582</b>	<b>9,028,556</b>	<b>5,056,732</b>	<b>5,617,848</b>	<b>4,872,704</b>	<b>4,851,549</b>	<b>4,609,997</b>	<b>4,309,392</b>	<b>4,076,647</b>	<b>2,137,320</b>
<b>Primary government:</b>										
Invested in capital assets, net of related debt	21,093,657	19,172,496	18,522,111	16,925,452	16,655,560	15,697,788	15,081,799	14,203,837	13,551,508	12,835,302
Restricted	9,508,942	9,823,740	5,710,324	5,953,557	5,521,292	6,042,082	5,834,992	3,975,983	3,509,136	3,025,933
Unrestricted	1,544,469	3,620,723	5,385,726	6,570,179	12,649,453	12,515,021	12,281,116	12,290,155	11,383,756	10,480,284
<b>Total primary government net assets</b>	<b>\$ 32,147,068</b>	<b>\$ 32,616,959</b>	<b>\$ 29,618,161</b>	<b>\$ 29,449,188</b>	<b>\$ 34,826,305</b>	<b>\$ 34,254,891</b>	<b>\$ 33,197,907</b>	<b>\$ 30,469,975</b>	<b>\$ 28,444,400</b>	<b>\$ 26,341,519</b>

**MIAMI SHORES VILLAGE, FLORIDA**  
**CHANGES IN NET ASSETS**  
**FOR THE LAST TEN FISCAL YEARS**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	
<b>Governmental activities:</b>										
General government	\$ 3,206,651	\$ 3,478,191	\$ 3,159,828	\$ 2,760,901	\$ 2,418,939	\$ 2,336,763	\$ 2,396,446	\$ 2,390,719	\$ 2,489,426	
Public safety	6,970,163	7,094,590	6,088,608	6,206,349	6,425,432	5,509,508	5,596,692	5,216,724	5,056,573	
Public works	4,820,309	3,860,624	3,492,136	2,239,056	2,385,338	2,346,575	1,949,960	2,201,667	2,237,962	
Culture and recreation	3,202,922	3,036,354	2,976,180	2,946,167	2,816,882	2,583,688	2,498,408	2,341,310	2,417,232	
Interest on debt	126,553	151,794	272,374	283,840	432,997	425,355	443,542	465,672	486,658	
Total governmental activities expenses	18,326,598	17,621,553	15,989,126	14,436,313	14,479,588	13,201,889	12,885,048	12,616,092	12,687,851	
<b>Business-type activities:</b>										
Sanitation	2,461,906	2,464,762	2,223,695	2,294,399	2,119,723	2,208,585	2,257,285	2,382,893	2,262,446	
Stormwater	201,904	224,695	193,174	165,537	180,702	175,761	190,992	206,300	160,808	
Water & Sewer	148,717	105,707	-	-	-	-	-	-	-	
Total business-type activities expenses	2,812,527	2,795,164	2,416,869	2,459,936	2,300,425	2,384,346	2,448,277	2,589,193	2,423,254	
Total primary government expenses	21,139,125	20,416,717	18,405,995	16,896,249	16,780,013	15,586,235	15,333,325	15,205,285	15,111,105	
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	1,619,903	1,211,656	1,005,762	1,063,095	841,572	1,069,135	1,177,047	747,353	914,062	
Public safety	896,857	1,116,160	1,027,550	1,087,055	1,553,168	2,326,376	777,655	733,926	746,055	
Public works	24,175	62,144	200,977	117,815	843,218	727,160	814,600	750,145	1,082,667	
Culture and recreation	1,577,949	1,356,565	1,568,844	1,436,999	1,375,506	1,293,788	1,117,160	1,079,727	965,541	
Operating grants and contributions	816,300	801,908	816,380	784,430	87,368	170,234	217,303	95,692	-	
Capital grants and contributions	-	-	35,564	474,079	35,564	47,447	65,921	171,549	-	
Total governmental activities program revenues	4,935,184	4,548,433	4,655,077	4,963,473	4,736,396	5,634,140	4,169,686	3,578,392	3,708,325	
<b>Business-type activities:</b>										
Charges for services:										
Sanitation	2,623,039	2,633,013	2,639,106	2,641,284	2,667,843	2,765,775	2,665,041	2,886,107	2,781,700	
Stormwater	245,407	244,936	244,805	244,107	248,132	252,420	248,668	247,349	228,393	
Water & Sewer	84,159	70,143	-	-	-	-	-	-	-	
Capital grants and contributions	-	556,382	672,381	-	-	-	-	-	-	
Total business-type activities program revenues	2,952,605	3,494,471	3,556,292	2,885,391	2,915,975	3,018,195	2,913,709	3,133,456	3,010,093	
Total primary government program revenue	\$ 7,887,789	\$ 8,042,904	\$ 8,211,369	\$ 7,848,864	\$ 7,652,371	\$ 8,652,335	\$ 7,083,395	\$ 6,711,848	\$ 6,718,418	

