



2020

Comprehensive Financial Annual Report

**City of Miami Springs
Fiscal Year Ending
September 30th, 2020**

Prepared By: Finance Department



CITY OF MIAMI SPRINGS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

CITY OF MIAMI SPRINGS



City Manager's Office
201 Westward Drive
Miami Springs, FL 33166-5289
Phone: (305) 805-5010
Fax: (305) 805-5040

February 23, 2021

To the Citizens of the City of Miami Springs:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Miami Springs, Florida, for the fiscal year ending September 30, 2020, as required and mandated by 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 in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The financial statements have been audited by Caballero Fierman Llerena & Garcia, LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that this report fairly represents the financial position of the City in conformity with GAAP. The management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Miami Springs is a political subdivision of the State of Florida located in Miami-Dade County (the "County") which was incorporated in 1926. The City operates under a City Manager form of government in which the City elects five council members, one of whom is the Mayor, every two years. The City Council determines the policies that guide the City's operations and hires a City Manager to implement and administer these policies on a full-time basis.

The City of Miami Springs provides a wide range of municipal services including public safety, parks and recreation programs/facilities, solid waste collection, stormwater management, senior citizen services and facility, building, zoning, planning, code enforcement, and golf course management.

ECONOMIC CONDITION AND OUTLOOK

The City of Miami Springs is located in Southeast Florida, Miami-Dade County, immediately north and bordering the Miami International Airport. The City, primarily residential in nature, comprises approximately 3 square miles with approximately 14,000 full-time residents. The southern-most area of the City, located along the 36th Street business corridor, is primarily commercial in nature with hotels, restaurants and office complexes. These facilities primarily service the airport and support industries related to the facility and its employees.

The City of Miami Springs has been successful in providing a high quality of life for its residents, by enhancing the level of services being offered. In addition to the increased efforts to enhance services, the City has also provided increased benefits to its employees, since it would not be possible to continue to provide these valuable services without the retention of its valuable employees.

The Administration recognizes the importance of increasing its commercial tax base, for FY2020 the commercial portion of the total assessed values was 34% compared to 24% back in FY2009. The City continues to attract new hotel and other commercial developments in order to continue increasing its commercial tax base thereby improving the City's future economic health as well as reducing the tax burden on the residents. To this end, the

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

City is continuing to pursue the viability of annexing areas west of the City, aggressively pursuing the re-development of the NW 36th Street corridor, and considering various improvements to the rest of our commercial areas.

During the past few years assessed property values have been steadily increasing. For FY2020 assessed property values increased to \$1,323,844,235 or an increase of approximately \$80 million or 6.4% from the \$1,243,714,481 in final taxable value for the prior fiscal year. It is anticipated that property values will continue to increase due to the desirability of the small-town aspect of the city as well as its close proximity to the Miami International Airport and to Greater Downtown Miami.

The biggest challenge facing the city in the coming year or longer is the concern of the effects of the COVID-19 pandemic on the overall economy, presently these effects are unpredictable. This pandemic has had a significant negative impact on businesses in our city and the high unemployment rates has caused financial hardships on many of our residents. Until cases of COVID-19 begin to diminish and lives begin going back to a 'New Normal', the negative financial effects of the pandemic on our city will not start to reverse course.

In FY2020, the City signed a new three-year agreement with its police union.

The Council and Administration's efforts in prior years to increase the City's reserves provided the City with an adequate reserve fund that has been used to fund various infrastructure projects that our aging city required, as well as equipment replacement city-wide. The City continues to concentrate efforts on reducing expenditures and/or increasing efficiencies in order to meet the challenges described above. The City has outsourced some operations during the past few years that resulted in cost reductions and increased efficiency.

LONG TERM FINANCIAL PLAN

In fiscal year 2010, the City Council adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be equal to 25% of the operating expenditures and transfers out budgeted for the General Fund in the subsequent year. The total unassigned fund balance at the end of FY2020 is \$4,844,772 or approximately \$317,772 higher than our required minimum of \$4,527,000 in order to meet the 25% requirement. In accordance with this adopted policy, the city was in compliance with the 25% requirement at the end of FY 2020,

The City is pursuing grant and other funding opportunities to provide needed infrastructure improvements to the City, including funding for canal bank restoration, the South Royal Poinciana Median project, East Drive Stormwater and road improvement project, sidewalk and road projects, and other city infrastructure needs.

FINANCIAL INFORMATION

Accounting Control

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with policy and implementation 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 departmental level within each fund. 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, which are based upon established and accepted accounting policies and procedures as well as the number of funds required.

FINANCIAL INFORMATION (CONTINUED)

Budgetary Controls

The annual budget serves as the foundation for the City of Miami Springs' 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 presents the proposed departmental budgets to the City Council for their review along with a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their budget questions. A majority affirmative vote of the City Council is needed to adopt the budget, which is legally enacted prior to October 1st by the adoption of a Resolution. The City Manager and Finance Director may recommend amendments to the budget; however, the City Council must approve all budget adjustments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations. Budgetary control is maintained at the fund level, except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. All non-major governmental funds, with appropriated annual budgets, are presented in the combining and individual fund section of this report, which starts on page 82.

As shown by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management

The City of Miami Springs is charged with the security of the City's funds and assets with the goal of maximizing return on surplus or idle cash. Cash management policies are clearly identified in the adopted budget documents along with regulations defined by the laws of the State of Florida. The City's primary investment instrument for Fiscal Year 2019-20 was money market instruments. The principal focus of cash management is to first ensure the safety of the City's cash, liquidity and then maximizing the return on the City's investments. No investment is made for any commitment period exceeding one year. During Fiscal Year 2020, the City earned \$66,328 in investment income, as compared to \$58,432 earned in Fiscal Year 2019.

Debt Administration

The City has no General Obligation debt outstanding, the following is a brief description of the various debt instruments outstanding as of September 30, 2020.

