

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the Fiscal Year Ended  
September 30, 2019**

**City of Miami Gardens, Florida**

**CITY OF MIAMI GARDENS, FLORIDA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

Prepared by:

THE FINANCE DEPARTMENT

# CITY OF MIAMI GARDENS, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

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# CITY OF MIAMI GARDENS, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

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## **INTRODUCTORY SECTION**

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# City of Miami Gardens

May 8, 2020

To the Citizens of the City of Miami Gardens, Florida:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Miami Gardens, Florida, for the fiscal year ended September 30, 2019, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the City Charter. The financial statements included in this report conform to Generally Accepted Accounting Principles (GAAP) in the United States of America 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 City.

The financial statements have been audited by Anthony Brunson P.A. Certified Public Accountants. The independent auditor has issued an unmodified opinion and this report fairly represents the financial position of the City in conformity with GAAP. The independent audit of the financial statements of the City of Miami Gardens was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

The contents of the report have been influenced by compliance with GASB pronouncements, including GASB 68 Accounting and Financial Reporting of Pension, GASB 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions and, Statement 34 Requiring 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. The MD&A can be found immediately following the independent auditors' report.

## **Profile of the Government**

The City was incorporated May 13, 2003, under the Charter and Laws of Miami-Dade County (the "County"), and is the County's third (3<sup>rd</sup>) largest municipality behind the Cities of Miami and Hialeah. The City operates under a Mayor-Council-Manager form of government. The City Council is comprised of the Mayor and six (6) other Council Members who are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of the various advisory boards. Additionally, Council appoints the City Manager, the City Attorney and the City Clerk upon the recommendation of the Mayor. As Chief Administrative Officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the Department Directors of the City.

In addition to providing residents with public safety, general government, parks and public works services, the City provides recreation facilities and community development programs to its residents.

The annual budget serves as the foundation for the City's financial planning and control. All Departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Council for their review, a budget estimate of the expenditures and revenues of all the City's Departments and Divisions. Two (2) public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1<sup>st</sup> by the passage of an Ordinance. Section 4.5 of the City Charter provides the Council must adopt the budget by Ordinance. The City's budget is approved at the fund level. The City Manager may adjust the adopted budget for adjustments within a fund. The City Council must approve all other budget amendments as well as supplemental appropriations with the exception of grant revenues and debt proceeds, which can be amended by the City Manager. Budget to actual comparisons are provided in this report for the City's General Fund (page 70), Transportation Fund (page 71), Capital Projects Fund (page 80), Debt Service Fund (page 81), Grants Fund (page 82), Community Development Block Grant Fund (CDBG) (page 85), Development Service Fund (page 86), Impact Fees (page 87), and Special Taxing District (page 88).

## **Financial Information**

### ***Accounting Control***

City Management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure 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 these objectives are met. The concept of reasonable assurance recognizes: (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 responsible for ensuring an adequate internal control structure is in place and to 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 City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the fund level. The City also maintains an encumbrance accounting system.

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

### ***Budgetary Controls***

The budgetary control adopted by the City of Miami Gardens includes a legally adopted budget by the Council for the General Fund, Capital Projects Fund, Development Services Fund, Community Development Block Grant Fund, Transportation Fund, Stormwater Fund, Impact Fees Funds and Debt Service Fund. Without Council's approval, expenditures may not exceed appropriation at a Fund level.

Administrative budget transfers may occur upon approval of the City Manager or his/her designee within the fund level. The City Manager also has the authority to increase the budget based on receipt of grants and issuance of any financing approved by the Council.

## **Economic Condition and Outlook**

### Limits On Tax Base Growth.

Under Florida's Constitution, residential properties are owner-occupied and have a homestead exemption limited to the Consumer Price Index increase or 3% whichever is less. The effect of this limitation burdens the City's tax base by exempting from taxation large portions of residential property value. The City has the ability to tax property up to 10 mills, \$10 for each \$1,000 of taxable value. It is not anticipated the City will reach the tax rate cap anytime soon. In January 2008, Amendment One to the State Constitution, also known as "Portability of Save Our Homes", was passed through a statewide referendum. This amendment provided an additional \$25,000 homestead exemption, a \$25,000 tax exemption for tangible personal property and portability whenever the property is sold. The new exemption negatively impacts the City by reducing its property tax base. Moreover, effective with the City's FY 2008 budget, the Florida Legislature has modified its roll-back requirement. This change will require the City to "roll-back" its tax rate each year to a rate that will produce the same property tax revenue as for the prior year plus the change in per capita personal income. The City Council can vote with a super majority to increase the amount, but ultimately the legislation will limit the ability of the City to increase its revenues from property taxes.

The City's property value in FY 2019 increased by 8.8% over the FY 2018 final taxable value. The Council adopted the same millage rate as FY 2018 at 6.9363 mills generating additional revenue of \$2,439,064.

### Economic Conditions.

The City has experienced steady recovery from the sluggish economy as evident by the increase in home values and decrease in unemployment. We have experienced a significant upsurge in both residential and commercial construction resulting in an expanded tax base.

In FY 2019, the City had both public and private development projects along with several bond projects continue to move successfully through the site plan review process. Vista Lago is a 605,084 SF multi-family residential development with a combination of 113 townhome units, 120 condominium units and 168 apartment units. Villages at Miami Gardens Apartments is a residential development with approximately 50 multi-family rental units designed in a two-story, townhome layout. The Oaks Enclave will provide roughly 420 market rate rental units along the Palmetto Expressway across several modern design towers. Commercial developments include a new two-story 42,842 SF FPL Customer Service Center with an adjacent one-story 1,029 SF equipment storage area; and the addition of a 650 SF wine-cove containing a small wine bar and wine storage and 130,501 self-storage facility at Gardens Promenade shopping center. The Dolphin Training Facility at the Hard Rock Stadium is expected to open in early 2021 and will feature an indoor and outdoor practice fields, a 125,000 SF support building with team spaces, meeting rooms, and administrative offices for coaches, trainers, and staff. City Bond projects include the 14,000 SF Senior Family Center, a new 4,000 SF recreation building at Rolling Oaks Park, and a 21,000 SF Science, Technology, Engineering and Math facility (STEM) to be added at Risco Park. Lastly, Miami Open at the Hard Rock Stadium totaling 80,000 sq. ft. supported the FY2019 tennis opening, as well as, future tennis opens over a 30-year deal.

The City is strategically located between the Miami and Fort Lauderdale markets and is at the crossroads of the area's major traffic ways. A large portion of the City's housing stock was constructed over 30 years ago. In 2006, the City of Miami Gardens became eligible to receive federal funding from the Department of Housing and Urban Development (HUD). The sole purpose of the CDBG Program is to create decent housing, a suitable living environment and economic opportunities for the City's low-income residents, neighborhoods and businesses. Now in its 14th year, the City has received over \$16.5 million in Community Development Block Grant (CDBG) funds. To date, three hundred forty-five (345) homes have been rehabilitated, thirty (30) first-time homeowners received homeownership assistance, four (4) neighborhood drainage, eight (8) park improvement projects have been completed, and six (6) full-time and twenty-five (25) part-time jobs have been created from financial assistance to eight (8) businesses. Additionally, in 2009 the City received \$6.8 million from the Neighborhood Stabilization Program (NSP) to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods that were on a decline due to the foreclosure crisis. To date, the City has purchased



seventy-four (74) homes; seventy (70) of these homes have been completely renovated and sold to first-time homeowners. The sale of the seventy (70) homes has generated over \$5.5 million in program income that is reinvested back into the community for the continuation of the program contract for home improvements. In addition, with collaborative public-private partnership the City utilized NSP funds to develop twenty-four (24) units of elderly rental housing.

#### Personnel Costs.

The cost of attracting and keeping experienced and competent personnel in South Florida has dramatically increased over the last two (2) decades. The City has to compete with the roughly ninety (90) other municipalities existing in Miami-Dade, Broward and Palm Beach Counties. The level and amount of benefits offered to employees in this market is substantial and the employer contributions for these benefits are typically very high. As the City expands its services, it faces continual pressure in maintaining these costs. Costs for insurance and retirement are expected to continue to climb. The City is a member of the State of Florida Retirement System (FRS). The City has two (2) labor unions, the Federation of Public Employees (FPE) and the Police Benevolent Association (PBA). In FY 2019, all union employees and general employees received a 3% salary adjustment. Members in FPE union, based on performance evaluations, are eligible for merit lump sum bonuses and merit days off. The PBA members are eligible for merit lump sum bonuses based on performance evaluations while General employees receive merit days off.

#### **Long Term Financial Planning**

Financial planning continues to be of paramount importance to the City as we strive to meet the challenges of both the immediate and the foreseeable future. Major projects undertaken by the City have long term financial implications for existing as well as future resources, including but not limited to, existing use of revenues received for operational and future reserve needs. The planning and decisions undertaken by the City are always weighed in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts.

Strategic goals and objectives are constantly being reviewed by the City in light of the various economic challenges that arise. As the City grows and develops, the long-term strategic goals are focused on the health, welfare, safety and quality of life for our residents, as well as the fiscal health of the City government. Since its incorporation in 2003, the City Council has developed and adopted four (4) strategic plans. The fourth revision was completed in April of 2013. The City of Miami Gardens worked with several key stakeholders to develop its Strategic Management Plan. As a result, this multi-year plan accurately identifies the City's overarching goals and provides the blueprint for accomplishing them. Central to the document, is the identification of the City's Key Focus Areas. These focus areas have been identified as:

- Public Safety
- Economic Vibrancy
- Culture, Arts, Recreation and Education

Successful execution of the objectives associated with these Key Focus Areas will allow the City to align its efforts and resources to accomplish its goals and improve the quality of life for the residents of Miami Gardens. During FY 2020-2021, the City will be working on a new strategic plan to better assist the Administration in attaining the growth and development goals of City residents and businesses. Additionally, the new strategic planning effort will establish a plan to ensure continued fiscal stability in light of potential changes to State law.

Over the last few years, the City has worked on developing its annual budget tactically reaching its goal of building up the unassigned reserve of the general fund balance to 25% of the annual general fund expenditures. This would ensure the availability of sufficient funds for future unexpected events. Several current and past events have assisted the City in reaching its goal. **For fiscal year ended September 30, 2019 the unassigned fund balance that can be used at the City's discretion in the General Fund is \$21,618,969 which is 26.6% of FY 2020 operating expenses.**

In 2009, the City purchased two (2) economic development properties, the first property is fifteen (15) acres and the other is forty (40) acres. At the end of September 2017, the City completed sale of the fifteen (15) acres and used the proceeds to pay off the loan in FY 2018. The City negotiated the sale of the thirty-five (35) acre parcel and will retain five (5) acres for its own usage. The sale will be finalized in FY 2020 and it is the intent of the City to pay off the loan and deposit the gain on the sale of the properties in fund balance.

### **Major Initiatives**

The City continues to improve the roads, sidewalks, and stormwater drainage as part of the road improvement project with funding provided from the CITT proceeds, the Stormwater Fund, as well as grants. Up through FY 2019, the City completed five (5) of seven (7) Vista Verde Livable Neighborhood drainage projects. Other projects in progress or beginning in FY 2020 includes, Westside Blue Trail; milling, surfacing, and sidewalk repairs/replacement from NW 2-7 Avenue, from NW 7 Avenue Extension to NW 183 St, from NW 183 St to NW 191 St and from NW 2 - 7 Ave, NW 39th Avenue and South of NW 215th Street; as well as other various sidewalk stand-alone projects. In addition, the City will finalize the Hard Rock Bridge and Tunnels of \$17.9 million project.

Projects in progress funded from the General Obligation Bonds approved by voters in 2014 includes Bunche Park projected for completion in FY 2020. Bennet Lifter, Cloverleaf Park and Senior Family Center Building improvements will begin in FY 2020 with a projected completion for FY 2021. Buccaneer Park celebrated the completion with an opening ribbon cutting ceremony on December 15, 2018. In FY 2019, the projects completed include turf & track replacement, scoreboard, and select demolition Natatorium at Betty T. Ferguson (BTF); the new playground and shade fabric at Lester Brown Park; the home/visitor side bleachers and scoreboard at North Dade Optimist Park; and demolitions at 15880 NW 27 Avenue, 1798 NW 183 Street and 2775 NW 183 Street.

The Miami Gardens Police Department's Real Time Crime Center (RTCC) uses a mesh of state-of-the-art technology, i.e. video surveillance cameras, automatic license plate readers, and crime analytics to help combat crime in real time. The RTCC staffed with a mix of crime analysts and sworn personnel specialize in collecting, analyzing and utilizing criminal activity and criminal intelligence to enhance operational effectiveness. The RTCC was developed with the goals of enhancing the safety of residents, employees and visitors. While safety was being the primary focus of the RTCC, we have enhanced the efficiency and effectiveness of Law Enforcement efforts across the City.

The project has been an ongoing effort over the past few years. In FY 2019, we deployed security cameras and internet HUB at Buccaneer Park and an internet HUB at Norwood Park. The Police Department expects to work towards the completion of several more facets of the overall RTCC project to include the fixed license plate readers deployed at several key intersections and security cameras at the new Bunche Park and Norwood Park. The RTCC project had its ribbon cutting in 2017 and is currently operational. As Public Safety Technology continues to evolve, the amount of virtual eyes in the area can always be increased; the RTCC project will never really reach completion, as we will continue to grow and be ahead of the innovation curve to supply the enhanced safety to everyone within the City.

### **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 the City of Miami Gardens for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the City's eleventh (11<sup>th</sup>) year of receiving this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

The City received the Distinguished Budget Presentation Award for its FY2019 budget, adding to a total of fourteen (14) awards.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department; we wish to express our appreciation to them.

Finally, we would like to thank the various operating Departments for their timely contributions in the writing of this report.

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



Cameron D. Benson  
City Manager



Mirtha Dziedzic, CGFO  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Miami Gardens  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

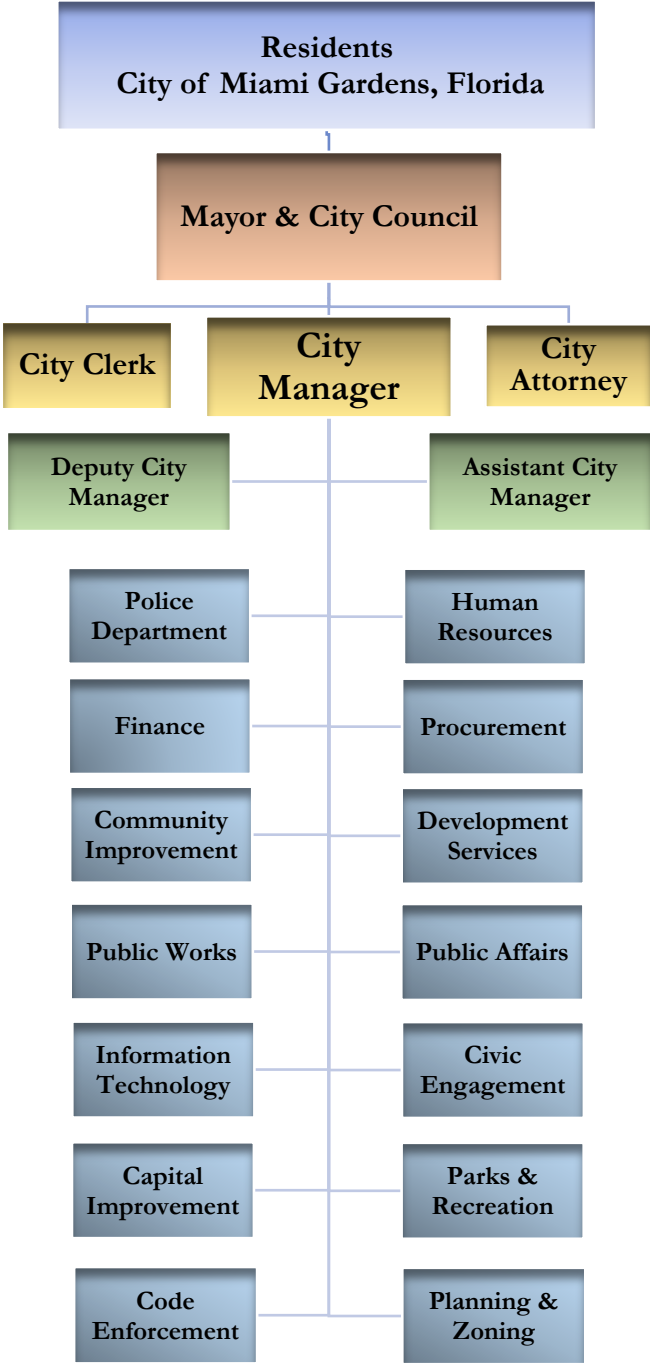
*Christopher P. Morill*

Executive Director/CEO



# CITY OF MIAMI GARDENS, FLORIDA

## ORGANIZATIONAL CHART





**CITY OF MIAMI GARDENS, FLORIDA**

**CITY OFFICIALS**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2019**

**CITY COUNCIL**

**Oliver Gilbert III, Mayor  
Rodney Harris, Vice Mayor  
Erhabor Ighodaro, Ph.D., Council Member  
Reggie Leon, Council Member  
Lillie Odom, Council Member  
Katrina Wilson, Council Member  
David Williams Jr., Council Member**

**CITY MANAGER**

**Cameron D. Benson**

**CITY CLERK**

**Mario Bataille, CMC**

**CITY ATTORNEY**

**Sonja K. Dickens, Esq.**

**FINANCE DIRECTOR**

**Mirtha Dziedzic, CGFO**

**CITY AUDITORS**

**Anthony Brunson P.A.  
Certified Public Accountants and Business Advisors**





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## **FINANCIAL SECTION**

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**REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

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# ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Miami Gardens, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Gardens, Florida (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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.

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

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

- 1 -



### Miramar

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(305) 789-6673

## ***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 City, as of September 30, 2019, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 17, budgetary comparison information on pages 70 to 71, Schedules of the Proportionate Share of Net Pension Liability, Schedules of Employer Contributions on pages 73 to 76, Schedules of Changes in the City's Total Other Post Employment Benefits Liability and Schedules of Employer's Proportionate Share of the Net OPEB Liability on pages 77 to 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance 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 the Schedule of Expenditures of Federal Awards and State Financial Assistance 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 Standard***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2020, on our consideration of the City'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 City's internal control over financial reporting and compliance.



Miami, Florida  
May 8, 2020

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**MANAGEMENT'S DISCUSSION AND  
ANALYSIS  
(MD&A)**

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# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Miami Gardens, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended September 30, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, the City's financial statements and the other required supplemental information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City'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

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2019 by \$231,253,592 (Net Position).

Over the last year the total Net Position increased by \$9.0 million. Of this amount, approximately \$7.1 million increase took place in the governmental activities and the business-type activities increased \$1.9 million.

The City's net position in the governmental-type activities is \$213.8 million. Of this amount, unrestricted net position is a deficit of \$40.4 million which increased by \$4.0 million when compared to prior year due to the effect of an increase of Net Pension Liability of \$13.0 million which was partially offset by a reduction of total Net OPEB Obligations of \$3.3 million.

At the close of fiscal year 2019, the City's governmental funds reported a combined ending fund balance of \$104,324,744; an increase of \$4,175,880, in comparison with the prior year. This increase is attributed to the net results of an increase in fund balance of \$2.5 million in the General Fund, \$2.2 million in the Transportation Fund, an increase of \$4.8 million in the Development Services Fund and a decrease of \$5.4 million in the Capital Projects Fund. Approximately \$22 million of the total fund balance is unassigned fund balance available for spending at the City's discretion.

The General Fund reported an operating surplus of \$8,589,323, for fiscal year 2019, before transfers and other financing sources, \$2,520,713 more than budgeted in the General Fund. After inter-fund transfers and other financing sources, the General Fund generated a net increase of \$2,520,713. This increase is mainly attributable to increased collections in the following categories: fines/forfeitures and franchise fees; with savings realized from operating expenditures and personnel costs due to vacancies. In FY 2019, the City received approximately \$1.4 million in additional revenue from fines and forfeitures and \$700,000 in additional revenue from franchise fee as compared to the budget. Operating expenditure savings are mostly derived from the Planning and Parks departments and personnel cost savings are realized from vacancies in various departments. The General Fund unassigned fund balance is \$21.6 million, representing 26.61% of General Fund FY 2020 budgeted expenditures.

For the City's business-type activities, the City experienced operating income of \$2.4 million. After nonoperating revenues and expenses, inter-fund transfers and capital contributions, this fund generated an increase in Net Position of \$1.9 million.



# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**The City's total debt decreased** by approximately \$4.1 million which includes the payoff of the Land Acquisition Revenue Bonds, Series 2007 and adding the Taxable Refunding Revenue Bond, Series 2019. City-wide depreciation expenses recorded during the year amounted to \$17,299,304. Total net investment in capital assets was \$243,150,052 at year-end.

### **CITY ACHIEVEMENTS**

FY 2019 The City was awarded \$648,000 to Construct the Westside Blueway Trail Phase II through Florida Department of Transportation (FDOT). City project for the Hard Rock Bridges and Tunnels of \$17.9 million funded by the State includes two pedestrian bridges and two tunnels projected to be completed prior to the 2020 Super Bowl. The Sidewalk, Road Resurfacing and Pavement Preservation Projects completed through each community to repair and construct new sidewalks with ADA (American Disability Act), also resurfacing and pavement preservation on older roads to increase lifespan, in FY2019 the City completed \$3.5 million. To date, the City has completed 5 of the 7 phases of the Vista Verde Community Road and Drainage Improvement Projects to increase existing or add new drainage systems and then re-surfacing the road(s). The City started the project NW 27 Ave and NW 183 St Landscaping Improvements that replaces old landscaping materials or landscaping destroyed by hurricane/traffic accidents, which is to be completed prior to the 2020 Super Bowl.

The City has expanded the Transit Service in FY 2019 to include a third transit route to increase stops in the east section of the City and decrease waiting time on the other two routes by picking up a few of their stops.

All eighteen (18) projects included in the Bond Implementation Plan are in some form of development and/or completion. As of fiscal year end, the following projects/components of projects have been completed: Dr. Lester Brown Park Outdoor Fitness Station, March 2015; Brentwood Pool Outdoor Fitness Station, February 2016; Showmobile, March 2016; Real Time Crime Center Video Wall, August 2016; Betty T. Ferguson Recreational Complex Gymnasium Flooring Upgrade, June 2017; Betty T. Ferguson (BTF) Recreational Complex Parking Lot Light Upgrade, December 2017; and Bunche Park Pool Improvements, March 2018. The city in 2019 completed the following projects: BTF Recreation Center exterior/interior improvements: Turf & Track Replacement (November 2018), Scoreboard (September 2019) and Select Demolition Natorium (April 2019); Lester Brown Park New Playground and Shade Fabric, August 2019; North Dade Optimist Park Shaded Home Side Bleachers, November 2018 & Visitor Side Bleachers and Scoreboard, September 2019; Demolitions: 15880 NW 27<sup>th</sup> Avenue (June 2019), 1798 NW 183<sup>rd</sup> Street (June 2019), 2775 NW 183 Street (August 2019). In addition, the Buccaneer Park opening ribbon cutting ceremony was on December 15, 2018. Bunche Park is nearing completion in FY 2020, in addition, Norwood Park/Pool and upgrades to Betty T. Ferguson Recreational Complex are projected for completion in FY 2020.

The Miami Gardens Police Department's Real Time Crime Center (RTCC) continued with the buildout to include the completion of the Video Management System, the Video Analytics Solution, and security cameras at City facilities. In FY 2019, we integrated current closed circuit television camera systems from City Hall, Public Safety Building and City Garage into the RTCC and established a plan to begin implementing longer operation hours with the goal of supplying a full operation of 24-hours a day, 7 days a week. As Public Safety Technology continues to evolve, the amount of virtual eyes in the area can always be increased; the RTCC project will never really reach completion, as we will continue to grow and be ahead of the innovation curve to supply the enhanced safety to everyone within the City.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's Community Development Department has been tasked with establishing and implementing programs that create decent housing, a suitable living environment, and economic opportunities for the City's low-income residents, neighborhoods, and businesses. Now in its 14<sup>th</sup> year, the City has received over \$16.5 million in Community Development Block Grant (CDBG) funds. To date, three hundred forty-five (345) homes have been rehabilitated; thirty (30) first-time homeowners received down payment assistance; four (4) neighborhood drainage and eight (8) park improvement projects have been completed; nine (9) additional non-profit organizations have been funded to provide public service programs to residents, six (6) full-time and twenty-five (25) part-time jobs have been created from financial assistance to eight (8) businesses. Furthermore, in 2009 the City was awarded \$6.8 million from the Neighborhood Stabilization Program to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods that were on the decline due to the foreclosure crisis. To date, the City has purchased seventy-four (74) homes; seventy (70) of these homes have been completely renovated and sold. The sale of the seventy (70) homes has generated over \$5.5 million in program income that is being reinvested back into the program. The Department also received an additional Neighborhood Stabilization Program Grant (NSP3) in 2011 for \$1,940,337, which helped to purchase five (5) homes, rehabilitate three (3) and reconstruct two (2). Additionally, twenty-four (24) units of elderly rental housing were developed in 2017 due to a public/private partnership utilizing NSP3 funds.

The Community Development Department is a completely grant-funded operation, and as a result continues to pursue increased funding for the City from a variety of sources. Since its inception in 2006, the Community Development Department has leveraged over \$30 million in multiple grant funding sources to invest into the community, serving more than 3,000 people, nearly 10,000 households, 62 businesses for an overall community benefit that is immeasurable.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic *financial statements*, *required supplementary information* and an additional section that presents *combining statements* for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The *governmental funds* statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.

The financial statements include *notes* explaining some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* which further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another.

In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which is added together and presented in a single column in the basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Miami Gardens' finances, in a manner similar to a private-sector business.

The *Statement of Net Position* includes assets plus deferred outflows of resources, and liabilities, less deferred inflows of resources, both short and long term. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City of Miami Gardens is improving or deteriorating.

The *Statement of Activities* presents information showing how the City'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).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the City of Miami Gardens include Public Works, Parks and Recreation, Police, and general administration services. The City has one business-type activity, the Stormwater fund.

The government-wide financial statements can be found on pages 18 and 19 of this report.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Miami Gardens, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Miami Gardens can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Miami Gardens maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Transportation Fund, Grant Fund and the Debt Service Fund, which are considered to be major funds. Data from the other 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. Budgetary comparison statements have been provided for the General Fund and all other major and non-major special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 20 to 22 of this report.

**Proprietary funds.** The City maintains one type of proprietary fund. *Proprietary funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide information for the Stormwater operations, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 23 to 25 of this report.

**Notes to the financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 to 69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Required supplementary information can be found on pages 70 to 79 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 83 to 84 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Summary of Net Position.** As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

- 1) *Net results of activities* will impact (increase/decrease) current assets and unrestricted Net Position.
- 2) *Borrowing for capital* will increase current assets and long-term debt.
- 3) *Spending borrowed proceeds on new capital* will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the net investment in capital assets.
- 4) *Spending of non-borrowed current assets on new capital* will reduce current assets and increase capital assets and will reduce unrestricted Net Position and net investment in capital assets.
- 5) *Principal payment on debt* will reduce current assets and reduce long-term debt and reduce unrestricted Net Position and increase net investment in capital assets.
- 6) *Reduction of capital assets through depreciation* will reduce capital assets and net investment in capital assets.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Changes in Net Position

The following schedule is a summary of the fiscal year 2019 Statement of Net Position with comparative information for fiscal year 2018. This schedule, which presents Net Position, is one way to measure the City's financial health or position:

#### City of Miami Garden's Net Position

|                                  | Governmental Activities |                       | Business-type Activities |                      | Total                 |                       |
|----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                  | <u>2019</u>             | <u>2018</u>           | <u>2019</u>              | <u>2018</u>          | <u>2019</u>           | <u>2018</u>           |
| Current and other assets         | \$ 117,571,516          | \$ 108,616,663        | \$ 7,340,114             | \$ 6,562,952         | \$ 124,911,630        | \$ 115,179,615        |
| Capital assets                   | <u>309,524,374</u>      | <u>301,837,332</u>    | <u>16,603,630</u>        | <u>15,515,949</u>    | <u>326,128,004</u>    | <u>317,353,281</u>    |
| Total assets                     | <u>427,095,890</u>      | <u>410,453,995</u>    | <u>23,943,744</u>        | <u>22,078,901</u>    | <u>451,039,634</u>    | <u>432,532,896</u>    |
| Deferred Outflow of Resources    | <u>25,204,407</u>       | <u>22,645,010</u>     | <u>296,274</u>           | <u>289,138</u>       | <u>25,500,681</u>     | <u>22,934,148</u>     |
| Long-term liabilities            | 205,816,234             | 200,753,484           | 5,498,826                | 5,404,907            | 211,315,060           | 206,158,391           |
| Other liabilities                | <u>21,019,595</u>       | <u>15,779,916</u>     | <u>1,282,035</u>         | <u>1,394,170</u>     | <u>22,301,630</u>     | <u>17,174,086</u>     |
| Total liabilities                | <u>226,835,829</u>      | <u>216,533,400</u>    | <u>6,780,861</u>         | <u>6,799,077</u>     | <u>233,616,690</u>    | <u>223,332,477</u>    |
| Deferred Inflow of Resources     | <u>11,617,800</u>       | <u>9,801,219</u>      | <u>52,233</u>            | <u>34,541</u>        | <u>11,670,033</u>     | <u>9,835,760</u>      |
| Net position:                    |                         |                       |                          |                      |                       |                       |
| Net investment in capital assets | 231,676,291             | 224,300,737           | 11,473,761               | 9,965,166            | 243,150,052           | 234,265,903           |
| Restricted                       | 22,548,555              | 18,814,666            | -                        | -                    | 22,548,555            | 18,814,666            |
| Unrestricted                     | <u>(40,378,178)</u>     | <u>(36,351,017)</u>   | <u>5,933,163</u>         | <u>5,569,255</u>     | <u>(34,445,015)</u>   | <u>(30,781,762)</u>   |
| Total net position               | <u>\$ 213,846,668</u>   | <u>\$ 206,764,386</u> | <u>\$ 17,406,924</u>     | <u>\$ 15,534,421</u> | <u>\$ 231,253,592</u> | <u>\$ 222,298,807</u> |

At the end of the current fiscal year, the City of Miami Gardens has a positive balance in restricted net position and a negative balance in unrestricted Net Position. The largest portion of the City's Net Position reflect its investment in capital assets (such as land, road, buildings, machinery & equipment) less any related outstanding debt used to acquire those assets. The deficit in the unrestricted net position and the increase in long-term liabilities are mainly attributed to the impact of the City's implementation of GASB 75.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule is the summary of fiscal year 2019 Statement of Activities with comparative information for fiscal year 2018:

|  | Governmental Activities |                       | Business-type Activities |                      | Total                 |                       |
|--|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|  | 2019                    | 2018                  | 2019                     | 2018                 | 2019                  | 2018                  |
| <b>Revenues:</b>                                     |                         |                       |                          |                      |                       |                       |
| Program revenues:                                    |                         |                       |                          |                      |                       |                       |
| Charges for services                                 | \$ 24,005,746           | \$ 21,362,817         | \$ 4,886,154             | \$ 5,094,141         | \$ 28,891,900         | \$ 26,456,958         |
| Operating grants                                     | 18,792,772              | 2,158,862             | -                        | -                    | 18,792,772            | 2,158,862             |
| Capital grants contributions                         | 113,200                 | 182,134               | 214,632                  | -                    | 327,832               | 182,134               |
| General revenues:                                    |                         |                       |                          |                      |                       |                       |
| Property taxes                                       | 34,759,128              | 32,504,999            | -                        | -                    | 34,759,128            | 32,504,999            |
| Utility taxes  | 10,830,781              | 10,750,222            | -                        | -                    | 10,830,781            | 10,750,222            |
| Franchise fees                                       | 3,682,186               | 3,801,953             | -                        | -                    | 3,682,186             | 3,801,953             |
| Intergovernmental                                    | 20,471,779              | 20,364,978            | -                        | -                    | 20,471,779            | 20,364,978            |
| Miscellaneous  | 3,609,580               | 3,599,172             | 606                      | 105,799              | 3,610,186             | 3,704,971             |
| Investment earnings                                  | 2,136,902               | 1,508,812             | 131,721                  | 91,798               | 2,268,623             | 1,600,610             |
| Total revenues                                       | <u>118,402,074</u>      | <u>96,233,949</u>     | <u>5,233,113</u>         | <u>5,291,738</u>     | <u>123,635,187</u>    | <u>101,525,687</u>    |
| <b>Expenses:</b>                                     |                         |                       |                          |                      |                       |                       |
| General government                                   | 25,470,459              | 22,811,697            | -                        | -                    | 25,470,459            | 22,811,697            |
| Public safety  | 51,502,510              | 41,203,581            | -                        | -                    | 51,502,510            | 41,203,581            |
| Public works   | 18,494,408              | 16,656,467            | -                        | -                    | 18,494,408            | 16,656,467            |
| Culture & recreation                                 | 7,727,705               | 6,149,189             | -                        | -                    | 7,727,705             | 6,149,189             |
| Economic environment                                 | 1,221,889               | 843,429               | -                        | -                    | 1,221,889             | 843,429               |
| Human services                                       | 699,832                 | 148,373               | -                        | -                    | 699,832               | 148,373               |
| Interest expense                                     | 6,685,444               | 6,940,156             | -                        | -                    | 6,685,444             | 6,940,156             |
| Stormwater   | -                       | -                     | 2,878,155                | 2,533,311            | 2,878,155             | 2,533,311             |
| Total expenses                                       | <u>111,802,247</u>      | <u>94,752,892</u>     | <u>2,878,155</u>         | <u>2,533,311</u>     | <u>114,680,402</u>    | <u>97,286,203</u>     |
| Increase/(decrease) in net position before transfers | 6,599,827               | 1,481,057             | 2,354,958                | 2,758,427            | 8,954,785             | 4,239,484             |
| Transfers  | <u>482,455</u>          | <u>468,403</u>        | <u>(482,455)</u>         | <u>(468,403)</u>     | -                     | -                     |
| Increase/(decrease) in net position                  | 7,082,282               | 1,949,460             | 1,872,503                | 2,290,024            | 8,954,785             | 4,239,484             |
| Net position, beginning of year                      | <u>206,764,386</u>      | <u>204,814,926</u>    | <u>15,534,421</u>        | <u>13,244,397</u>    | <u>222,298,807</u>    | <u>218,059,323</u>    |
| Net position, ending                                 | <u>\$ 213,846,668</u>   | <u>\$ 206,764,386</u> | <u>\$ 17,406,924</u>     | <u>\$ 15,534,421</u> | <u>\$ 231,253,592</u> | <u>\$ 222,298,807</u> |