(Continued)



**MIAMI SHORES VILLAGE, FLORIDA**  
**CHANGES IN NET ASSETS**  
(Continued)  
**FOR THE LAST TEN FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Net (expenses) revenue:</b>										
Governmental activities	\$ (13,391,414)	\$ (13,073,120)	\$ (11,115,669)	\$ (11,334,049)	\$ (9,472,840)	\$ (9,516,115)	\$ (7,567,750)	\$ (8,715,362)	\$ (9,037,699)	\$ (8,479,225)
Business-type activities	140,078	699,307	186,555	1,139,423	425,455	615,550	633,849	465,432	544,263	590,839
	<u>(13,251,336)</u>	<u>(12,373,813)</u>	<u>(10,929,114)</u>	<u>(10,194,626)</u>	<u>(9,047,385)</u>	<u>(8,900,565)</u>	<u>(6,933,901)</u>	<u>(8,249,930)</u>	<u>(8,493,436)</u>	<u>(7,888,386)</u>
<b>General revenues and other changes in net assets:</b>										
Governmental activities:										
Property taxes	8,484,744	7,923,699	7,326,125	6,893,572	6,406,843	6,255,087	6,078,085	6,143,806	6,583,883	7,275,746
Public services tax	2,121,676	2,104,726	2,141,094	2,199,772	2,214,451	2,045,767	2,098,267	2,137,473	2,222,743	2,113,032
Intergovernmental	1,145,885	1,109,035	1,092,365	1,027,237	1,002,183	929,762	918,034	936,215	797,773	789,922
Miscellaneous	662,875	549,075	507,592	827,991	469,614	415,330	493,243	1,019,320	950,040	447,741
Interest earning - unrestricted	115,869	60,740	26,210	29,568	20,670	32,015	61,071	36,378	38,978	100,429
Gain on sale of capital assets	-	-	-	523,164	-	-	-	-	-	-
Transfers	350,076	352,819	400,000	400,000	395,000	395,000	335,000	235,000	(1,392,164)	215,000
Total governmental activities	<u>12,881,125</u>	<u>12,100,094</u>	<u>11,493,386</u>	<u>11,901,304</u>	<u>10,508,761</u>	<u>10,072,961</u>	<u>9,983,700</u>	<u>10,508,192</u>	<u>9,201,253</u>	<u>10,941,870</u>
Business-type activities:										
Investment earnings	17,370	10,623	4,701	5,721	5,708	5,994	1,756	2,313	2,900	4,653
Other general revenues	-	-	-	-	-	-	-	-	-	-
Transfers	(350,076)	(352,819)	(400,000)	(400,000)	(395,000)	(395,000)	(335,000)	(235,000)	1,392,164	(215,000)
Total business-type activities	<u>(332,706)</u>	<u>(342,196)</u>	<u>(395,299)</u>	<u>(394,279)</u>	<u>(389,292)</u>	<u>(389,006)</u>	<u>(333,244)</u>	<u>(232,687)</u>	<u>1,395,064</u>	<u>(210,347)</u>
Total primary government	<u>12,548,419</u>	<u>11,757,898</u>	<u>11,098,087</u>	<u>11,507,025</u>	<u>10,119,469</u>	<u>9,683,955</u>	<u>9,650,456</u>	<u>10,275,505</u>	<u>10,596,317</u>	<u>10,731,523</u>
<b>Change in net assets:</b>										
Governmental activities	(510,289)	(973,026)	377,717	567,255	1,035,921	556,846	2,415,950	1,792,830	163,554	2,462,645
Business-type activities	(192,628)	357,111	(208,744)	745,144	36,163	226,544	300,605	232,745	1,939,327	380,492
Total primary government	<u>\$ (702,917)</u>	<u>\$ (615,915)</u>	<u>\$ 168,973</u>	<u>\$ 1,312,399</u>	<u>\$ 1,072,084</u>	<u>\$ 783,390</u>	<u>\$ 2,716,555</u>	<u>\$ 2,025,575</u>	<u>\$ 2,102,881</u>	<u>\$ 2,843,137</u>