On February 27, 2015, the City issued the Capital Improvement Refunding Revenue Note Series 2015 in an amount of \$7,554,000 with SunTrust Bank. The proceeds were used as follows: \$1,986,733 was used to refund the \$2,435,812 Capital Improvement Refunding Revenue Note Series 2010 with SunTrust Bank, and \$5,567,267 was used to fund the construction of a new aquatic facility. The refunding note has a fixed interest rate of 3.07% and matures on February 1, 2030. The refunding note is payable solely from and secured by the City's Public Service Tax Revenues and Franchise Fee Revenues. The City achieved a cash flow difference and an economic gain of approximately \$67,719 as a result of the refunding. The balance at September 30, 2020 was \$5,194,000.

On April 28, 2017, the City issued the Capital Improvement Revenue Note Series 2017 in an amount of \$448,500 with Branch Banking and Trust (BB&T). The proceeds were used to fund the Westward Bike Path project. The note has a fixed interest rate of 2.13% and matures on April 1, 2024. The note is payable solely from and secured by the City's Transportation Surtax revenues. The balance at September 30, 2020 was \$240,268.

On July 30, 2019, the City issued the Capital Improvement Revenue Note Series 2019 in an amount of \$5,000,000 with CenterState bank, N.A. The proceeds were used to fund the construction of a new senior center and lighting for the Curtis mansion parking lot. The note has a fixed interest rate of 2.65% and matures on October 1, 2039. The note is payable solely from and secured by the City's Local Government Half-Cent Sales Tax revenues. The balance at September 30, 2020 was \$5,000,000.

FINANCIAL INFORMATION (CONTINUED)

Debt Administration (Continued)

On March 9, 2018, the city executed a \$62,561 capital lease with City National Bank. The lease has an interest rate of 3.1%, matures on March 9, 2022, and is collateralized by the equipment purchased under the lease. The funds were used to acquire a new recreation bus. Under the terms of the lease, the City is required to make 8 semi-annual payments of principal and interest in the amount of \$8,375 commencing on September 9, 2018 and ending with a final payment of \$8,375 on March 9, 2022. The balance as of September 30, 2020 was \$24,602.

On April 30, 2014, the City executed a \$1,606,244 capital lease with Green Campus Partners, LLC. The lease has an interest rate of 3.6134%, matures on February 1, 2030, and is collateralized by the equipment purchased under the lease. The funds were used to fund the purchase of equipment which was part of the Guaranteed Energy, Water, and Wastewater Performance Savings Contract executed by the City with BGA, Inc. Under the terms of the Lease, the City is required to make one hundred and eighty (180) monthly payments of principal and interest in varying amounts beginning with \$9,749 on March 1, 2015 and ending with the final payment of \$14,843 on February 1, 2030. Payments are not required from execution date (April 30, 2014) up to first payment date (March 1, 2015), during this period interest will be capitalized. The balance as of September 30, 2020 was \$1,245,401.

On November 13, 2015, the City executed a \$362,500 capital lease with SunTrust Equipment Finance & Leasing Corp. The lease has an interest rate of 2.3%, matures on November 13, 2020, and is collateralized by the equipment purchased under the lease. The funds were used to purchase sanitation trucks and maintenance equipment for the golf course and recreation departments. Under the terms of the Lease, the City is required to make twenty (20) quarterly payments of principal and interest in the amount of \$19,239 commencing on February 13, 2016 and ending with the final payment of \$19,239 on November 13, 2020. The balance as of September 30, 2020 was \$19,129.

On December 13, 2016, the City executed a \$173,120 capital lease with SunTrust Equipment Finance & Leasing Corp. The lease has an interest rate of 2.44%, matures on December 14, 2021, and is collateralized by the equipment purchased under the lease. The funds were used to purchase two trash dump trucks for the sanitation operation. Under the terms of the Lease, the City is required to make twenty (20) quarterly payments of principal and interest in the amount of \$9,221 commencing on March 14, 2017 and ending with the final payment of \$9,221 on December 14, 2021. The balance as of September 30, 2020 was \$45,274.

On November 2, 2018, the City executed a \$1,470,472 capital lease with Bank of America, National Association. The lease has an interest rate of 3.0812%, matures on November 2, 2023, and is collateralized by the equipment purchased under the lease. The funds were used to purchase police vehicles and software as well as maintenance equipment for the golf course. Under the terms of the Lease, the City is required to make twenty (20) quarterly payments of principal and interest in the amount of \$79,615 commencing on February 2, 2019 and ending with the final payment of \$79,615 on November 2, 2030. The balance as of September 30, 2020 was \$981,269.

On November 12, 2019, the City executed a \$555,419 capital lease with BB&T Bank. The lease has an interest rate of 2.12%, matures on November 1, 2024, and is collateralized by the equipment purchased under the lease. The funds were used to purchase equipment for the police, recreation, golf and public works operations. Under the terms of the Lease, the City is required to make twenty (20) quarterly payments of principal and interest in the amount of \$29,319.93 commencing on February 1, 2020 and ending with the final payment of \$29,319.93 on November 1, 2024. The balance as of September 30, 2020 was \$476,441.

Risk Management

The City purchases general liability, automobile, property, casualty insurance and workers' compensation coverages through the Florida League of Cities. The City is continually reviewing risk exposures and determining the most cost-effective method of mitigating those exposures.

MAJOR INITIATIVES

The 2020-21 budget is providing funding for the acquisition of a police K-9 unit, funding for tree planting and tree trimming citywide, and for resurfacing of the city's tennis courts.

During FY2020, the City had nearly completed the construction of a new Elderly Services/Multi-purpose building to service our Seniors.

The City is maintaining financial stability with fiscal management controls by constantly reviewing and monitoring staff levels, and by comparing budget appropriations to actual expenditures and estimated revenues to actual revenues. The City maintains a level of revenue sufficient to meet operating expenditures. Each year the City also monitors all user fees to ensure that costs are being matched while at the same time remaining competitive in the marketplace.

INDEPENDENT AUDIT

In accordance with Florida Statutes Section 218.39, the City has engaged the firm of Caballero Fierman Llerena & Garcia, LLP, to perform the independent audit of the City's financial statements. The Independent Auditors' report is included in the financial section of this Comprehensive Annual Financial Report.