### Governmental Activities

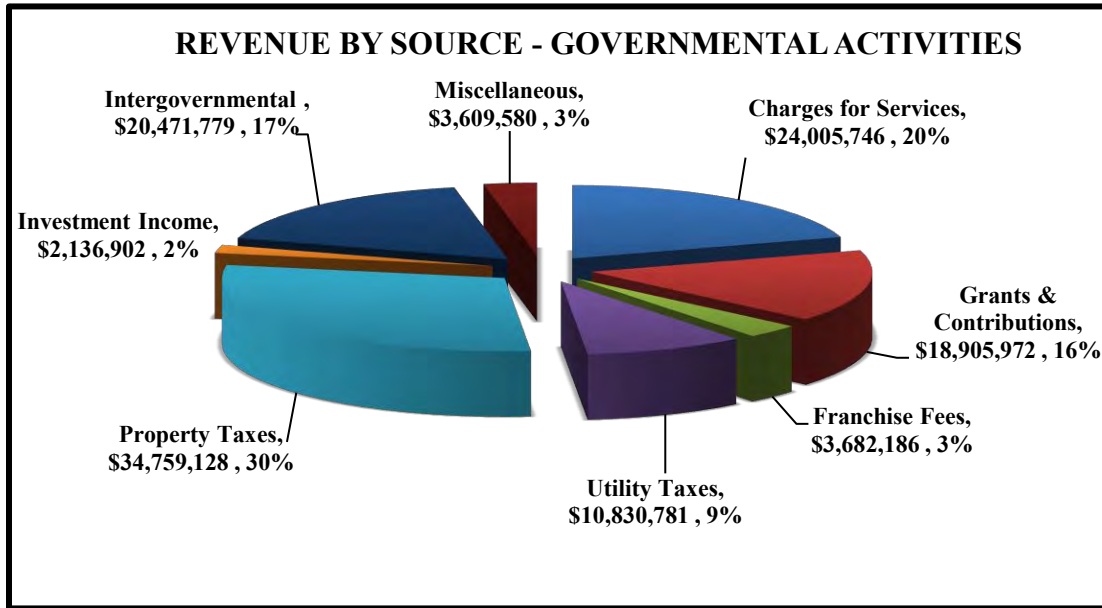
The City's total Net Position increased by \$7 million from the prior year net position of \$206.8 million to \$213.8 million. This increase was partly attributable to the following:

- The OPEB liability for fiscal year ended September 30, 2019 is \$5,801,627, a decrease of \$3.4 million.
- Increase in pension expenses attributed to GASB 68 of \$13.3 million
- Depreciation expenses in the amount of \$16.7 million.
- Reduction in long term debt for principal payments made in FY 2019 in the amount of \$12.2 million
- Increase in governmental fund balance in the amount of \$4.2 million

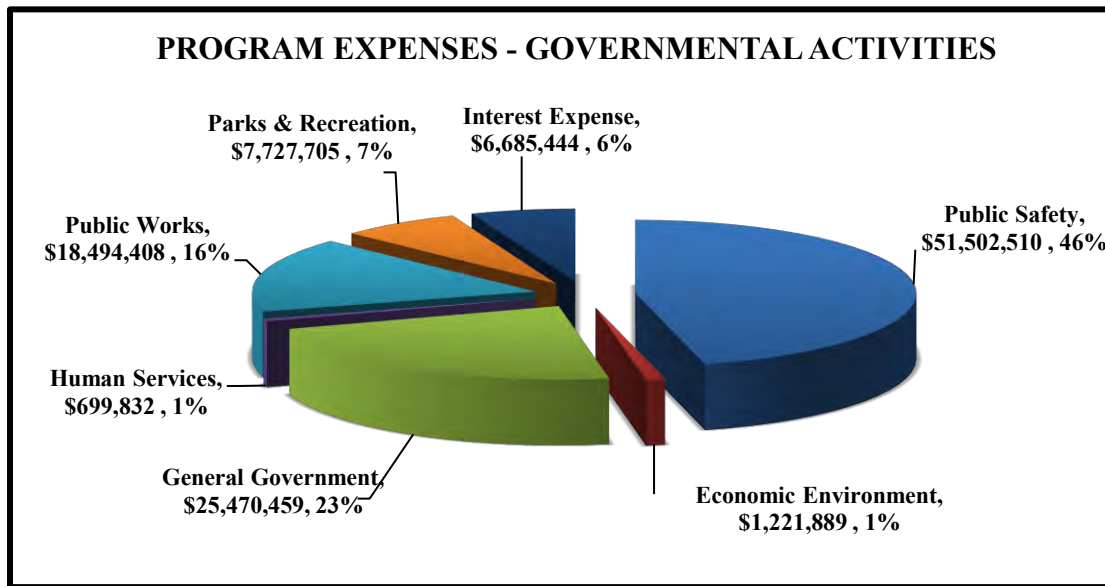
# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2019:



The chart below illustrates the program expenses for governmental activities for fiscal year 2019:



### Business-type Activities

The Stormwater Fund ended the fiscal year with unrestricted Net Position of \$5.9 million, an increase of \$0.4 million from the fiscal year 2018 balance.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The City of Miami Gardens uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The fund financial statements for the governmental funds are provided on pages 20 through 22. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2019, the City's governmental funds reported combined ending fund balances of \$104,324,744 an increase of \$4,175,880 in comparison with the prior year. Approximately 69.1%, which amounts to \$72,091,304 of the ending balance, constitutes restricted fund balance. Of this amount approximately \$49.1 million is unspent bond proceeds from the General Obligation Bond (GOB) for the parks and recreation facility improvements and the additional financing issued in FY 2016 to complete the City Hall project. Approximately \$21.6 million of the fund balance is available for spending at the City's discretion.

Below is the analysis of the fund balances for fiscal year 2019:

|  | <u>General<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Transportation<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Grant Fund</u> | <u>Other</u>       | <u>Total</u>         |
|--|-------------------------|--------------------------------------|--------------------------------|----------------------------------|-------------------|--------------------|----------------------|
| Fund balances,<br>September 30, 2018       | \$ 21,618,631           | \$ 55,054,962                        | \$ 15,521,584                  | \$ 484,005                       | \$ -              | \$ 7,469,682       | \$ 100,148,864       |
| Revenues                                   | 76,827,827              | 2,219,326                            | 8,876,301                      | 4,305,275                        | 16,232,440        | 9,915,047          | 118,376,216          |
| Expenditures                               | (68,238,504)            | (7,240,966)                          | (6,035,657)                    | (19,255,027)                     | (16,232,440)      | (4,585,197)        | (121,587,791)        |
| Other financing sources (uses)             | <u>(6,068,610)</u>      | <u>(403,698)</u>                     | <u>(603,180)</u>               | <u>14,994,762</u>                | <u>-</u>          | <u>(531,819)</u>   | <u>7,387,455</u>     |
| Fund balance as of<br>September 30, 2019   | 24,139,344              | 49,629,624                           | 17,759,048                     | 529,015                          | -                 | 12,267,713         | 104,324,744          |
| Assigned/non spendable<br>fund balance     | (2,520,375)             | (402,885)                            | -                              | -                                | -                 | (7,691,211)        | (10,614,471)         |
| Restricted/committed<br>fund balance       | <u>-</u>                | <u>(49,226,739)</u>                  | <u>(17,759,048)</u>            | <u>(529,015)</u>                 | <u>-</u>          | <u>(4,576,502)</u> | <u>(72,091,304)</u>  |
| Unassigned balances,<br>September 30, 2019 | <u>\$ 21,618,969</u>    | <u>\$ -</u>                          | <u>\$ -</u>                    | <u>\$ -</u>                      | <u>\$ -</u>       | <u>\$ -</u>        | <u>\$ 21,618,969</u> |

#### *General Fund*

The General Fund is the chief operating fund of the City. As of September 30, 2019, the unassigned fund balance of the City's General Fund increased to \$21,618,969. Total General Fund revenues increased by \$3,601,704 (4.92%) while expenditures increased by \$7,821,248 (12.9%) when compared to fiscal year 2018.

The amount of General Fund revenue by type, the percent of the total and the amount of change compared to last fiscal year are shown in the following schedule.



# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### General Fund Revenues by Types

Revenues for the City’s General Fund increased by 4.92% (from \$73.2 million to \$76.8 million). Key elements of the revenue changes are as follows:

|                       | <b>Current<br/>Year<br/><u>Actual</u></b> | <b>Prior<br/>Year<br/><u>Actual</u></b> | <b>Variance<br/><u>Amount</u></b> | <b>Variance<br/><u>Percent</u></b> |
|-----------------------|---|---|-----------------------------------|------------------------------------|
| Ad valorem taxes      | \$ 30,496,660                             | \$ 28,224,880                           | \$ 2,271,780                      | 8%                                 |
| Franchise fees        | 3,682,186                                 | 3,801,953                               | (119,767)                         | -3%                                |
| Utility taxes         | 10,830,781                                | 10,750,222                              | 80,559                            | 1%                                 |
| Licenses and permits  | 1,939,475                                 | 1,800,264                               | 139,211                           | 8%                                 |
| Intergovernmental     | 12,336,319                                | 12,114,496                              | 221,823                           | 2%                                 |
| Charges for services  | 7,523,947                                 | 8,038,982                               | (515,035)                         | -6%                                |
| Fines and forfeitures | 6,472,876                                 | 5,123,160                               | 1,349,716                         | 26%                                |
| Interest              | 580,914                                   | 398,166                                 | 182,748                           | 46%                                |
| Grants                | 806,108                                   | 743,405                                 | 62,703                            | 8%                                 |
| Other Income          | 2,158,561                                 | 2,230,595                               | (72,034)                          | -3%                                |

- Ad Valorem taxes increase is attributed to the increase in taxable value. The City levied the same millage as FY 2018 instead of the roll-back rate.
- Decrease in franchise fees is attributed to decreased receipts from planning and zoning fees.
- Decrease in charges for services is due mainly from decreased collections from Jazz in the Gardens.
- Increase in Fine and Forfeitures is attributed to red light camera collections

### General Fund Expenditures by Categories

|                      | <b>Current<br/>Year<br/><u>Actual</u></b> | <b>Prior<br/>Year<br/><u>Actual</u></b> | <b>Variance<br/><u>Amount</u></b> | <b>Variance<br/><u>Percent</u></b> |
|----------------------|---|---|-----------------------------------|------------------------------------|
| General government   | \$ 22,159,426                             | \$ 20,302,030                           | \$ 1,857,396                      | 9%                                 |
| Public safety        | 40,056,085                                | 35,237,563                              | 4,818,522                         | 14%                                |
| Culture & recreation | 6,022,993                                 | 4,877,663                               | 1,145,330                         | 23%                                |

The General Fund’s operating expenses increased by 12.95% percent (\$60.4 million to \$68.2million). Key elements of the expenditure increases are as follows:

- The increase in General Government is attributable to the payout of the legal settlement totaling \$1 million and costs related to repairs and maintenance and fuel costs for City Fleet. The remaining increase is attributed to an increase in staffing and retired employees leave payouts.
- Increase in Public Safety is attributed to filling vacancies, as well as, the salary adjustments related to the collective bargaining agreement with the PBA.
- Increase in Parks & Recreation Department is attributed to filling vacancies and opening new parks.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Business-type Activities**

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

Net Position of the Stormwater Utility at the end of the year amounted to \$17,406,924. Of this amount, \$11,473,761 is invested in capital assets, \$5,933,163 is unrestricted. The unrestricted net position increased by \$363,908. This increase is attributed to vacancies and delay of some of the planned capital improvement projects for FY 2019.

### **BUDGET INFORMATION**

#### **General Fund Budgetary Highlights**

The City Council approves the original budget (adopted budget) in September prior to the beginning of the fiscal year. The final budget (amended budget) reflects Divisional changes made administratively and approved by the City Manager, prior year encumbrances and Departmental changes and supplemental appropriations approved by the City Council during the year.

The most significant differences between the adopted budget and the amended budget are as follows:

- The increase in the Legislative Division is from an increase in staffing for the Civic Engagement Division.
- Increase in Public Affairs is attributed to higher costs for special events held by the City. Some of the higher costs are offset by sponsorships received.
- Increase in Fleet is attributed to the repair and maintenance of city vehicles and fuel costs.
- Decrease in Non-Departmental budget is attributed to the reduced insurance cost and anticipated reduction in red light camera fixed fee.
- Decrease in Parks and Recreation is attributed to delayed opening of new facilities.

The significant variance between the amended budget and year-end actuals are as follows:

- The positive variance for Planning and Zoning is mostly attributed to unused contractual services.
- The negative variance for Non-Departmental is attributed to \$1 million legal settlement paid out in FY 2019.

#### **Other Major Governmental Funds**

**Capital Projects Fund** – The Capital Projects Fund is used to account for all revenues and expenditures related to citywide construction and improvement projects. For Fiscal Year 2019, the Fund reported revenues, and transfers in the amount of \$7.9 million, and expenditures which included transfers out totaling approximately \$13.3 million. This fund has a restricted fund balance of \$49.2 million, of which \$47.7 million is proceeds and interest earnings related to the General Obligation Bond and \$1.4 million bond proceeds to complete the City Hall.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

**Transportation Fund** – This Fund is used to account for all street and road repairs, the Keep Miami Gardens Beautiful program, capital outlay expenditures and transit expenditures related to the Citizen’s Independent Transportation Trust. For the year ended September 30, 2019, the Fund reported revenues and transfers in totaling \$9.1 million. The expenditures and transfers out amount to \$6.8 million. The fund balance increased by \$2,237,464 from \$15,521,584 in FY 2018 to \$17,759,048 in FY 2019.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** - The City of Miami Gardens’ investment in capital assets for its governmental activities as of September 30, 2019 increased by \$7.7 million from the prior year. The increase is attributed to parks & recreation construction in progress. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements and park facilities. The business-type activities reflected an increase of \$1.1 million in capital assets which is also attributed to depreciation expenses.

#### City of Miami Garden’s Capital Assets (net of depreciation)

|                                 | Governmental Activities |                      | Business-type Activities |                      | Total                |                      |
|---------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                 | <u>2019</u>             | <u>2018</u>          | <u>2019</u>              | <u>2018</u>          | <u>2019</u>          | <u>2018</u>          |
| Land                            | \$ 31,464,806           | \$ 31,464,806        | \$ -                     | \$ -                 | \$ 31,464,806        | \$ 31,464,806        |
| Art                             | 232,472                 | 232,472              | -                        | -                    | 232,472              | 232,472              |
| Buildings                       | 61,995,423              | 64,549,547           | -                        | -                    | 61,995,423           | 64,549,547           |
| Equipment                       | 3,487,723               | 3,471,723            | 1,023,366                | 66,993               | 4,511,089            | 3,538,716            |
| Other Assets                    | 438,435                 | 523,560              | -                        | -                    | 438,435              | 523,560              |
| Infrastructure                  | 170,366,246             | 181,061,922          | 14,888,732               | 15,107,380           | 185,254,978          | 196,169,302          |
| Improvement other than building | 6,066,839               | 5,758,097            | -                        | -                    | 6,066,839            | 5,758,097            |
| Construction-in-progress        | <u>35,472,430</u>       | <u>14,775,205</u>    | <u>691,532</u>           | <u>341,576</u>       | <u>6,163,962</u>     | <u>15,116,781</u>    |
|                                 | <u>\$309,524,374</u>    | <u>\$301,837,332</u> | <u>\$ 16,603,630</u>     | <u>\$ 15,515,949</u> | <u>\$326,128,004</u> | <u>\$317,353,281</u> |

Additional Information can be found in Note 4 Capital Assets, on pages 38 to 39.

**Long-term debt.** At year-end the City Governmental Activity had debt outstanding (bonds , notes payable etc.) in the amount of \$132.0 million, a decrease of \$4 million over last year, attributed to payment of debt service during the year. The Business-type Activities reflect a decrease of \$428,366 attributed to debt payments. The debt position of the City is summarized below and is more fully explained in Note 6 Long-Term Debt beginning on page 40.

#### City of Miami Garden’s Debt

|                              | Governmental Activities |                       | Business-type Activities |                     | Total                 |                       |
|------------------------------|-------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------|
|                              | <u>2019</u>             | <u>2018</u>           | <u>2019</u>              | <u>2018</u>         | <u>2019</u>           | <u>2018</u>           |
| Revenue Bonds                | \$ 20,322,047           | \$ 22,278,260         | \$ -                     | \$ -                | \$ 20,322,047         | \$ 22,278,260         |
| Certificate of Participation | 46,660,000              | 47,990,000            | -                        | -                   | 46,660,000            | 47,990,000            |
| General Obligation Bonds     | 52,665,000              | 54,225,000            | -                        | -                   | 52,665,000            | 54,225,000            |
| Due to Dade County           | 2,972,775               | 3,382,600             | 5,269,973                | 5,704,897           | 8,242,748             | 9,087,497             |
| Compensated absences         | <u>9,371,695</u>        | <u>8,243,608</u>      | <u>54,087</u>            | <u>47,529</u>       | <u>9,425,782</u>      | <u>8,291,137</u>      |
|                              | <u>\$ 131,991,517</u>   | <u>\$ 136,119,468</u> | <u>\$ 5,324,060</u>      | <u>\$ 5,752,426</u> | <u>\$ 137,315,577</u> | <u>\$ 141,871,894</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

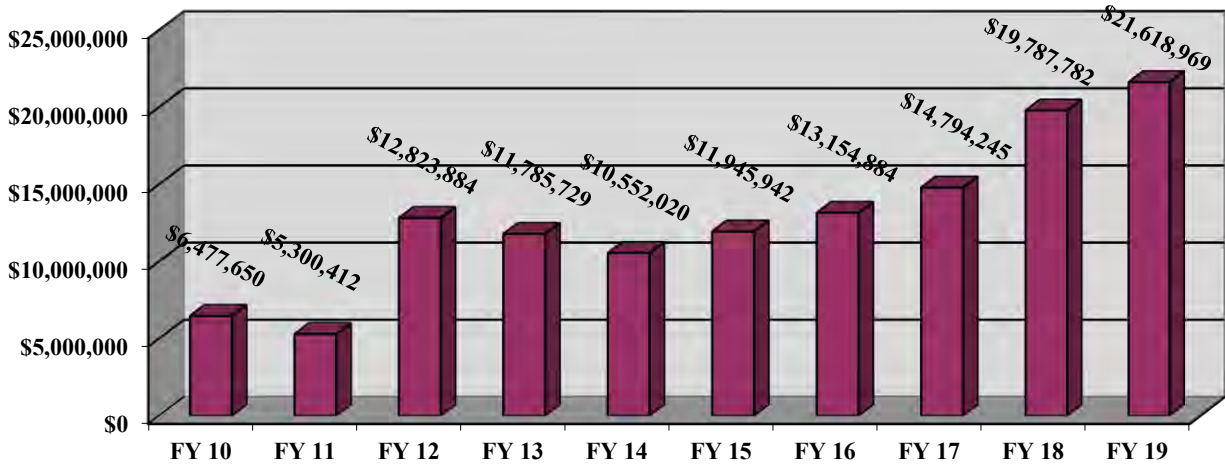
### Economic Factors and Next Year’s Budgets and Ratios

The City recognizes the importance of increasing its commercial tax base for future economic health and to reduce the tax burden on the residents. The City is working with the business community in order to enhance and revitalize the commercial tax base of the City.

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 on the property tax and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, business tax, etc.) for their governmental activities. The City’s property values increased by 8.3% for FY 2020. Revenues for the Fiscal Year 2020 adopted General Fund budget are \$81.2 million, which is higher than FY 2019 revenue of \$74.7 million. This increase is partly attributed to the increase in property values and the Council adopting the same millage rate of 6.9363 as FY 2019, which is 8.95% over the rollback rate. Additional anticipated increases for Interfund Transfers, and Culture and Recreation fees due to the opening of new facilities, make up the rest of the expected increase in general fund revenue.

For Fiscal Year 2018, the unassigned fund balance in the General Fund was \$19.79 million compared to \$21.62 million in FY 2019. This \$21.62 million is approximately equal to 3.19 months of budgeted General Fund operating expenditures for FY 2020. The graph below reflects the history of the City’s unassigned fund balance.

**General Fund Unassigned Fund Balance**

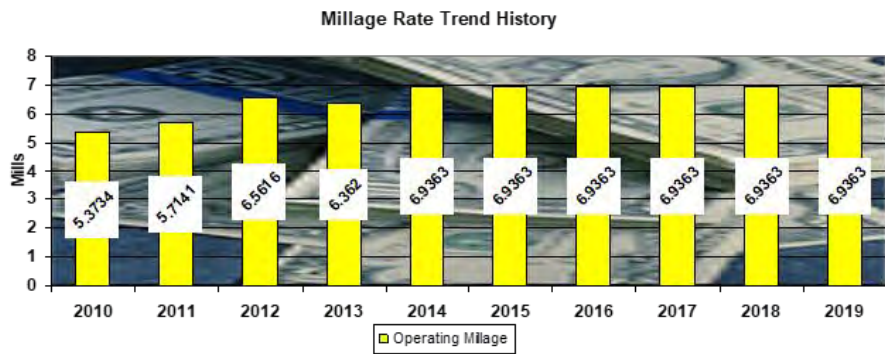


# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

In 1995, the state of Florida limited all local governments’ ability to increase homestead property taxable values in any given year to 3 percent or the increase attributable to the per capita personal income growth rate, whichever is lower. During the primary election in January 2008 the voters approved Amendment No. 1 which provides portability of the “Save Our Home” savings by allowing homestead owners to move their sheltered “Save Our Home” value from one primary residence to the next. The voters also approved an additional \$25,000 homestead exemption. Further, the legislation changed the Truth in Millage levy. Local governments may only levy taxes up to the “roll back” rate adjusted for growth in per capita Florida personal income. This cap may be exceeded through a 2/3 vote of the City Council (up to 110% of prior year’s “roll back” rate adjusted for personal income growth) or a unanimous vote or a voter referendum for any higher rate.

The City, 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. The adjacent graph illustrates the City Millage Rate history.



### Requests for Information

The City’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City’s finances and to demonstrate the City’s accountability. The financial statements are available on the City’s website at [www.miamigardens-fl.gov](http://www.miamigardens-fl.gov). If you have questions about the report or need additional financial information, please contact Mirtha Dziedzic, CGFO, Finance Director, City of Miami Gardens, 18605 NW 27<sup>th</sup> Avenue, Miami Gardens, Florida, 33056.

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# **BASIC FINANCIAL STATEMENTS**

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# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>                 |
|---|------------------------------------|-------------------------------------|------------------------------|
| <b><u>ASSETS</u></b>                        |                                    |                                     |                              |
| Cash and cash equivalents                   | \$ 8,828,114                       | \$ 2,226,371                        | \$ 11,054,485                |
| Investments                                 | 35,873,241                         | 5,000,000                           | 40,873,241                   |
| Restricted cash & investments               | 50,607,185                         | -                                   | 50,607,185                   |
| Receivables, net                            | 16,786,517                         | 70,513                              | 16,857,030                   |
| Due from other governments                  | 5,020,224                          | 107                                 | 5,020,331                    |
| Prepaid expenses                            | 456,235                            | 43,123                              | 499,358                      |
| Capital assets not being depreciated        | 67,169,708                         | 691,532                             | 67,861,240                   |
| Capital assets being depreciated, net       | <u>242,354,666</u>                 | <u>15,912,098</u>                   | <u>258,266,764</u>           |
| <b>Total assets</b>                         | <b><u>427,095,890</u></b>          | <b><u>23,943,744</u></b>            | <b><u>451,039,634</u></b>    |
| <b><u>DEFERRED OUTFLOW OF RESOURCES</u></b> |                                    |                                     |                              |
| Deferred loss on refunding                  | -                                  | 140,104                             | 140,104                      |
| Pensions (Note 10)                          | <u>25,204,407</u>                  | <u>156,170</u>                      | <u>25,360,577</u>            |
| <b>Total deferred outflows of resources</b> | <b><u>25,204,407</u></b>           | <b><u>296,274</u></b>               | <b><u>25,500,681</u></b>     |
| <b><u>LIABILITIES</u></b>                   |                                    |                                     |                              |
| Accounts payable and accrued expenses       | 9,553,083                          | 823,796                             | 10,376,879                   |
| Retainage payable                           | 1,676,682                          | -                                   | 1,676,682                    |
| Matured interest payable                    | 1,909,014                          | -                                   | 1,909,014                    |
| Due to other governments                    | 250,064                            | -                                   | 250,064                      |
| Unearned revenue                            | 667,984                            | -                                   | 667,984                      |
| Other liabilities                           | 7,320                              | -                                   | 7,320                        |
| <b>Noncurrent liabilities:</b>              |                                    |                                     |                              |
| Due within one year                         |                                    |                                     |                              |
| Compensated absences                        | 1,405,754                          | 8,113                               | 1,413,867                    |
| Bonds and loans                             | 5,549,694                          | 450,126                             | 5,999,820                    |
| Due in more than one year                   |                                    |                                     |                              |
| Compensated absences                        | 7,965,941                          | 45,974                              | 8,011,915                    |
| Bonds and loans                             | 121,410,303                        | 4,819,847                           | 126,230,150                  |
| Net OPEB obligations                        | 5,735,795                          | 65,832                              | 5,801,627                    |
| Net pension liability (Note 10)             | <u>70,704,195</u>                  | <u>567,173</u>                      | <u>71,271,368</u>            |
| <b>Total liabilities</b>                    | <b><u>226,835,829</u></b>          | <b><u>6,780,861</u></b>             | <b><u>233,616,690</u></b>    |
| <b><u>DEFERRED INFLOW OF RESOURCES</u></b>  |                                    |                                     |                              |
| Revenue received in advance                 | 1,091,638                          | -                                   | 1,091,638                    |
| Deferred gain on refunding                  | 200,500                            | -                                   | 200,500                      |
| Deferred inflows of OPEB (Note 11)          | 3,952,933                          | 34,426                              | 3,987,359                    |
| Deferred inflows of pensions (Note 10)      | <u>6,372,729</u>                   | <u>17,807</u>                       | <u>6,390,536</u>             |
| <b>Total deferred inflows of resources</b>  | <b><u>11,617,800</u></b>           | <b><u>52,233</u></b>                | <b><u>11,670,033</u></b>     |
| <b><u>NET POSITION</u></b>                  |                                    |                                     |                              |
| Net investment in capital assets            | 231,676,291                        | 11,473,761                          | 243,150,052                  |
| Restricted for:                             |                                    |                                     |                              |
| Housing                                     | 448,159                            | -                                   | 448,159                      |
| Law enforcement                             | 1,025,821                          | -                                   | 1,025,821                    |
| Transportation                              | 17,749,465                         | -                                   | 17,749,465                   |
| Parks & recreation                          | 2,765,743                          | -                                   | 2,765,743                    |
| General administration                      | 102,669                            | -                                   | 102,669                      |
| Public services                             | 88,699                             | -                                   | 88,699                       |
| Community development                       | 260,227                            | -                                   | 260,227                      |
| Debt service                                | 107,772                            | -                                   | 107,772                      |
| Unrestricted                                | <u>(40,378,178)</u>                | <u>5,933,163</u>                    | <u>(34,445,015)</u>          |
| <b>Total Net Position</b>                   | <b><u>\$ 213,846,668</u></b>       | <b><u>\$ 17,406,924</u></b>         | <b><u>\$ 231,253,592</u></b> |

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

| <u>Functions/Programs</u>                | <u>Expenses</u>       | <u>Program Revenues</u>     |   |   | <u>Net (Expense) Revenue and Changes in Net Position</u> |                                 | <u>Total</u>          |
|--|-----------------------|-----------------------------|---|---|--|---------------------------------|-----------------------|
|  |                       | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u>                           | <u>Business-Type Activities</u> |                       |
| <b>Governmental activities:</b>          |                       |                             |   |   |  |                                 |                       |
| General government                       | \$ 25,470,459         | \$ 11,611,956               | \$ -                                      | \$ -                                    | \$ (13,858,503)  | \$ -                            | \$ (13,858,503)       |
| Public safety                            | 51,502,510            | 10,019,622                  | 1,172,036                                 | 113,200                                 | (40,197,652)   | -                               | (40,197,652)          |
| Public works                             | 18,494,408            | 1,152,121                   | 15,279,458                                | -                                       | (2,062,829)  | -                               | (2,062,829)           |
| Parks and recreation                     | 7,727,705             | 1,222,047                   | 200,240                                   | -                                       | (6,305,418)  | -                               | (6,305,418)           |
| Economic environment                     | 1,221,889             | -                           | 1,441,206                                 | -                                       | 219,317  | -                               | 219,317               |
| Human services                           | 699,832               | -                           | 699,832                                   | -                                       | -  | -                               | -                     |
| Interest on long-term debt               | <u>6,685,444</u>      | <u>-</u>                    | <u>-</u>                                  | <u>-</u>                                | <u>(6,685,444)</u>                                       | <u>-</u>                        | <u>(6,685,444)</u>    |
| Total governmental activities            | <u>111,802,247</u>    | <u>24,005,746</u>           | <u>18,792,772</u>                         | <u>113,200</u>                          | <u>(68,890,529)</u>                                      | <u>-</u>                        | <u>(68,890,529)</u>   |
| <b>Business-type activities:</b>         |                       |                             |   |   |  |                                 |                       |
| Stormwater                               | <u>2,878,155</u>      | <u>4,886,154</u>            | <u>-</u>                                  | <u>214,632</u>                          | <u>-</u>   | <u>2,222,631</u>                | <u>2,222,631</u>      |
| Total business activities                | <u>2,878,155</u>      | <u>4,886,154</u>            | <u>-</u>                                  | <u>214,632</u>                          | <u>-</u>   | <u>2,222,631</u>                | <u>2,222,631</u>      |
| Total                                    | <u>\$ 114,680,402</u> | <u>\$ 28,891,900</u>        | <u>\$ 18,792,772</u>                      | <u>\$ 327,832</u>                       | <u>(68,890,529)</u>                                      | <u>2,222,631</u>                | <u>(66,667,898)</u>   |
| <b>General revenues:</b>                 |                       |                             |   |   |  |                                 |                       |
| Property taxes                           |                       |                             |   |   | 34,759,128   | -                               | 34,759,128            |
| Franchise fees                           |                       |                             |   |   | 3,682,186  | -                               | 3,682,186             |
| Utility taxes                            |                       |                             |   |   | 10,830,781   | -                               | 10,830,781            |
| Intergovernmental revenue (unrestricted) |                       |                             |   |   | 20,471,779   | -                               | 20,471,779            |
| Miscellaneous                            |                       |                             |   |   | 3,609,580  | 606                             | 3,610,186             |
| Investment earnings                      |                       |                             |   |   | 2,136,902  | 131,721                         | 2,268,623             |
| Transfers                                |                       |                             |   |   | <u>482,455</u>   | <u>(482,455)</u>                | <u>-</u>              |
| Total general revenues and transfers     |                       |                             |   |   | <u>75,972,811</u>  | <u>(350,128)</u>                | <u>75,622,683</u>     |
| Change in net position                   |                       |                             |   |   | 7,082,282  | 1,872,503                       | 8,954,785             |
| Net position beginning of year           |                       |                             |   |   | <u>206,764,386</u>                                       | <u>15,534,421</u>               | <u>222,298,807</u>    |
| Net position, end of year                |                       |                             |   |   | <u>\$ 213,846,668</u>                                    | <u>\$ 17,406,924</u>            | <u>\$ 231,253,592</u> |

See notes to basic financial statements.