**MIAMI SHORES VILLAGE, FLORIDA**  
**FUND BALANCES FOR GOVERNMENTAL FUNDS**  
**FOR THE LAST TEN FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,569	\$ 80,052
Unreserved	-	-	-	-	-	-	-	-	6,391,651	5,014,190
Nonspendable	17,851	4,506	7,786	3,741	11,698	32,305	33,480	1,885	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	31,562	31,562	45,947	77,512	63,109	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	8,070,645	7,450,908	7,957,802	8,553,593	7,923,177	7,884,961	7,846,925	7,609,716	-	-
Total general fund	<u>\$ 8,088,496</u>	<u>\$ 7,455,414</u>	<u>\$ 7,965,588</u>	<u>\$ 8,588,896</u>	<u>\$ 7,966,437</u>	<u>\$ 7,963,213</u>	<u>\$ 7,957,917</u>	<u>\$ 7,674,710</u>	<u>\$ 6,526,220</u>	<u>\$ 5,094,242</u>
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,247,645	\$ 5,449,479
Unreserved reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	201,327	348,194
Capital project funds	-	-	-	-	-	-	-	-	566,251	603,735
Nonspendable	-	5,174	-	-	-	-	59,270	61,225	-	-
Restricted	5,736,464	6,046,087	5,710,324	5,953,557	5,731,494	6,042,082	5,798,976	3,975,983	-	-
Committed	830,632	768,966	581,630	578,434	649,494	611,766	955,728	1,748,148	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(3,323,252)	(1,079,522)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,243,844</u>	<u>\$ 5,740,705</u>	<u>\$ 6,291,954</u>	<u>\$ 6,531,991</u>	<u>\$ 6,380,988</u>	<u>\$ 6,653,848</u>	<u>\$ 6,813,974</u>	<u>\$ 5,785,356</u>	<u>\$ 6,015,223</u>	<u>\$ 6,401,408</u>

\*During FY2011 the Village implemented the new fund balance classifications.