AWARDS AND ACKNOWLEDGEMENTS

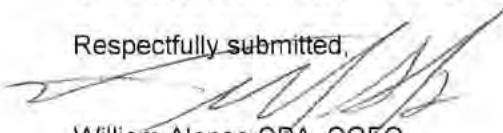
This year the City applied for the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental Finance Officers Association of the United States and Canada ("GFOA"). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. 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 year only. We believe that our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for the certificate.

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

Respectfully submitted,



William Alonso CPA, CGFO
City Manager/Finance Director



Tammy Romero
Assistant City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Miami Springs
Florida**

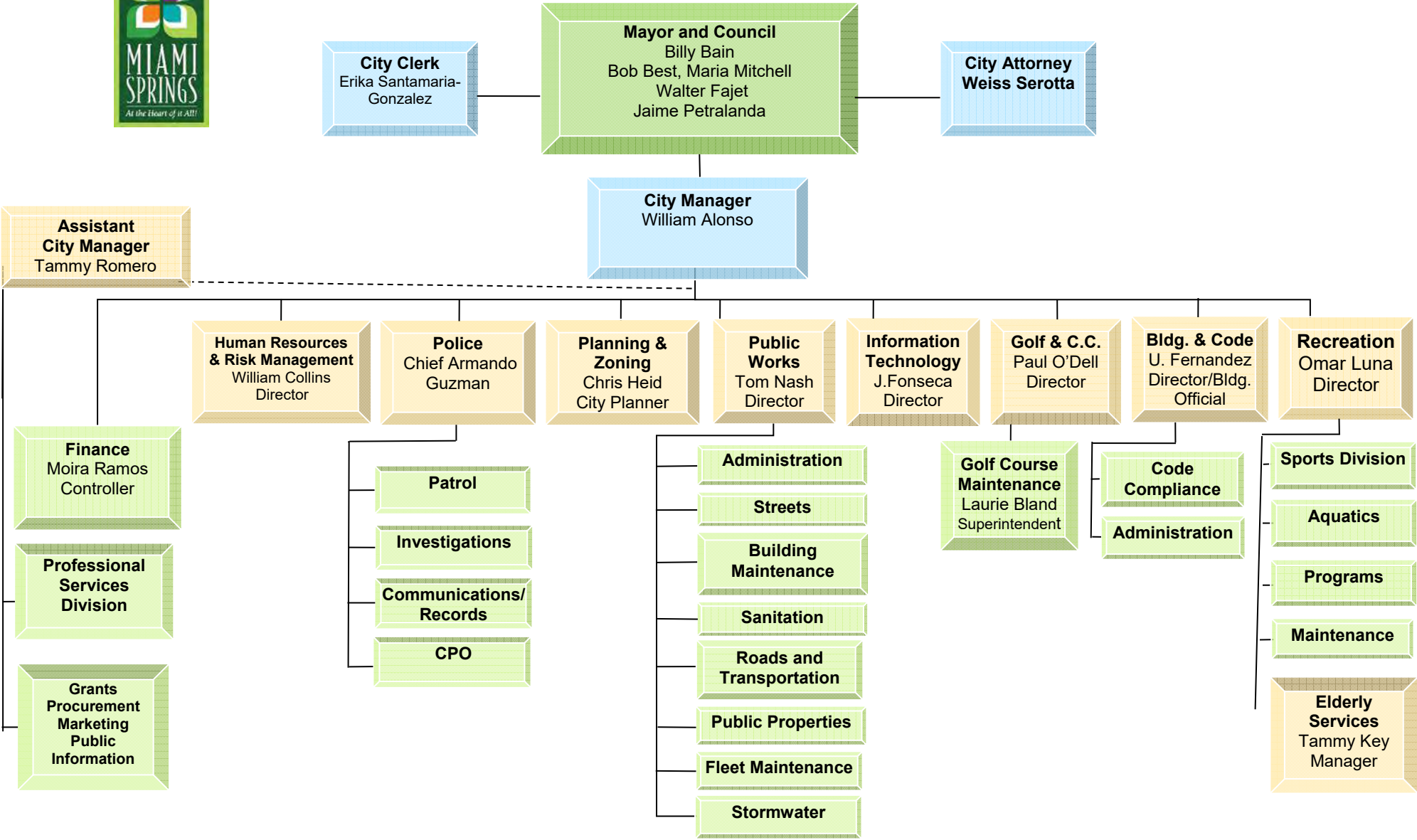
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

City of Miami Springs Organizational Chart 2019 - 2020



MIAMI SPRINGS CITY OFFICIALS

CITY COUNCIL

Mayor: Billy Bain

Councilwoman: Maria Puente Mitchell

Councilman: Jaime Petralanda

Councilman: Bob Best

Councilwoman: Walter Fajet

CITY MANAGER/FINANCE DIRECTOR

William Alonso CPA, CGFO

CITY ATTORNEY

Weiss, Serotta, Helfman

CITY CLERK

Erika Gonzalez Santamaria

ASSISTANT CITY MANAGER

Tammy Romero

EXTERNAL AUDITORS

Caballero Fierman Llerena & Garcia, LLP

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Miami Springs, 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 Springs (the "City") as of and for the fiscal year ended September 30, 2020, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-18, budgetary comparison information on pages 74-77, the pension schedules on pages 78-81, and the OPEB schedule on page 82 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 state financial assistance is presented for the purpose of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*, 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 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 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 Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2021, 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
February 23, 2021

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

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

As management of the City of Miami Springs, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year which ended on September 30, 2020. Readers are encouraged to consider the information presented herein in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to v of this report.