# CITY OF MIAMI GARDENS, FLORIDA

## BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

|   | Major Funds          |                      |                      |                   |                      | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------|----------------------|-------------------|----------------------|------------------------------------|--------------------------------|
|   | General              | Capital<br>Projects  | Transportation       | Debt Service      | Grants               |                                    |                                |
| <b>ASSETS</b>   |                      |                      |                      |                   |                      |                                    |                                |
| Cash and cash equivalents   | \$ 167,856           | \$ 1,234,944         | \$ 4,474,732         | \$ 678,767        | \$ 31,153            | \$ 2,240,662                       | \$ 8,828,114                   |
| Investments   | 18,673,241           | -                    | 12,000,000           | -                 | -                    | 5,200,000                          | 35,873,241                     |
| Restricted cash & investments   | -                    | 50,607,185           | -                    | -                 | -                    | -                                  | 50,607,185                     |
| Due from other funds  | 5,707,600            | -                    | 400,000              | -                 | -                    | 4,800,000                          | 10,907,600                     |
| Due from other governmental agencies                                  | 3,484,642            | -                    | 1,532,154            | 1,428             | -                    | 2,000                              | 5,020,224                      |
| Accounts receivables, net   | 1,592,450            | 135,720              | 16,894               | -                 | 14,482,991           | 558,461                            | 16,786,516                     |
| Prepaid   | 446,652              | -                    | 9,583                | -                 | -                    | -                                  | 456,235                        |
| Total assets  | <u>\$ 30,072,441</u> | <u>\$ 51,977,849</u> | <u>\$ 18,433,363</u> | <u>\$ 680,195</u> | <u>\$ 14,514,144</u> | <u>\$ 12,801,123</u>               | <u>\$ 128,479,115</u>          |
| <b>LIABILITIES</b>  |                      |                      |                      |                   |                      |                                    |                                |
| Accounts payable and accrued liabilities                              | \$ 4,441,007         | \$ 1,290,917         | \$ 550,692           | \$ 151,180        | \$ 2,842,185         | \$ 277,102                         | \$ 9,553,083                   |
| Retainage payable   | -                    | 841,922              | 123,623              | -                 | 711,137              | -                                  | 1,676,682                      |
| Due to other funds  | -                    | -                    | -                    | -                 | 10,900,000           | 7,600                              | 10,907,600                     |
| Due to other governments  | 249,913              | -                    | -                    | -                 | -                    | 151                                | 250,064                        |
| Unearned revenue  | 143,219              | 215,386              | -                    | -                 | 60,822               | 248,557                            | 667,984                        |
| Other liabilities   | 7,320                | -                    | -                    | -                 | -                    | -                                  | 7,320                          |
| Total Liabilities   | <u>4,841,459</u>     | <u>2,348,225</u>     | <u>674,315</u>       | <u>151,180</u>    | <u>14,514,144</u>    | <u>533,410</u>                     | <u>23,062,733</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                      |                      |                      |                   |                      |                                    |                                |
| Unavailable revenue   | 1,091,638            | -                    | -                    | -                 | -                    | -                                  | 1,091,638                      |
| <b>Fund balances:</b>   |                      |                      |                      |                   |                      |                                    |                                |
| Non spendable   |                      |                      |                      |                   |                      |                                    |                                |
| Prepays   | 446,652              | -                    | 9,583                | -                 | -                    | -                                  | 456,235                        |
| <b>Restricted for:</b>  |                      |                      |                      |                   |                      |                                    |                                |
| Housing   | -                    | -                    | -                    | -                 | -                    | 448,159                            | 448,159                        |
| Law enforcement   | -                    | -                    | -                    | -                 | -                    | 1,025,821                          | 1,025,821                      |
| Transportation  | -                    | -                    | 17,749,465           | -                 | -                    | -                                  | 17,749,465                     |
| Parks & recreation  | -                    | 114,816              | -                    | -                 | -                    | 2,650,927                          | 2,765,743                      |
| General administration  | -                    | -                    | -                    | -                 | -                    | 102,669                            | 102,669                        |
| Public services   | -                    | -                    | -                    | -                 | -                    | 88,699                             | 88,699                         |
| City Hall project   | -                    | 1,430,491            | -                    | -                 | -                    | -                                  | 1,430,491                      |
| Debt service  | -                    | -                    | -                    | 107,772           | -                    | -                                  | 107,772                        |
| General Obligation Bond project                                       | -                    | 47,681,432           | -                    | -                 | -                    | -                                  | 47,681,432                     |
| Community development   | -                    | -                    | -                    | -                 | -                    | 260,227                            | 260,227                        |
| <b>Committed for:</b>   |                      |                      |                      |                   |                      |                                    |                                |
| Debt service  | -                    | -                    | -                    | 421,243           | -                    | -                                  | 421,243                        |
| <b>Assigned:</b>  |                      |                      |                      |                   |                      |                                    |                                |
| Capital projects  | -                    | 145,169              | -                    | -                 | -                    | -                                  | 145,169                        |
| Disaster recovery   | 323,723              | -                    | -                    | -                 | -                    | -                                  | 323,723                        |
| Parks maintenance   | 1,000,000            | -                    | -                    | -                 | -                    | 7,691,211                          | 8,691,211                      |
| Subsequent year's budget  | 750,000              | 257,716              | -                    | -                 | -                    | -                                  | 1,007,716                      |
| Unassigned  | 21,618,969           | -                    | -                    | -                 | -                    | -                                  | 21,618,969                     |
| Total fund balances   | <u>24,139,344</u>    | <u>49,629,624</u>    | <u>17,759,048</u>    | <u>529,015</u>    | <u>-</u>             | <u>12,267,713</u>                  | <u>104,324,744</u>             |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <u>\$ 30,072,441</u> | <u>\$ 51,977,849</u> | <u>\$ 18,433,363</u> | <u>\$ 680,195</u> | <u>\$ 14,514,144</u> | <u>\$ 12,801,123</u>               |                                |

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

|   |                       |
|---|-----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds  | 309,524,375           |
| OPEB liabilities used in governmental activities are not reported in the governmental funds.  | (5,735,795)           |
| Deferred pension and OPEB amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows: |                       |
| Deferred outflows of resources  | 25,204,407            |
| Deferred inflows of resources   | (10,526,162)          |
| Long-term liabilities are not due and payable in the current period and therefore not reported in the funds   |                       |
| Bond and capital lease payable  | (126,959,997)         |
| Matured interest payable  | (1,909,014)           |
| Compensated absences  | (9,371,695)           |
| Net pension liability   | (70,704,195)          |
| Net position of governmental activities   | <u>\$ 213,846,668</u> |

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | Major Funds          |                      |                      |                     |                   | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------|----------------------|---------------------|-------------------|------------------------------------|--------------------------------|
|   | General              | Capital<br>Projects  | Transportation       | Debt Service        | Grants            |                                    |                                |
| <b>Revenues:</b>                                  |                      |                      |                      |                     |                   |                                    |                                |
| Property taxes                                    | \$ 30,496,660        | \$ -                 | \$ -                 | \$ 4,262,468        | \$ -              | \$ -                               | \$ 34,759,128                  |
| Utility taxes                                     | 10,830,781           | -                    | -                    | -                   | -                 | -                                  | 10,830,781                     |
| Intergovernmental                                 | 12,336,319           | -                    | 8,043,427            | -                   | -                 | -                                  | 20,379,746                     |
| Charges for services                              | 7,523,947            | -                    | 537,650              | -                   | -                 | 1,559,239                          | 9,620,836                      |
| Licenses and permits                              | 1,939,475            | -                    | -                    | -                   | -                 | 5,128,085                          | 7,067,560                      |
| Impact fees                                       | -                    | -                    | -                    | -                   | -                 | 1,195,610                          | 1,195,610                      |
| Fines and forfeitures                             | 6,472,876            | -                    | 1,879                | -                   | -                 | 54,445                             | 6,529,200                      |
| Franchise fees                                    | 3,682,186            | -                    | -                    | -                   | -                 | -                                  | 3,682,186                      |
| Grant revenue                                     | 806,108              | 25,272               | -                    | -                   | 16,232,440        | 1,526,728                          | 18,590,548                     |
| Other income                                      | 2,158,561            | 1,095,965            | 322                  | 42,807              | -                 | 311,925                            | 3,609,580                      |
| Interest  | 580,914              | 1,098,089            | 293,023              | -                   | -                 | 139,015                            | 2,111,041                      |
| Total revenues                                    | <u>76,827,827</u>    | <u>2,219,326</u>     | <u>8,876,301</u>     | <u>4,305,275</u>    | <u>16,232,440</u> | <u>9,915,047</u>                   | <u>118,376,216</u>             |
| <b>Expenditures:</b>                              |                      |                      |                      |                     |                   |                                    |                                |
| <b>Current:</b>                                   |                      |                      |                      |                     |                   |                                    |                                |
| General government                                | 17,386,030           | 670,802              | -                    | -                   | -                 | -                                  | 18,056,832                     |
| Human services                                    | -                    | -                    | -                    | -                   | 699,832           | -                                  | 699,832                        |
| Public safety                                     | 40,011,124           | -                    | -                    | -                   | -                 | 2,132,309                          | 42,143,433                     |
| Public works                                      | -                    | -                    | 4,150,031            | -                   | 801,151           | 530,697                            | 5,481,879                      |
| Culture and recreation                            | 6,022,993            | -                    | -                    | -                   | 174,968           | -                                  | 6,197,961                      |
| Economic and physical development                 | -                    | -                    | -                    | -                   | 6,512             | 1,215,377                          | 1,221,889                      |
| Non-departmental                                  | 4,086,410            | -                    | -                    | -                   | -                 | -                                  | 4,086,410                      |
| <b>Capital outlay:</b>                            |                      |                      |                      |                     |                   |                                    |                                |
| General government                                | 686,986              | 33,106               | -                    | -                   | -                 | -                                  | 720,092                        |
| Public safety                                     | 44,961               | 34,743               | -                    | -                   | 14,549,977        | 50,210                             | 14,679,891                     |
| Public works                                      | -                    | -                    | 1,885,626            | -                   | -                 | -                                  | 1,885,626                      |
| Parks and recreation                              | -                    | 6,502,315            | -                    | -                   | -                 | -                                  | 6,502,315                      |
| Economic and physical development                 | -                    | -                    | -                    | -                   | -                 | 656,604                            | 656,604                        |
| <b>Debt service:</b>                              |                      |                      |                      |                     |                   |                                    |                                |
| Principal   | -                    | -                    | -                    | 12,161,038          | -                 | -                                  | 12,161,038                     |
| Interest and fiscal charges                       | -                    | -                    | -                    | 7,044,989           | -                 | -                                  | 7,044,989                      |
| Bond issuance costs                               | -                    | -                    | -                    | 49,000              | -                 | -                                  | 49,000                         |
| Total expenditures                                | <u>68,238,504</u>    | <u>7,240,966</u>     | <u>6,035,657</u>     | <u>19,255,027</u>   | <u>16,232,440</u> | <u>4,585,197</u>                   | <u>121,587,791</u>             |
| Excess (deficiency) of revenues over expenditures | <u>8,589,323</u>     | <u>(5,021,640)</u>   | <u>2,840,644</u>     | <u>(14,949,752)</u> | <u>-</u>          | <u>5,329,850</u>                   | <u>(3,211,575)</u>             |
| <b>Other financing sources (uses):</b>            |                      |                      |                      |                     |                   |                                    |                                |
| Transfers in                                      | 1,225,430            | 5,636,563            | 202,923              | 8,089,762           | -                 | -                                  | 15,154,678                     |
| Transfers out                                     | (7,294,040)          | (6,040,261)          | (806,103)            | -                   | -                 | (531,819)                          | (14,672,223)                   |
| Bond refunding proceeds                           | -                    | -                    | -                    | 6,905,000           | -                 | -                                  | 6,905,000                      |
| Total other financing sources (uses)              | <u>(6,068,610)</u>   | <u>(403,698)</u>     | <u>(603,180)</u>     | <u>14,994,762</u>   | <u>-</u>          | <u>(531,819)</u>                   | <u>7,387,455</u>               |
| Net change in fund balances                       | 2,520,713            | (5,425,338)          | 2,237,464            | 45,010              | -                 | 4,798,031                          | 4,175,880                      |
| Fund balances, beginning                          | 21,618,631           | 55,054,962           | 15,521,584           | 484,005             | -                 | 7,469,682                          | 100,148,864                    |
| Fund balances, ending                             | <u>\$ 24,139,344</u> | <u>\$ 49,629,624</u> | <u>\$ 17,759,048</u> | <u>\$ 529,015</u>   | <u>\$ -</u>       | <u>\$ 12,267,713</u>               | <u>\$ 104,324,744</u>          |

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGED IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   |                     |
|---|---------------------|
| NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 21  | \$ 4,175,880        |
| Amounts reported for governmental activities in the statement of activities are different because:  |                     |
| Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.  | 24,423,921          |
| Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net position.  | (16,736,879)        |
| The issuance of long-term debt provides current financial resources to governmental funds; however, has no effect on net position. Also, governmental funds report the effect of issuance costs, discounts, premiums and similar items when is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items. | (6,597,563)         |
| Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.  | 12,161,038          |
| Interest is accrued in the statement of activities where in the governmental funds expenditures is reported when due.   | 52,114              |
| Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net position.  | (8,955,480)         |
| Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:   |                     |
| Change in OPEB liability  | (312,662)           |
| Change in long-term compensated absences  | <u>(1,128,087)</u>  |
| CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 19   | <u>\$ 7,082,282</u> |

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF NET POSITION – PROPRIETARY FUND

SEPTEMBER 30, 2019

|   | <u>Stormwater<br/>Enterprise Fund</u> |
|---|---------------------------------------|
| <b><u>ASSETS</u></b>                            |                                       |
| <b>Current assets:</b>                          |                                       |
| Cash and equity in pooled cash and investments  | \$ 7,226,371                          |
| Accounts receivable - net                       | 70,512                                |
| Due from County                                 | 108                                   |
| Prepaid items                                   | 43,123                                |
| Total current assets                            | 7,340,114                             |
| <br><b>Non-current assets:</b>                  |                                       |
| Capital assets being depreciated, net           | 16,603,630                            |
| Total assets                                    | 23,943,744                            |
| <br><b><u>DEFERRED OUTFLOW OF RESOURCES</u></b> |                                       |
| Refunding loss                                  | 140,104                               |
| Pension (see Note 10)                           | 156,170                               |
| Total deferred outflow of resources             | 296,274                               |
| <br><b><u>LIABILITIES</u></b>                   |                                       |
| <b>Current liabilities:</b>                     |                                       |
| Accounts payable                                | 453,796                               |
| Accrued liabilities                             | 370,000                               |
| Current portion of compensated absences         | 8,113                                 |
| Current portion of notes payable                | 450,126                               |
| Total current liabilities                       | 1,282,035                             |
| <br><b>Non-current liabilities:</b>             |                                       |
| Notes payable                                   | 4,819,847                             |
| Net OPEB obligations                            | 65,832                                |
| Compensated absences                            | 45,974                                |
| Net pension liability (see Note 10)             | 567,173                               |
| Total noncurrent liabilities                    | 5,498,826                             |
| Total liabilities                               | 6,780,861                             |
| <br><b><u>DEFERRED INFLOW OF RESOURCES</u></b>  |                                       |
| OPEB (see Notes 11)                             | 34,426                                |
| Pension (see Note 10)                           | 17,807                                |
| Total deferred inflow of resources              | 52,233                                |
| <br><b><u>NET POSITION</u></b>                  |                                       |
| Net investment in capital assets                | 11,473,761                            |
| Unrestricted                                    | 5,933,163                             |
| Total net position                              | \$ 17,406,924                         |

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | <b>Business-type Activities -<br/>Enterprise Funds</b> |
|---|--|
|   | <u><b>Stormwater</b></u>                               |
| <b>Operating revenues:</b>                    |  |
| Charges for services                          | \$ 4,886,154   |
| Grant revenue                                 | 214,632  |
| Miscellaneous                                 | <u>606</u>   |
| Total operating revenues                      | <u>5,101,392</u>                                       |
| <br><b>Operating expenses:</b>                |  |
| Administrative costs                          | 941,879  |
| Operations and maintenance                    | 1,162,448  |
| Depreciation                                  | <u>562,425</u>   |
| Total operating expenses                      | <u>2,666,752</u>                                       |
| <br>Operating income                          | <br><u>2,434,640</u>                                   |
| <br><b>Non-operating revenues (expenses):</b> |  |
| Interest income                               | 131,721  |
| Interest expense                              | <u>(211,403)</u>                                       |
| Total non-operating revenues (expenses)       | <u>(79,682)</u>  |
| <br>Income before contributions & transfers   | <br>2,354,958  |
| <br>Transfer out                              | <br><u>(482,455)</u>                                   |
| <br>Change in net position                    | <br>1,872,503  |
| <br>Net position, beginning                   | <br><u>15,534,421</u>                                  |
| <br>Net position, ending                      | <br><u>\$ 17,406,924</u>                               |

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | <b>Business-type Activities -<br/>Enterprise Funds</b> |
|---|--|
|   | <b>Stormwater</b>                                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |  |
| Cash received from customers, governments and other funds   | \$ 5,108,317   |
| Cash paid to suppliers  | (1,071,308)  |
| Cash paid to employees  | (641,325)  |
| Net cash provided by operating activities   | 3,395,684  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>   |  |
| Transfers to other funds  | (482,455)  |
| Net cash used in noncapital financing activities  | (482,455)  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>  |  |
| Acquisition and construction of capital assets  | (1,650,106)  |
| Proceeds from assumption of long-term debt  | 14,010   |
| Principal retirements of capital debt   | (434,924)  |
| Interest paid on capital debt   | (211,403)  |
| Net cash used in capital and related financing activities   | (2,282,423)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |  |
| Interest and other income   | 131,721  |
| Net cash provided by investing activities   | 131,721  |
| <b>NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS</b>   | 762,527  |
| <b>POOLED CASH AND CASH EQUIVALENTS, beginning</b>  | 6,467,300  |
| <b>POOLED CASH AND CASH EQUIVALENTS, ending</b>   | \$ 7,229,827   |
| <b>POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION</b>   |  |
| Unrestricted  | \$ 7,226,371   |
| TOTAL, SEPTEMBER 30   | \$ 7,226,371   |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>                         |  |
| Operating income  | \$ 2,434,640   |
| <b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b> |  |
| Depreciation and amortization   | 562,426  |
| Decrease in accounts receivable   | 3,471  |
| Increase in prepaid items   | (21,562)   |
| Increase in accounts payable  | 330,026  |
| Decrease in OPEB liabilities  | (28,693)   |
| Increase in pension liabilities   | 108,818  |
| Decrease in compensated absences  | 6,558  |
| Total adjustments   | 961,044  |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | \$ 3,395,684   |

See notes to basic financial statements

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# **NOTES TO FINANCIAL STATEMENTS**

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# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Miami Gardens, Florida (“the City”), located in Miami-Dade County, Florida, is a municipal corporation in the State of Florida. The City, which was incorporated on May 13, 2003, by Miami-Dade County (“the County”), operates under a Council/Manager form of government. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager. The City provides public safety, general government, recreation, and public works services to its residents. The City does not provide educational, utilities, fire or hospital facilities. Those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively. The accompanying financial statements present the City for the fiscal year ended September 30, 2019.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (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 principles. The more significant of the City’s accounting policies are described below:

#### A. Financial Reporting Entity

The financial statements were prepared in accordance with government accounting standards which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization’s governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, there were no organizations that met the criteria described above.

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all governmental activities of the City. For the most part, the effect of interfund activity has been removed from these statements; interfund services provided and used are not eliminated in the process of consolidation. *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 City has one business-type activity, the stormwater fund.



# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B. Government-Wide and Fund Financial Statements (continued)

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct Expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise fees, and other 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounting for in another fund.

The *Transportation Fund* is used to account for the City's share of the local option gas tax and other State sharing revenues that are restricted for the maintenance of City roads.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). This fund serves as an operating fund for the construction of various projects and will receive grants and other project-oriented revenues.

The *Debt Service Fund* is used to account for (i) payment of principal and interest on the City's revenue bonds used for construction of City's facilities and purchase of equipment; (ii) payment of principal and interest to the County for debt issued prior to the City being incorporated; (iii) principal and interest payment of capital lease used for purchase of police vehicles and equipment (iv) payment of principal and interest on the City's taxable revenue bonds used for the purchase of properties to foster economic development and (v) payment of principal and interest on Certification of Participation for the construction of City Hall.

The City reports the following major proprietary fund:

The *Stormwater Fund* is used to account for fees assessed on property owners. Funds are dedicated to the ongoing renewal and replacement costs of the City's stormwater drainage system.

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 City's enterprise fund functions and various other functions of the City. 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, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 stormwater fund are charges to customers for services.

Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### D. New Pronouncements – Adopted and Unadopted

The GASB issued Statement No 83, *Certain Asset Retirement Obligations* in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 83 did not impact the City.

The GASB issued Statement No 84, *Fiduciary Activities* in January 2017. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. It establishes criteria for identifying fiduciary activities of all state and local governments with general focus on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

The GASB issued Statement No 87, *Leases* in June 2017. This Statement aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The GASB issued Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, April 2018. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 88 is reflected in the Note 6 of the financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### D. New Pronouncements – Adopted and Unadopted (continued)

The GASB issued Statement No 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, June 2018. This Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The GASB issued Statement N. 90, *Majority Equity Interests (an amendment of GASB Statements No 14 and No 61)*, August 2018. This Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The impact on the City's financial position or results of operations has not yet been determined for the unadopted standards.

#### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

##### 1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City maintains a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential.

The City of Miami Gardens has adopted an investment policy pursuant to Section 218- 415, Florida Statutes, which allows for surplus funds to be invested in the Local Government Surplus Funds trust fund (the "State Pool") or any intergovernmental investment pool; Securities and Exchange Commission registered money market funds; certificates of deposits and savings accounts in state-certified qualified public depositories and direct obligation of the U.S. Treasury. Surplus funds are invested in the State Pool. The State Pool is administered by the Florida State Board of Administration (SBA) who provides regulatory oversight.

Long-term investments are stated at fair value as required by GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investment and for External Investment Pools".

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity** (continued)

##### **2. 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.”

Operating revenues in the stormwater fund are generally recognized on the basis of \$4.00 per Equivalent Residential Unit (ERU) and is billed under the Uniform Method of Collection as special assessment in the ad valorem tax bill. Revenues for services delivered during the last quarter of the fiscal year are accrued and billed in October.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Uncollectible accounts receivable allowances are based on historical trends.

##### **3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These costs are expensed when used.

##### **4. Capital Assets**

Capital assets, which include property, plant and equipment, and certain infrastructure assets (e.g., stormwater, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental and business-type columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost or component of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. No such costs were capitalized during fiscal year 2019.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

##### 4. Capital Assets (continued)

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

| <u>Assets</u>                     | <u>Years</u> |
|-----------------------------------|--------------|
| Stormwater infrastructure         | 50           |
| Road & sidewalk infrastructure    | 20-50        |
| Buildings                         | 30           |
| Improvements other than buildings | 30           |
| Furniture and equipment           | 3-15         |
| Vehicle                           | 5            |

##### 5. Compensated Absences

It is the City's policy to permit employees to accumulate within certain limits, earned but unused personal-time-off, which will be paid to employees upon separation from City service. All personal-time-off is accrued when incurred in the government-wide financial statements. In the governmental funds, a liability is recorded only for pay time off payouts for employee separations that occurred within 60 days after the fiscal year ended September 30, 2019. The General Fund and Enterprise Fund has been used to liquidate the liability for compensated absences.

##### 6. Deferred Outflows/Inflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until that time. The City currently reports deferred outflows related to debt refunding, pensions and other post-employment benefits (OPEB) in this category. The deferred outflow relating to debt includes the net deferred loss on refunding of the Stormwater bond by Miami-Dade County. This amount is being deferred and amortized over the life of the refunding debt. The deferred outflows related to pensions and OPEB are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 75, *Accounting and Financial reporting for Postemployment Benefits Other Than Pensions*, respectively. These will be recognized as either pension/OPEB expense or a reduction in the net pension/OPEB liability, respectively, in future reporting years. Details on the composition of deferred outflows related to pensions and OPEB are reported in subsequent notes.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

##### 6. Deferred Outflows/Inflows (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. In this category, the City currently reports deferred inflows related to pensions, other post-employment benefits (OPEB), deferred gain on refunding of the QNIP bonds by Miami-Dade County in the government-wide statements and unavailable revenue related to local business license tax and rental income taxes in the governmental funds.

##### 7. Unearned Revenues

Unearned revenue is recorded for governmental fund receivables that are measurable and available, but have not met the criteria for revenue recognition, such as donations or grants received for specific projects. These are recorded as unearned revenue in the government-wide and fund financial statements.

##### 8. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council which is highest level of decision-making authority through resolution are classified as committed fund balances. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken which is an adoption of another resolution to remove or revise the limitation. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances.

Assignments are made by management based on Council direction through a resolution. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

It is not possible to report a positive amount of unassigned fund balance in a governmental fund other than the General Fund. However, if a governmental fund other than the general fund were to have nonspendable, restricted, and committed fund balance in excess of total fund balance, the difference would be reported as negative unassigned fund balance.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

##### 9. Fund Balance Flow Assumption

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City will consider spending the restricted funds first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City will consider spending first the committed funds, then assigned funds, and finally unassigned funds as needed, unless City Council has provided otherwise in its actions through an ordinance.

##### 10. Fund Balance Policy

The City's policy is to maintain an adequate General Fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council adopted a goal to maintain an unassigned fund balance equal to 16% to 25% during the annual budget process. For Fiscal Year ending September 30, 2019 the General Fund reports a positive unassigned fund balance. It represents 28.9% of the General Fund Budget.

##### 11. Restricted Fund Balance

The City 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        |
| Community Development Block Grant       | Grant Program Expenditures       |
| State Housing Initiative Program (SHIP) | Grant Program Expenditures       |
| Federal/State Forfeitures               | Law Enforcement                  |

For the year ended September 30, 2019, the City complied, in all material respects, with these restrictions.



# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### F. Significant Accounting Policies

##### Pensions

In the governmental activities and business-type activities, Statement of Net Position, pension liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan and HIS plans. Changes in the net pension liability during the period are recorded as pension expense, deferred outflows of resources, or deferred inflows of resources depending on the nature of the change. Those changes in the net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of the net pension liability, and differences between expected or actual experience are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plans and recorded as a component of pension expense beginning with the period in which they arose. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources and are amortized as a component of pension expense using a systematic and rational method over a five (5) year period.

##### G. Other Post-Employment Benefits (OPEB)

Pursuant to Section 112.0801, Florida Statutes, The City 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. The rates provide for 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 City is financing the post-employment benefits on a pay-as-you-go basis. As determined by an actuarial valuation, the City records a net OPEB obligation in its proprietary and government-wide financial statements related to the implicit subsidy. See Note 11 for further information.

### NOTE 2. DEPOSITS AND INVESTMENTS

#### Deposits

All deposits of the City are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida security or Public deposits Act. Every qualified public depository is required by this law to deposit with the State treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

#### Investments

The SBA administers the Florida PRIME which is governed by Ch. 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on 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.

Investments in the State Board Administration (SBA) Florida PRIME totaling \$66,155,028 are recorded at amortized cost.

As of September 30, 2019, the City of Miami Gardens had the following investments:

| <u>Investment Type</u>                        | <u>Fair Value</u>    | <u>Level 1</u> | <u>Level 2</u> | <u>Weighted Average Maturity (years)</u> |
|---|----------------------|----------------|----------------|--|
| <b>Investments not measured at fair value</b> |                      |                |                |  |
| State Board of Administration*                | \$ 66,155,028        |                |                | 60 days                                  |
| Money Market**                                | 7,729,742            |                |                |  |
| Tax Certificates**                            | 5,620                |                |                |  |
| Certificate of Deposit**                      | <u>17,590,036</u>    |                |                |  |
| Total deposits and investments                | <u>\$ 91,480,426</u> |                |                |  |

\* In December 2015, GASB issued Statement 79 titled "Certain External Investment Pools and Pool Participants" in response to the Securities and Exchange Commission's amendments in 2014 to regulations that apply to money market funds. GASB 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. If the external investment pool meets the criteria in GASB 79 and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes.

\*\*Tax certificate, money market and certificate of deposit are cash equivalents which are reported as investments; as such they are not measured at fair value.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

#### Investments (continued)

At September 30, 2019, \$50,607,185 in deposit and investments relate to unspent debt proceeds pertaining to various financings including General Obligation Bonds, and Revenue bonds, which are restricted assets whose use is limited to projects primarily related to the acquisition and construction of City facilities and equipment as authorized by City Council Board Resolutions and Debt Covenants.

The total deposits and investments of \$86,480,426 at September 30, 2019, related to the Governmental Funds and \$5,000,000 related to the Stormwater Fund.

*Credit Risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The City's investment policy allows investments in U.S. Government sponsored agencies and enterprises, and the State Board of Administration investment pool.

| <u>Investment Type</u>         | <u>Rating</u> | <u>Percentage of Investment</u> | <u>Amount</u> |
|--------------------------------|---------------|---------------------------------|---------------|
| State Board of Administration* | AA            | 72.32%                          | \$ 66,155,028 |
| Tax Certificates               | Not Rated     | 0.01%                           | \$ 5,620      |
| Money Market                   | Not Rated     | 8.45%                           | \$ 7,729,742  |
| Certificate of Deposit         | Not Rated     | 19.22%                          | \$ 17,590,036 |

\*Standard and Poor's

*Interest Rate Risk* - the risk that changes in interest rates will adversely affect the fair value of an investment.

The investments were purchased with the intent to be held to maturity and with a maturity of less than 5 years to manage its exposure to decline in fair values. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2019.