**MIAMI SHORES VILLAGE, FLORIDA**  
**CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS**  
**FOR THE LAST TEN FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Taxes	\$ 8,484,744	\$ 7,923,699	\$ 7,326,125	\$ 6,893,572	\$ 6,406,843	\$ 6,255,087	\$ 6,078,085	\$ 6,143,806	\$ 6,583,883	\$ 7,275,746
Public services taxes	2,121,676	2,104,726	2,141,094	2,199,772	2,214,451	2,799,637	2,795,688	2,851,593	2,874,645	2,906,861
Licenses and permits	1,211,448	1,212,029	1,257,228	1,237,435	1,018,301	841,572	914,833	1,052,626	658,833	671,674
Intergovernmental	1,962,185	1,910,943	1,890,677	1,879,181	2,219,683	1,052,694	1,135,715	1,219,439	1,085,014	1,290,223
Charges for services	2,034,859	1,829,756	1,732,617	2,059,389	1,980,381	1,941,090	1,734,095	1,542,432	1,460,451	1,310,257
Fines and forfeitures	489,247	696,709	517,648	613,743	629,524	858,753	1,955,837	423,905	444,944	495,503
Miscellaneous	662,875	549,075	507,592	827,991	555,417	415,330	493,243	986,649	950,040	447,741
Investment earnings	103,199	55,420	24,149	27,058	18,166	32,015	59,289	31,796	35,153	94,300
<b>Total revenues</b>	<b>17,070,233</b>	<b>16,282,357</b>	<b>15,397,130</b>	<b>15,738,141</b>	<b>15,042,766</b>	<b>14,196,178</b>	<b>15,166,785</b>	<b>14,252,246</b>	<b>14,072,963</b>	<b>14,492,305</b>
<b>Expenditures:</b>										
General government	3,156,532	3,293,951	3,045,728	3,073,851	2,627,454	2,500,274	2,291,190	2,391,556	2,235,855	2,284,775
Public safety	6,909,490	6,650,384	6,309,748	6,134,782	6,285,671	6,111,942	5,536,160	5,399,589	5,022,542	5,050,239
Public works	4,351,425	3,073,272	1,990,600	1,823,936	1,761,225	1,662,089	1,684,822	1,540,755	1,625,085	1,753,100
Culture and recreation	2,812,709	2,595,807	2,720,207	2,580,527	2,546,688	2,428,789	2,209,660	2,161,213	2,076,176	2,169,671
Capital outlay	1,378,124	1,215,777	1,927,324	1,526,136	1,613,488	1,115,631	1,449,486	1,173,423	1,398,405	1,651,286
Debt services:										
Principal	533,959	674,079	657,889	635,837	589,036	4,362,580	487,690	465,351	448,297	431,763
Interest	141,846	151,794	168,811	272,374	283,840	432,997	421,599	436,736	455,810	473,831
<b>Total expenditures</b>	<b>19,284,085</b>	<b>17,655,064</b>	<b>16,820,307</b>	<b>16,047,443</b>	<b>15,707,402</b>	<b>18,614,302</b>	<b>14,080,607</b>	<b>13,568,623</b>	<b>13,262,170</b>	<b>13,814,665</b>
(Deficiency) excess of revenues over expenditures	(2,213,852)	(1,372,707)	(1,423,177)	(309,302)	(664,636)	(4,418,124)	1,086,178	683,623	810,793	677,640
<b>Other financing sources (uses):</b>										
Proceeds from long-term debt										
Payment to refunding agent										
Sales of capital assets						3,923,000				
Transfer in	2,981,015	4,487,608	4,474,312	3,269,070	3,264,673	3,028,480	2,983,374	3,331,180	3,283,369	6,066,843
Transfer out	(2,630,939)	(4,176,324)	(4,012,312)	(2,837,070)	(2,869,673)	(2,688,180)	(2,757,627)	(3,096,180)	(3,048,369)	(5,851,843)
Total other financing sources (uses)	350,076	311,284	462,000	1,082,764	395,000	4,263,300	225,747	235,000	235,000	215,000
Net change in fund balances	<b>\$(1,863,776)</b>	<b>\$(1,061,423)</b>	<b>\$(961,177)</b>	<b>\$ 773,462</b>	<b>\$(269,636)</b>	<b>\$(154,824)</b>	<b>\$ 1,311,925</b>	<b>\$ 918,623</b>	<b>\$ 1,045,793</b>	<b>\$ 892,640</b>
Debt service as a percentage of noncapital expenditures	3.8%	5.0%	5.6%	6.3%	6.2%	27.4%	7.2%	7.3%	7.6%	7.4%

**MIAMI SHORES VILLAGE, FLORIDA**  
**General Governmental and Excise Tax Revenues By Source**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Public Service Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Interest Income</u>	<u>Total</u>
2009	6,699,188	2,263,799	671,674	789,921	1,310,257	495,503	161,227	30,488	12,422,057
2010	6,050,360	2,222,743	658,833	797,773	1,460,451	346,463	705,358	19,633	12,261,614
2011	5,614,746	2,137,473	1,052,626	912,421	1,542,432	329,906	633,318	12,859	12,235,781
2012	5,524,395	2,098,267	914,833	892,474	1,734,095	320,926	361,318	42,552	11,888,860
2013	5,719,016	2,045,767	841,572	964,755	1,941,090	609,029	276,811	18,746	12,416,786
2014	5,894,716	2,214,451	1,018,301	1,002,183	1,980,381	492,285	382,149	5,213	12,989,679
2015	6,383,317	2,199,772	1,237,435	1,062,801	2,059,389	499,777	449,445	14,281	13,906,217
2016	6,864,998	2,141,094	1,257,228	1,092,365	1,732,617	352,026	357,494	14,492	13,812,314
2017	7,446,686	2,104,726	1,212,029	1,102,765	1,829,756	554,068	371,309	42,023	14,663,362
2018	8,027,601	2,121,676	1,211,448	1,131,324	2,034,859	435,792	461,779	74,081	15,498,560