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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 resources of the City's Governmental Activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25.6 million (net position). Unrestricted net position was a deficit of \$368,320 compared to a deficit of \$4.0 million net position at the end of FY2019.
- The City's total net position increased by \$71,697 from \$27,079,355 in FY2019 to \$27,151,052 in FY2020. The increase is attributable to the overall decrease of \$243,997 from the City's business-type activities, coupled with an increase of \$315,694 in net position of the governmental activities.
- During the year, the City had expenditures that were \$4,713,570 higher than the \$20.1 million generated in tax and other revenues for governmental funds.
- The business-type activities for the City recognized an operating loss before non-operating revenues, expenses, and transfers of \$257,629.
- Total cost of all of the City's programs increased by approximately \$716,158 or 3.2%. The increase was due to the costs incurred during the COVID-19 pandemic as well as the mold remediation work done at the City Hall building during this year.
- The General Fund's fund balance decreased by \$148,695 for the fiscal year ended September 30, 2020; this decrease was a result of decreases in tax revenues as well as increases in expenses due to the COVID-19 pandemic as well as a \$500,000 city hall renovation project to mitigate mold within the building.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was approximately \$4.8 million, or approximately 30% of total General Fund expenditures. The committed fund balance was \$86,000 which represents future costs related to the golf course cart barn and an electric charging station.
- The City's total debt decreased by approximately \$1 million or 7.3% (net of principal payments on existing debt). This decrease was due primarily to the principal payments during the fiscal year as well as the City executing a Lease with BB&T Bank for the purchase of equipment and citywide improvements.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

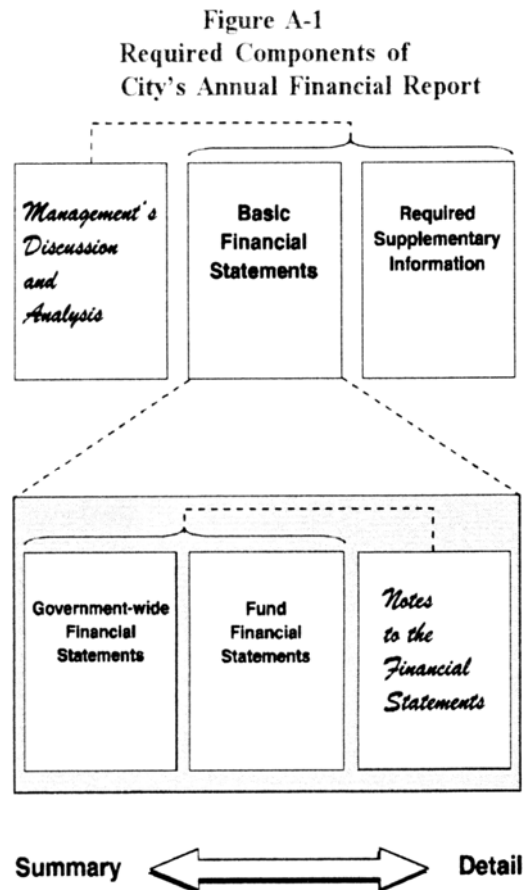
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include 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.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the stormwater utility and solid waste system.

The financial statements also include *notes* that explain 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 nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

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

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position.



CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Miami Springs 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 Springs include public works, parks and recreation, police, and general administration services. The business-type activities of City include the solid waste system and stormwater utility.

The government-wide financial statements can be found on pages 19-20 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Miami Springs, 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 Springs can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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*.

The City of Miami Springs 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 Building Fund, the Capital projects Fund and the Hurricane 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 the nonmajor 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 special revenue funds to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 21-24 of this report.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise 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 sanitation and stormwater utility 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 separate information for the solid waste and stormwater utility operations, all of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like the used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-73 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found on pages 74-82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 83 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 investment 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 increase 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 in capital assets.
- 6) **Reduction of capital assets through depreciation** will reduce capital assets, and net investment in capital assets.

The City's combined net position increased by 0.4% between fiscal years 2019 and 2020 (see Table 1).

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities

The Net Position for the City's governmental activities increased by \$315,694 or 1.2% to \$25.6 million which is attributable to current year operations. The largest portion of the City's governmental net position, \$23.7 million is restricted as to the purpose they can be used for and are classified as net investment in capital assets (land, buildings, streets, sidewalks, and equipment). The City uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's governmental net position (\$2.3 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of \$368,320.

Table 1
City of Miami Springs' Net Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	
Current and other assets	\$12.6	\$ 8.5	\$(0.7)	\$ (0.8)	\$11.9	\$ 7.7	(35.3)%
Capital assets	32.2	36.3	3.2	3.0	35.4	39.3	11.0%
Total assets	44.8	44.8	2.5	2.2	47.3	47.0	0.6%
Deferred outflows	3.0	2.3	0.2	0.2	3.2	2.5	(21.9)%
Long-term debt	16.1	15.9	0.4	0.5	16.6	16.4	(1.2)%
Other liabilities	3.1	3.8	0.3	0.2	3.4	4.0	17.7%
Total liabilities	19.2	19.7	0.7	0.7	20.0	20.4	2.0%
Deferred inflows	3.2	1.9	0.2	0.1	3.5	2.0	(42.9)%
Net position							
Net Investment in capital assets	23.1	23.7	3.0	2.9	26.1	26.6	1.9%
Restricted	6.3	2.3	-	-	6.3	2.3	(63.5)%
Unrestricted	(4.1)	(0.4)	(1.2)	(1.4)	(5.3)	(1.8)	(66.0)%
Total net position	\$ 25.3	\$ 25.6	\$1.7	\$1.5	\$27.0	\$27.1	0.4%

At the end of the current fiscal year, the City of Miami Springs was able to report positive balances in two of the three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The deficit balance reported for unrestricted net position is due to the implementation of GASB 68 in FY 2015 and GASB 75 in FY 2018, as discussed earlier.

Summary of Changes in net position. The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) **Economic condition** can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) The City Council has significant authority to set **increases or decreases in City's rates** (stormwater, sanitation, permitting, user fees, etc.).
- 3) **Changing patterns in intergovernmental and grant revenues** (both recurring and non-recurring) can significantly change and impact the annual comparisons.