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State of Florida Chief Financial Officer, to hold public funds. Under Florida law, the State Chief Financial Officer requires all Florida qualified public depositories to deposit with the Chief Financial Officer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 3. RECEIVABLES

Receivables as of September 30, 2018, for the City's governmental funds, including the allowance for uncollectible accounts are as follows:

|                                      |                      |
|--------------------------------------|----------------------|
| Ad valorem, utility & franchise fees | \$ 1,781,549         |
| Intergovernmental                    | 2,675,334            |
| Grants                               | 14,482,990           |
| Other receivables                    | <u>2,866,868</u>     |
| Net Receivable                       | <u>\$ 21,806,741</u> |
|                                      |                      |
| Stormwater accounts receivables      | \$ 105,353           |
| Less: allowance for uncollectibles   | (34,841)             |
| Intergovernmental                    | 108                  |
| Grants                               | <u>-</u>             |
| Net Receivable                       | <u>\$ 70,620</u>     |

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

|   | <u>Balance</u><br><u>October 1, 2018</u> | <u>Additions</u>    | <u>Deletions</u>   | <u>Transfers</u> | <u>Balance</u><br><u>September 30, 2019</u> |
|---|--|---------------------|--------------------|------------------|---|
| <b>Governmental activities</b>              |  |                     |                    |                  |   |
| Capital assets not being depreciated:       |  |                     |                    |                  |   |
| Land  | \$ 31,464,806                            | \$ -                | \$ -               | \$ -             | \$ 31,464,806                               |
| Art in Public Places                        | 232,472                                  | -                   | -                  | -                | 232,472                                     |
| Construction in progress                    | <u>14,775,205</u>                        | <u>21,394,554</u>   | <u>-</u>           | <u>(697,329)</u> | <u>35,472,430</u>                           |
| Total capital assets not being depreciated  | <u>46,472,483</u>                        | <u>21,394,554</u>   | <u>-</u>           | <u>(697,329)</u> | <u>67,169,708</u>                           |
| Capital assets being depreciated:           |  |                     |                    |                  |   |
| Building                                    | 79,447,003                               | 16,473              | -                  | 1,950            | 79,465,426                                  |
| Infrastructure                              | 363,657,351                              | 1,268,482           | -                  | 695,379          | 365,621,212                                 |
| Improvements other than buildings           | 8,119,440                                | 644,285             | -                  | -                | 8,763,725                                   |
| Machinery and equipment                     | 23,354,659                               | 1,057,925           | (372,077)          | -                | 24,040,507                                  |
| Other fixed assets                          | <u>2,445,141</u>                         | <u>62,809</u>       | <u>-</u>           | <u>-</u>         | <u>2,507,950</u>                            |
| Total capital assets being depreciated      | <u>477,023,594</u>                       | <u>3,049,974</u>    | <u>(372,077)</u>   | <u>697,329</u>   | <u>480,398,820</u>                          |
| Less accumulated depreciation for:          |  |                     |                    |                  |   |
| Building                                    | (14,897,456)                             | (2,572,547)         | -                  | -                | (17,470,003)                                |
| Infrastructure                              | (182,595,429)                            | (12,659,537)        | -                  | -                | (195,254,966)                               |
| Improvements other than buildings           | (2,361,343)                              | (335,543)           | -                  | -                | (2,696,886)                                 |
| Machinery and equipment                     | (19,882,936)                             | (1,021,318)         | 351,470            | -                | (20,552,784)                                |
| Other assets                                | <u>(1,921,581)</u>                       | <u>(147,934)</u>    | <u>-</u>           | <u>-</u>         | <u>(2,069,515)</u>                          |
| Total accumulated depreciation              | <u>(221,658,745)</u>                     | <u>(16,736,879)</u> | <u>351,470</u>     | <u>-</u>         | <u>(238,044,154)</u>                        |
| Total capital assets being depreciated, net | <u>255,364,849</u>                       | <u>(13,686,905)</u> | <u>(20,607)</u>    | <u>697,329</u>   | <u>242,354,666</u>                          |
| Governmental activities capital assets, net | <u>\$ 301,837,332</u>                    | <u>\$ 7,707,649</u> | <u>\$ (20,607)</u> | <u>\$ -</u>      | <u>\$ 309,524,374</u>                       |

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 4. CAPITAL ASSETS (Continued)**

|   | <u>Balance</u><br><u>October 1, 2018</u> | <u>Additions</u>    | <u>Deletions</u>  | <u>Transfers</u> | <u>Balance</u><br><u>September 30, 2019</u> |
|---|--|---------------------|-------------------|------------------|---|
| <b>Business-type activities</b>             |  |                     |                   |                  |   |
| Capital assets not being depreciated:       |  |                     |                   |                  |   |
| Construction in progress                    | \$ 341,576                               | \$ 349,956          | \$ -              | \$ -             | \$ 691,532                                  |
| Total capital assets not being depreciated  | <u>341,576</u>                           | <u>349,956</u>      | <u>-</u>          | <u>-</u>         | <u>691,532</u>                              |
| Capital assets being depreciated:           |  |                     |                   |                  |   |
| Infrastructure                              | 21,049,587                               | 240,399             | -                 | -                | 21,289,986                                  |
| Machinery and equipment                     | <u>1,092,882</u>                         | <u>1,062,265</u>    | <u>(28,733)</u>   | <u>-</u>         | <u>2,126,414</u>                            |
| Total capital assets being depreciated      | <u>22,142,469</u>                        | <u>1,302,664</u>    | <u>(28,733)</u>   | <u>-</u>         | <u>23,416,400</u>                           |
| Less accumulated depreciation for:          |  |                     |                   |                  |   |
| Infrastructure                              | (5,942,207)                              | (459,047)           | -                 | -                | (6,401,254)                                 |
| Machinery and equipment                     | <u>(1,025,889)</u>                       | <u>(103,378)</u>    | <u>26,219</u>     | <u>-</u>         | <u>(1,103,048)</u>                          |
| Total accumulated depreciation              | <u>(6,968,096)</u>                       | <u>(562,425)</u>    | <u>26,219</u>     | <u>-</u>         | <u>(7,504,302)</u>                          |
| Total capital assets being depreciated, net | <u>15,174,373</u>                        | <u>740,239</u>      | <u>(2,514)</u>    | <u>-</u>         | <u>15,912,098</u>                           |
| Business activities capital assets, net     | <u>\$ 15,515,949</u>                     | <u>\$ 1,090,195</u> | <u>\$ (2,514)</u> | <u>\$ -</u>      | <u>\$ 16,603,630</u>                        |

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

**Governmental Activities**

|  |                      |
|--|----------------------|
| General government                                   | \$ 1,882,021         |
| Public safety  | 1,032,318            |
| Public works   | 12,721,332           |
| Recreation & social services                         | <u>1,101,208</u>     |
| Total depreciation expense - governmental activities | <u>\$ 16,736,879</u> |

**Business-type Activities**

|   |                   |
|---|-------------------|
| Stormwater  | \$ 562,425        |
| Total depreciation expense - business-type activities | <u>\$ 562,425</u> |

**Construction Commitments**

The City of Miami Gardens has active construction projects as of September 30, 2019. The projects include final completion of the Bunche Park, Norwood Park/Pool, Betty T. Ferguson, Buccaneer Park and various capital improvements at the parks. North Dade Optimist is projected to be completed early fiscal year 2020. The amount remaining on these incomplete projects as of September 30, 2019 totaled \$15,927,286.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 5. ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2019 are as follows:

|                              |                      |
|------------------------------|----------------------|
| Major Funds:                 |                      |
| General Fund                 | \$ 196,632           |
| Transportation Fund          | 1,271,711            |
| Capital Projects Fund        | <u>15,927,287</u>    |
| Total Major Funds            | 17,395,630           |
| Non-Major Governmental Funds | <u>1,851,722</u>     |
| Total Encumbrances           | <u>\$ 19,247,352</u> |

### NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the City for governmental and business-type activities for the year ended September 30, 2019:

|   | <u>October 1, 2018</u> | <u>Additions</u>     | <u>Reductions</u>    | <u>September 30, 2019</u> | <u>Due within<br/>One Year</u> |
|---|------------------------|----------------------|----------------------|---------------------------|--------------------------------|
| <b>Governmental Activities</b>                                      |                        |                      |                      |                           |                                |
| <b>Bonds and notes payable:</b>                                     |                        |                      |                      |                           |                                |
| <b>General Obligation Bonds:</b>                                    |                        |                      |                      |                           |                                |
| General Obligation Bond, Series 2014                                | \$ 54,225,000          | \$ -                 | \$ 1,560,000         | \$ 52,665,000             | \$ 1,620,000                   |
| <b>Special Obligation Bonds:</b>                                    |                        |                      |                      |                           |                                |
| NIP due to Miami Dade County  | 3,382,600              | -                    | 409,825              | 2,972,775                 | 425,750                        |
| Land Acquisition Revenue Bonds, Series 2005                         | 4,202,254              | -                    | 345,899              | 3,856,355                 | 358,801                        |
| Land Acquisition Revenue Bonds, Series 2007                         | 7,614,275              | -                    | 7,614,275            | -                         | -                              |
| Land Acquisition Revenue Bonds, Series 2009                         | 2,643,729              | -                    | 188,776              | 2,454,953                 | 197,422                        |
| Taxable Land Acquisition Revenue Bond, Series 2009B                 | 5,640,440              | -                    | 460,000              | 5,180,440                 | 460,000                        |
| Certificates of Participation Series 2010 A-1 & A-2                 | 47,990,000             | -                    | 1,330,000            | 46,660,000                | 1,380,000                      |
| Capital Improvement Revenue Bonds, Series 2016                      | 2,177,562              | -                    | 252,263              | 1,925,299                 | 257,716                        |
| Less: bond discounts  | (571,097)              | 25,861               | -                    | (545,236)                 | (25,861)                       |
| Add: bond premiums  | 5,132,774              | -                    | 247,363              | 4,885,411                 | 247,363                        |
| <b>Notes from Direct Borrowing and Direct Placements:</b>           |                        |                      |                      |                           |                                |
| Taxable Refunding Revenue Bond Series 2019<br>(Refunding \$14.4 MM) | -                      | 6,905,000            | -                    | 6,905,000                 | 850,000                        |
| Total bonds and notes payable                                       | <u>132,437,537</u>     | <u>6,930,861</u>     | <u>12,408,401</u>    | <u>126,959,997</u>        | <u>5,771,191</u>               |
| <b>Other liabilities:</b>   |                        |                      |                      |                           |                                |
| Net pension liability   | 57,533,559             | 13,170,636           | -                    | 70,704,196                | -                              |
| Net OPEB liabilities  | 9,082,579              | 954,024              | 4,300,808            | 5,735,795                 | -                              |
| Compensated absences  | 8,243,608              | 1,128,087            | -                    | 9,371,695                 | 1,405,754                      |
| Total other liabilities   | <u>74,859,746</u>      | <u>15,252,747</u>    | <u>4,300,808</u>     | <u>85,811,686</u>         | <u>1,405,754</u>               |
| Governmental activity long-term liabilities                         | <u>\$ 207,297,283</u>  | <u>\$ 22,183,608</u> | <u>\$ 16,709,209</u> | <u>\$ 212,771,682</u>     | <u>\$ 7,176,945</u>            |
| <b>Business-type Activities</b>                                     |                        |                      |                      |                           |                                |
| <b>Bonds and notes payable:</b>                                     |                        |                      |                      |                           |                                |
| <b>Special Obligation and Revenue Bonds, Loans and Leases:</b>      |                        |                      |                      |                           |                                |
| Miami-Dade County Stormwater Utility Bond                           | \$ 5,704,897           | \$ 8                 | \$ 434,924           | \$ 5,269,973              | \$ 450,126                     |
| Total bonds and notes payable                                       | <u>5,704,897</u>       | <u>8</u>             | <u>434,924</u>       | <u>5,269,973</u>          | <u>450,126</u>                 |
| <b>Other liabilities:</b>   |                        |                      |                      |                           |                                |
| Compensated absences  | 47,529                 | 6,558                | -                    | 54,087                    | 8,113                          |
| Net pension liability   | 458,355                | 108,817              | -                    | 567,172                   | -                              |
| Net OPEB liabilities  | 94,524                 | 8,178                | 36,870               | 65,832                    | -                              |
| Total other liabilities   | <u>600,408</u>         | <u>123,553</u>       | <u>36,870</u>        | <u>687,091</u>            | <u>8,113</u>                   |
| Business-type activities long-term liabilities                      | <u>\$ 6,305,305</u>    | <u>\$ 123,553</u>    | <u>\$ 471,794</u>    | <u>\$ 5,957,064</u>       | <u>\$ 458,239</u>              |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 6. LONG-TERM LIABILITIES (Continued)

#### Long Term Debt – Governmental Activities

Long term debt of the City’s governmental activities include general and special obligation bonds from direct placements and loan agreements that are payable from property tax land and other specific revenue sources. The city’s general obligation bonds, special obligation bonds and special obligation bonds from direct placements contain 1) a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment and (2) contain a subjective acceleration clause that allows for the acceleration of payment of the entire principle amount to become immediately due if it is determined that a material adverse event occurs. See individual long term debt narrative on the following pages for specific default events.

At September 30, 2019, the annual debt service requirements are as follows:

| Year Ending<br>September 30, | Governmental Activities                                  |                   |  |                      |                       |                      |
|------------------------------|--|-------------------|--|----------------------|-----------------------|----------------------|
|                              | Notes from Direct<br>Borrowings and Direct<br>Placements |                   | Special Obligation, Revenue<br>Bonds and Loans |                      | Total                 |                      |
|                              | Principal  | Interest          | Principal                                      | Interest             | Principal             | Interest             |
| 2020                         | \$ 850,000   | \$ 217,879        | \$ 9,420,129                                   | \$ 6,467,265         | \$ 10,270,129         | \$ 6,685,144         |
| 2021                         | 855,000  | 190,430           | 4,420,211                                      | 6,068,979            | 5,275,211             | 6,259,409            |
| 2022                         | 880,000  | 162,411           | 4,583,128                                      | 5,867,718            | 5,463,128             | 6,030,129            |
| 2023                         | 905,000  | 133,497           | 4,787,479                                      | 5,623,340            | 5,692,479             | 5,756,836            |
| 2024                         | 940,000  | 103,767           | 5,003,762                                      | 5,367,949            | 5,943,762             | 5,471,716            |
| 2025-2029                    | 2,475,000  | 122,256           | 25,150,114                                     | 23,353,803           | 27,625,113            | 23,476,059           |
| 2030-2034                    | -  | -                 | 26,060,000                                     | 15,631,200           | 26,060,000            | 15,631,200           |
| 2035-2039                    | -  | -                 | 32,945,000                                     | 7,172,950            | 32,945,000            | 7,172,950            |
| 2040-2045                    | -  | -                 | 3,345,000                                      | 234,150              | 3,345,000             | 234,150              |
| Total                        | <u>\$ 6,905,000</u>                                      | <u>\$ 930,240</u> | <u>\$115,714,823</u>                           | <u>\$ 75,787,352</u> | <u>\$ 122,619,822</u> | <u>\$ 76,717,593</u> |

| Year Ending September 30, | Notes from Direct Borrowings<br>and Direct Placements |             | Special Obligation, Bond |                     |
|---------------------------|---|-------------|--------------------------|---------------------|
|                           | Principal   | Interest    | Principal                | Interest            |
| 2020                      | \$ -  | \$ -        | \$ 450,126               | \$ 182,337          |
| 2021                      | -   | -           | 465,774                  | 166,763             |
| 2022                      | -   | -           | 481,684                  | 150,647             |
| 2023                      | -   | -           | 498,469                  | 133,981             |
| 2024                      | -   | -           | 515,603                  | 116,733             |
| 2025-2029                 | -   | -           | 2,858,326                | 303,400             |
| Total                     | <u>\$ -</u>   | <u>\$ -</u> | <u>\$ 5,269,982</u>      | <u>\$ 1,053,861</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

***Public Service Tax Revenue Bonds, Series 1999 and Series 2002***

Prior to the City’s incorporation, Miami-Dade County issued Florida Public Service Tax Revenue Bonds (UMSA Public Improvements) Series 1999 and Series 2002. The County pledged the Unincorporated Municipal Service Area’s (UMSA) utility tax revenues for debt service on the Revenue Bonds. As part of the Master Interlocal Agreement with Miami-Dade County (County), and as a condition to incorporation, the City is obligated to repay its share of certain County debt instruments that had been issued for improvements to the unincorporated areas of the County. The County had pledged certain revenues in support of those debt instruments. The restrictive covenants of those debt instruments prohibit the County from releasing the pledged revenues until the obligations have been paid in full. The City can prepay at any time its share of the outstanding debt and thus have its revenue streams released from this encumbrance. Until that time, the City is required to allow the County to continue to receive those revenue streams and then forward the City the difference between what was collected and what was paid as the City’s share of the outstanding debt. The City’s Public Service Tax on utility service will first go to the County to pay the debt service and related costs of the County’s *Public Service Tax Revenue Bonds, Series 1999 and Series 2002*. The County refinanced these bonds in 2011.

Debt service requirements are as follows:

|   | <b>Governmental Activities<br/>Special Obligation Bond</b> |                     |                     |
|---|--|---------------------|---------------------|
| <u>Fiscal year ending September 30,</u> | <u>Principal</u>   | <u>Interest</u>     | <u>Total</u>        |
| 2020                                    | \$ 425,750   | \$ 122,415          | \$ 548,165          |
| 2021                                    | 442,650  | 105,177             | 547,827             |
| 2022                                    | 461,175  | 87,250              | 548,425             |
| 2023                                    | 480,025  | 68,582              | 548,607             |
| 2024                                    | 499,850  | 49,140              | 548,990             |
| 2025-2027                               | <u>663,325</u>   | <u>730,779</u>      | <u>1,394,104</u>    |
|   | <u>\$ 2,972,775</u>  | <u>\$ 1,163,341</u> | <u>\$ 4,136,116</u> |



# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 6. LONG-TERM LIABILITIES (Continued)

#### *Series 2005 \$7,500,000 Land Acquisition Revenue Bonds (continued)*

On June 23, 2005, the City issued \$7,500,000 in special revenue bonds for the purpose of financing a portion of the costs of purchasing and renovating existing buildings and constructing new public facilities, purchasing land for, and financing architectural, engineering, environmental, legal, and other planning costs related thereto for, the sites of City Hall, Public Works Department facilities and other public facilities, widening roads and making other road improvements, and paying the costs of issuance of the bonds. The bonds have a maturity of 20 years and carry a fixed interest rate of 3.73% and require semi-annual payments each October 1<sup>st</sup> and April 1<sup>st</sup>, with the final payment due October 1, 2025.

The Promissory Note agreement also includes the following additional information:

- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default of covenants; default in the performance of any part of the agreement.
- Upon the occurrence of certain “Events of Default” the bank may declare the entire debt due and payable; and in any such default and acceleration, the City shall also be obligated to pay (but only from Pledged Revenues) as part of the indebtedness evidenced by this Bond, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay.
- Without the prior written consent of the Bank, the City shall not incur additional obligations secured by the Local Government Half-Cent Sales Tax Revenues and the Communication Services Tax Revenues, unless (i) the ratio of the amount of tax revenues collected during each of the preceding two fiscal years divided by the annual debt service on all debt obligations secured by the tax revenues and on the debt obligations proposed to be issued, is at least equal to 1.50, (ii) no Event of Default exists and (iii) the other covenants of the City continue to be met.
- If an “event of default” occurs the interest rate of the bonds shall immediately be adjusted to a rate equal to the maximum lawful rate, irrespective of a declaration of maturity.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

*Series 2005 \$7,500,000 Land Acquisition Revenue Bonds (continued)*

Debt service requirements are as follows:

| <u>Fiscal year ending September 30,</u> | <b>Governmental Activities<br/>Special Obligation Bond</b> |                 |              |
|---|--|-----------------|--------------|
|   | <u>Principal</u>   | <u>Interest</u> | <u>Total</u> |
| 2020                                    | \$ 358,801   | \$ 137,150      | \$ 495,951   |
| 2021                                    | 372,185  | 123,518         | 495,703      |
| 2022                                    | 386,067  | 109,376         | 495,443      |
| 2023                                    | 400,468  | 94,707          | 495,175      |
| 2024                                    | 415,405  | 79,490          | 494,895      |
| 2025-2026                               | 1,923,429  | 91,542          | 2,014,971    |
|   | \$ 3,856,355   | \$ 635,783      | \$ 4,492,138 |

*Series 2009 \$4,000,000 Land Acquisition Revenue Bonds*

On July 30, 2009, the City issued \$4,000,000 in revenue bonds to finance the costs of land acquisition and improvement. These bonds are secured by pledging the communication service tax, the local government half-cent sales tax and utility tax revenue. This is a fixed rate bond at 4.66% per annum. The bonds are subject to optional prepayment in whole or in part at any time at a price of par, plus accrued interest to the date of prepayment and may be subject to prepayment penalty. The debt service payments are scheduled quarterly with the first payment made on November 1, 2009. The bond matures on August 1, 2029.

The Promissory Note agreement also includes the following additional information:

- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default of covenants; default in the performance of any part of the agreement.
- Upon the occurrence of certain “Events of Default” the bank may declare the entire debt due and payable; and in any such default and acceleration, the City shall also be obligated to pay (but only from Pledged Revenues) as part of the indebtedness evidenced by this Bond, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

*Series 2009 \$4,000,000 Land Acquisition Revenue Bonds (continued)*

- Without the prior written consent of the Bank, the City shall not incur additional obligations secured by the Local Government Half-Cent Sales Tax Revenues and the Communication Services Tax Revenues, unless (i) the ratio of the amount of tax revenues collected during each of the preceding two fiscal years divided by the annual debt service on all debt obligations secured by the tax revenues and on the debt obligations proposed to be issued, is a least equal to 1.50, (ii) no Event of Default exists and (iii) the other covenants of the City continue to be met.

If an “event of default” occurs the interest rate of the bonds shall immediately be adjusted to a rate equal to the maximum lawful rate, irrespective of a declaration of maturity

Debt service requirements are as follows:

| <b>Fiscal year ending September 30,</b> | <b>Governmental Activities<br/>Special Obligation Bond</b> |                 |              |
|---|--|-----------------|--------------|
|   | <b>Principal</b>   | <b>Interest</b> | <b>Total</b> |
| 2020                                    | \$ 197,422   | \$ 111,376      | \$ 308,798   |
| 2021                                    | 207,089  | 101,709         | 308,798      |
| 2022                                    | 216,909  | 91,889          | 308,798      |
| 2023                                    | 227,195  | 81,603          | 308,798      |
| 2024                                    | 237,776  | 71,022          | 308,798      |
| 2025-2029                               | 1,368,562  | 173,897         | 1,542,459    |
|   | \$ 2,454,953   | \$ 631,496      | \$ 3,086,449 |

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

***Series 2009B \$8,800,000 Taxable Land Acquisition Revenue Bonds***

On August 14, 2009, the City issued \$8,000,000 taxable revenue bonds to finance the costs of acquisition of land to foster economic growth in the enterprise zone as part of economic development activities. The bonds have a fixed rate of 5.26 % with a balloon payment on the maturity date of August 1, 2014. The City requested an extension for the balloon payment attributed to potential buyer for the property. The bank extended the maturity date to February 1, 2021 with a variable rate utilizing 30 day LIBOR rate plus 1%. The City pledges the half-cent sales tax, the communication services tax and the utility tax revenue to secure the principal and the interest on the bonds. Principal payment is due quarterly and there is no prepayment penalty under the current extension period.

Debt service requirements are as follows:

|  | <b>Governmental Activities<br/>Special Obligation Bond</b> |                          |                            |
|--|--|--------------------------|----------------------------|
| <b><u>Fiscal year ending September 30,</u></b> | <b><u>Principal</u></b>                                    | <b><u>Interest</u></b>   | <b><u>Total</u></b>        |
| 2020   | \$ 5,180,440   | \$ 195,279               | \$ 5,375,719               |
| 2021   | -  | -                        | -                          |
|  | <b><u>\$ 5,180,440</u></b>                                 | <b><u>\$ 195,279</u></b> | <b><u>\$ 5,375,719</u></b> |

The Promissory Note agreement also includes the following additional information:

- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default of covenants; default in the performance of any part of the agreement.
- Upon the occurrence of certain “Events of Default” the Bank may declare the entire debt due and payable; and in any such default and acceleration, the City shall also be obligated to pay (but only from Pledged Revenues) as part of the indebtedness evidenced by this Bond, all costs of collection and enforcement hereof, including such fees as may be incurred on appeal or incurred in any proceeding under bankruptcy laws as they now or hereafter exist, including specifically but without limitation, claims, disputes and proceedings seeking adequate protection or relief from the automatic stay.
- Without the prior written consent of the Bank, the City shall not incur additional obligations secured by the Local Government Half-Cent Sales Tax Revenues and the Communication Services Tax Revenues, unless (i) the ratio of the amount of tax revenues collected during each of the preceding two fiscal years divided by the annual debt service on all debt obligations secured by the tax revenues and on the debt obligations proposed to be issued, is a least equal to 1.50, (ii) no Event of Default exists and (iii) the other covenants of the City continue to be met.
- If an “event of default” occurs the interest rate of the bonds shall immediately be adjusted to a rate equal to the maximum lawful rate, irrespective of a declaration of maturity.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

***Series 2010A-1 \$2,150,000 tax exempt; and Series 2010A-2 \$52,850,500 (Build America Bonds), Certification of Participations***

On November 20, 2010, the City issued \$55,000,000 Certificate of Participations to finance the construction and purchase of furniture and equipment of the City Hall. Series 2010A-1 are tax exempt Certificate of Participation Bonds with various maturity date. The initial maturity date was June 1, 2014 and the True Interest Cost was 2.50%. Series 2010A-2 Taxable Certificates of Participation (Build American Bonds) latest maturity date is June 1, 2040 with a True Interest Cost of 4.72%. The 2010A Certificates are secured by and payable from the trust estate. The City Non-ad valorem revenues which are legally available constitute the primary sources of funds to make lease payments and all other amounts required to be paid by the City under Series 2010A.

The Promissory Note agreement also includes the following additional information:

- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable, default in the performance of any part of the agreement.
- An “Event of Default” will immediately result in the bank declaring all obligations of the City to be immediately due and payable without further action of any kind. If payment cannot be made the City is required to immediately surrender and deliver possession of all facilities financed under the Series 2010A. The bank may also seek enforcement of, and exercise all, remedies available under any applicable law.

Debt service requirements are as follows:

| <u>Fiscal year ending September 30,</u> | <b>Governmental Activities<br/>Special Obligation</b> |                      |                      |
|---|---|----------------------|----------------------|
|   | <u>Principal</u>                                      | <u>Interest</u>      | <u>Total</u>         |
| 2020                                    | \$ 1,380,000  | \$ 3,261,879         | \$ 4,641,879         |
| 2021                                    | 1,430,000   | 3,185,980            | 4,615,980            |
| 2022                                    | 1,495,000   | 3,083,448            | 4,578,448            |
| 2023                                    | 1,565,000   | 2,976,257            | 4,541,257            |
| 2024                                    | 1,635,000   | 2,864,046            | 4,499,046            |
| 2025-2029                               | 9,395,000   | 12,456,418           | 21,851,418           |
| 2030-2034                               | 11,745,000  | 8,845,200            | 20,590,200           |
| 2035-2039                               | 14,670,000  | 4,342,450            | 19,012,450           |
| 2040                                    | <u>3,345,000</u>                                      | <u>234,150</u>       | <u>3,579,150</u>     |
|   | <u>\$ 46,660,000</u>                                  | <u>\$ 41,249,828</u> | <u>\$ 87,909,828</u> |

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

***Series 2014 General Obligation Bond***

On July 16, 2014, the City issued \$60 million General Obligation Bonds that was approved by the voters in April 2014 for improvements including expansion to parks and recreation facilities and to purchase and install crime prevention equipment. The maturity date of the bond is July 2039. The True Interest Costs is 4.0%. General obligation bonds are direct obligations and pledge by full faith and credit. In each year that the debt is outstanding, an ad valorem tax is levied equal to principal and interest due.

The Promissory Note agreement also includes the following additional information:

- Without the prior written consent of the Bank, the City shall not incur additional indebtedness secured by or payable from all or a portion of the non-ad valorem revenues unless the total amount of non-ad valorem revenues for the prior fiscal year (exclusive of any proceeds of indebtedness) were at least two (2) times the maximum annual debt service on all indebtedness.
- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default in the performance of any part of the agreement; any petition to declare bankruptcy.
- An “Event of Default” will immediately result in the bank declaring all obligations of the City to be immediately due and payable without further action of any kind. The bank may also seek enforcement of, and exercise all, remedies available under any applicable law.

Debt service requirements are as follows:

| <u>Fiscal year ending September 30,</u> | <u>Governmental Activities<br/>General Obligation Bond</u> |                      |                      |
|---|--|----------------------|----------------------|
|   | <u>Principal</u>   | <u>Interest</u>      | <u>Total</u>         |
| 2020                                    | \$ 1,620,000   | \$ 2,599,150         | \$ 4,219,150         |
| 2021                                    | 1,705,000  | 2,518,150            | 4,223,150            |
| 2022                                    | 1,755,000  | 2,467,000            | 4,222,000            |
| 2023                                    | 1,840,000  | 2,379,250            | 4,219,250            |
| 2024                                    | 1,935,000  | 2,287,250            | 4,222,250            |
| 2025-2029                               | 11,220,000   | 9,885,500            | 21,105,500           |
| 2030-2034                               | 14,315,000   | 6,786,000            | 21,101,000           |
| 2035-2039                               | <u>18,275,000</u>  | <u>2,830,500</u>     | <u>21,105,500</u>    |
|   | <u>\$ 52,665,000</u>                                       | <u>\$ 31,752,800</u> | <u>\$ 84,417,800</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

***Series 2016 Capital Improvement Revenue Bond***

On September 29, 2016 the City issued \$6.0 million Revenue Bonds to complete the City Hall and Police Headquarters Building. The bond will mature on July 1, 2026 with a fixed interest rate of 2.15%. The collateral of this issuance is subject to Covenant to Budget and Appropriation of Non-Ad Valorem Revenues. There is no pre-payment penalty.

The Promissory Note agreement also includes the following additional information:

- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default in the performance of any part of the agreement; any petition to declare bankruptcy.
- Without the prior written consent of the Bank, the City shall not incur additional obligations secured by the Local Government Half-Cent Sales Tax Revenues, Electric Utility Tax and the Communication Services Tax Revenues, unless (i) the ratio of the amount of tax revenues collected during each of the preceding two fiscal years divided by the annual debt service on all debt obligations secured by the tax revenues and on the debt obligations proposed to be issued, is a least equal to 1.50, (ii) no Event of Default exists and (iii) the other covenants of the City continue to be met.
- An “Event of Default” will immediately result in the bank declaring all obligations of the City to be immediately due and payable without further action of any kind. The bank may also seek enforcement of, and exercise all, remedies available under any applicable law.

Debt service requirements are as follows:

| <u>Fiscal year ending September 30,</u> | <u>Governmental Activities<br/>Special Obligation Bond</u> |                   |                     |
|---|--|-------------------|---------------------|
|   | <u>Principal</u>   | <u>Interest</u>   | <u>Total</u>        |
| 2020                                    | \$ 257,716   | \$ 40,016         | \$ 297,732          |
| 2021                                    | 263,287  | 34,445            | 297,732             |
| 2022                                    | 268,977  | 28,755            | 297,732             |
| 2023                                    | 274,791  | 22,941            | 297,732             |
| 2024                                    | 280,731  | 17,001            | 297,732             |
| 2025-2026                               | <u>579,797</u>   | <u>15,667</u>     | <u>595,464</u>      |
|   | <u>\$ 1,925,299</u>  | <u>\$ 158,825</u> | <u>\$ 2,084,124</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 6. LONG-TERM LIABILITIES (Continued)

#### *Series 2007 \$14,400,000 Land Acquisition Revenue Bonds*

On January 12, 2007, the City issued \$14,400,000 in Land Acquisition and Improvement Revenue Bonds to finance a portion of the costs of purchasing land for, and financing architectural, engineering, environmental, legal, and other planning costs related to a City Hall, Public Works facility, Public Safety facility, and other facilities. The bonds were secured by the City's communication services tax and local government half-cent sales tax. During fiscal year 2019, outstanding principal payments totaling \$7,614,275 were refinanced through the issuance of the Taxable Refunding Revenue Bond, Series 2019.

#### *Series 2019 Taxable Refunding Revenue Bond*

On February 13, 2019 the City issued a taxable revenue bond of \$6.9 million to refinance the City's outstanding Land Acquisition and Improvement Revenue Bonds, Series 2007 awarding the sale of the bonds to PNC Bank, National Association. The bonds' fixed interest rate is 3.258% and matures December 30, 2026.

The Promissory Note agreement also includes the following additional information:

- An "Event of Default" shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default of covenants; default in the performance of any part of the agreement.
- Upon the occurrence of certain "Events of Default" the Bank may declare the entire debt due and payable and the bank may also seek enforcement of, and exercise all, remedies available under any applicable law.
- Without the prior written consent of the Bank, the City shall not incur additional obligations secured by the Local Government Half-Cent Sales Tax Revenues and the Communication Services Tax Revenues, unless (i) the ratio of the amount of tax revenues collected during each of the preceding two fiscal years divided by the annual debt service on all debt obligations secured by the tax revenues and on the debt obligations proposed to be issued, is a least equal to 1.50, (ii) no Event of Default exists and (iii) the other covenants of the City continue to be met.
- If an "event of default" occurs the interest rate of the bonds shall immediately be adjusted to a rate equal to the rate on the Bond, plus three percent (3%), provided the rate be not in excess.



**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 6. LONG-TERM LIABILITIES (Continued)**

*Series 2019 Taxable Refunding Revenue Bond (continued)*

Debt service requirements are as follows

| <u>Fiscal year ending September 30,</u> | <b>Governmental Activities<br/>Special Obligation Bond</b> |                   |                     |
|---|--|-------------------|---------------------|
|   | <u>Principal</u>   | <u>Interest</u>   | <u>Total</u>        |
| 2020                                    | \$ 850,000   | \$ 217,879        | \$ 1,067,879        |
| 2021                                    | 855,000  | 190,430           | 1,045,430           |
| 2022                                    | 880,000  | 162,411           | 1,042,411           |
| 2023                                    | 905,000  | 133,497           | 1,038,496           |
| 2024                                    | 940,000  | 103,767           | 1,043,767           |
| 2025-2026                               | <u>2,475,000</u>   | <u>122,256</u>    | <u>2,597,256</u>    |
|   | <u>\$ 6,905,000</u>  | <u>\$ 930,240</u> | <u>\$ 7,835,240</u> |

*Stormwater Utility Revenue Bond , Series 1999 and Series 2004 – Business -type Activities*

Prior to the City’s incorporation, Miami-Dade County issued two Stormwater Utility Revenue Bonds Series 1999 and Series 2004 payable from the Stormwater utility fees collected from the unincorporated areas and certain cities. The County assesses and collects the Stormwater utility fee pursuant to section 24-61 through 24-61.5 of the County code, and section 403.0893, Florida Statute (the Stormwater utility fees). The County issued two Utility Revenue Bonds, Series 1999 and 2004. The City is responsible for 8.742% of the debt services of these two bonds. The County refinanced the bond in 2014. The City’s Stormwater Assessments will continue to be paid directly to the County until the County’s Stormwater Utility Revenue Bonds matures in 2029.

The County provides the City with the following table which details the future debt service for the stormwater agreement:

Debt service requirements are as follows:

| <u>Fiscal year ending September 30,</u> | <b>Business-type Activities<br/>Special Obligation Bond</b> |                     |                     |
|---|---|---------------------|---------------------|
|   | <u>Principal</u>  | <u>Interest</u>     | <u>Total</u>        |
| 2020                                    | \$ 450,126  | \$ 182,337          | \$ 632,463          |
| 2021                                    | 465,774   | 166,763             | 632,537             |
| 2022                                    | 481,684   | 150,647             | 632,331             |
| 2023                                    | 498,469   | 133,981             | 632,450             |
| 2024                                    | 515,603   | 116,733             | 632,336             |
| 2025-2029                               | <u>2,858,317</u>  | <u>303,400</u>      | <u>3,161,717</u>    |
|   | <u>\$ 5,269,973</u>   | <u>\$ 1,053,861</u> | <u>\$ 6,323,834</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 7. INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

Transactions between funds of the City can result in receivables and payables at year-end when there is reasonable expectation of repayment.

Receivable and payables for the fiscal year ended September 30, 2019 is as follows:

| <u>Receivable Fund</u>    | <u>Payable Fund</u>          | <u>Amount</u>        |
|---------------------------|------------------------------|----------------------|
| General Fund              | Grant Fund                   | \$ 5,700,000         |
| Development Services Fund | Grant Fund                   | 4,800,000            |
| Transportation Fund       | Grant Fund                   | 400,000              |
| General Fund              | Special Taxing District Fund | <u>7,600</u>         |
|                           |                              | <u>\$ 10,907,600</u> |

Interfund activity for the fiscal year ended September 30, 2019 is as follows:

|                                    | <u>Transfers In</u>  | <u>Transfer Out</u>  |
|------------------------------------|----------------------|----------------------|
| General Fund                       | \$ 1,225,430         | \$ 7,294,040         |
| Transportation Fund                | 202,923              | 806,103              |
| Development Services Fund          | -                    | 531,819              |
| Impact Fee                         | -                    | -                    |
| Debt Service Fund                  | 8,089,762            | -                    |
| Capital Projects Fund              | 5,636,563            | 6,040,261            |
| Special Revenue Fund - Impact Fees | -                    | -                    |
| Stormwater Fund                    | <u>-</u>             | <u>482,455</u>       |
|                                    | <u>\$ 15,154,678</u> | <u>\$ 15,154,678</u> |

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, and (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### NOTE 8. PROPERTY TAXES

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the City by Miami-Dade County annually on October 1 and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. Assessed values are established by the Miami-Dade County Property Appraiser.