Revenues included in the General and Excise Tax Funds

**MIAMI SHORES VILLAGE, FLORIDA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**FOR THE LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30.</u>	<u>Property</u>	<u>Personal Property</u>	<u>Centrally Assessed</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Market Value</u>	<u>Assessed Value as a percentage of Market Value</u>
2009	902,193,025	18,873,700	1,612,487	922,679,212	8.2929	2,047,175,031	45.07%
2010	778,813,734	17,201,636	2,133,438	798,148,808	8.7059	1,524,554,727	52.35%
2011	703,899,345	15,775,621	1,498,857	721,173,823	8.7762	1,283,953,769	56.17%
2012	698,738,442	16,953,525	1,544,711	717,236,678	8.7855	1,243,667,012	57.67%
2013	727,955,201	17,910,658	1,530,814	747,396,673	8.7500	1,284,277,736	58.20%
2014	744,161,594	18,898,889	1,071,836	764,132,319	8.6949	1,294,780,508	59.02%
2015	808,067,935	20,443,472	1,281,491	829,792,898	8.6392	1,483,377,513	55.94%
2016	880,336,926	19,782,931	1,509,219	901,629,076	8.4289	1,692,889,026	53.26%
2017	953,506,766	19,610,810	1,678,470	974,796,046	8.4054	1,879,247,396	51.87%
2018	1,030,605,970	19,731,712	1,785,659	1,052,123,341	8.3491	2,009,104,786	52.37%

Source: Miami-Dade County Property Appraisal Office.

Note: Property in the Village 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 percent 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.

**MIAMI SHORES VILLAGE, FLORIDA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS (1)**  
**FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Miami Shores Village				County				Special Districts				Total Direct & Overlapping Rates
	City Wide	Debt Service	Total Direct Rate	County-Wide	Debt Service	Fire	Library	School	State				
2009	7.6351	0.6578	8.2929	5.2945	0.2850	2.2487	-	7.7970	0.6585	24.5766			
2010	8.0000	0.7059	8.7059	5.3370	0.2850	2.2271	-	7.9950	0.6585	25.2085			
2011	8.0000	0.7762	8.7762	5.9275	0.2850	2.5953	-	8.2490	0.6585	26.4915			
2012	8.0000	0.7855	8.7855	4.8050	0.2850	2.4627	-	8.0050	0.9708	25.3140			
2013	8.0000	0.7500	8.7500	4.7035	0.2850	2.4627	-	7.9980	0.9634	25.1626			
2014	8.0000	0.6949	8.6949	4.7035	0.4220	2.4623	-	7.9770	0.9455	25.2052			
2015	8.0000	0.6392	8.6392	4.6669	0.4500	2.4321	-	7.9740	0.9187	25.0809			
2016	7.9000	0.5289	8.4289	4.6583	0.4586	2.4293	-	7.6120	0.8871	24.4742			
2017	7.9000	0.5054	8.4054	4.6669	0.4000	2.4282	-	7.3220	0.8627	24.0852			
2018	7.9000	0.4491	8.3491	4.6669	0.4000	2.4282	-	6.9940	0.8093	23.6475			

(1) Overlapping rates are those of local and county governments that apply to property owners within the Village of Miami Shores.

Additional information:

Property tax rates are assessed per \$1,000 of Taxable Assessed Valuation

Tax rate limits:

City	10.000 Mills
County	10.000 Mills
School	10.000 Mills
State	10.000 Mills

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

**MIAMI SHORES VILLAGE, FLORIDA**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Value
Shore Square Properties, LLC	\$ 8,964,100	1	0.85%	7,819,090	2	0.85%
Tropical Chevrolet, Inc.	8,905,484	2	0.85%	7,052,705	3	0.76%
Northern Trust Bank (Publix)	8,245,000	3	0.78%	9,812,741	1	1.06%
Florida Power & Light Co.	7,222,712	4	0.69%	5,509,194	4	0.60%
Carol Invest USA, Inc	4,834,061	5	0.46%	-		
Miami 9005 LLC	4,400,000	6	0.42%	-		
88 Biscayne Management LLC	3,764,951	7	0.36%	-		
DVS LLC	3,654,274	8	0.35%	-		
Frederic Puren	3,536,107	9	0.34%	-		
Matthew J Allen	3,365,813	10	0.32%	-		
Ramiro del Amo	-			3,519,718	5	0.38%
Camp Biscayne at the Grove	-			3,452,740	6	0.37%
Bellsouth Telecommunications, Inc	-			3,160,811	7	0.34%
Bujolo, Inc	-			3,037,350	8	0.33%
Shores Village LLC	-			2,674,900	9	0.29%
Bahman Ashraf	-			2,643,846	10	0.29%
Total	<u>\$ 56,892,502</u>		<u>5.41%</u>	<u>\$ 48,683,095</u>		<u>5.28%</u>