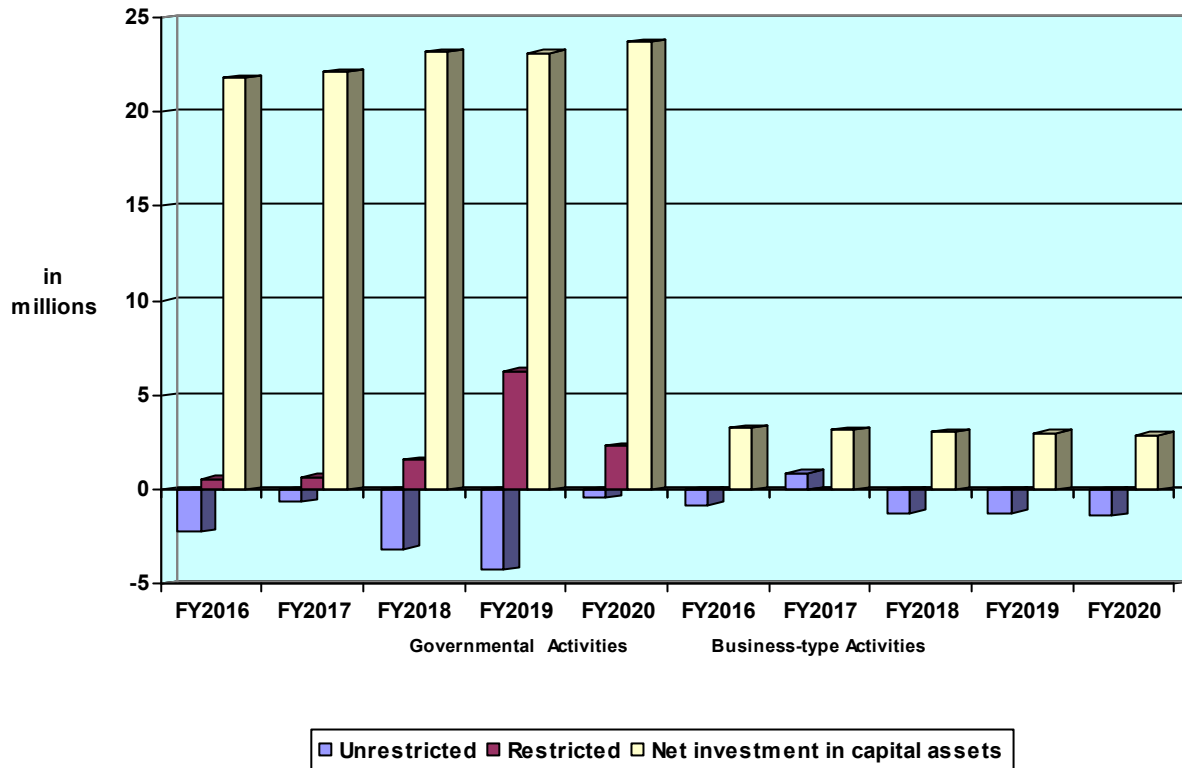
CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

- 4) **Market impacts on investment income** may cause investment revenues to fluctuate from the prior year.

Figure A-2
NET POSITION COMPARISON



Some other basic impacts on expenses are reflected below:

- 1) **Introduction of new programs** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent approximately 65% of the City's General Fund operating costs.
- 3) **Salary increases** such as cost of living, performance increases and market adjustments can impact personal service costs.
- 4) **While inflation** appears to be declining now, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functional expenses did experience unusually high commodity specific increases this past year.

The City's total governmental net position increased by \$315,694 to approximately \$25.6 million for the current fiscal-year. This indicates that ongoing expenses were less than ongoing revenues.

The City's total revenues decreased by 10.6% to \$22.9 million (see Table 2). This decrease was due primarily to decreases in operating grants related to FEMA reimbursements for Hurricane Irma costs.

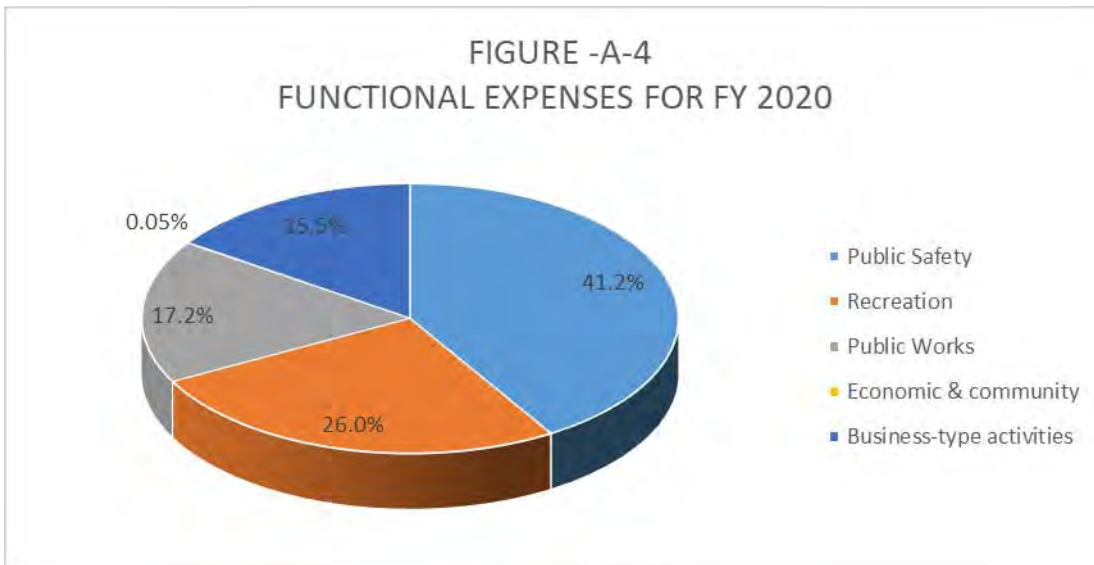
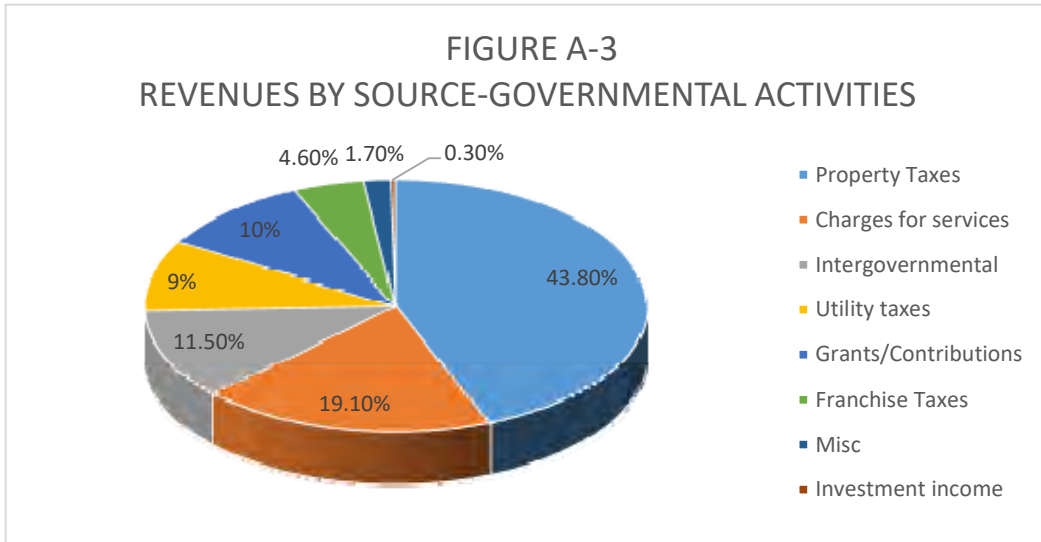
CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