In November 1992, a Florida constitutional amendment was approved by the voters, which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 8. PROPERTY TAXES (Continued)

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 City is established by the City Council and the Miami-Dade County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2019 was 6.9363 mills (\$6.9363 per \$1,000 of taxable assessed valuation) which has remained unchanged over the past 5 years.

### NOTE 9. RETIREMENT PLANS

All of the City's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a Florida state agency, county government, district school board, state university, community college, or a participating city or special district. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; or at the Division's website ([www.frs.myflorida.com](http://www.frs.myflorida.com)).

#### A. Pension Plan - Florida Retirement System (FRS)

*Plan Description* - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

The general classes of membership for the City are as follows:

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions
- Special Risk Class - Members who are employed as law enforcement officers

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service. Regular Class and SMSC members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, a 5.0% benefit reduction is imposed for each year prior to the normal retirement age.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 9. RETIREMENT PLANS (Continued)

#### A. Pension Plan - Florida Retirement System (FRS) (continued)

DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment each July and earn monthly interest equivalent to an annual rate of 1.30%. DROP participants with an effective DROP commencement date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50%.

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

| <b>Class, Initial Enrollment, and Retirement Age/Years of Service</b>    | <b>% Value<br/>(Per Year of Service)</b> |
|--|--|
| <b>Regular Class Members Initially Enrolled Before July 1, 2011</b>      |  |
| Retirement up to age 62 or up to 30 years of service                     | 1.60%                                    |
| Retirement at age 63 or with 31 years of service                         | 1.63%                                    |
| Retirement at age 64 or with 32 years of service                         | 1.65%                                    |
| Retirement at age 65 or with 33 or more years of service                 | 1.68%                                    |
| <b>Regular Class Members Initially Enrolled On or After July 1, 2011</b> |  |
| Retirement up to age 65 or up to 33 years of service                     | 1.60%                                    |
| Retirement at age 66 or with 34 years of service                         | 1.63%                                    |
| Retirement at age 67 or with 35 years of service                         | 1.65%                                    |
| Retirement at age 68 or with 36 or more years of service                 | 1.68%                                    |
| <b>Special Risk Class</b>  |  |
| Service from Dec. 1, 1970 through Sept. 30, 1974                         | 2.00%                                    |
| Service on and after Oct. 1, 1974  | 3.00%                                    |
| <b>Senior Management Service Class</b>                                   | 2.00%                                    |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 9. RETIREMENT PLANS (Continued)

#### A. Pension Plan - Florida Retirement System (FRS) (continued)

The benefits received by retirees and beneficiaries are increased by a cost of living adjustment (COLA) each July based on their June benefit amount. For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year 2018-2019 are as follows:

| <u>Class</u>      | <u>Employee<br/>Contribution Rate</u> | <u>Employer<br/>Contribution Rate*</u> | <u>Total<br/>Contribution Rate</u> |
|-------------------|---------------------------------------|--|------------------------------------|
| Regular           | 3.00%                                 | 6.54%                                  | 9.54%                              |
| Senior Management | 3.00%                                 | 22.34%                                 | 25.34%                             |
| Special Risk      | 3.00%                                 | 22.78%                                 | 25.78%                             |
| DROP              | N/A                                   | 12.373%                                | 12.37%                             |

*\*From contribution rates effective July 1, 2018.*

*\*These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.*

For the fiscal year ending September 30, 2019, contributions, including employee contributions, to the Pension Plan for the City totaled \$6,734,870.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 9. RETIREMENT PLANS (Continued)

#### A. Pension Plan - Florida Retirement System (FRS) (continued)

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At September 30, 2019, the City reported a liability of \$58,871,224 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on its share of the City's 2018-2019 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10) Florida Statutes. The 6.90 percent return assumption used in the June 30, 2019 calculations were determined by Plan's consulting actuary to be reasonable and appropriate per Actuarial Standards of Practice. The 6.90 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2019 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$14,096,616. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|---|--|---|
| Differences Between Expected and Actual Experience  | \$ 3,491,821   | \$ (36,535)   |
| Change of Assumptions   | 15,120,662   | -   |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                                  | -  | (3,257,063)   |
| Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions | 2,646,250  | (1,545,323)   |
| Pension Plan Contributions Subsequent to the Measurement Date   | <u>1,434,328</u>                                     | <u>-</u>  |
| Total   | <u>\$ 22,693,061</u>                                 | <u>\$ (4,838,921)</u>                               |

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 9. RETIREMENT PLANS** (Continued)

**A. Pension Plan - Florida Retirement System (FRS)** (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$1,434,328 for the City, resulting from contributions made after the measurement date of the net pension but before the end of the City's report period September 30, 2019 will be recognized as a reduction of the net pension or collective net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| <u>Years Ending September 30</u> | <u>Deferred Outflows/ (Inflows) Net<br/>in Thousands</u> |
|----------------------------------|--|
| 2020                             | \$ 5,577,672   |
| 2021                             | 1,809,069  |
| 2022                             | 4,482,351  |
| 2023                             | 2,700,839  |
| 2024                             | 1,220,897  |
| Thereafter                       | <u>628,984</u>   |
| Total                            | <u>\$ 16,419,812</u>                                     |

*Actuarial Assumptions* – The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.60%  |
| Salary Increases          | 3.25% average, including inflation                                 |
| Investment Rate of Return | 6.90%, net of pension plan investment expense, including inflation |

Mortality rates were based on PUB2010 base table varies by member category and sex, projected generationally with scale MP-2018.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 9. RETIREMENT PLANS (Continued)**

**A. Pension Plan - Florida Retirement System (FRS) (continued)**

The long-term expected rate of return on Pension Plan investments was not based on historical returns but, instead, is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u>    | <u>Target Allocation*</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Standard Deviation</u> |
|-----------------------|---------------------------|---------------------------------|---|---------------------------|
| Cash                  | 1.00%                     | 3.3%                            | 3.3%                                      | 1.2%                      |
| Fixed Income          | 18.00%                    | 4.1%                            | 4.1%                                      | 3.5%                      |
| Global Equity         | 54.00%                    | 8.0%                            | 6.8%                                      | 16.5%                     |
| Real Estate           | 10.00%                    | 6.7%                            | 6.1%                                      | 11.7%                     |
| Private Equity        | 11.00%                    | 11.2%                           | 8.4%                                      | 25.8%                     |
| Strategic Investments | <u>6.00%</u>              | 5.9%                            | 5.7%                                      | 6.7%                      |
| Total                 | <u>100.00%</u>            |                                 |   |                           |

Assumed Inflation – Mean 2.6% 1.7%

*\*As outlined in the Pension Plan's investment policy.*

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

|   | 1%<br>Decrease<br>(5.90%) | Current<br>Discount Rate<br>(6.90%) | 1% Increase<br>(7.90%) |
|---|---------------------------|-------------------------------------|------------------------|
| Proportional Share of the Net Pension Liability | \$101,768,743             | \$58,871,224                        | \$23,044,540           |

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2019, the City outstanding payables to the Pension Plan for contributions required for the fiscal year ended September 30, 2019 totaled \$181,460.



# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 9. RETIREMENT PLANS (Continued)

#### **B. Retiree Health Insurance Subsidy Program (HIS)**

*Plan Description* - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state administered retirement systems in paying health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided* - For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions* - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution rate for the period October 1, 2018 through September 30, 2019, was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the fiscal year ending September 30, 2019, contributions to the HIS Plan for the City totaled \$779,420.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At September 30, 2019, the City reported a liability of \$12,400,144 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on its share of the City's 2018-2019 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 9. RETIREMENT PLANS** (Continued)

**B. Retiree Health Insurance Subsidy Program (HIS)** (continued)

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$938,400. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|---|--|---|
| Differences Between Expected and Actual Experience  | \$ 150,614   | \$ (15,184)   |
| Change of Assumptions   | 1,435,819  | (1,013,487)   |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments                                     | 8,002  | -   |
| Changes in Proportion and Differences Between Pension<br>Plan Contributions and Proportionate Share of<br>Contributions | 909,058  | (522,945)   |
| Pension Plan Contributions Subsequent to the<br>Measurement Date  | <u>164,023</u>                                       | <u>-</u>  |
| Total   | <u>\$ 2,667,516</u>                                  | <u>\$ (1,551,616)</u>                               |

The deferred outflows of resources related to the HIS Plan, totaling \$164,023 for the City, resulting from contributions made after the measurement date of the net pension liability but before the end of the City's report period September 30, 2019 will be recognized as a reduction of the net pension liability or collective net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| <b><u>Years Ending September 30</u></b> | <b><u>Deferred Outflows/(Inflows) Net</u></b> |
|---|---|
| 2020                                    | \$ 265,020                                    |
| 2021                                    | 257,31  |
| 2022                                    | 169,980                                       |
| 2023                                    | 68,529  |
| 2024                                    | 78,284  |
| Thereafter                              | <u>112,747</u>                                |
| Total                                   | <u>\$ 951,877</u>                             |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 9. RETIREMENT PLANS** (Continued)

**B. Retiree Health Insurance Subsidy Program (HIS)** (continued)

*Actuarial Assumptions* – Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2018 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2019.

Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures.

The total pension liability as of June 30, 2019 was determined using the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.60%  |
| Salary Increases          | 3.25% average, including inflation                                 |
| Investment Rate of Return | 3.50%, net of pension plan investment expense, including inflation |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions that determine the total pension liability as of June 30, 2019 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

*Discount Rate* - The discount rate used to measure the total pension liability at September 30, 2019 was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation decreased from 3.87% to 3.50% reflecting the change in the Bond Buyer General Obligation 20-Bond municipal Bond Index as of June 30, 2019.

*Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate* - The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

|   | 1% Decrease<br>(2.50%) | Current Discount<br>Rate (3.50%) | 1% Increase<br>(4.50%) |
|---|------------------------|----------------------------------|------------------------|
| Proportional Share of the Net Pension Liability | \$14,155,400           | \$12,400,144                     | \$10,938,214           |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 9. RETIREMENT PLANS (Continued)

#### B. Retiree Health Insurance Subsidy Program (HIS) (continued)

*Pension Plan Fiduciary Net Position* - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

*Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Aggregate; Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - The table below shows aggregate totals for the FRS and HIS Plans.

|                                | <b>Florida<br/>Retirement<br/>System</b> | <b>Health<br/>Insurance<br/>Subsidy</b> | <b>Aggregate Total</b> |
|--------------------------------|--|---|------------------------|
| Liabilities                    | \$ 58,871,224                            | \$ 12,400,144                           | \$ 71,271,368          |
| Pension Expense                | 14,096,616                               | 938,400                                 | 15,035,016             |
| Deferred Outflows of Resources | 22,693,063                               | 2,667,514                               | 25,360,577             |
| Deferred Inflows of Resources  | (4,838,921)                              | (1,551,615)                             | (6,390,536)            |

#### C. Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the defined benefit pension plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

| <u>Membership Class</u>    | <u>Percentage of Gross Compensation</u> |
|----------------------------|---|
| FRS Regular                | 6.30%                                   |
| FRS Senior Manager Service | 7.67%                                   |
| FRS Special Risk           | 14.00%                                  |

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 9. RETIREMENT PLANS (Continued)

#### C. Investment Plan (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over the account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or elect any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or the member may remain in the Investment Plan and rely upon that account balance for retirement income.

The Investment Plan pension expense for the City totaled \$938,400, for the fiscal year ended September 30, 2019.

At September 30, 2019, the City has no outstanding contributions to the Investment Plan required for the fiscal year.

### NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

#### *Plan Description*

The City provides its own single-employer, defined-benefit healthcare plan. The plan allows its employees and their beneficiaries to continue obtaining health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida statutes, which are the legal authority for the plan. . The classes of membership for the City are as follows: Special Class – Members who are employed as law enforcement officers; Stormwater – members who are employed in the Stormwater Enterprise Fund; and General Class – Members who do not qualify for membership in the other classes. The plan has no assets and does not issue separate financial reports.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Any employee of the City who participates in and satisfies the vesting, disability, early or normal retirement provisions of the Florida Retirement System (FRS) may be eligible for post-employment benefits. Eligible retirees may be covered at the retirees' option the same as dependents of active employees. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under the Medical Plan. Retirees and their dependents, who are Medicare-eligible, are not required to enroll for Parts A and B under Medicare. For claims otherwise covered under the Medicare Part B, the Plan pays as secondary only for retirees actually enrolled into Part A and B. This is an Open Plan.

The City also offers its retirees a stipend to help cover the cost to continue coverage of benefits such as health, life, accident hospitalization or other kinds of insurance during those years between retirement and Medicare eligibility.

#### ***Benefits Provided***

The OPEB Plan provides healthcare insurance benefits for retirees and their dependents.

#### ***Funding Policy***

The City's funding policy is to pay post-retirement medical benefits from general funds. A trust has not been established to pre-fund these benefits.

#### ***Plan Membership***

At September 30, 2019, the date of the latest actuarial valuation, plan participation consisted of the following:

|                       |            |
|-----------------------|------------|
| Active plan members   | 434        |
| Inactive plan members | <u>15</u>  |
|                       | <u>449</u> |

#### ***Total OPEB Liability***

The City's total net OPEB liability of \$5,801,627 was measured as of September 30, 2018, and was determined by an actuarial valuation as of September 30, 2019.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

#### *Actuarial Assumptions and Other Inputs*

|                         |  |
|-------------------------|--|
| Valuation Date:         | September 30, 2019   |
| Measurement Date:       | September 30, 2018   |
| Roll-forward Disclosure | The Total OPEB Liability was rolled-forward from the valuation date to the measurement date using standard actuarial techniques. |

#### *Methods and Assumptions Used to Determine Total OPEB Liability:*

|                       |  |
|-----------------------|--|
| Actuarial Cost Method | Entry Age Normal   |
| Inflation             | 2.4%   |
| Discount Rate         | 3.83%  |
| Salary Increases      | 3% per annum   |
| Retirement Age        | Retirement rate assumptions are based on the Florida Retirement System, retirement rates based on those used in the July 1, 2014 actuarial valuation of Florida Retirement System. |

|           |  |
|-----------|--|
| Mortality | <b>Healthy</b><br><i>Special Risk, male:</i> RP 2000 10% white collar, 90% blue collar; fully generational with Scale BB.<br><br><i>Special Risk, female:</i> RP 2000 100% white collar; fully generational with Scale BB. |
|-----------|--|

Retirees Share of Benefit - Premium contributions are required from retirees.  
Related Costs

Medical Trend  
Based on the Society of Actuaries Long Term Medical Trend Model, with 1.5% GDP; 1.3% Extra Trend due to Technology and other factors .25% Health Share of GDP Resistance Point and year 2075 for Limiting Cost Growth to GDP The pre 65 medical trend was increased to reflect the impact of Cadillac Tax. For this purpose, the Affordable Care Act (ACA) threshold of \$10,200 was assumed to grow like general inflation at 2.4 percent per annum.

The Plan is unfunded, as such no projection of Fiduciary Net Position is required.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Actuarial Assumptions and Other Inputs* (continued)

Demographic assumptions mirror those used for the Florida Retirement System pension plans.

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 3.50% as of September 30, 2018 and 3.83% as of September 30, 2019.

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follow:

|   |                            |
|---|----------------------------|
| Balance at September 30, 2018                       | \$ <u>9,177,104</u>        |
| <b><i>Changes for the year</i></b>                  |                            |
| Service cost  | \$ 645,798                 |
| Interest  | 316,404                    |
| Changes in assumptions                              | (462,900)                  |
| Differences between expected and actual experience  | <u>(3,730,972)</u>         |
| Total change in OPEB liability for 9/30/19          | (3,231,670)                |
| Estimated employer contributions/ benefits payments | <u>(143,806)</u>           |
| Net changes   | <u>(3,375,476)</u>         |
| <b>Total OPEB Liability - September 30, 2019</b>    | <b>\$ <u>5,801,628</u></b> |

***Sensitivity of the total OPEB liability to changes in the discount rate:***

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.83%, 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:

| <b>Discount Rate</b> | <b>1% Decrease<br/>2.83%</b> | <b>Discount Rate<br/>3.83%</b> | <b>1% Increase<br/>4.83%</b> |
|----------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB Liability | <u>\$ 6,358,513</u>          | <u>\$ 5,801,628</u>            | <u>\$ 5,271,628</u>          |
| Net OPEB Liability   | <u>\$ 6,358,513</u>          | <u>\$ 5,801,628</u>            | <u>\$ 5,271,628</u>          |

***Sensitivity of the total OPEB liability to the healthcare cost trend rate:***

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending September 30, 2019.

| <b>Ultimate Trend</b> | <b>1% Decrease<br/>3.10%</b> | <b>Medical Trend<br/>4.10%</b> | <b>1% Increase<br/>5.10%</b> |
|-----------------------|------------------------------|--------------------------------|------------------------------|
| Total OPEB Liability  | <u>\$ 5,093,228</u>          | <u>\$ 5,801,628</u>            | <u>\$ 6,660,813</u>          |
| Net OPEB Liability    | <u>\$ 5,093,228</u>          | <u>\$ 5,801,628</u>            | <u>\$ 6,660,813</u>          |



**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

**NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended September 30, 2019, the City recognized OPEB expense of \$459,149. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|--|--|---|
| Differences between expected and actual experience                               | \$ -   | \$ 3,316,420  |
| Changes of assumptions   | -  | 670,939   |
| Net difference between projected and actual earnings on<br>OPEB plan investments | -  | -   |
| Employer contribution subsequent to measurement date                             | -  | -   |
| Total  | \$ -   | \$ 3,987,359  |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB plan will be recognized in the expense as follows:

| <b><u>Fiscal Year Ended September 30</u></b> | <b><u>Deferred Outflow/<br/>(Inflows), Net</u></b> |
|--|--|
| 2020   | \$ (503,053)                                       |
| 2021   | (503,053)  |
| 2022   | (503,053)  |
| 2023   | (503,053)  |
| 2024   | (503,053)  |
| Thereafter                                   | (1,472,094)  |

**NOTE 11. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES**

***City's Obligation to Repay Its Share of County's Outstanding Debt, Resolution R-2004-68-119***

As part of the Master Interlocal Agreement with the County, and as a condition to incorporation, the City is obliged to repay its share of certain County debt instruments that had been issued for improvements to the unincorporated areas of the County. The County had pledged certain revenues in support of those debt instruments. The restrictive covenants of those debt instruments prohibit the County from releasing the pledged revenues until the obligations have been paid in full. The City can prepay at any time its share of the outstanding debt and thus have its revenues streams released from this encumbrance. Until that time, the City is required to let the County continue to receive those revenue streams and then forward the City the difference between what was collected and what was paid as the City's share of the outstanding debt. The City's Public Service Tax on utility service will first go to the County to pay the debt service and related costs of the County's *Public Service*.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### NOTE 11. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES (Continued)

#### *City's Obligation to Repay Its Share of County's Outstanding Debt, Resolution R-2004-68-119* (continued)

*Tax Revenue Bonds Series 1999 and Series 2002.* The County will then forward the remainder to the City. The City's Stormwater Assessments will continue to be paid directly to the County until the County's *Stormwater Utility Revenue Bonds, Series 1999*, matures.

#### ***Risk Management***

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the City carries insurance coverage provided by the Preferred Governmental Insurance Trust (PGIT). Each participant in the Trust, agreed that the Trust is to defend in the name of and on behalf of the member any claims, suits or other legal proceedings which may at any time be instituted against the member on account of bodily injury liability, property damage liability, errors and omissions liability, civil rights liability or any other such liability, monetary or otherwise, to the extent such defenses and liability has been assumed by the Trust pursuant to the agreement.

#### ***Litigation***

Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City 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 City or the results of its operations.

#### ***Compliance Audits***

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

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2019

### **NOTE 12. IMPLEMENTATION OF GASB No. 88**

The City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for reporting periods beginning after June 15, 2018. GASB 88 amends the requirements of GASB 34 Statement. The primary objective of GASB Statement No.88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. See Note 6 for details.

### **NOTE 13. SUBSEQUENT EVENT**

On February 18, 2020, the city sold the property that was financed with the Series 2009B \$8,800,000 Taxable Land Acquisition Revenue Bonds.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Other Than MD&A)**

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# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|------------------|---------------|-------------------|--|
|  | Original         | Final         |                   |  |
| <b>Revenues:</b>                                 |                  |               |                   |  |
| Property taxes                                   | \$ 30,659,872    | \$ 30,659,872 | \$ 30,496,660     | \$ (163,212)   |
| Utility taxes                                    | 10,572,848       | 10,572,848    | 10,830,781        | 257,933  |
| Intergovernmental                                | 12,212,280       | 12,212,280    | 12,336,319        | 124,039  |
| Charges for services                             | 7,853,247        | 7,370,747     | 7,523,947         | 153,200  |
| Licenses and permits                             | 1,923,500        | 2,498,500     | 1,939,475         | (559,025)  |
| Fines and forfeitures                            | 5,030,900        | 5,030,900     | 6,472,876         | 1,441,976  |
| Franchise fees                                   | 2,990,000        | 2,990,000     | 3,682,186         | 692,186  |
| Grants and donations                             | 540,249          | 540,249       | 806,108           | 265,859  |
| Other income                                     | 1,452,350        | 2,796,814     | 2,158,561         | (638,253)  |
| Interest   | 125,000          | 125,000       | 580,914           | 455,914  |
| Total revenues                                   | 73,360,246       | 74,797,210    | 76,827,827        | 2,030,617  |
| <b>Expenditures:</b>                             |                  |               |                   |  |
| <b>Current:</b>                                  |                  |               |                   |  |
| General government:                              |                  |               |                   |  |
| Legislative                                      | 1,113,573        | 1,250,201     | 1,204,611         | 45,590   |
| City Manager                                     | 1,605,792        | 1,412,393     | 1,356,420         | 55,973   |
| Public affairs                                   | 4,181,034        | 4,953,832     | 4,923,415         | 30,417   |
| City Clerk                                       | 541,507          | 577,590       | 577,123           | 467  |
| Finance  | 1,006,420        | 1,006,420     | 934,424           | 71,996   |
| Human Resources                                  | 1,073,783        | 1,121,338     | 1,120,091         | 1,247  |
| Purchasing                                       | 473,169          | 480,256       | 478,972           | 1,284  |
| City Attorney                                    | 604,913          | 631,893       | 673,875           | (41,982)   |
| Planning & Zoning                                | 734,856          | 725,743       | 571,546           | 154,197  |
| Information Technology                           | 2,575,517        | 2,548,068     | 2,405,305         | 142,763  |
| Non-departmental                                 | 4,847,854        | 3,863,670     | 4,086,410         | (222,740)  |
| Fleet  | 1,790,431        | 2,321,260     | 2,299,205         | 22,055   |
| City Hall facilities                             | 864,207          | 864,522       | 841,043           | 23,479   |
| Public safety:                                   |                  |               |                   |  |
| Police   | 37,038,121       | 38,497,360    | 38,476,521        | 20,839   |
| Code enforcement                                 | 1,477,897        | 1,459,079     | 1,534,603         | (75,524)   |
| Culture and recreation                           | 6,965,326        | 6,187,122     | 6,022,993         | 164,129  |
| <b>Capital outlay</b>                            |                  |               |                   |  |
| General government                               | 593,500          | 782,436       | 686,986           | 95,450   |
| Public safety                                    | -                | 44,967        | 44,961            | 6  |
| Parks and recreation                             | -                | 450           | -                 | 450  |
| Total expenditures                               | 67,487,900       | 68,728,600    | 68,238,504        | 490,096  |
| Excess(deficiency) of revenues over expenditures | 5,872,346        | 6,068,610     | 8,589,323         | 2,520,713  |
| <b>Other financing sources (uses):</b>           |                  |               |                   |  |
| Transfers in                                     | 1,375,430        | 1,225,430     | 1,225,430         | -  |
| Transfers out                                    | (7,247,776)      | (7,294,040)   | (7,294,040)       | -  |
| Total other financing sources (uses)             | (5,872,346)      | (6,068,610)   | (6,068,610)       | -  |
| Net change in fund balances                      | \$ -             | \$ -          | \$ 2,520,713      | \$ 2,520,713   |

# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE TRANSPORTATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | Budgeted Amounts      |                       | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive (Negative) |
|---|-----------------------|-----------------------|---------------------|--|
|   | <u>Original</u>       | <u>Final</u>          |                     |  |
| <b>Revenues:</b>                                  |                       |                       |                     |  |
| Intergovernmental                                 | \$ 7,566,064          | \$ 7,566,064          | \$ 8,043,427        | \$ 477,363   |
| Charges for services                              | 127,000               | 127,000               | 537,650             | 410,650  |
| Other income                                      | 42,700                | 42,700                | 2,201               | (40,499)   |
| Interest income                                   | <u>40,000</u>         | <u>259,296</u>        | <u>293,023</u>      | <u>33,727</u>  |
| Total revenues                                    | <u>7,775,764</u>      | <u>7,995,060</u>      | <u>8,876,301</u>    | <u>881,241</u>   |
| <b>Expenditures:</b>                              |                       |                       |                     |  |
| Public works:                                     |                       |                       |                     |  |
| Administration                                    | 586,410               | 621,410               | 571,305             | 50,105   |
| Keep Miami Gardens Beautiful                      | 184,859               | 274,859               | 233,004             | 41,855   |
| Streets   | 1,948,465             | 2,034,964             | 1,893,281           | 141,683  |
| CITT  | 227,091               | 217,497               | 217,411             | 86   |
| CITT - Transit                                    | 1,397,203             | 1,401,071             | 1,235,030           | 166,041  |
| Capital outlay                                    | <u>4,092,380</u>      | <u>6,892,900</u>      | <u>1,885,626</u>    | <u>5,007,274</u>                                       |
| Total expenditures                                | <u>8,436,408</u>      | <u>11,442,701</u>     | <u>6,035,657</u>    | <u>5,407,044</u>                                       |
| Excess (deficiency) of revenues over expenditures | <u>(660,644)</u>      | <u>(3,447,641)</u>    | <u>2,840,644</u>    | <u>6,288,285</u>                                       |
| <b>Other financing sources (uses):</b>            |                       |                       |                     |  |
| Transfers in                                      | 202,923               | 202,923               | 202,923             | -  |
| Transfers out                                     | <u>(806,103)</u>      | <u>(806,103)</u>      | <u>(806,103)</u>    | <u>-</u>   |
| Total other financing sources (uses)              | <u>(603,180)</u>      | <u>(603,180)</u>      | <u>(603,180)</u>    | <u>-</u>   |
| Net change in fund balances                       | <u>\$ (1,263,824)</u> | <u>\$ (4,050,821)</u> | <u>\$ 2,237,464</u> | <u>\$ 6,288,285</u>                                    |

# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2019

### **NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING**

An annual appropriated budget is prepared for all of the City's funds.

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

- (a) The City Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (d) The level of control at which expenditures may not exceed budget is at the fund level. The City Commission approves these levels by annual ordinance. The City Manager is authorized to transfer budgeted amounts within individual funds; any revisions that alter the total expenditures of any fund must be approved by the City Commission.
- (e) The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During fiscal year ended September 30, 2019 no supplemental appropriation was required for Council approval.
- (f) The City manager is authorized to make revisions to the adopted budget when new debt is issued, or grants received that were not included in the originally adopted budget.
- (g) Formal budgetary integration is employed as a management control device for the general fund.
- (h) The budgets for the general fund, debt service fund and transportation fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (i) Unencumbered appropriations lapse at fiscal year-end. Unencumbered amounts are re-appropriated in the following year's budget.





## CITY OF MIAMI GARDENS, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN

#### LAST 10 YEARS\*

|   | <u>2019</u>   | <u>2018</u>                | <u>2017</u> **             | <u>2016</u>                | <u>2015</u>                | <u>2014</u>                |
|---|---------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| City of Miami Gardens' proportion of the net pension liability (asset)  | 0.1709%       | 0.1572%                    | 0.1623%                    | 0.1698%                    | 0.1640%                    | 0.1695%                    |
| City of Miami Gardens' proportionate share of the net pension liability (asset)   | \$ 58,871,224 | \$ 47,345,265              | \$ 48,013,365              | \$ 42,874,705              | \$ 21,180,496              | \$ 10,341,056              |
| City of Miami Gardens' covered-employee payroll   | \$ 37,213,517 | \$ 33,000,456 <sup>†</sup> | \$ 33,379,228 <sup>†</sup> | \$ 32,306,357 <sup>†</sup> | \$ 32,628,587 <sup>†</sup> | \$ 33,543,247 <sup>†</sup> |
| City of Miami Gardens' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 158.20%       | 141.57%                    | 148.26%                    | 132.89%                    | 65.54%                     | 31.03%                     |
| Plan fiduciary net position as a percentage of the total pension liability  | 82.61%        | 84.26%                     | 83.89%                     | 84.88%                     | 92.00%                     | 96.09%                     |

\* Schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of June 30<sup>th</sup> and presents only those years for which information is available.

\*\* NPL at 2017 has been increased by \$16,474 due to implementation of GASB 75.

† Covered payroll adjusted to reflect the period of June 30<sup>th</sup>

## CITY OF MIAMI GARDENS, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

|  | LAST 10 YEARS*     |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        | <u>2014</u>        |
| Contractually required contribution                                  | \$ 6,734,870       | \$ 5,817,934       | \$ 5,431,024       | \$ (5,347,442)     | \$ 5,096,818       | \$ 4,626,412       |
| Contributions in relation to the contractually required contribution | <u>(6,734,870)</u> | <u>(5,817,934)</u> | <u>(5,431,024)</u> | <u>(5,347,442)</u> | <u>(5,096,818)</u> | <u>(4,626,412)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        |
| City of Miami Gardens' covered payroll                               | \$ 37,669,300      | \$ 33,443,863      | \$ 32,373,547      | \$ 32,263,403      | \$ 32,315,181      | \$ 33,328,131      |
| Contributions as a percentage of covered payroll                     | 17.88%             | 17.40%             | 16.78%             | 16.57%             | 15.77%             | 13.88%             |

\* Schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of September 30<sup>th</sup> and presents only those years for which information is available.

## CITY OF MIAMI GARDENS, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN

LAST 10 YEARS\*

|   | <u>2019</u>   | <u>2018</u>     | <u>2017</u>     | <u>2016</u>     | <u>2015</u>     | <u>2014</u>     |
|---|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of Miami Garden's proportion of the HIS net pension liability (asset)  | 0.1108%       | 0.1007%         | 0.1009%         | 0.1045%         | 0.1087%         | 0.1134%         |
| City of Miami Garden's proportionate share of the net HIS pension liability (asset)   | \$ 12,400,144 | \$ 10,663,122   | \$ 10,788,375   | \$ 12,184,848   | \$ 11,080,866   | \$ 10,603,683   |
| City of Miami Gardens' covered payroll  | \$ 37,213,517 | \$ 33,000,456 † | \$ 33,379,228 † | \$ 32,306,357 † | \$ 32,625,587 † | \$ 33,543,247 † |
| City of Miami Gardens' proportionate share of the HIS net pension liability (asset) as a percentage of its covered- payroll | 33.32%        | 32.31%          | 32.32%          | 37.72%          | 33.96%          | 31.61%          |
| HIS Plan fiduciary net position as a percentage of the total pension liability  | 2.63%         | 2.15%           | 1.64%           | 0.97%           | 0.50%           | 0.99%           |

\* Schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of June 30<sup>th</sup> and presents only those years for which information is available.

† Covered payroll adjusted to reflect the period of June 30<sup>th</sup>.

## CITY OF MIAMI GARDENS, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

#### LAST 10 YEARS\*

|  | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>       |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| Contractually required HIS contribution                                  | \$ 779,420       | \$ 700,368       | \$ 679,018       | \$ 677,068       | \$ 556,562       | \$ 484,176        |
| HIS contributions in relation to the contractually required contribution | <u>(779,420)</u> | <u>(700,368)</u> | <u>(679,018)</u> | <u>(677,068)</u> | <u>(556,562)</u> | <u>( 484,176)</u> |
| HIS contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>       |
| City of Miami Gardens' covered-payroll                                   | \$ 37,669,300    | \$ 33,443,863    | \$ 32,373,547    | \$ 32,263,403    | \$ 32,315,181    | \$ 33,328,131     |
| HIS contributions as a percentage of covered- payroll                    | 2.07%            | 2.09%            | 2.10%            | 2.10%            | 1.72%            | 1.45%             |

\* The amounts presented for each fiscal year were determined as of 6/30 and presents only those years for which information is available.

A publicly available financial statement for the Plan can be obtained from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, PO Box 9000, Tallahassee, Florida, 32315-9000; phone 850-488-5706; website ([www.dms.myflorida.com](http://www.dms.myflorida.com)) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension plan investments.

# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

LAST 10 YEARS\*

|  | <u>2019</u>         | <u>2018</u>         |
|--|---------------------|---------------------|
| <b>Total OPEB Liability</b>                      |                     |                     |
| Service cost:                                    | \$ 645,798          | \$ 659,445          |
| Interest   | 316,404             | 268,218             |
| Changes in assumptions                           | (462,900)           | (333,608)           |
| Differences between expected & actual experience | (3,730,972)         | -                   |
| Benefit payments                                 | <u>(143,806)</u>    | <u>(138,274)</u>    |
| Net change in total OPEB liability               | (3,375,476)         | 455,781             |
| <b>Total OPEB Liability - Beginning</b>          | <u>9,177,104</u>    | <u>8,721,323</u>    |
| <b>Total OPEB Liability - Ending</b>             | <u>\$ 5,801,628</u> | <u>\$ 9,177,104</u> |
| <br>   |                     |                     |
| Covered payroll                                  | \$ 37,669,300       | \$ 33,443,863       |
| <br>   |                     |                     |
| Total OPEB Liability as a % of covered payroll   | 15%                 | 27%                 |

**Notes to schedule:**

Changes of assumption - discount rate was changed as follows:

09/30/18 3.50%

09/30/19 3.83%

The amounts presented for each fiscal year are only those years for which information of ten years is available.