Source: Miami-Dade County Property Appraiser Office

**MIAMI SHORES VILLAGE, FLORIDA**  
**OPERATING PROPERTY TAX LEVIES AND COLLECTIONS**  
**FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended <u>September 30,</u>	Total Levied for the <u>Fiscal Year</u>	Collected within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>	Total collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2009	7,044,748	6,474,514	91.9%	224,674	6,699,188	95.1%
2010	6,385,190	5,903,212	92.5%	147,128	6,050,340	94.8%
2011	5,769,391	5,474,167	94.9%	140,579	5,614,746	97.3%
2012	5,756,124	5,658,135	98.3%	60,881	5,719,016	99.4%
2013	5,998,630	5,672,080	94.6%	46,936	5,719,016	95.3%
2014	6,113,059	5,894,716	96.4%	98	5,894,814	96.4%
2015	6,638,343	6,383,223	96.2%	94	6,383,317	96.2%
2016	7,122,870	6,803,657	95.5%	61,341	6,864,998	96.4%
2017	7,700,889	7,446,395	96.7%	291	7,446,686	96.7%
2018	8,311,774	8,027,509	96.6%	92	8,027,601	96.6%

Source: Miami Shores Village Finance Department and Miami-Dade County Property Appraisers Office.



**MIAMI SHORES VILLAGE, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended <u>September 30,</u>	Governmental		Enterprise		Percentage of Actual Taxable Value of <u>Property</u>	Percentage of Personal <u>Income</u>
	General Obligation <u>Bonds</u>	Loan <u>Payable</u>	Revenue <u>Bonds</u>	<u>Total</u>		
2009	7,050,000	3,095,362	-	10,145,362	1.10%	2.58%
2010	6,860,000	2,737,674	-	9,597,674	1.20%	3.92%
2011	6,665,000	2,358,637	-	9,023,637	1.25%	3.29%
2012	6,460,000	1,922,581	-	8,382,581	1.17%	2.38%
2013	6,298,000	1,645,000	-	7,943,000	1.06%	2.22%
2014	6,053,000	1,300,964	-	7,353,964	0.96%	1.85%
2015	5,895,300	950,427	-	6,845,727	0.82%	1.69%
2016	5,596,900	590,938	4,840,000	11,027,838	1.22%	2.62%
2017	5,291,600	222,159	4,680,000	10,193,759	1.05%	2.26%
2018	4,979,800	-	4,520,000	9,499,800	0.90%	1.89%

**MIAMI SHORES VILLAGE, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2018**  
(in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
Overlapping debt:			
Miami-Dade County, Florida	(1) \$ 1,899,478	0.39%	\$ 7,336
Miami-Dade County Public Schools	(2) 969,024	0.34%	3,341
Total overlapping debt	<u>\$ 2,868,502</u>		<u>10,677</u>
Miami Shores Village	4,980	100.00%	4,980
Total direct and overlapping debt	<u><u>\$ 2,873,482</u></u>		<u><u>\$ 15,657</u></u>

Sources:

- (1) Miami-Dade County, Finance Department (Includes General Obligation Bonds)
- (2) The School Board of Miami-Dade County (Includes General Obligation Bonds)
- (3) The percentage of overlapping debt applicable is estimated using the taxable property value of the Village as compared to the taxable property value of the County and the School Board.

**MIAMI SHORES VILLAGE, FLORIDA**  
**LEGAL DEBT MARGIN INFORMATION**  
**FOR THE LAST TEN FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 100,232,534	\$ 92,188,005	\$ 84,566,008	\$ 77,083,990	\$ 70,360,232	\$ 68,441,667	\$ 65,491,549	\$ 65,452,382	\$ 72,954,881	\$ 72,117,382
Total net debt applicable to limit	4,979,800	5,291,600	5,596,900	5,895,300	6,053,000	6,298,000	6,460,000	6,665,000	6,860,000	7,235,000
Legal debt margin	\$ 95,252,734	\$ 86,896,405	\$ 78,969,108	\$ 71,188,690	\$ 64,307,232	\$ 62,143,667	\$ 59,031,549	\$ 58,787,382	\$ 66,094,881	\$ 64,882,382
Total net debt applicable to the limit as a percentage of debt limit	4.97%	5.74%	6.62%	7.65%	8.60%	9.20%	9.86%	10.18%	9.40%	10.03%

**Legal debt margin calculation for fiscal year 2017:**

Assessed value	\$1,052,123,341
Debt limit (10% of assessed value)	105,212,334
Debt applicable to limit:	
Total bonded debt	9,499,800
Less:	
Revenue bonds	(4,520,000)
Total debt applicable to limitation	4,979,800
Debt limit	\$ 100,232,534