Approximately 43.8% of the City's revenues come from property taxes, and 57.4 cents of every dollar raised comes from some type of tax (see Figure A-3). Another 19.1% comes from fees charged for services, and 11.5% comes from federal, state and local aid. Total costs of all programs and services decreased by approximately \$600,000, or 3.1% (see Table 3).

The City's expenses cover a range of services; with about 41.2% related to public safety and business-type activities (see Figure A-4).



CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

Revenues for the City's governmental activities decreased 11.8% (from \$22.8 million to \$20.1 million), while the expenses increased 3.1% (\$19.2 million to \$19.8 million). The increase in net position for governmental activities was \$315,694 in 2020. This compares to an increase of \$3,650,728 in 2019. Key elements of the 2020 revenue increases are as follows:

- Operating grants and contributions decreased by \$1.9 million due to FEMA reimbursements for Hurricane Irma costs in FY2019.
- Charges for services decreased by \$1 million due to the closure of the golf course during the COVID-19 pandemic which also caused a loss of revenues in Parks and Recreation due to the cancellation of various summer programs

The functional activities that had expense increases compared to last fiscal year were:

- Public Safety increased by approximately \$700,000 or 9.6% over 2019 due to an increase in bad debt allowance for unpaid code enforcement violations.

Table 2
Changes in City of Miami Springs' Net Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
Revenues							
Program revenues							
Charges for services	\$4.8	\$3.8	\$2.8	\$2.8	\$7.6	\$6.6	(13.2)%
Operating grants and contributions	2.7	0.8	--	--	2.7	0.8	(70.4)%
Capital grants and contributions	0.5	1.3	--	--	0.5	1.3	160%
General revenues							
Property taxes	8.6	8.8	--	--	8.6	8.8	2.3%
Franchise taxes	1.0	0.9	--	--	1.0	0.9	(10)%
Utility taxes	1.8	1.8	--	--	1.8	1.8	-
Investment & other income	0.8	0.4	--	--	0.8	0.4	(50)%
Intergovernmental	2.6	2.3	--	--	2.6	2.3	(11.5)%
Total revenues	22.8	20.1	2.8	2.8	25.6	22.9	(10.6)%
Expenses							
General government	2.7	2.7	--	--	2.7	3.0	11.1%
Public safety	7.3	8.3	--	--	7.3	8.0	9.6%
Public works	3.1	3.3	2.9	3.0	5.8	6.3	8.6%
Parks and recreation	5.8	5.1	--	--	5.8	5.1	(12.1)%
Economic & community development	0.01	0.01	--	--	0.01	0.01	-
Interest on long-debt	0.3	0.4	--	--	0.3	0.4	33.3%
Total expenses	19.2	19.8	2.9	3.0	22.1	22.8	3.2%
Increase (decrease) in net position	3.6	0.3	(0.2)	(0.2)	3.5	0.1	(97.1)%
Net position, September 30	\$25.3	\$25.6	\$1.7	\$1.5	\$27.1	\$27.1	-%

Note: Totals may not add due to rounding.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

In FY 2020, the City's millage rate was 7.33, which is the same rate as in FY 2019. The City's total General Fund revenue sources were \$745,454 lower than the final budgeted revenues of \$17.8 million. The total expenditures were less than budgeted by \$1,131,112 due to staff vacancies and unused departmental expenditures.

Table 3 presents the cost of each of the City's five largest services—public safety, general government, recreation and social services, public works, and community development—as well as each service's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these services.

- The total cost of all *governmental* activities this year was \$19.8 million. Some of that cost was financed by:
 - Those who directly benefited from the programs through charges for services (\$3.8 million)
 - Other governments and organizations that subsidized certain programs from operating grants and contributions (\$2.1 million).
- The City financed the remaining \$13.9 million “public benefit” portion of governmental activities with \$11.5 million in taxes, and with other revenues such as interest and unrestricted state aid.

Table 3
Net Cost of the City's Governmental Activities
(in millions of dollars)

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2020	2019-2020	2019	2020	2019-2020
Public safety	7.3	8.3	13.7%	\$ 6.2	\$7.1	14.5%
Recreation/social services	5.8	5.1	(12.1)%	3.0	2.1	(30)%
General government	2.7	2.7	-0-%	0.9	0.9	-0-%
Public works	3.1	3.3	(6.5)%	0.8	3.3	312.5%
Community development	.01	.01	-0-%	.01	.01	-%
Interest on long term debt	0.3	0.4	33.3%	0.3	0.4	33.3%
Total	\$19.2	\$19.8	3.1%	\$11.2	\$14.0	25%

Business-type Activities

For FY 2020, there was a decrease of \$181,785 in unrestricted net position and a decrease of \$243,997 in total net position reported in connection with the City's business-type activities.

Key elements of these changes are as follows:

- The operating loss for all business-type activities was \$257,629.
- The sanitation operation posted an operating loss of \$202,887. As was the case last year, this operation was self-supporting and did not require a General Fund subsidy.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Business-type Activities (Continued)

- The stormwater utility operation reflected an operating loss of \$41,109 and required no subsidy from the City's General Fund.

For FY2020, revenues of the City's business-type activities were \$2,782,787 or \$18,440 (0.6%) lower than the prior year total (see Table 2). This decrease was due to an increase in collection fees from the County.