**CITY OF MIAMI GARDENS, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S NET  
PLAN FIDUCIARY NET POSITION

LAST 10 YEARS\*

|   | <u><b>2019</b></u>  | <u><b>2018</b></u>  |
|---|---------------------|---------------------|
| Contributions - Employer  | \$ 143,806          | \$ 138,274          |
| Net investment income   | -                   | -                   |
| Benefit payments – net of retiree contributions                         | (143,806)           | (138,274)           |
| Administrative expense  | <u>-</u>            | <u>-</u>            |
| Net change in plan fiduciary net position                               | -                   | -                   |
| <b>Plan Fiduciary Net Position - Beginning</b>                          | <u>-</u>            | <u>-</u>            |
| <b>Plan Fiduciary Net Position - Ending</b>                             | <u>\$ 5,801,628</u> | <u>\$ 9,177,104</u> |
| <br>  |                     |                     |
| Plan fiduciary net position as a percentage of the total OPEB liability | -36.78%             | 0.00%               |
| <br>  |                     |                     |
| Covered payroll   | \$ 37,669,300       | \$ 33,443,863       |
| <br>  |                     |                     |
| Total OPEB Liability as a % of covered payroll                          | 0%                  | 0%                  |

*Notes to schedule:*

Changes of assumption - discount rate was changed as follows:

09/30/18 3.50%

09/30/19 3.83%

The amounts presented for each fiscal year are only those years for which information of ten years is available.

# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

LAST 10 YEARS\*

### GENERAL

|   | <u>2019</u>   | <u>2018</u>   |
|---|---------------|---------------|
| City's Proportion of the Net OPEB Liability   | 24.94%        | 24.76%        |
| City's Proportionate Share of the Net OPEB Liability                                    | \$ 1,446,689  | \$ 2,272,251  |
| City's Covered Payroll  | \$ 37,699,300 | \$ 33,443,863 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 4%            | 7%            |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                 | 0%            | 0%            |

### SPECIAL RISK

|   | <u>2019</u>   | <u>2018</u>   |
|---|---------------|---------------|
| City's Proportion of the Net OPEB Liability   | 74.21%        | 74.21%        |
| City's Proportionate Share of the Net OPEB Liability                                    | \$ 4,305,388  | \$ 6,810,328  |
| City's Covered Payroll  | \$ 37,699,300 | \$ 33,443,863 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 11%           | 20%           |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                 | 0%            | 0%            |

### STORMWATER

|   | <u>2019</u>   | <u>2018</u>     |
|---|---------------|-----------------|
| City's Proportion of the Net OPEB Liability   | 0.85%         | 1.03%           |
| City's Proportionate Share of the Net OPEB Liability                                    | \$ 49,314     | \$ 94,524       |
| City's Covered Payroll  | \$ 37,669,300 | \$ 33,443,863   |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 0.13%         | 0.28%           |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                 | 0%            | 0% <sup>†</sup> |

<sup>†</sup> Plan is unfunded as such there are no Plan assets.

\* The amounts presented for each fiscal year were determined as of 09/30 and presents only those years for which information is available.





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**OTHER SUPPLEMENTARY INFORMATION**

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## **MAJOR GOVERNMENTAL FUNDS**

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### **Capital Projects Fund**

This fund is used to account for the acquisition and construction of major capital projects for various parks improvements, public facilities, street construction and capital purchase such as police fleet.

### **Debt Service Fund**

Debt Service Fund is used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

### **Grants Fund**

Grants Fund is used to account for specific state, federal or local grants that are awarded to the City.



# CITY OF MIAMI GARDENS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|------------------|--------------|-------------------|--|
|  | Original         | Final        |                   |  |
| <b>Revenues:</b>                       |                  |              |                   |  |
| Grant revenue                          | \$ -             | \$ 2,875,552 | \$ 25,272         | \$ (2,850,280)   |
| Other income                           | 1,067,210        | 52,734,445   | 1,095,965         | (51,638,480)   |
| Interest                               | -                | -            | 1,098,089         | 1,098,089  |
| Total revenues                         | 1,067,210        | 55,609,997   | 2,219,326         | (53,390,671)   |
| <b>Expenditures:</b>                   |                  |              |                   |  |
| Administration                         | 617,248          | 663,412      | 670,802           | (7,390)  |
| Public Safety                          | -                | 54,542,887   | 6,570,164         | 47,972,723   |
| Capital outlay                         | 617,248          | 55,206,299   | 7,240,966         | 47,965,333   |
| Total expenditures                     | 449,962          | 403,698      | (5,021,640)       | (5,425,338)  |
| Excess of revenues over expenditures   |                  |              |                   |  |
| <b>Other financing sources (uses):</b> |                  |              |                   |  |
| Transfers in                           | 5,590,299        | 5,636,563    | 5,636,563         | -  |
| Transfers out                          | (6,040,261)      | (6,040,261)  | (6,040,261)       | -  |
| Total other financing sources (uses)   | (449,962)        | (403,698)    | (403,698)         | -  |
| Net change in fund balances            | \$ -             | \$ -         | \$ (5,425,338)    | \$ (5,425,338)   |

# CITY OF MIAMI GARDENS, FLORIDA

## MAJOR GOVERNMENTAL FUND BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts   |                    | Actual<br>Amounts  | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|--------------------|--------------------|--------------------|--|
|  | Original           | Final              |                    |  |
| <b>Revenues:</b>                       |                    |                    |                    |  |
| Ad valorem taxes                       | \$ 4,221,591       | \$ 4,221,591       | \$ 4,262,468       | \$ 40,877  |
| Miscellaneous revenues                 | -                  | -                  | 42,807             | 42,807   |
| Bond proceeds                          | -                  | <u>6,905,000</u>   | <u>6,905,000</u>   | <u>-</u>   |
| Total revenues                         | <u>4,221,591</u>   | <u>11,126,591</u>  | <u>11,210,275</u>  | <u>83,684</u>  |
| <b>Expenditures:</b>                   |                    |                    |                    |  |
| Principal                              | 5,307,263          | 12,158,446         | 12,161,038         | (2,592)  |
| Professional service                   | -                  | 53,817             | 49,000             | 4,817  |
| Interests                              | <u>7,004,090</u>   | <u>7,004,090</u>   | <u>7,044,989</u>   | <u>(40,899)</u>  |
| Total expenditures                     | <u>12,311,353</u>  | <u>19,216,353</u>  | <u>19,255,027</u>  | <u>(38,674)</u>  |
| Excess of revenues over expenditures   | <u>(8,089,762)</u> | <u>(8,089,762)</u> | <u>(8,044,752)</u> | <u>45,010</u>  |
| <b>Other financing sources (uses):</b> |                    |                    |                    |  |
| Transfers in                           | <u>8,089,762</u>   | <u>8,089,762</u>   | <u>8,089,762</u>   | <u>-</u>   |
| Total other financing sources (uses)   | <u>8,089,762</u>   | <u>8,089,762</u>   | <u>8,089,762</u>   | <u>-</u>   |
| Net change in fund balances            | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 45,010</u>   | <u>\$ 45,010</u>                                       |

# CITY OF MIAMI GARDENS, FLORIDA

## MAJOR GOVERNMENTAL FUND BUDGETARY COMPARISON SCHEDULE GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive (Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>Revenues:</b>                        |                         |                   |                           |   |
| Byrne Grant                             | \$ -                    | \$ 110,833        | \$ 110,833                | \$ -  |
| US Dept of Transportation               | -                       | -                 | 103,208                   | (103,208)   |
| Urban Forestry Grant                    | -                       | 6,512             | 6,512                     | -   |
| FDOT- Stadium Pedestrian Bridge/Tunnels | -                       | 17,853,166        | 14,941,562                | 2,911,604   |
| FDOT - Roadway Assessment Study Grant   | -                       | 143,626           | 82,325                    | 61,301  |
| CDC - Reach Rise Project                | -                       | -                 | 544,257                   | (544,257)   |
| Alliance for a Healthier Generation     | -                       | 4,000             | 4,000                     | -   |
| Children Trust                          | -                       | 538,305           | 170,968                   | 367,337   |
| Urban Area Security Initiative (UASI)   | -                       | 113,200           | 113,200                   | -   |
| Health Community Partnership            | -                       | -                 | <u>155,575</u>            | <u>(155,575)</u>  |
| Total revenues                          | <u>-</u>                | <u>18,769,642</u> | <u>16,232,440</u>         | <u>2,537,202</u>  |
| <b>Expenditures:</b>                    |                         |                   |                           |   |
| Economic and physical development       | -                       | 6,512             | 6,512                     | -   |
| Public Services                         | -                       | 143,626           | 801,151                   | (657,525)   |
| Human Services                          | -                       | -                 | 699,832                   | (699,832)   |
| Recreation/culture                      | -                       | 542,305           | 174,968                   | 367,337   |
| Capital outlay                          | -                       | <u>18,077,199</u> | <u>14,549,977</u>         | <u>3,527,222</u>  |
| Total expenditures                      | <u>-</u>                | <u>18,769,642</u> | <u>16,232,440</u>         | <u>2,537,202</u>  |
| Excess of revenues over expenditures    | <u>-</u>                | <u>-</u>          | <u>-</u>                  | <u>5,074,404</u>  |
| <b>Other financing sources (uses):</b>  |                         |                   |                           |   |
| Transfers in                            | -                       | -                 | -                         | -   |
| Transfers out                           | <u>-</u>                | <u>-</u>          | <u>-</u>                  | <u>-</u>  |
| Total other financing sources (uses)    | <u>-</u>                | <u>-</u>          | <u>-</u>                  | <u>-</u>  |
| Net change in fund balances             | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ -</u>               | <u>\$ 5,074,404</u>   |





## NON-MAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

Special Revenue Funds account for revenues from revenue sources which by law are designated to finance particular functions or activities of the government.

**SHIP Fund.** This fund accounts for all revenues received from the State Housing Initiative Program (SHIP) to provide housing assistance to eligible residents.

**CDBG Fund.** This fund is used to account for the community development block grant that is funding the revitalization project for substandard housing within the City. Revenues come from the US Department of Housing and Urban Development (HUD).

**Developmental Services Fund.** This fund accounts for all revenues and expenditures related to the City's planning, zoning, and building departments.

**Law Enforcement Trust Fund.** This fund accounts for funds and property seized or confiscated by either Federal, State, and/or Local law enforcement agencies.

**Impact Fees Fund.** This fund accounts for impact fees assessed on residential and non-residential new development. They are designed for the use in law enforcement protection and parks.

**Brick Paver Fund.** This fund accounts for the sale of engraved brick paver to be displayed at City Hall for commemorate special occasions. The proceeds will be utilized to administer the program, fund other City programs and/or to assist City residents.

**Special Taxing District.** This fund accounts for designated areas whereby a majority of property owners agree to allow the City to provide public improvements and special services through a non-ad valorem assessments.



# CITY OF MIAMI GARDENS, FLORIDA

## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

|   | <u>SHIP</u>       | <u>CDBG</u>       | <u>Development<br/>Services</u> | <u>Law<br/>Enforcement</u> | <u>Brick<br/>Paver</u> | <u>Impact<br/>Fees</u> | <u>Special<br/>Taxing<br/>Districts</u> | <u>Total Non-Major<br/>Governmental<br/>Funds</u> |
|---|-------------------|-------------------|---------------------------------|----------------------------|------------------------|------------------------|---|---|
| <b><u>ASSETS</u></b>                        |                   |                   |                                 |                            |                        |                        |   |   |
| Cash  | \$ 452,960        | \$ 176,370        | \$ 32,946                       | \$ 155,455                 | \$ 933                 | \$ 1,421,962           | \$ 36                                   | \$ 2,240,662                                      |
| Investments                                 | -                 | -                 | 3,000,000                       | -                          | -                      | 2,200,000              | -                                       | 5,200,000   |
| Accounts receivables, net                   | 141,863           | 312,755           | -                               | -                          | -                      | -                      | 103,843                                 | 558,461   |
| Due from other funds                        | -                 | -                 | 4,800,000                       | -                          | -                      | -                      | -                                       | 4,800,000   |
| Due from other governments                  | -                 | -                 | -                               | -                          | -                      | 2,000                  | -                                       | 2,000   |
| Total assets                                | <u>\$ 594,823</u> | <u>\$ 489,125</u> | <u>\$ 7,832,946</u>             | <u>\$ 155,455</u>          | <u>\$ 933</u>          | <u>\$ 3,623,962</u>    | <u>\$ 103,879</u>                       | <u>\$ 12,801,123</u>                              |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                   |                   |                                 |                            |                        |                        |   |   |
| <b>Liabilities:</b>                         |                   |                   |                                 |                            |                        |                        |   |   |
| Accounts payable and accrued expenses       | \$ 4,231          | \$ 122,774        | \$ 142,517                      | \$ -                       | \$ -                   | \$ -                   | \$ 7,580                                | \$ 277,102  |
| Due to other funds                          | -                 | -                 | -                               | -                          | -                      | -                      | 7,600                                   | 7,600   |
| Due to other governments                    | -                 | -                 | 151                             | -                          | -                      | -                      | -                                       | 151   |
| Unearned revenue/escrow                     | <u>142,433</u>    | <u>106,124</u>    | <u>-</u>                        | <u>-</u>                   | <u>-</u>               | <u>-</u>               | <u>-</u>                                | <u>248,557</u>                                    |
| Total liabilities                           | <u>146,664</u>    | <u>228,898</u>    | <u>142,668</u>                  | <u>-</u>                   | <u>-</u>               | <u>-</u>               | <u>15,180</u>                           | <u>533,410</u>                                    |
| <b>Fund balances:</b>                       |                   |                   |                                 |                            |                        |                        |   |   |
| <b>Restricted for:</b>                      |                   |                   |                                 |                            |                        |                        |   |   |
| Housing                                     | 448,159           | -                 | -                               | -                          | -                      | -                      | -                                       | 448,159   |
| Law enforcement                             | -                 | -                 | -                               | 155,455                    | -                      | 870,366                | -                                       | 1,025,821   |
| Parks & recreation                          | -                 | -                 | -                               | -                          | -                      | 2,650,927              | -                                       | 2,650,927   |
| Public services                             | -                 | -                 | -                               | -                          | -                      | -                      | 88,699                                  | 88,699  |
| General administration                      | -                 | -                 | -                               | -                          | -                      | 102,669                | -                                       | 102,669   |
| Community development                       | -                 | 260,227           | -                               | -                          | -                      | -                      | -                                       | 260,227   |
| Assigned                                    | <u>-</u>          | <u>-</u>          | <u>7,690,278</u>                | <u>-</u>                   | <u>933</u>             | <u>-</u>               | <u>-</u>                                | <u>7,691,211</u>                                  |
| Total fund balances                         | <u>448,159</u>    | <u>260,227</u>    | <u>7,690,278</u>                | <u>155,455</u>             | <u>933</u>             | <u>3,623,962</u>       | <u>88,699</u>                           | <u>12,267,713</u>                                 |
| Total liabilities and fund balances         | <u>\$ 594,823</u> | <u>\$ 489,125</u> | <u>\$ 7,832,946</u>             | <u>\$ 155,455</u>          | <u>\$ 933</u>          | <u>\$ 3,623,962</u>    | <u>\$ 103,879</u>                       | <u>\$ 12,801,123</u>                              |

# CITY OF MIAMI GARDENS, FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|   | <u>SHIP</u>       | <u>CDBG</u>       | <u>Development<br/>Services</u> | <u>Law<br/>Enforcement</u> | <u>Brick<br/>Paver</u> | <u>Impact<br/>Fees</u> | <u>Special Taxing<br/>Districts</u> | <u>Non-Major<br/>Governmental<br/>Funds</u> |
|---|-------------------|-------------------|---------------------------------|----------------------------|------------------------|------------------------|-------------------------------------|---|
| <b>Revenues:</b>                                  |                   |                   |                                 |                            |                        |                        |                                     |   |
| Impact fees                                       | \$ -              | \$ -              | \$ -                            | \$ -                       | \$ -                   | \$ 1,195,610           | \$ -                                | \$ 1,195,610                                |
| Forfeiture funds                                  | -                 | -                 | -                               | 41,270                     | -                      | 13,175                 | -                                   | 54,445                                      |
| Licenses & permits                                | -                 | -                 | 5,128,085                       | -                          | -                      | -                      | -                                   | 5,128,085                                   |
| Charges for services                              | -                 | -                 | 944,768                         | -                          | -                      | -                      | 614,471                             | 1,559,239                                   |
| Grant revenue                                     | 92,033            | 1,434,695         | -                               | -                          | -                      | -                      | -                                   | 1,526,728                                   |
| Other income                                      | 22,700            | 289,225           | -                               | -                          | -                      | -                      | -                                   | 311,925                                     |
| Interest  | -                 | -                 | 81,188                          | 751                        | -                      | 52,151                 | 4,925                               | 139,015                                     |
| Total revenues                                    | <u>114,733</u>    | <u>1,723,920</u>  | <u>6,154,041</u>                | <u>42,021</u>              | <u>-</u>               | <u>1,260,936</u>       | <u>619,396</u>                      | <u>9,915,047</u>                            |
| <b>Expenditures:</b>                              |                   |                   |                                 |                            |                        |                        |                                     |   |
| Economic and physical development                 | 194,619           | 1,020,758         | -                               | -                          | -                      | -                      | -                                   | 1,215,377                                   |
| Public safety                                     | -                 | -                 | 2,099,147                       | 4,291                      | -                      | 28,871                 | -                                   | 2,132,309                                   |
| Public services                                   | -                 | -                 | -                               | -                          | -                      | -                      | 530,697                             | 530,697                                     |
| Capital outlay:                                   |                   |                   |                                 |                            |                        |                        |                                     |   |
| Public safety                                     | -                 | -                 | 50,210                          | -                          | -                      | -                      | -                                   | 50,210                                      |
| Economic and physical development                 | -                 | 656,604           | -                               | -                          | -                      | -                      | -                                   | 656,604                                     |
| Total expenditures                                | <u>194,619</u>    | <u>1,677,362</u>  | <u>2,149,357</u>                | <u>4,291</u>               | <u>-</u>               | <u>28,871</u>          | <u>530,697</u>                      | <u>4,585,197</u>                            |
| Excess (deficiency) of revenues over expenditures | <u>(79,886)</u>   | <u>46,558</u>     | <u>4,004,684</u>                | <u>37,730</u>              | <u>-</u>               | <u>1,232,065</u>       | <u>88,699</u>                       | <u>5,329,850</u>                            |
| <b>Other financing sources (uses):</b>            |                   |                   |                                 |                            |                        |                        |                                     |   |
| Transfers out                                     | -                 | -                 | (531,819)                       | -                          | -                      | -                      | -                                   | (531,819)                                   |
| Total other financing sources (uses)              | <u>-</u>          | <u>-</u>          | <u>(531,819)</u>                | <u>-</u>                   | <u>-</u>               | <u>-</u>               | <u>-</u>                            | <u>(531,819)</u>                            |
| Net change in fund balances                       | (79,886)          | 46,558            | 3,472,865                       | 37,730                     | -                      | 1,232,065              | 88,699                              | 4,798,031                                   |
| Fund balances, beginning                          | <u>528,045</u>    | <u>213,669</u>    | <u>4,217,413</u>                | <u>117,725</u>             | <u>933</u>             | <u>2,391,897</u>       | <u>-</u>                            | <u>7,469,682</u>                            |
| Fund balance, ending                              | <u>\$ 448,159</u> | <u>\$ 260,227</u> | <u>\$ 7,690,278</u>             | <u>\$ 155,455</u>          | <u>\$ 933</u>          | <u>\$ 3,623,962</u>    | <u>\$ 88,699</u>                    | <u>\$ 12,267,713</u>                        |

# CITY OF MIAMI GARDENS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE COMMUNITY DEVELOPMENT BLOCK GRANT FUND NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>Revenues:</b>                       |                         |                  |                           |   |
| Grant revenue                          | \$ 1,095,994            | \$ 3,646,093     | \$ 1,434,695              | \$ (2,211,398)  |
| Other income                           | <u>-</u>                | <u>-</u>         | <u>289,225</u>            | <u>289,225</u>  |
| Total revenues                         | <u>1,095,994</u>        | <u>3,646,093</u> | <u>1,723,920</u>          | <u>(1,922,173)</u>  |
| <b>Expenditures:</b>                   |                         |                  |                           |   |
| Operating                              | 964,797                 | 3,378,149        | 1,020,758                 | 2,357,391   |
| Capital outlay                         | <u>131,197</u>          | <u>267,944</u>   | <u>656,604</u>            | <u>(388,660)</u>  |
| Total expenditures                     | <u>1,095,994</u>        | <u>3,646,093</u> | <u>1,677,362</u>          | <u>1,968,731</u>  |
| Excess of revenues over expenditures   | <u>-</u>                | <u>-</u>         | <u>46,558</u>             | <u>46,558</u>   |
| <b>Other financing sources (uses):</b> |                         |                  |                           |   |
| Transfers in                           | -                       | -                | -                         | -   |
| Transfers out                          | <u>-</u>                | <u>-</u>         | <u>-</u>                  | <u>-</u>  |
| Total other financing sources (uses)   | <u>-</u>                | <u>-</u>         | <u>-</u>                  | <u>-</u>  |
| Net change in fund balances            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 46,558</u>          | <u>\$ 46,558</u>  |

# CITY OF MIAMI GARDENS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE DEVELOPMENT SERVICES FUND NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>Revenues:</b>                       |                         |                  |                           |   |
| Licenses & permits                     | \$ 2,360,121            | \$ 2,352,593     | \$ 5,128,085              | \$ 2,775,492  |
| Charges for services                   | 309,421                 | 326,894          | 944,768                   | 617,874   |
| Other income                           | <u>10,261</u>           | <u>2,651</u>     | <u>81,188</u>             | <u>78,537</u>   |
| Total revenues                         | <u>2,679,803</u>        | <u>2,682,138</u> | <u>6,154,041</u>          | <u>3,471,903</u>  |
| <b>Expenditures:</b>                   |                         |                  |                           |   |
| <b>Development services:</b>           |                         |                  |                           |   |
| Building services                      | 1,997,984               | 2,100,109        | 2,099,147                 | 962   |
| Capital outlay                         | <u>-</u>                | <u>50,210</u>    | <u>50,210</u>             | <u>-</u>  |
| Total expenditures                     | <u>1,997,984</u>        | <u>2,150,319</u> | <u>2,149,357</u>          | <u>962</u>  |
| Excess of revenues over expenditures   | <u>681,819</u>          | <u>531,819</u>   | <u>4,004,684</u>          | <u>3,472,865</u>  |
| <b>Other financing sources (uses):</b> |                         |                  |                           |   |
| Transfers out                          | <u>(681,819)</u>        | <u>(531,819)</u> | <u>(531,819)</u>          | <u>-</u>  |
| Total other financing sources (uses)   | <u>(681,819)</u>        | <u>(531,819)</u> | <u>(531,819)</u>          | <u>-</u>  |
| Net change in fund balances            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 3,472,865</u>       | <u>\$ 3,472,865</u>   |

# CITY OF MIAMI GARDENS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE IMPACT FEES NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts |                 | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|------------------|-----------------|---------------------|--|
|  | <u>Original</u>  | <u>Original</u> |                     |  |
| <b>Revenues:</b>                       |                  |                 |                     |  |
| Impact fees                            | \$ -             | \$ -            | \$ 1,208,785        | \$ 1,208,785   |
| Interest                               | <u>-</u>         | <u>-</u>        | <u>52,151</u>       | <u>52,151</u>  |
| Total revenues                         | <u>-</u>         | <u>-</u>        | <u>1,260,936</u>    | <u>1,260,936</u>                                       |
| <b>Expenditures:</b>                   |                  |                 |                     |  |
| Public safety                          | <u>-</u>         | <u>-</u>        | <u>28,871</u>       | <u>(28,871)</u>  |
| Total expenditures                     | <u>-</u>         | <u>-</u>        | <u>28,871</u>       | <u>(28,871)</u>  |
| Excess of revenues over expenditures   | <u>-</u>         | <u>-</u>        | <u>1,232,065</u>    | <u>1,232,065</u>                                       |
| <b>Other financing sources (uses):</b> |                  |                 |                     |  |
| Transfers in                           | -                | -               | -                   | -  |
| Transfers out                          | <u>-</u>         | <u>-</u>        | <u>-</u>            | <u>-</u>   |
| Total other financing sources (uses)   | <u>-</u>         | <u>-</u>        | <u>-</u>            | <u>-</u>   |
| Net change in fund balances            | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 1,232,065</u> | <u>\$ 1,232,065</u>                                    |

# CITY OF MIAMI GARDENS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE SPECIAL TAXING DISTRICT NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

|  | Budgeted Amounts |          | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive (Negative) |
|--|------------------|----------|-------------------|--|
|  | Original         | Original |                   |  |
| <b>Revenues:</b>                               |                  |          |                   |  |
| Special assessment -charges for public service | \$ -             | \$ -     | \$ 614,471        | \$ 614,471   |
| Interest                                       | -                | -        | 4,925             | 4,925  |
| Total revenues                                 | -                | -        | 619,396           | 619,396  |
| <b>Expenditures:</b>                           |                  |          |                   |  |
| Police   | -                | -        | -                 | -  |
| Electricity                                    | -                | -        | 437,213           | (437,213)  |
| Repairs & maintenance service                  | -                | -        | 7,852             | (7,852)  |
| Financial & administrative services            | -                | -        | 85,632            | (85,632)   |
| Total expenditures                             | -                | -        | 530,697           | (530,697)  |
| Excess of revenues over expenditures           | -                | -        | 88,699            | 88,699   |
| <b>Other financing sources (uses):</b>         |                  |          |                   |  |
| Transfers in                                   | -                | -        | -                 | -  |
| Transfers out                                  | -                | -        | -                 | -  |
| Total other financing sources (uses)           | -                | -        | -                 | -  |
| Net change in fund balances                    | \$ -             | \$ -     | \$ 88,699         | \$ 88,699  |



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## **STATISTICAL SECTION**

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# CITY OF MIAMI GARDENS, FLORIDA

## STATISTICAL SECTION

This part of the City of Miami Garden’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 City’s overall financial health.

| <u>Contents</u>   | <u>Page</u>    |
|---|----------------|
| <b>Financial Trends</b> .....   | <b>89-93</b>   |
| <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>  |                |
| <b>Revenue Capacity</b> .....   | <b>94-97</b>   |
| <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>  |                |
| <b>Debt Capacity</b> .....  | <b>98-102</b>  |
| <i>These schedules contain information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in future.</i>                        |                |
| <b>Demographic and Economic Information</b> .....   | <b>103-104</b> |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.</i>   |                |
| <b>Operating Information</b> .....  | <b>105-107</b> |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city 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.*



# CITY OF MIAMI GARDENS, FLORIDA

## NET POSITION BY COMPONENT

### LAST TEN FISCAL YEARS

(accrual basis of accounting)

|   | Fiscal Year          |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>2010</u>          | <u>2011</u>           | <u>2012</u>           | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           | <u>2018</u>           | <u>2019</u>           |
| <b>Governmental activities</b>              |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Invested in capital assets                  | \$286,317,554        | \$ 227,616,716        | \$ 265,675,780        | \$ 261,783,392        | \$ 255,314,939        | \$ 250,167,614        | \$ 237,824,806        | \$ 225,805,423        | \$ 224,300,737        | \$ 231,676,291        |
| Restricted                                  | 2,029,805            | 49,292,687            | 6,111,104             | 6,121,430             | 6,796,767             | 9,757,585             | 12,535,914            | 15,398,419            | 18,814,666            | 22,548,555            |
| Unrestricted                                | <u>(976,348)</u>     | <u>(4,159,133)</u>    | <u>4,845,868</u>      | <u>2,179,405</u>      | <u>(2,432,679)</u>    | <u>(39,687,115)</u>   | <u>(34,858,744)</u>   | <u>(34,554,179)</u>   | <u>(36,351,017)</u>   | <u>(40,378,178)</u>   |
| Total governmental activities net position  | <u>\$287,371,011</u> | <u>\$ 272,750,270</u> | <u>\$ 276,632,752</u> | <u>\$ 270,084,227</u> | <u>\$ 259,679,027</u> | <u>\$ 220,238,084</u> | <u>\$ 215,501,976</u> | <u>\$ 206,649,663</u> | <u>\$ 206,764,386</u> | <u>\$ 213,846,668</u> |
| <b>Business-type activities</b>             |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Invested in capital assets                  | \$ 7,644,476         | \$ 8,158,392          | \$ 9,140,724          | \$ 9,132,867          | \$ 9,702,322          | \$ 9,346,633          | \$ 9,720,254          | \$ 9,755,595          | \$ 9,965,166          | \$ 11,473,761         |
| Restricted                                  | -                    | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Unrestricted                                | <u>1,375,440</u>     | <u>1,250,982</u>      | <u>1,225,840</u>      | <u>1,422,103</u>      | <u>1,708,955</u>      | <u>2,362,274</u>      | <u>2,691,155</u>      | <u>3,494,631</u>      | <u>5,569,255</u>      | <u>5,933,163</u>      |
| Total business-type activities net position | <u>\$ 9,019,916</u>  | <u>\$ 9,409,374</u>   | <u>\$ 10,366,564</u>  | <u>\$ 10,554,970</u>  | <u>\$ 11,411,277</u>  | <u>\$ 11,708,907</u>  | <u>\$ 12,411,409</u>  | <u>\$ 13,250,226</u>  | <u>\$ 15,534,421</u>  | <u>\$ 17,406,924</u>  |
| <b>Primary government</b>                   |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Invested in capital assets                  | \$293,962,030        | \$ 235,775,108        | \$ 274,816,504        | \$ 270,916,259        | \$ 265,017,261        | \$ 259,514,247        | \$ 247,545,060        | \$ 235,561,018        | \$ 234,265,903        | \$ 243,150,052        |
| Restricted                                  | -                    | 49,292,687            | 6,111,104             | 6,121,430             | 6,796,767             | 9,757,585             | 12,535,914            | 15,398,419            | 18,814,666            | 22,548,555            |
| Unrestricted                                | <u>399,092</u>       | <u>(2,908,151)</u>    | <u>6,071,708</u>      | <u>3,601,508</u>      | <u>(723,724)</u>      | <u>(37,324,841)</u>   | <u>(32,167,589)</u>   | <u>(31,059,548)</u>   | <u>(30,781,762)</u>   | <u>(34,445,015)</u>   |
| Total primary government net position       | <u>\$294,361,122</u> | <u>\$ 282,159,644</u> | <u>\$ 286,999,316</u> | <u>\$ 280,639,197</u> | <u>\$ 271,090,304</u> | <u>\$ 231,946,991</u> | <u>\$ 227,913,385</u> | <u>\$ 219,899,889</u> | <u>\$ 222,298,807</u> | <u>\$ 231,253,592</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