**MIAMI SHORES VILLAGE, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**FOR THE LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Personal Income (Thousand of Dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2009	10,380	393,495	37,909	8.9%
2010	10,654	244,648	22,963	12.1%
2011	10,500	274,407	26,134	11.8%
2012	10,493	352,932	33,635	8.7%
2013	10,659	358,515	33,635	8.4%
2014	10,781	396,741	36,800	6.6%
2015	10,776	405,048	37,588	6.2%
2016	10,806	420,883	38,949	5.7%
2017	10,493	450,947	42,976	4.6%
2018	10,810	502,870	46,519	4.1%

Sources:

(1) State of Florida Department of Revenue

(2) U. S. Census Bureau

(3) Miami-Dade County Department of Regulatory and Economic Resources

**MIAMI SHORES VILLAGE, FLORIDA**  
**PRINCIPAL EMPLOYERS LOCATED IN MIAMI-DADE COUNTY**  
**CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	37,830	1	3.58%	50,000	1	4.47%
Miami-Dade County, Florida	25,502	2	2.41%	32,000	2	2.86%
Baptist Health Systems of South FL	19,989	3	1.89%	10,826	6	0.97%
University of Miami	15,630	4	1.48%	9,874	8	0.88%
American Airlines	13,000	5	1.23%	9,000	9	0.80%
Jackson Health System	12,217	6	1.16%	10,500	7	0.94%
Publix Super Markets	11,000	7	1.04%	11,000	5	0.98%
Florida International University	10,243	8	0.97%	-	-	0.00%
Miami Dade Community College	7,452	9	0.70%	6,500	10	0.58%
Wells Fargo	4,998	10	0.47%			
Federal Government				20,400	3	1.82%
Florida State Government				17,000	4	1.52%
Total Civilian Labor Force Employment	<u>1,057,263</u>			<u>1,118,568</u>		

Source: South Florida Business Journal June/July 2018  
Miami Dade County Department of Regulatory and Economic Resources

**MIAMI SHORES VILLAGE, FLORIDA**  
**VILLAGE EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	Fiscal Year									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General government:										
Administration:										
Full time	11	12	10	10	8	10	9	9	9	9
Part time	6	7	6	6	5	5	5	5	-	-
Finance:										
Full time	5	6	6	5	5	5	5	5	5	4
Part time	0		-	-	-	-	-	-	1	1
Public works:										
Full time	43	44	43	39	43	41	40	40	47	45
Part time	1	1	1	1	-	1	-	-	1	2
Culture and recreation:										
Recreation:										
Full time	13	13	15	13	12	12	13	13	13	11
Part time	63	63	67	63	72	51	30	30	51	56
Library:										
Full time	4	4	4	4	2	3	3	3	3	3
Part time	7	6	6	6	8	7	6	6	7	7
Public safety										
Police										
Full time	48	46	42	40	43	43	44	44	45	45
Part time	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u>204</u>	<u>205</u>	<u>204</u>	<u>191</u>	<u>202</u>	<u>181</u>	<u>158</u>	<u>158</u>	<u>185</u>	<u>186</u>

Source: Village Finance Office

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**COMPLIANCE SECTION**

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**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 Village Council  
Miami Shores Village, 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 Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 24, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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



**Purpose of this Report**

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

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Coral Gables, Florida  
May 24, 2019

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

Honorable Mayor and Members of the Village Council  
Miami Shores Village, Florida

**Report on the Financial Statements**

We have audited the basic financial statements of the Miami Shores Village, Florida (the "Village"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 24, 2019.

**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 Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated May 24, 2019, 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 annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

**Official Title and Legal Authority**

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

**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 Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

**Financial Condition and Management (Continued)**

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 Village. It is management's responsibility to monitor the Village'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. Our assessment was 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, members of the Village Council and management of the Village, 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  
Coral Gables, Florida  
May 24, 2019



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

Honorable Mayor and Members of the Village Council  
Miami Shores Village, Florida

We have examined the Miami Shores Village's (the Village) compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2017 to September 30, 2018. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village 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 Village's compliance with specified requirements. In our opinion, the Village complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2017 to September 30, 2018.

This report is intended solely for the information and use of management, the Mayor, the Village Council, others within the Village 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  
Coral Gables, Florida  
May 24, 2019