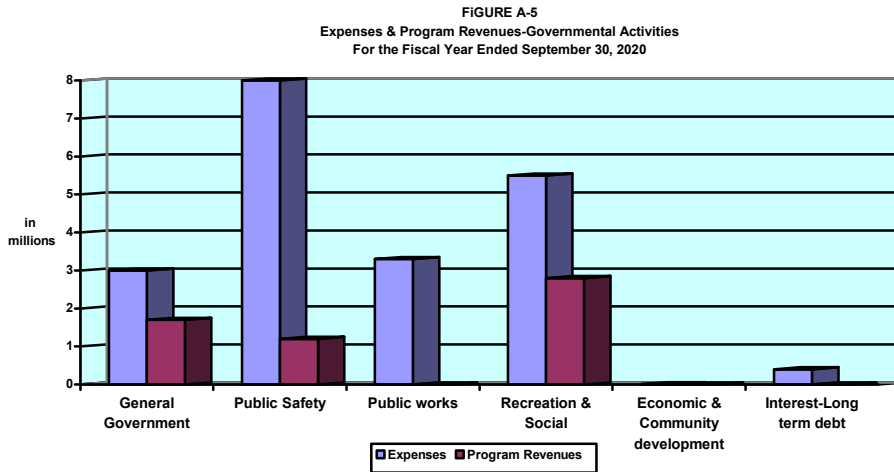
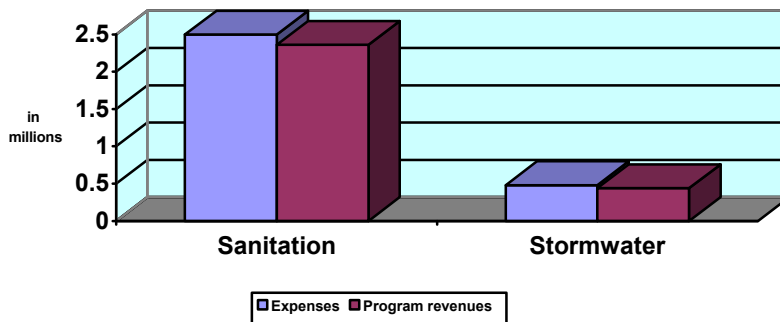


Figure A-6

Expenses & Program Revenues-Business-type Activities For the Fiscal Year Ended September 30, 2020



Operating expenses for the business-type activities increased by \$90,978 or 3.1% from FY2019 mainly due to increases in operating costs and OPEB and pension expenses.

As the City completed the year, its governmental funds reported combined fund balances of \$7.4 million, or a decrease of \$4.2 million compared to last year's combined fund balances of \$11.6 million. Included in this year's total change, is a decrease in the General Fund balance of approximately

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Business-type Activities (Continued)

\$148,695. The primary reasons for the increase are the same as those that have already been highlighted in the analysis of governmental activities. The Capital Projects fund reported fund balance of \$658,408 or a decrease of approx. \$3.9 million from FY2019 due to the completion of the construction of a new senior center facility. The Building Fund reported fund balance of \$1.35 million or a decrease of \$170,055 due to increased building inspection activity supported by consultant services for inspection from the new hotels and residential apartment projects started in prior years.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The General Fund

The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or by contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, the total fund balance of the General Fund was \$5.1 million, as compared with \$5.3 million in the prior year. The breakdown of fund balance classifications is as follows:

- Unassigned fund balance was \$4.8 million compared to \$5.0 million in FY2019; this decrease was a result of costs incurred due to the COVID-19 pandemic as well as the costs of mold remediation at our City hall facility.
- Committed fund balance was \$86,000 compared to \$80,000 in FY2019; increase is due to funds appropriated during FY2020 for the golf course cart barn and an electric vehicle charging station.
- Non-spendable was \$204,676 compared to \$216,375 in FY2019; variance is due to a decrease in inventories at fiscal year-end.

During FY 2020, the General Fund provided a subsidy of \$222,524 to the Senior Center Fund to cover the operating deficits of this operation for the fiscal year.

When compared to 2019, total revenues for the General Fund decreased by \$759,169 or 4.3%. Property taxes increased by \$203,845 due to an increase in assessed values for the year. Charges for services decreased by \$497,316 or 18.7% due to the closure of the golf course and recreation programs during the pandemic.

In fiscal year 2020, total General Fund expenditures decreased by \$750,326 or 4.4% compared to the prior year. The bulk of the decrease was a \$1,047,860 or 20.2% decrease in Recreation due in part to a reduction in capital outlay due to the acquisition in FY2019 of new golf course equipment, and \$534,156 or 7.2% in Public Safety due to decreased operating costs from vacant positions during the year. It should be noted that other departments reported slight increases in expenditures due to higher than expected operating costs.

The amount of General Fund revenue by type, their percent of the total and the amount of change compared to last fiscal year are shown on Table 4 below.

Over the course of the year, the City amended the General Fund budget four times. The budget amendments fall into two categories:(1) Amendments are approved for rollovers related to prior year

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

General Fund Budgetary Highlights (Continued)

encumbrances and (2) supplemental appropriations to provide appropriations for various other needs which have arisen since the adoption of the budget.

Even with these adjustments, actual disbursements were \$1,131,112 below final budgeted amounts. The most significant contributor to this variance was lower than budgeted expenditures in public safety of \$411,467, public works of \$164,363, general government of \$148,742, and \$406,540 in recreation all due to lower operating costs.

The fiscal year 2020 final amended budget was \$17,706,245 or an increase of 8.2% over the original General Fund budget of \$16,358,702. Compared to the Consumer Price Index (or inflation index) from the U.S. Bureau of Labor Statistics – All Urban Consumers South Urban area for the past year was approximately 1.4%. The final Adopted Budget would provide a decrease of \$649,608 to our year end fund balance. The original General Fund budget consisted of \$17,706,245 in base expenditures and \$1,257,191 in operating transfers to the other funds.