(accrual basis of accounting)

|   | Fiscal Year           |                        |                     |                       |                       |                       |                       |                       |                     |                     |
|---|-----------------------|------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
|   | 2010                  | 2011                   | 2012                | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                | 2019                |
| <b>EXPENSES</b>                                 |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| <b>Governmental activities:</b>                 |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| General government                              | \$ 17,238,930         | \$ 19,540,594          | \$ 16,076,550       | \$ 16,525,346         | \$ 20,174,685         | \$ 17,423,449         | \$ 24,890,226         | \$ 22,342,383         | \$ 22,811,697       | \$ 25,470,459       |
| Public safety                                   | 40,240,521            | 36,652,536             | 34,564,704          | 37,298,100            | 37,768,451            | 37,250,605            | 37,327,259            | 40,627,044            | 41,203,580          | 51,502,510          |
| Public works                                    | 14,475,704            | 14,461,666             | 14,477,703          | 15,161,302            | 15,564,664            | 16,511,565            | 16,246,746            | 16,225,866            | 16,656,467          | 18,494,408          |
| Parks and recreation                            | 7,403,794             | 7,576,867              | 6,964,532           | 6,801,697             | 7,065,966             | 6,514,054             | 6,864,744             | 6,786,784             | 6,149,189           | 7,727,705           |
| Economic environment                            | 6,011,115             | 5,009,478              | 5,038,712           | 2,341,655             | 1,725,248             | 1,546,074             | 1,460,882             | 1,133,556             | 843,430             | 1,221,889           |
| Human Services                                  | -                     | -                      | -                   | -                     | 28,555                | 176,605               | 396,981               | 136,161               | 148,373             | 699,832             |
| Interest on long-term debt                      | 2,263,358             | 5,835,054              | 5,674,415           | 5,543,197             | 6,013,090             | 7,603,784             | 7,460,875             | 7,435,209             | 6,940,156           | 6,685,444           |
| Total governmental activities:                  | 87,633,422            | 89,076,195             | 82,796,616          | 83,671,297            | 88,340,659            | 87,026,136            | 94,647,713            | 94,687,003            | 94,752,892          | 111,802,247         |
| <b>Business-type activities:</b>                |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Stormwater                                      | 2,301,921             | 2,875,119              | 3,122,946           | 2,894,787             | 2,559,364             | 2,437,432             | 2,389,114             | 2,305,965             | 2,533,311           | 2,878,155           |
| Total business-type activities                  | 2,301,921             | 2,875,119              | 3,122,946           | 2,894,787             | 2,559,364             | 2,437,432             | 2,389,114             | 2,305,965             | 2,533,311           | 2,878,155           |
| Total primary government expenses               | 89,935,343            | 91,951,314             | 85,919,562          | 86,566,084            | 90,900,023            | 89,463,568            | 97,036,827            | 96,992,968            | 97,286,203          | 114,680,402         |
| <b>PROGRAM REVENUES</b>                         |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| <b>Governmental activities:</b>                 |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Charges for services:                           |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| General government                              | 6,487,138             | 6,441,291              | 7,618,723           | 8,370,005             | 8,678,486             | 9,614,573             | 7,286,561             | 8,384,564             | 12,167,217          | 11,611,956          |
| Public safety                                   | 4,587,639             | 4,647,205              | 5,143,350           | 5,963,644             | 5,680,283             | 6,813,911             | 9,016,281             | 9,009,862             | 8,019,450           | 10,019,622          |
| Public works                                    | 48,239                | 58,163                 | 60,829              | 89,437                | 83,287                | 110,435               | 203,383               | 239,869               | 547,857             | 1,152,121           |
| Parks & Recreation                              | 722,355               | 1,084,193              | 1,217,539           | 1,158,323             | 1,000,675             | 1,121,882             | 1,202,311             | 656,725               | 628,293             | 1,222,047           |
| Operating grants and contributions              | 8,583,150             | 6,668,214              | 7,047,517           | 3,159,475             | 3,296,282             | 2,896,185             | 2,639,895             | 2,923,990             | 2,158,862           | 18,792,772          |
| Capital grants and contributions                | 5,767,617             | 5,269,558              | 2,780,862           | 3,478,683             | 1,983,665             | 236,335               | 1,500,167             | 223,711               | 182,134             | 113,200             |
| Total governmental activities program revenues  | 26,196,137            | 24,168,624             | 23,868,820          | 22,219,567            | 20,722,678            | 20,793,321            | 21,848,598            | 21,438,721            | 23,703,813          | 42,911,718          |
| <b>Business-type activities:</b>                |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Charges for services:                           |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Stormwater                                      | 3,456,364             | 3,408,106              | 3,714,835           | 3,498,210             | 3,804,604             | 3,464,069             | 3,395,975             | 3,474,179             | 5,094,141           | 4,886,154           |
| Capital grants and contributions                | 88,275                | 147,301                | 701,670             | -                     | 38,650                | 34,000                | 129,887               | 87,640                | -                   | 214,632             |
| Total business-type activities program revenues | 3,544,639             | 3,555,407              | 4,416,505           | 3,498,210             | 3,843,254             | 3,498,069             | 3,525,862             | 3,561,819             | 5,094,141           | 5,100,786           |
| Total primary government revenues               | 29,740,776            | 27,724,031             | 28,285,325          | 25,717,777            | 24,565,932            | 24,291,390            | 25,374,460            | 25,000,540            | 28,797,954          | 48,012,504          |
| Net (expense)/revenue                           |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Governmental activities                         | (61,437,284)          | (64,907,571)           | (58,927,796)        | (61,451,730)          | (67,617,981)          | (66,232,815)          | (72,799,115)          | (73,248,282)          | (71,049,079)        | (68,890,529)        |
| Business-type activities                        | 1,242,718             | 680,288                | 1,293,559           | 603,423               | 1,283,890             | 1,060,637             | 1,136,748             | 1,255,854             | 2,560,830           | 2,222,631           |
| Total primary government net expenses           | (60,194,566)          | (64,227,283)           | (57,634,237)        | (60,848,307)          | (66,334,091)          | (65,172,178)          | (71,662,367)          | (71,992,428)          | (68,488,249)        | (66,667,898)        |
| <b>General Revenues and Other</b>               |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| <b>Changes in Net Position</b>                  |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| <b>Governmental activities:</b>                 |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Taxes:  |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Property taxes                                  | 22,493,510            | 19,616,970             | 21,340,234          | 19,653,871            | 21,757,058            | 26,268,558            | 27,332,192            | 29,299,174            | 32,504,999          | 34,759,128          |
| Utility taxes                                   | 10,641,034            | 11,135,661             | 10,467,536          | 10,525,589            | 10,411,425            | 11,361,010            | 10,395,944            | 10,489,627            | 10,750,222          | 10,830,781          |
| Franchise fees on gross receipts                | 5,092,510             | 3,987,008              | 4,504,778           | 4,239,521             | 3,477,303             | 3,398,916             | 3,537,910             | 3,076,242             | 3,801,953           | 3,682,186           |
| Intergovernmental (unrestricted)                | 11,861,949            | 12,706,449             | 23,346,113          | 17,360,797            | 17,762,556            | 18,811,366            | 19,202,180            | 19,819,628            | 20,364,978          | 20,471,779          |
| Investment income (unrestricted)                | 88,446                | 49,541                 | 118,307             | 84,489                | 225,284               | 464,725               | 272,071               | 521,128               | 657,553             | 1,040,949           |
| Investment income (restricted)                  | -                     | 178,208                | -                   | -                     | 25,287                | 358,452               | 285,002               | 540,853               | 851,259             | 1,095,953           |
| Miscellaneous                                   | 1,578,046             | 2,303,934              | 2,852,207           | 3,426,225             | 3,122,865             | 3,179,810             | 6,593,687             | 3,267,134             | 3,599,172           | 3,609,580           |
| Loss on sale of capital assets                  | -                     | -                      | -                   | -                     | -                     | -                     | -                     | (3,072,575)           | -                   | -                   |
| Transfers                                       | 654,111               | 309,061                | 381,101             | 422,553               | 431,004               | 435,314               | 444,022               | 454,759               | 468,403             | 482,455             |
| Total governmental activities                   | 52,409,606            | 50,286,832             | 63,010,276          | 55,713,045            | 57,212,782            | 64,278,151            | 68,063,008            | 64,395,970            | 72,998,539          | 75,972,811          |
| <b>Business-type activities:</b>                |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Investment income                               | 5,105                 | 6,261                  | 3,226               | 3,401                 | 3,421                 | 5,469                 | 9,776                 | 37,722                | 91,798              | 131,721             |
| Miscellaneous                                   | 34,412                | 11,970                 | 41,506              | 4,135                 | -                     | -                     | -                     | -                     | 105,799             | 606                 |
| Transfers                                       | (654,111)             | (309,061)              | (381,101)           | (422,553)             | (431,004)             | (435,314)             | (444,022)             | (454,759)             | (468,403)           | (482,455)           |
| Total business-type activities                  | (614,594)             | (290,830)              | (336,369)           | (415,017)             | (427,583)             | (429,845)             | (434,246)             | (417,037)             | (270,806)           | (350,128)           |
| Total primary government                        | 51,795,012            | 49,996,002             | 62,673,907          | 55,298,028            | 56,785,199            | 63,848,306            | 67,628,762            | 63,978,933            | 72,727,733          | 75,622,683          |
| Change in Net Position                          |                       |                        |                     |                       |                       |                       |                       |                       |                     |                     |
| Governmental activities                         | (9,027,678)           | (14,620,739)           | 4,082,480           | (5,738,685)           | (10,405,200)          | (1,954,665)           | (4,736,108)           | (8,852,313)           | 1,949,460           | 7,082,282           |
| Business-type activities                        | 628,124               | 389,458                | 957,190             | 188,406               | 856,307               | 630,792               | 702,502               | 838,817               | 2,290,024           | 1,872,503           |
| Total primary government                        | <u>\$ (8,399,554)</u> | <u>\$ (14,231,281)</u> | <u>\$ 5,039,670</u> | <u>\$ (5,550,279)</u> | <u>\$ (9,548,893)</u> | <u>\$ (1,323,873)</u> | <u>\$ (4,033,606)</u> | <u>\$ (8,013,496)</u> | <u>\$ 4,239,484</u> | <u>\$ 8,954,785</u> |

# CITY OF MIAMI GARDENS, FLORIDA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

| <u>Fiscal Year</u> | <u>Ad-Valorem Taxes<br/>General Purpose</u> | <u>Local Option<br/>Gas Tax</u> | <u>State Revenue<br/>Sharing Tax</u> | <u>Alcoholic<br/>Beverage Tax</u> | <u>Half Cent<br/>Sales Tax</u> | <u>Utility Tax</u> | <u>Franchise Tax</u> | <u>Total</u> |
|--------------------|---|---------------------------------|--------------------------------------|-----------------------------------|--------------------------------|--------------------|----------------------|--------------|
| 2010               | \$ 22,494                                   | \$ 2,104                        | \$ 3,151                             | \$ 20                             | \$ 6,086                       | \$ 10,641          | \$ 5,093             | \$ 49,589    |
| 2011               | 19,617                                      | 2,224                           | 3,255                                | 16                                | 6,735                          | 11,136             | 3,987                | 46,970       |
| 2012               | 19,979                                      | 2,142                           | 3,442                                | 14                                | 6,955                          | 10,468             | 4,505                | 47,505       |
| 2013               | 17,943                                      | 2,101                           | 3,487                                | 21                                | 7,338                          | 10,526             | 4,240                | 45,656       |
| 2014               | 21,063                                      | 2,133                           | 3,554                                | 25                                | 7,657                          | 10,411             | 3,525                | 48,368       |
| 2015               | 21,655                                      | 2,219                           | 3,657                                | 22                                | 8,031                          | 11,362             | 3,399                | 50,345       |
| 2016               | 22,854                                      | 2,199                           | 3,625                                | 19                                | 8,298                          | 10,395             | 3,538                | 50,928       |
| 2017               | 24,222                                      | 2,283                           | 3,787                                | 25                                | 8,425                          | 10,490             | 3,076                | 52,308       |
| 2018               | 27,090                                      | 2,253                           | 3,776                                | 23                                | 8,837                          | 10,750             | 3,802                | 56,531       |
| 2019               | 29,376                                      | 2,301                           | 3,769                                | 21                                | 8,993                          | 10,831             | 3,595                | 58,886       |

# CITY OF MIAMI GARDENS, FLORIDA

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

|                                     | Fiscal Year         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2010                | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
| <b>General fund</b>                 |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-spendable:                      |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Prepays                             | \$ -                | \$ 335,722           | \$ 653,356           | \$ 545,371           | \$ 308,471           | \$ 246,671           | \$ 254,560           | \$ 331,478           | \$ 310,132           | \$ 446,652           |
| Committed to:                       |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital outlay                      | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Assigned to:                        |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Subsequent year's budget            | 1,074,216           | 28,572               | 946,437              | -                    | 2,455                | 363,621              | 35,257               | 4,469,702            | 196,994              | 750,000              |
| Parks maintenance                   | -                   | -                    | -                    | -                    | -                    | 500,000              | 750,000              | 1,000,000            | 1,000,000            | 1,000,000            |
| Disaster recovery                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 323,723              | 323,723              | 323,723              |
| Unassigned                          | 6,477,650           | 4,964,690            | 11,224,091           | 11,240,358           | 10,241,094           | 11,945,942           | 13,154,884           | 14,794,245           | 19,787,782           | 21,618,969           |
| Total general fund                  | <u>\$ 7,551,866</u> | <u>\$ 5,328,984</u>  | <u>\$ 12,823,884</u> | <u>\$ 11,785,729</u> | <u>\$ 10,552,020</u> | <u>\$ 13,056,234</u> | <u>\$ 14,194,701</u> | <u>\$ 20,919,148</u> | <u>\$ 21,618,631</u> | <u>\$ 24,139,344</u> |
| <b>All other governmental funds</b> |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-spendable:                      |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Prepays                             | \$ -                | \$ -                 | \$ -                 | \$ 450               | \$ 390               | \$ -                 | \$ -                 | \$ 9,583             | \$ 8,750             | \$ 9,583             |
| Restricted for:                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Housing                             | 144,711             | 51,527               | 1,808                | 121,916              | 108,908              | 119,059              | 4,850                | 265,013              | 528,045              | 448,159              |
| Law enforcement                     | 164,655             | 360,954              | 341,762              | 141,200              | 152,182              | 266,608              | 363,973              | 305,413              | 586,257              | 1,025,821            |
| Transportation                      | 2,625               | 7,183                | 3,711,984            | 4,604,466            | 5,298,838            | 7,335,122            | 9,984,147            | 12,743,690           | 15,512,834           | 17,749,465           |
| Parks & recreation                  | 1,237,593           | 1,362,409            | 1,341,994            | 1,205,129            | 1,126,872            | 1,395,418            | 1,851,897            | 1,904,120            | 1,964,974            | 2,765,743            |
| General Administration              | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 102,669              |
| Public Services                     | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 88,699               |
| City Hall project                   | -                   | 46,852,312           | 39,489,995           | 10,933,917           | 11,935               | 32,035               | 1,911,609            | 1,908,947            | 1,803,687            | 1,430,491            |
| Debt service                        | -                   | -                    | -                    | -                    | -                    | 155,082              | 73,926               | 8,885                | 8,885                | 107,772              |
| General Obligation Bond projects    | -                   | -                    | -                    | -                    | 66,122,224           | 65,718,426           | 63,814,163           | 59,433,257           | 53,097,265           | 47,681,432           |
| Capital projects                    | 859,375             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Community Development Block Grant   | 479,291             | 658,302              | 526,027              | 48,719               | 109,967              | 486,296              | 257,121              | 171,298              | 213,669              | 260,227              |
| Development services fund           | 3,555               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Committed to:                       |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Debt service                        | -                   | -                    | 4,083,426            | 2,218,076            | 1,051,162            | 61,487               | 325,729              | 517,297              | 475,120              | 421,243              |
| City Hall Project                   | -                   | -                    | -                    | -                    | 1,239,467            | -                    | -                    | -                    | -                    | -                    |
| Stormwater fund (1)                 | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Assigned to:                        |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital projects                    | 1,322,078           | 3,408,613            | 1,064,595            | 1,396,696            | 709,740              | -                    | -                    | -                    | -                    | 145,169              |
| Debt payment                        | -                   | -                    | -                    | -                    | -                    | -                    | 3,500,000            | -                    | -                    | -                    |
| Subsequent year's budget            | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 257,716              |
| Parks                               | -                   | -                    | -                    | -                    | -                    | 833                  | 933                  | 933                  | 933                  | 7,691,211            |
| Unassigned:                         |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Community Development Block Grant   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital Projects fund               | -                   | -                    | -                    | -                    | -                    | (1,955,609)          | 228,990              | 514,921              | 112,401              | -                    |
| Development services fund           | -                   | (620,259)            | (318,128)            | (459,483)            | (451,453)            | (110,533)            | 95,270               | 697,841              | 4,217,413            | -                    |
| Total all other governmental funds  | <u>\$ 4,213,883</u> | <u>\$ 52,081,041</u> | <u>\$ 50,243,463</u> | <u>\$ 20,211,086</u> | <u>\$ 75,480,232</u> | <u>\$ 73,504,224</u> | <u>\$ 82,412,608</u> | <u>\$ 78,481,373</u> | <u>\$ 78,530,233</u> | <u>\$ 80,185,400</u> |

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in FY 2011. Fiscal years 2008-2010 amounts have been restated to conform to the new statement requirements.

(1) Stormwater Fund was reclassified to an Enterprise Fund in FY 2008.

# CITY OF MIAMI GARDENS, FLORIDA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

|   | Fiscal Year           |                      |                     |                        |                      |                   |                      |                     |                   |                     |
|---|-----------------------|----------------------|---------------------|------------------------|----------------------|-------------------|----------------------|---------------------|-------------------|---------------------|
|   | 2010                  | 2011                 | 2012                | 2013                   | 2014                 | 2015              | 2016                 | 2017                | 2018              | 2019                |
| <b>REVENUES</b>   |                       |                      |                     |                        |                      |                   |                      |                     |                   |                     |
| Taxes and franchise fees                                | \$ 27,586,020         | \$ 23,603,978        | \$ 25,845,012       | \$ 23,893,392          | \$ 25,234,361        | \$ 29,667,474     | \$ 30,870,102        | \$ 32,375,416       | \$ 36,306,952     | \$ 38,441,314       |
| Charges for services                                    | 4,677,906             | 4,985,825            | 5,950,208           | 7,170,038              | 7,602,354            | 8,824,499         | 7,388,494            | 7,620,153           | 9,363,148         | 9,620,836           |
| Utility taxes   | 10,641,034            | 11,135,661           | 10,467,536          | 10,525,589             | 10,411,425           | 11,361,010        | 10,395,944           | 10,489,627          | 10,750,222        | 10,830,781          |
| Intergovernmental                                       | 11,841,067            | 12,655,535           | 23,346,113          | 17,186,317             | 17,721,789           | 18,522,102        | 18,868,282           | 19,359,532          | 20,022,338        | 20,379,746          |
| Licenses and permits                                    | 3,517,434             | 3,549,846            | 3,926,916           | 3,506,129              | 3,595,612            | 3,834,908         | 3,645,956            | 4,163,151           | 6,801,757         | 7,067,560           |
| Fines and forfeitures                                   | 3,461,093             | 3,413,252            | 3,846,554           | 4,752,650              | 4,157,295            | 4,612,169         | 6,083,000            | 6,327,724           | 5,157,762         | 6,527,321           |
| Impact fee  | 188,938               | 281,929              | 307,680             | 152,592                | 87,470               | 386,406           | 586,898              | 179,992             | 333,806           | 1,195,610           |
| Grant revenue   | 14,374,711            | 12,007,847           | 9,949,640           | 6,812,638              | 5,320,714            | 2,963,403         | 4,473,960            | 3,607,797           | 2,388,315         | 18,590,548          |
| Interest  | 88,446                | 227,749              | 118,307             | 84,489                 | 160,087              | 547,172           | 281,068              | 757,967             | 1,508,812         | 2,111,041           |
| Miscellaneous   | <u>1,574,983</u>      | <u>2,284,773</u>     | <u>3,217,257</u>    | <u>3,426,225</u>       | <u>3,122,865</u>     | <u>3,182,629</u>  | <u>6,597,875</u>     | <u>3,267,134</u>    | <u>3,600,837</u>  | <u>3,611,459</u>    |
| Total revenues  | <u>77,951,632</u>     | <u>74,146,395</u>    | <u>86,975,223</u>   | <u>77,510,059</u>      | <u>77,413,972</u>    | <u>83,901,772</u> | <u>89,191,579</u>    | <u>88,148,493</u>   | <u>96,233,949</u> | <u>118,376,216</u>  |
| <b>EXPENDITURES</b>                                     |                       |                      |                     |                        |                      |                   |                      |                     |                   |                     |
| General government                                      | 13,877,497            | 11,411,053           | 11,145,965          | 12,486,845             | 13,517,593           | 14,733,506        | 17,032,690           | 16,057,625          | 16,642,779        | 18,056,832          |
| Human Services  | -                     | -                    | -                   | -                      | 28,555               | 176,605           | 396,981              | 136,161             | 148,373           | 699,832             |
| Public safety   | 37,878,583            | 34,371,296           | 32,530,993          | 34,993,256             | 35,945,956           | 35,556,280        | 35,631,038           | 35,819,337          | 37,080,474        | 42,143,433          |
| Public works  | 2,621,846             | 2,619,674            | 2,589,782           | 3,139,109              | 3,082,935            | 3,402,650         | 3,657,628            | 3,440,243           | 3,917,364         | 5,481,879           |
| Parks and recreation                                    | 6,624,882             | 6,236,622            | 5,565,777           | 5,586,301              | 5,879,496            | 5,313,861         | 5,621,490            | 5,429,777           | 4,845,575         | 6,197,961           |
| Economic and physical environment                       | 6,011,114             | 5,009,478            | 5,038,712           | 2,341,655              | 1,725,248            | 1,546,074         | 1,460,882            | 1,133,556           | 843,430           | 1,221,889           |
| Non-departmental  | 248,292               | 3,591,447            | 3,923,874           | 4,102,095              | 4,259,919            | 3,620,615         | 3,563,202            | 3,509,180           | 3,630,786         | 4,086,410           |
| Debt service:   |                       |                      |                     |                        |                      |                   |                      |                     |                   |                     |
| Principal retirement                                    | 4,315,767             | 5,019,979            | 3,889,705           | 4,925,259              | 4,431,378            | 5,254,807         | 11,796,744           | 9,428,384           | 11,929,037        | 12,161,038          |
| Interest and fiscal charges                             | 2,322,143             | 4,368,382            | 5,712,392           | 5,581,708              | 5,480,843            | 7,562,808         | 7,500,935            | 7,477,375           | 7,168,291         | 7,044,989           |
| Bond issuance cost                                      | -                     | 865,111              | -                   | -                      | 459,547              | -                 | -                    | -                   | -                 | 49,000              |
| Capital outlay:   |                       |                      |                     |                        |                      |                   |                      |                     |                   |                     |
| General government                                      | 553,212               | 2,982,676            | 7,288,312           | 33,168,928             | 10,010,512           | 4,679,551         | 629,244              | 1,122,390           | 570,200           | 720,092             |
| Public safety   | 760,687               | 308,667              | 175,000             | 653,370                | 60,005               | 45,594            | 552,309              | 210,121             | 451,413           | 14,679,891          |
| Public works  | 1,666,852             | 2,663,150            | 2,293,567           | 3,350,589              | 2,978,435            | 1,464,777         | 1,827,830            | 1,297,991           | 1,562,619         | 1,885,626           |
| Economic and physical development                       | -                     | -                    | -                   | -                      | -                    | -                 | -                    | -                   | -                 | 656,604             |
| Parks and recreation                                    | <u>5,950,601</u>      | <u>3,587,815</u>     | <u>1,344,923</u>    | <u>2,374,029</u>       | <u>2,133,182</u>     | <u>451,752</u>    | <u>2,283,777</u>     | <u>4,975,325</u>    | <u>7,163,668</u>  | <u>6,502,315</u>    |
| Total expenditures                                      | <u>82,831,475</u>     | <u>83,035,350</u>    | <u>81,499,002</u>   | <u>112,703,144</u>     | <u>89,993,604</u>    | <u>83,808,880</u> | <u>91,954,751</u>    | <u>90,037,465</u>   | <u>95,954,009</u> | <u>121,587,791</u>  |
| Excess(deficiency) of revenues over expenditures        | (4,879,843)           | (8,888,955)          | 5,476,221           | (35,193,085)           | (12,579,632)         | 92,892            | (2,763,172)          | (1,888,972)         | 279,940           | (3,211,575)         |
| Other financing (uses) sources:                         |                       |                      |                     |                        |                      |                   |                      |                     |                   |                     |
| Transfers in  | 13,012,781            | 11,952,349           | 12,029,443          | 14,822,384             | 15,479,624           | 13,936,975        | 22,336,131           | 19,979,850          | 21,511,523        | 15,154,678          |
| Transfers out   | (12,358,671)          | (11,643,288)         | (11,648,342)        | (14,399,831)           | (15,048,620)         | (13,501,661)      | (21,892,109)         | (19,525,091)        | (21,043,120)      | (14,672,223)        |
| Proceeds from capital lease                             | -                     | -                    | -                   | 3,700,000              | -                    | -                 | -                    | -                   | -                 | -                   |
| Proceeds from bond                                      | 1,409,612             | 55,000,000           | -                   | -                      | 60,000,000           | -                 | 12,366,000           | 4,227,425           | -                 | 6,905,000           |
| Premiums on bond issuance                               | -                     | -                    | -                   | -                      | 6,184,065            | -                 | -                    | -                   | -                 | -                   |
| Discounts on bond issuance                              | -                     | (775,830)            | -                   | -                      | -                    | -                 | -                    | -                   | -                 | -                   |
| Total other financing sources (uses)                    | <u>2,063,722</u>      | <u>54,533,231</u>    | <u>381,101</u>      | <u>4,122,553</u>       | <u>66,615,069</u>    | <u>435,314</u>    | <u>12,810,022</u>    | <u>4,682,184</u>    | <u>468,403</u>    | <u>7,387,455</u>    |
| Net change in fund balances                             | <u>\$ (2,816,121)</u> | <u>\$ 45,644,276</u> | <u>\$ 5,857,322</u> | <u>\$ (31,070,532)</u> | <u>\$ 54,035,437</u> | <u>\$ 528,206</u> | <u>\$ 10,046,850</u> | <u>\$ 2,793,212</u> | <u>\$ 748,343</u> | <u>\$ 4,175,880</u> |
| Debt service as a percentage of noncapital expenditures | 9.0%                  | 14.0%                | 13.6%               | 14.4%                  | 13.2%                | 16.6%             | 22.3%                | 20.5%               | 22.2%             | 19.8%               |



## CITY OF MIAMI GARDENS, FLORIDA

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

#### LAST TEN FISCAL YEARS

| <b>Fiscal Year</b> | <b>Real Property</b> | <b>Personal Property</b> | <b>Total Assessed Value</b> | <b>Less: Tax Exempt Property</b> | <b>Taxable Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Actual Value</b> | <b>Taxable Assessed Value as a Percentage of Estimated Actual Value (1)</b> |
|--------------------|----------------------|--------------------------|-----------------------------|----------------------------------|----------------------|------------------------------|-------------------------------|---|
| 2010               | \$ 6,964,395,404     | \$ 403,295,314           | \$ 7,367,690,718            | \$ 3,066,430,658                 | \$ 4,301,260,060     | \$ 5.3734                    | \$ 4,503,604,818              | 95.51%  |
| 2011               | 4,829,645,032        | 424,414,297              | 5,254,059,329               | 1,538,703,973                    | 3,715,355,356        | 5.7141                       | 3,717,102,853                 | 99.95%  |
| 2012               | 4,541,068,996        | 430,140,872              | 4,971,209,868               | 1,504,385,885                    | 3,466,823,983        | 6.5616                       | 3,467,200,467                 | 99.99%  |
| 2013               | 4,473,851,995        | 409,206,426              | 4,883,058,421               | 1,492,163,302                    | 3,390,895,119        | 6.3620                       | 3,381,045,528                 | 100.29%   |
| 2014               | 4,389,292,826        | 384,000,304              | 4,773,404,000               | 1,472,932,907                    | 3,300,471,093        | 6.9363                       | 3,315,149,071                 | 99.55%  |
| 2015               | 4,510,205,108        | 379,130,957              | 4,889,447,567               | 1,467,469,874                    | 3,421,977,693        | 6.2363                       | 3,451,480,819                 | 99.14%  |
| 2016               | 4,684,612,172        | 392,207,255              | 5,076,922,932               | 1,487,649,804                    | 3,589,273,128        | 8.1761                       | 3,626,944,476                 | 98.96%  |
| 2017               | 4,949,652,518        | 409,750,134              | 5,359,506,509               | 1,539,992,799                    | 3,819,513,710        | 8.0934                       | 3,822,908,533                 | 99.91%  |
| 2018               | 5,437,119,005        | 412,243,766              | 5,849,461,004               | 1,627,169,554                    | 4,222,291,450        | 7.9928                       | 4,067,707,040                 | 103.80%   |
| 2019               | 5,852,088,086        | 438,322,180              | 6,290,521,874               | 1,718,762,896                    | 4,571,758,978        | 7.9072                       | 4,521,533,157                 | 101.11%   |

*Note: Property in the City 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.*

*(1) Includes tax-exempt property.*

*Sources: Miami-Dade County Department of Property Appraisal -DR-420*

# CITY OF MIAMI GARDENS, FLORIDA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (1)

### LAST TEN FISCAL YEARS

#### OVERLAPPING RATES

| Fiscal Year | City (2)       |           |            | County           |             |              | School Board     |             |              | Other Authorities/Special Districts |         |        |                  | Total Direct & Overlapping Rates |
|-------------|----------------|-----------|------------|------------------|-------------|--------------|------------------|-------------|--------------|-------------------------------------|---------|--------|------------------|----------------------------------|
|             | City Operating | City Debt | Total City | County Operating | County Debt | Total County | School Operating | School Debt | Total School | Fire                                | Library | State  | Children's Trust |                                  |
| 2010        | 5.3734         | -         | 5.3734     | 4.8379           | 0.2850      | 5.1229       | 7.6980           | 0.2970      | 7.9950       | 2.2271                              | 0.3822  | 0.6585 | 0.5000           | 22.2591                          |
| 2011        | 5.7141         | -         | 5.7141     | 5.4275           | 0.4450      | 5.8725       | 7.8640           | 0.3850      | 8.2490       | 2.5953                              | 0.2840  | 0.6585 | 0.5000           | 23.8734                          |
| 2012        | 6.5616         | -         | 6.5616     | 4.8050           | 0.2850      | 5.0900       | 7.7650           | 0.2400      | 8.0050       | 2.4627                              | 0.1795  | 0.4708 | 0.5000           | 23.2696                          |
| 2013        | 6.3620         | -         | 6.3620     | 4.7035           | 0.2850      | 4.9885       | 7.7650           | 0.2330      | 7.9980       | 2.4627                              | 0.1725  | 0.4634 | 0.5000           | 22.9471                          |
| 2014        | 6.9363         | -         | 6.9363     | 4.7035           | 0.4220      | 5.1255       | 7.6440           | 0.3330      | 7.9770       | 2.4623                              | 0.1725  | 0.4455 | 0.5000           | 23.6191                          |
| 2015        | 6.9363         | 1.3000    | 8.2363     | 4.6669           | 0.4500      | 5.1169       | 7.7750           | 0.1990      | 7.9740       | 2.4321                              | 0.2840  | 0.2610 | 0.5000           | 24.8043                          |
| 2016        | 6.9363         | 1.2398    | 8.1761     | 4.6669           | 0.4500      | 5.1169       | 7.4130           | 0.1990      | 7.6120       | 2.4293                              | 0.2840  | 0.2412 | 0.5000           | 24.3595                          |
| 2017        | 6.9363         | 1.1571    | 8.0934     | 4.6669           | 0.4000      | 5.0669       | 7.1380           | 0.1840      | 7.3220       | 2.4282                              | 0.2840  | 0.2268 | 0.5000           | 23.9213                          |
| 2018        | 6.9363         | 1.0565    | 7.9928     | 4.6669           | 0.4000      | 5.0669       | 6.7740           | 0.2200      | 6.9940       | 2.4282                              | 0.2840  | 0.2145 | 0.4673           | 23.4477                          |
| 2019        | 6.9363         | 0.9709    | 7.9072     | 4.6669           | 0.4644      | 5.1313       | 6.5040           | 0.2290      | 6.7330       | 2.4207                              | 0.2840  | 0.3256 | 0.4415           | 23.2433                          |

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

(2) City of Miami Gardens only levy operating millage and Debt millage begins in FY 2016

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 Department of Property Appraisal

# CITY OF MIAMI GARDENS, FLORIDA

## PRINCIPAL PROPERTY TAXPAYERS

### CURRENT YEAR AND NINE YEARS AGO

(amounts expressed in thousands)

| 2019                                |                           |                                  |             |  | 2010                      |                           |                                  |             |  |
|-------------------------------------|---------------------------|----------------------------------|-------------|--|---------------------------|---------------------------|----------------------------------|-------------|--|
| <u>Taxpayer</u>                     | <u>Assessed Valuation</u> | <u>Industry or Business Type</u> | <u>Rank</u> | <u>Percentage Total Assessed Valuation</u> | <u>Taxpayer</u>           | <u>Assessed Valuation</u> | <u>Industry or Business Type</u> | <u>Rank</u> | <u>Percentage Total Assessed Valuation</u> |
| HARD ROCK STADIUM                   | \$ 276,862                | Sports & Entertainment           | 1           | 5.6%                                       | SUNLIFE STADIUM           | \$ 164,251                | Sports & Entertainment           | 1           | 3.4%                                       |
| CALDER RACE COURCE, INC.            | 55,255                    | Sports & Entertainment           | 2           | 1.1%                                       | CALDER RACECOURSE, INC    | 43,078                    | Sports & Entertainment           | 2           | 0.9%                                       |
| WALMART STORES EAST LP              | 47,693                    | Retail                           | 3           | 1.0%                                       | WALMART                   | 39,005                    | Retail                           | 3           | 0.8%                                       |
| MDH MIAMI SSIP LLC                  | 42,911                    | Real Estate                      | 4           | 0.9%                                       | CONTINENTAL EQUITIES INC  | 35,409                    | Real Estate                      | 4           | 0.7%                                       |
| DORSAN DEVELOPMENT                  | 39,993                    | Real Estate                      | 5           | 0.8%                                       | CAN AM ASSOCIATES         | 34,539                    | Real Estate                      | 5           | 0.7%                                       |
| GARDENS AND 27 LLC                  | 32,212                    | Real Estate                      | 6           | 0.7%                                       | DORSAN DEVELOPMENT        | 27,064                    | Real Estate                      | 6           | 0.6%                                       |
| 491 UNITS MIAMI GARDENS INVESTMENTS | 27,300                    | Real Estate                      | 7           | 0.6%                                       | BHI ELLINGTON LLC         | 25,196                    | Real Estate                      | 7           | 0.5%                                       |
| PARK PLAZA APARTMENT HOLDINGS LLC   | 26,060                    | Real Estate                      | 8           | 0.5%                                       | CRYSTAL LAKES INVESTMENTS | 22,023                    | Real Estate                      | 8           | 0.5%                                       |
| CAPO & SONS CORP                    | 25,760                    | Real Estate                      | 9           | 0.5%                                       | DIVINE SQUARE LW LLC      | 20,583                    | Real Estate                      | 9           | 0.4%                                       |
| ADVENIR AT WALDEN LAKE              | <u>25,530</u>             | Real Estate                      | 10          | <u>0.5%</u>                                | LAKES EDGE PARTNERS L.P.  | <u>19,500</u>             | Real Estate                      | 10          | <u>0.4%</u>                                |
|                                     | <u>\$ 599,576</u>         |                                  |             | <u>12.2%</u>                               |                           | <u>\$ 430,648</u>         |                                  |             | <u>8.9%</u>                                |

Sources: Miami-Dade County Tax Assessors' Office 2018 Tax Roll.

# CITY OF MIAMI GARDENS, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTION

### LAST TEN FISCAL YEARS

(amounts expressed in thousands)

| <b>Fiscal Year<br/>Ended<br/>September 30,</b> | <b>Total Taxes<br/>Levied for<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of Levy</b> |                                   | <b>Total Collections to Date</b> |                                   |
|--|---|---|-----------------------------------|----------------------------------|-----------------------------------|
|  |   | <b><u>Amount</u></b>                                | <b><u>Percent<br/>of Levy</u></b> | <b><u>Amount</u></b>             | <b><u>Percent<br/>of Levy</u></b> |
| 2010   | \$ 23,235   | \$ 22,494   | 96.8%                             | \$ 22,494                        | 96.8%                             |
| 2011   | 20,259  | 19,617  | 96.8%                             | 19,617                           | 96.8%                             |
| 2012   | 21,510  | 19,979  | 92.9%                             | 19,979                           | 92.9%                             |
| 2013   | 20,528  | 17,943  | 87.4%                             | 17,943                           | 87.4%                             |
| 2014   | 22,049  | 21,063  | 95.5%                             | 21,063                           | 95.5%                             |
| 2015   | 22,935  | 21,655  | 94.4%                             | 21,655                           | 94.4%                             |
| 2016   | 24,453  | 22,854  | 93.5%                             | 22,854                           | 93.5%                             |
| 2017   | 25,983  | 24,222  | 93.2%                             | 24,222                           | 93.2%                             |
| 2018   | 29,048  | 27,090  | 93.3%                             | 27,090                           | 93.3%                             |
| 2019   | 31,307  | 29,376  | 93.8%                             | 29,376                           | 93.8%                             |

*Source: City of Miami Gardens, Finance department and the Miami-Dade County Tax Collector's Office Total Adjusted Tax Levy is based on final assessed property values by Miami-Dade County.*

*Note: Department of Property Appraisal office after the Property Appraisal Adjustment Board has completed hearings on the tax roll; and before discounts.*

*Discounts Allowed:*

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

# CITY OF MIAMI GARDENS, FLORIDA

## RATIOS OF OUTSTANDING DEBT BY TYPE

### LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita)

| <u>Fiscal Year</u> | <u>Governmental Activities</u>  |                      |                        |                       | <u>Business-Type Activities</u> |                      |                       | <u>Total Primary Government</u> | <u>Percentage of Personal Income (1)</u> | <u>Per Capita (1)</u> |
|--------------------|---------------------------------|----------------------|------------------------|-----------------------|---------------------------------|----------------------|-----------------------|---------------------------------|--|-----------------------|
|                    | <u>General Obligation Bonds</u> | <u>Revenue Bonds</u> | <u>Interlocal Debt</u> | <u>Capital Leases</u> | <u>Interlocal Debt</u>          | <u>Revenue Bonds</u> | <u>Capital Leases</u> |                                 |  |                       |
| 2010               | \$ -                            | \$ 44,352            | \$ 7,775               | \$ 1,788              | \$ 8,118                        | \$ 76                | \$ -                  | 62,109                          | n/a                                      | \$ 579.55             |
| 2011               | -                               | 96,397               | 7,133                  | 365                   | 7,827                           | 58                   | -                     | 111,780                         | n/a                                      | 1,043.79              |
| 2012               | -                               | 93,008               | 6,242                  | -                     | 7,542                           | 39                   | -                     | 106,831                         | n/a                                      | 997.05                |
| 2013               | -                               | 89,084               | 5,566                  | 3,700                 | 7,245                           | 20                   | -                     | 105,615                         | n/a                                      | 983.39                |
| 2014               | 66,122                          | 85,388               | 4,877                  | 2,979                 | 7,302                           | -                    | -                     | 166,668                         | n/a                                      | 1,540.94              |
| 2015               | 64,544                          | 82,572               | 4,525                  | 2,249                 | 6,924                           | -                    | -                     | 160,814                         | n/a                                      | 1,473.32              |
| 2016               | 62,867                          | 85,703               | 4,158                  | 1,509                 | 6,532                           | -                    | -                     | 160,769                         | n/a                                      | 1,445.79              |
| 2017               | 61,135                          | 78,916               | 3,777                  | 759                   | 6,126                           | -                    | -                     | 150,713                         | n/a                                      | 1,331.38              |
| 2018               | 59,358                          | 69,697               | 3,383                  | -                     | 5,705                           | -                    | -                     | 138,143                         | n/a                                      | 1,215.75              |
| 2019               | 57,550                          | 66,437               | 2,973                  | -                     | 5,270                           | -                    | -                     | 132,230                         | n/a                                      | 1,157.03              |

*Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.*

*(1) See the Schedule of Demographic and Economic Statistics on page 103 for the personal income and population data.*

*N/A- Information not available*

# CITY OF MIAMI GARDENS, FLORIDA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

(amounts expressed in thousands)

| <u>Jurisdiction</u>               | <u>Net Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable (1)</u> | <u>Amount<br/>Applicable to<br/>Miami Gardens</u> |
|-----------------------------------|---------------------------------|--|---|
| Miami-Dade County Schools (2)     | \$ 958,461                      | 1.58%  | \$ 15,123   |
| Miami-Dade County (3)             | <u>2,070,235</u>                | 1.58%  | <u>32,664</u>                                     |
| Subtotal overlapping debt         | 3,028,696                       |  | 47,787  |
| City of Miami Gardens direct debt | <u>122,620</u>                  | 100.0%   | <u>122,620</u>                                    |
| Total direct and overlapping debt | <u>\$ 3,151,316</u>             |  | <u>\$ 170,407</u>                                 |

*Sources: (1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable property value that is within the city's boundaries and dividing it by the county's total taxable property value.*

*(2) Miami-Dade County Schools, General Finance Department*

*(3) Miami-Dade County, Finance Department*

# CITY OF MIAMI GARDENS, FLORIDA

## OUTSTANDING DEBT, LEGAL DEBT LIMIT AND COVENANTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

| <u>Amount of debt outstanding:</u>                  | <u>Governmental<br/>Activities</u> | <u>Enterprise<br/>Activities</u> |
|---|------------------------------------|----------------------------------|
| Land Acquisition Revenue Bonds, Series 2005         | \$ 3,856,355                       | \$ -                             |
| Miami Dade County Public Service Tax Revenue Bonds  | 2,972,775                          | -                                |
| Miami Dade County Stormwater Utility Bond           | -                                  | 5,269,973                        |
| Land Acquisition Revenue bond, Series 2009          | -                                  | -                                |
| Taxable Land Acquisition Revenue Bond, Series 2009B | 2,454,953                          | -                                |
| Certificate of Participation Series A-1 + A-2       | 5,180,440                          | -                                |
| General Obligation Bond Series 2014                 | 46,114,764                         | -                                |
| Taxable Land Acquisition Bond Series 2016           | 57,550,411                         | -                                |
| Capital Improvement Revenue Bonds, Series 2016      | 1,925,299                          | -                                |
| Taxable Refunding Revenue Bond Series 2019          | <u>6,905,000</u>                   | <u>-</u>                         |
| Total outstanding debt                              | <u>\$ 126,959,997</u>              | <u>\$ 5,269,973</u>              |

### Legal Debt Limit

Neither the State of Florida Constitution or Statutes, nor the City of Miami Gardens' City Charter or Code of Ordinances limit the amount of debt the City can issue.

The City is also governed by the covenants of individual revenue bonds if the city plans to issue additional parity bonds. The covenants are as follows for the following bonds:

*Land Acquisition Revenue Bonds, Series 2005*

*Land Acquisition and Improvement Revenue Bonds, Series 2007*

*Taxable Refunding Revenue Bond Series 2019 (Refunding Land Acquisition and Improvement Revenue Bonds, Series 2007)*

Additional parity bonds payable from the pledged revenues may be issued only if pledged revenues for the preceding two fiscal years equal at least 200% of the maximum debt service requirements on all existing and proposed parity bonds.

# CITY OF MIAMI GARDENS, FLORIDA

## RATIOS OF GENERAL BONDED DEBT

### LAST FIVE FISCAL YEARS

| <b><u>Fiscal Year</u></b> | <b><u>General Obligation Bonds</u></b> | <b><u>Total</u></b> | <b><u>Percentage of Estimated Actual Taxable Value</u></b> | <b><u>Per Capita</u></b> |
|---------------------------|--|---------------------|--|--------------------------|
| 2014                      | \$ 66,122,224                          | \$ 66,122,224       | 1.99%  | \$ 611                   |
| 2015                      | 64,544,862                             | 64,544,862          | 1.87%  | 591                      |
| 2016                      | 62,867,500                             | 62,867,500          | 1.73%  | 565                      |
| 2017                      | 61,135,137                             | 61,135,137          | 1.60%  | 540                      |
| 2018                      | 59,357,774                             | 59,357,774          | 1.46%  | 522                      |
| 2019                      | 57,550,411                             | 57,550,411          | 1.27%  | 504                      |

*Note: There were no General Obligation Bonds outstanding prior to fiscal year 2014.*



# CITY OF MIAMI GARDENS, FLORIDA

## PLEGGED REVENUE BOND COVERAGE

### LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Net Revenues Available</u> |                                   |                       | <u>Debt Service Requirements</u> |                 |              |                 |
|--------------------|-------------------------------|-----------------------------------|-----------------------|----------------------------------|-----------------|--------------|-----------------|
|                    | <u>Half Cent Sales Tax</u>    | <u>Communications Service Tax</u> | <u>Total Revenues</u> | <u>Principal</u>                 | <u>Interest</u> | <u>Total</u> | <u>Coverage</u> |
| 2010               | \$ 6,086,022                  | \$ 3,994,708                      | \$ 10,080,730         | \$ 1,878,470                     | \$ 1,243,936    | \$ 3,122,406 | 3.23            |
| 2011               | 6,735,084                     | 4,426,216                         | 11,161,300            | 2,520,599                        | 1,240,515       | 3,761,114    | 2.97            |
| 2012               | 6,955,225                     | 3,669,763                         | 10,624,988            | 2,606,837                        | 1,153,974       | 3,760,811    | 2.83            |
| 2013               | 7,337,557                     | 3,438,720                         | 10,776,277            | 2,715,833                        | 1,060,134       | 3,775,967    | 2.85            |
| 2014               | 7,657,123                     | 2,757,382                         | 10,414,505            | 1,736,371                        | 974,965         | 2,711,336    | 3.84            |
| 2015               | 8,030,951                     | 3,734,526                         | 11,765,477            | 1,389,374                        | 774,275         | 2,163,649    | 5.44            |
| 2016               | 8,297,899                     | 2,419,177                         | 10,717,076            | 1,442,387                        | 758,174         | 2,200,561    | 4.87            |
| 2017               | 8,424,917                     | 2,239,034                         | 10,663,951            | 1,336,356                        | 816,536         | 2,152,892    | 4.95            |
| 2018               | 8,836,779                     | 2,207,815                         | 11,044,595            | 1,382,559                        | 723,414         | 2,105,973    | 5.24            |
| 2019               | 8,992,931                     | 2,110,164                         | 11,103,095            | 8,281,970 ***                    | 704,709         | 8,986,680    | 1.24            |

| <u>Fiscal Year</u> | <u>Electricity Utility Tax</u> | <u>Total Revenues</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Coverage</u> |
|--------------------|--------------------------------|-----------------------|------------------|-----------------|--------------|-----------------|
| 2010               | 5,473,141                      | 5,473,141             | 437,301          | 656,697         | 1,093,998    | 5.00            |
| 2011               | 5,458,988                      | 5,458,988             | 434,424          | 643,210         | 1,077,634    | 5.07            |
| 2012               | 5,578,789                      | 5,578,789             | 455,634          | 622,668         | 1,078,302    | 5.17            |
| 2013               | 5,915,587                      | 5,915,587             | 478,895          | 599,121         | 1,078,016    | 5.49            |
| 2014               | 6,444,502                      | 6,444,502             | 190,456          | 594,042         | 784,497      | 8.21            |
| 2015               | 6,363,753                      | 6,363,753             | 302,421          | 241,818         | 544,240      | 11.69           |
| 2016               | 6,568,238                      | 6,568,238             | 6,622,555 *      | 207,468         | 6,830,024    | 0.96            |
| 2017               | 6,839,846                      | 6,839,846             | 491,113          | 221,544         | 712,657      | 9.60            |
| 2018               | 7,139,948                      | 7,139,948             | 6,336,115 **     | 193,031         | 6,529,146    | 1.09            |
| 2019               | 7,196,740                      | 7,196,740             | 324,388          | 212,887         | 537,275      | 13.39           |

Source: City of Miami Gardens Finance department.

\*The City refinanced Series 2009 resulted in a higher Principal payment.

\*\* The City paid off Series 2016 from sale of 15-acre parcel.

\*\*\*The City refinanced Land Acquisition Revenue Bonds Series 2007 in FY 2019 resulting in higher principal payment

**CITY OF MIAMI GARDENS, FLORIDA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

| <b><u>Fiscal Year</u></b> | <b><u>Population (1)</u></b> | <b><u>Personal Income (Amounts Expressed in Thousands)</u></b> | <b><u>Per Capita Personal Income (2)</u></b> | <b><u>Unemployment Rate (3)</u></b> |
|---------------------------|------------------------------|--|--|-------------------------------------|
| 2010                      | 107,167                      | n/a  | n/a  | 17.9                                |
| 2011                      | 107,091                      | n/a  | n/a  | 14.0                                |
| 2012                      | 107,147                      | n/a  | n/a  | 12.4                                |
| 2013                      | 107,399                      | n/a  | n/a  | 13.0                                |
| 2014                      | 108,160                      | n/a  | n/a  | 5.5                                 |
| 2015                      | 109,151                      | n/a  | n/a  | 5.0                                 |
| 2016                      | 111,198                      | n/a  | n/a  | 4.9                                 |
| 2017                      | 113,201                      | n/a/   | n/a  | 4.1                                 |
| 2018                      | 113,628                      | n/a/   | n/a  | 6.1                                 |
| 2019                      | 114,284                      | n/a  | n/a  | 4.0                                 |

*Sources: (1) State of Florida and University of Florida Bureau of Economic Research  
(2) Represents Income Per Capita for Miami-Dade County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis  
(3) Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics for Miami Metro area as of November 2019  
n/a – Information not available*

# CITY OF MIAMI GARDENS, FLORIDA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

| <u>EMPLOYER</u>              | <u>2019</u>       |             |                   | <u>2010</u>      |             |                   |
|------------------------------|-------------------|-------------|-------------------|------------------|-------------|-------------------|
|                              | <u>EMPLOYEES</u>  | <u>RANK</u> | <u>% OF TOTAL</u> | <u>EMPLOYEES</u> | <u>RANK</u> | <u>% OF TOTAL</u> |
| HARD ROCK STADIUM            | 1,512             | 1           | 29.66%            | 1,440            | 2           | 16.66%            |
| WALMART                      | 914               | 2           | 17.93%            | 820              | 3           | 9.49%             |
| CITY OF MIAMI GARDENS        | 512               | 3           | 10.05%            | 571              | 5           | 6.61%             |
| UAIC                         | 453               | 4           | 8.89%             | 430              | 6           | 4.98%             |
| ST. THOMAS UNIVERSITY        | 323               | 5           | 6.34%             | 380              | 7           | 4.40%             |
| CALDER RACETRACK             | 302               | 6           | 5.93%             | 730              | 4           | 8.45%             |
| US POST OFFICE               | 291               | 7           | 5.71%             | 137              | 13          | 1.59%             |
| LEHMAN DEALERSHIPS           | 279               | 8           | 5.47%             | 336              | 9           | 3.89%             |
| BRANDSMART USA               | 265               | 9           | 5.20%             | 270              | 10          | 3.11%             |
| FLORIDA MEMORIAL UNVIVERSITY | 246               | 10          | 4.83%             | 270              | 11          | 3.11%             |
| PRECISION RESPONSE CORP.     |                   |             |                   | 338              | 8           | 3.91%             |
| MIAM-DADE SCHOOL BOARD       | <u>          </u> |             | <u>          </u> | <u>2,921</u>     | 1           | <u>33.80%</u>     |
|                              | <u>5,097</u>      |             | <u>100.00%</u>    | <u>8,643</u>     |             | <u>100.00%</u>    |

*Source: City of Miami Gardens*

# CITY OF MIAMI GARDENS, FLORIDA

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

### LAST TEN FISCAL YEARS

| Function               | FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30, |              |              |              |              |              |              |              |              |              |
|------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                        | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  |
| General government     | 73.0   | 71.0         | 67.0         | 68.0         | 79.0         | 72.0         | 68.0         | 58.5         | 68.0         | 70.0         |
| Public safety:         |  |              |              |              |              |              |              |              |              |              |
| Police                 | 260.0  | 261.0        | 259.0        | 265.0        | 263.0        | 249.0        | 257.0        | 251.0        | 254.0        | 258.0        |
| School Crossing Guard  | 33.0   | 33.0         | 30.5         | 30.5         | 25.5         | 24.5         | 24.5         | 24.5         | 21.5         | 22.0         |
| Code enforcement       | 24.0   | 23.0         | 21.0         | 20.0         | 20.0         | 13.0         | 21.0         | 18.0         | 18.0         | 22.0         |
| Building & Planning    | 25.5   | 22.5         | 22.0         | 20.0         | 20.0         | 26.0         | 16.0         | 20.0         | 20.0         | 26.0         |
| Public Works           | 30.0   | 32.0         | 28.0         | 30.0         | 30.0         | 33.0         | 36.0         | 36.0         | 42.0         | 40.0         |
| Culture and recreation | 129.0  | 90.0         | 80.7         | 86.0         | 45.0         | 57.5         | 67.5         | 64.0         | 68.0         | 68.0         |
| Stormwater             | <u>12.0</u>  | <u>14.0</u>  | <u>14.0</u>  | <u>13.0</u>  | <u>10.0</u>  | <u>9.0</u>   | <u>9.0</u>   | <u>8.0</u>   | <u>7.0</u>   | <u>6.0</u>   |
|                        | <u>586.5</u>                                       | <u>546.5</u> | <u>522.2</u> | <u>532.5</u> | <u>492.5</u> | <u>484.0</u> | <u>499.0</u> | <u>480.0</u> | <u>498.5</u> | <u>512.0</u> |

*Source: City of Miami Gardens Finance Department*

# CITY OF MIAMI GARDENS, FLORIDA

## OPERATING INDICATORS BY FUNCTION

### LAST TEN FISCAL YEARS

| <b><u>Function/Program</u></b>            | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Public Safety</b>                      |             |             |             |             |             |             |             |             |             |             |
| Police:                                   |             |             |             |             |             |             |             |             |             |             |
| Number of emergency calls for service     | 7,254       | 8,006       | 22,788      | 20,655      | 23,077      | 22,034      | 21,879      | 22,039      | 21,922      | 21,730      |
| Number of non-emergency calls for service | 118,957     | 106,630     | 115,422     | 102,578     | 94,570      | 47,368      | 89,942      | 86,860      | 97,492      | 92,603      |
| Number of arrests                         | 5,986       | 6,280       | 5,170       | 4,871       | 4,209       | 4,534       | 2,406       | 1,873       | 2,146       | 2,322       |
| Number of uniformed officers              | 197         | 194         | 198         | 207         | 202         | 201         | 201         | 231         | 294         | 205         |
| Building & Zoning:                        |             |             |             |             |             |             |             |             |             |             |
| Number of building permits issued         | 5,900       | 5,613       | 5,547       | 4,313       | 5,273       | 4,949       | 5,959       | 6,305       | 7,740       | 9,694       |
| Certificates of Use Permits issued        | 1,754       | 1,852       | 1,171       | 1,484       | 849         | 2,059       | 1,502       | 2,481       | 1,355       | 1,452       |
| Occupational licenses issued              | 2,018       | 2,185       | 1,382       | 1,709       | 1,039       | 2,311       | 1,729       | 2,938       | 1,895       | 2,021       |
| <b>Transportation</b>                     |             |             |             |             |             |             |             |             |             |             |
| Sidewalks repaired (linear feet)          | 19,471      | 19,001      | 11,201      | 8,132       | 9,018       | 5,501       | 10,236      | 6,147       | 6,679       | 7,072       |
| Roads resurfaced ( miles)                 | 1           | 1           | -           | 7           | 28          | 50          | 60          | 11          | 60          | 65          |
| Number of trees planted                   | 1,161       | 1,157       | 98          | 539         | 12          | 124         | 236         | 278         | 619         | 53          |
| Number of potholes repaired               | 153         | 123         | 136         | 132         | 157         | 92          | 118         | 113         | 86          | 119         |
| <b>Culture and recreation</b>             |             |             |             |             |             |             |             |             |             |             |
| Number of sports programs                 | 5           | 4           | 4           | 4           | 4           | 6           | 16          | 16          | 2           | 3           |

*Sources: Various city departments*

*Note: Indicators are not available for the general government function.*

# CITY OF MIAMI GARDENS, FLORIDA

## CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM

### LAST TEN FISCAL YEARS

| <b><u>Function/Program</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> | <b><u>2014</u></b> | <b><u>2015</u></b> | <b><u>2016</u></b> | <b><u>2017</u></b> | <b><u>2018</u></b> | <b><u>2019</u></b> |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Public Safety</b>           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Police <sup>(1)</sup> :        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Police stations                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Police vehicles                | 236                | 236                | 229                | 274                | 269                | 264                | 270                | 254                | 243                | 243                |
| <b>Public works</b>            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Streets (miles-paved)          | 350.8              | 351.5              | 351.5              | 352.14             | 356.46             | 357.91             | 357.9              | 357.9              | 357.9              | 357.9              |
| Streets (miles-unpaved)        | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Miles of canals                | 12                 | 44                 | 44                 | 44                 | 44                 | 44                 | 27                 | 27                 | 27                 | 27                 |
| <b>Culture and recreation</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Parks                          | 17                 | 17                 | 17                 | 17                 | 19                 | 20                 | 20                 | 20                 | 18                 | 18                 |
| Swimming pools                 | 5                  | 5                  | 5                  | 5                  | 4                  | 2                  | 1                  | 1                  | 2                  | 3                  |
| Tennis courts                  | 14                 | 14                 | 14                 | 14                 | 14                 | 14                 | 14                 | 14                 | 11                 | 10                 |
| Playgrounds                    | 14                 | 14                 | 14                 | 14                 | 13                 | 14                 | 14                 | 14                 | 12                 | 14                 |
| Basketball courts              | 22                 | 20                 | 20                 | 20                 | 21                 | 21                 | 21                 | 21                 | 17                 | 19                 |
| Football/soccer fields         | -                  | -                  | -                  | -                  | 6                  | 7                  | 7                  | 7                  | 5                  | 5                  |
| Baseball fields                | -                  | -                  | -                  | -                  | 6                  | 6                  | 6                  | 6                  | 5                  | 5                  |
| Cricket pitches                | -                  | -                  | -                  | -                  | 3                  | 3                  | 3                  | 3                  | 3                  | 3                  |

*Sources: Various city departments*



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## **COMPLIANCE SECTION**

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# ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

To the Honorable Mayor and Members of the City Council  
City of Miami Gardens, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Gardens, Florida, (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 8, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Miami, Florida  
May 8, 2020



# ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

To the Honorable Mayor and Members of the City Council  
City of Miami Gardens, Florida

### Report on Compliance for Each Major Federal Program and State Project

We have audited City of Miami Gardens, Florida's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2019. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs and state projects.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

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## Opinion on Each Major Federal and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program or state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 8 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and state projects is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Miami, Florida  
May 8, 2020

**CITY OF MIAMI GARDENS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:

**Unmodified**

- Material weakness(es) identified? \_\_\_ Yes    X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? \_\_\_ Yes    X None Reported
- Noncompliance material to financial statements noted? \_\_\_ Yes    X No

**Federal Awards and State Financial Assistance**

Internal control over major Federal programs and State projects:

- Material weakness(es) identified? \_\_\_ Yes    X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? \_\_\_ Yes    X None Reported

**Type of Auditors' Report issued on Compliance for Major Federal Programs and State Projects:**

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Section 516 of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General*?

\_\_\_ Yes    X No

**Identification of Major Federal Programs and State Projects:**

| <u>CFDA Numbers</u> | <u>Name of Federal Programs</u>                          |
|---------------------|--|
| 93.738              | Racial and Ethnic Approaches to Community Health (REACH) |
| 16.751              | Edward Byrne Memorial Competitive Grant Program          |

| <u>CSFA Number</u> | <u>Name of State Assistance</u> |
|--------------------|---------------------------------|
| 55.039             | Local Transportation Projects   |

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

X Yes    \_\_\_ No

**CITY OF MIAMI GARDENS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**Section II - Financial Statement —Current Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the current year.

**Section III - Financial Statement —Prior Year Findings**

There were no findings during the prior year.

**Section IV - Federal Award —Current Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the current year.

**Section V - Federal Award —Prior Year Findings and Questioned Costs**

There were no findings and questioned costs noted during the prior year.

**CITY OF MIAMI GARDENS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

|   | <u>CDEA</u> | <u>Contract<br/>Number/Pass-<br/>Through Entity<br/>Identifying Number</u> | <u>Expenditures</u> | <u>Passed<br/>Through<br/>to Sub-<br/>Recipients</u> |
|---|-------------|--|---------------------|--|
| <b>Direct Programs:</b>   |             |  |                     |  |
| <b><u>U.S. Department of Justice</u></b>  |             |  |                     |  |
| Public Safety Partnership and Community Policing Grants   | 16.710      | 2014-UM-WX-0037  | \$ 382,692          | \$ -   |
| Edward Byrne Memorial Competitive Grant Program   | 16.751      | 2017-DJ-BX-0778  | 57,296              | -  |
| Edward Byrne Memorial Competitive Grant Program   | 16.751      | 2018-DJ-BX-0643  | <u>53,537</u>       | <u>-</u>   |
| <b>Total U.S. Department of Justice</b>   |             |  | <u>493,525</u>      | <u>-</u>   |
| <b><u>U.S. Department of Health and Human Services</u></b>  |             |  |                     |  |
| PPHF: Racial and Ethnic Approaches to Community Health Program<br>financed solely by Public Prevention and Health Funds | 93.738      | 18NU58DP006601   | 544,257             | -  |
| <b>Indirect Programs:</b>   |             |  |                     |  |
| <b><u>U.S. Department of Housing and Urban Development</u></b>  |             |  |                     |  |
| <b>Passed Through State of Florida</b>  |             |  |                     |  |
| <b>Department of Community Affairs:</b>   |             |  |                     |  |
| Community Development Block Grants/Entitlement Grants   | 14.218      | B-14-MC-12-0052  | 31,529              | -  |
| Community Development Block Grants/Entitlement Grants   | 14.218      | B-15-MC-12-0053  | 299,777             | -  |
| Community Development Block Grants/Entitlement Grants   | 14.218      | B-16-MC-12-0054  | 464,648             | -  |
| Community Development Block Grants/Entitlement Grants   | 14.218      | B-17-MC-12-0052  | 429,534             | -  |
| Community Development Block Grants/Entitlement Grants   | 14.218      | B-18-MC-12-0052  | 213,277             | 165,795  |
| Neighborhood Stabilization Program  | 14.218      | B-08-MN-12-0017  | <u>238,598</u>      | <u>-</u>   |
| <b>Total U.S. Department of Housing &amp; Urban Development</b>   |             |  | <u>1,677,363</u>    | <u>165,795</u>                                       |
| <b><u>U.S. Department of Justice</u></b>  |             |  |                     |  |
| <b>Passed Through the State of Florida,<br/>Office of the Attorney General:</b>   |             |  |                     |  |
| Crime Victim Assistance   | 16.575      | VOCA-2018-CITY OF<br>MIAMI GARDENS-<br>00362                               | <u>98,753</u>       | <u>-</u>   |
| <b>Total U.S. Department of Justice</b>   |             |  | <u>98,753</u>       | <u>-</u>   |
| <b><u>U.S. Department of Homeland Security</u></b>  |             |  |                     |  |
| <b>Passed Through the City of Miami:</b>  |             |  |                     |  |
| Homeland Security Grant Program   | 97.067      | 18-DS-X3-11-23-02-<br>376  | <u>113,200</u>      | <u>-</u>   |
| <b>Total U.S. Department of Homeland Security</b>   |             |  | <u>113,200</u>      | <u>-</u>   |
| <b><u>Florida Department of Transportation (FDOT)</u></b>   |             |  |                     |  |
| <b>Passed Through the State of Florida,<br/>Department of Transportation</b>  |             |  |                     |  |
| Highway Planning and Construction   | 20.205      | G0R36  | <u>82,325</u>       | <u>-</u>   |
| <b>Total Florida Department of Transportation</b>   |             |  | <u>82,325</u>       | <u>-</u>   |
| <b>Total Expenditures of Federal Awards</b>   |             |  | <u>\$ 3,009,423</u> | <u>\$ 165,795</u>                                    |



**CITY OF MIAMI GARDENS  
SCHEDULE STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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| <u>State Grantor/ Pass Through Grantor Programs</u>                | <u>CSFA<br/>Number</u> | <u>Contract<br/>Number/ Pass-<br/>Through Entity<br/>Identifying<br/>Number</u> | <u>Expenditures</u>  | <u>Passed<br/>Through to<br/>Sub-<br/>Recipients</u> |
|--|------------------------|---|----------------------|--|
| <b><u>Florida Housing Finance Corporation</u></b>                  |                        |   |                      |  |
| State Housing Initiative Partnership Program (SHIP)                | 40.901                 | N/A   | \$ 194,619           | \$ -   |
| <i>Total State Housing Initiative Program</i>                      |                        |   | <u>194,619</u>       | <u>-</u>   |
| <b><u>Florida Department of Transportation (FDOT)</u></b>          |                        |   |                      |  |
| Local Transportation Projects                                      | 55.039                 | G0T88   | 14,941,563           | -  |
| <i>Total Florida Department of Transportation</i>                  |                        |   | <u>14,941,563</u>    | <u>-</u>   |
| <b><u>Florida Department of Environmental Protection (DEP)</u></b> |                        |   |                      |  |
| Statewide Surface Water Restoration & Wastewater Projects          | 37.039                 | LP1320B   | 244,321              | -  |
| Statewide Surface Water Restoration & Wastewater Projects          | 37.039                 | LPA0026   | <u>17,910</u>        | <u>-</u>   |
|  |                        |   | <u>262,231</u>       | <u>-</u>   |
| <b>Total Expenditures of State Financial Awards</b>                |                        |   | <u>\$ 15,398,413</u> | <u>\$ -</u>  |

**CITY OF MIAMI GARDENS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**Note 1 - General**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal awards programs and state projects of City of Miami Gardens, Florida, (the "City") for the year ended September 30, 2019. All federal awards and state projects expended from federal and state agencies are included in these Schedules.

**Note 2 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include the federal and state grant activities of the City and is presented on the accrual basis of accounting. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in these Schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note 3 - Indirect Cost Rate**

The City has elected to use the 10 percent de minimus cost rate.



# ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

To the Honorable Mayor and Member of the City Council  
City of Miami Gardens, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Miami Gardens, Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated April 24, 2020.

### Auditor's 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's 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; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) 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 and schedule, which are dated May 8, 2020, 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 in the preceding 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. The name or official title and legal authority of the Primary government are disclosed in the notes to the financial statements.

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### Miramar

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[info@abcpasolutions.com](mailto:info@abcpasolutions.com)

801 Brickell Avenue | Suite 900  
Miami, Florida 33131  
(305) 789-6673

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City'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.

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 that we address 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 note any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor, Members of the City Council and officials of the City, and is not intended to be and should not be used by anyone other than these specified parties.



Miami, Florida  
May 8, 2020



# ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor and Member of the City Council  
City of Miami Gardens, Florida

We have examined the City of Miami Gardens (the "City") compliance with the requirements of Section 218.415, Florida Statutes during the period ended September 30, 2019. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City'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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City 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 City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, Section 218.415 Florida Statutes compliance requirements; during the period of October 1, 2018 to September 30, 2019.

This report is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Honorable Mayor, Members of the City Council and officials of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida  
May 8, 2020

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### Miramar

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# City of Miami Gardens

*Oliver Gilbert*  
Mayor

May 29, 2020

*Rodney Harris*  
Vice Mayor

*Erhabor Ighodaro, Ph.D.*  
Council Member

*Reggie Leon*  
Council Member

*Lillie Q. Odom*  
Council Member

*David Williams, Jr.*  
Council Member

*Katrina Wilson*  
Council Member

I, Lisa Fuentes, Assistant Finance Director, of the City of Miami Gardens for fiscal year ending September 30, 2019 certified that the City's Impact Fee ordinance is in compliance with the restrictions of Section 163.31801 Florida Statute.

Lisa Fuentes

Before me appeared Lisa Fuentes, Assistant Finance Director, of the City of Miami Gardens, who is personally know to me.

Sworn before me this 2 day of June, 2020.

Signed:

Notary Public



Teneil Lewin  
Commission # GG144213  
Expires: September 19, 2021  
Bonded thru Aaren Notary

*Cameron D. Benson*  
City Manager

*Mario Bataille, CMC*  
City Clerk

*Sonja K. Dickens*  
City Attorney