Table 4
General Fund Revenues

<u>Revenue Sources</u>	2019		2020		Increase (Decrease) From 2019	Percentage Increase (Decrease)
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>		
Property taxes	\$ 8,596,839	48.4%	\$ 8,800,684	51.7%	\$ 203,845	-2.4%
Franchise fees	984,311	5.5%	920,053	5.4%	(64,258)	-6.5%
Utility taxes	1,284,487	7.2%	1,316,221	7.7%	31,734	2.5%
Communications service tax	509,629	2.9%	492,563	2.9%	(17,066)	-3.3%
Licenses and permits	157,131	0.9%	127,440	0.7%	(29,691)	-18.9%
Intergovernmental	2,071,813	11.7%	2,102,560	12.4%	30,747	1.5%
Charges for services	2,660,186	15.0%	2,162,870	12.7%	(497,316)	-18.7%
Fines and forfeitures	1,003,660	5.6%	744,036	4.4%	(259,624)	-25.9%
Investment income	43,812	0.2%	42,767	0.3%	(1,045)	-2.4%
Rental revenues	206,316	1.2%	174,570	1.0%	(31,746)	-15.7%
Other revenues	253,940	1.4%	129,191	0.8%	(124,749)	-49.1%
Total revenues	\$ 17,772,124	100.0%	\$ 17,012,955	100.0%	\$ (759,169)	-4.3%

Expenditures in the General Fund are shown in the table below:

Table 5
General Fund Expenditures

<u>Expenditures</u>	2019		2020		Increase (Decrease) From 2019	Percentage Increase (Decrease)
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>		
General government services	\$ 2,307,091	13.7%	\$ 2,590,227	16.1%	\$ 283,136	12.3%
Public safety	7,449,448	44.1%	6,915,292	42.9%	(534,156)	-7.2%
Public works	1,947,961	11.5%	2,496,416	15.5%	548,455	28.2%
Recreation and social services	5,182,158	30.7%	4,134,398	25.6%	(1,047,760)	-20.2%
Total expenditures	\$ 16,886,658	100.0%	\$ 16,136,333	100.0%	\$ (750,325)	-4.4%

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

General Fund Budgetary Highlights (Continued)

Differences between the original budget and the final amended budget increased appropriations by \$1,347,543 and can be briefly summarized as follows:

- \$306,597 in encumbrances carried over from FY2018-19.
- \$555,419 for a capital lease to purchase equipment for various departments.
- \$324,773 for mold remediation at City hall
- \$160,754 in additional appropriations related to miscellaneous Citywide repair and maintenance expenditures and other Citywide projects approved by council during the year.

These increases were to be budgeted from available fund balance and debt proceeds, however, during the year, expenditures were less than budgetary estimates, thus reducing the amount of unassigned fund balance that needed to be used.

The decrease between the estimated revenues and the actual revenues in the General Fund was approximately \$745,454 for FY 2020.

The difference between the appropriations and the actual expenditures in the General Fund was approximately \$1,131,112 for fiscal year 2020. These variances are explained below:

- Lower than budgeted expenditures in public works of \$164,363, public safety of \$411,467 and Recreation of \$406,540, due to personnel vacancies during the year as well as lower operating costs.

Other Major Governmental Funds

Building Fund- This fund is used to account for all revenues and expenditures of the City's Building Department. During the year the fund reported revenues of \$820,820 mainly from permit fees. Expenditures for the year totaled \$990,875. The fund balance at year end was \$1,350,613.

Capital Projects Fund- This fund is used to account city-wide capital projects such as the new Senior Center building and the parking lot lighting at the Curtis Mansion. All of these projects are being financed through issuance of debt as well as grants. During the year the fund reported revenues of \$1,251,844 mainly from grants. Expenditures for the year totaled \$5,117,674. The fund balance at year end was \$658,408 and will be appropriated in FY2020 for the completion of these projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets (See Table 6). The City of Miami Springs' investment in capital assets for its governmental and business type activities as of September 30, 2020 increased by \$3.9 million from the prior year. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements, park facilities, and stormwater infrastructure.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Table 6
City of Miami Springs' Capital Assets
(net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-2020
Land	\$ 3.1	\$ 3.1	\$ -	\$ -	\$ 3.1	\$ 3.1	0.0%
Buildings	17.8	17.4	-	-	17.8	17.4	-2.2%
Improvements other than buildings	2.0	2.0	-	-	2.0	2.0	0.0%
Equipment	3.1	2.9	0.8	0.8	3.9	3.7	5.1%
Infrastructure	4.9	4.6	2.3	2.2	7.2	6.8	-5.5%
Construction in progress	1.3	6.2	-	-	1.3	6.2	520.0%
Total	\$ 32.2	\$ 36.2	\$ 3.1	\$ 3.0	\$ 35.3	\$ 39.2	11.0%

This year's major capital asset additions before depreciation for the governmental activities equaled approximately \$5,718,369 and includes the following:

- Scheduled replacement of certain police vehicles and other police equipment and software, public works equipment, and other Citywide equipment and infrastructure.
- Construction of the new Senior center building project.

This year major capital asset additions before depreciation for the business-type activities were \$152,348, and includes the following:

- Acquisition of a new trash vehicle for the sanitation department.

Additional information on the City's capital assets can be found in Note 5 on pages 51-52 of this report.

Long-term debt. At fiscal year-end the City had \$10.4 million in notes payable and \$2.9 million in capital leases payable, as shown in Table 7. Total debt decreased by approximately 500,000 or 3.6%. This decrease was due to principal payments during the year, as well as the execution of a \$555,419 lease with BB&T Bank for the purchase of equipment.

The debt position of the City is summarized below and is more fully explained in Note 6, Long-Term Debt, beginning on page 52.

Table 7
City of Miami Springs' Debt
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019-20
Notes payable	\$10.9	\$10.4	-	-	\$10.9	\$10.4	(4.6%)
Capital lease payable	2.7	2.8	0.2	0.1	2.9	2.9	-
Total	\$13.6	\$13.2	\$0.2	\$0.1	\$13.8	\$13.3	(3.6%)

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATIOS

The City of Miami Springs is a residential community, single family community. As such, standard economic indicators used to determine the overall health of a community are slightly different for Miami Springs. The City recognizes the importance of increasing its commercial tax base, for FY2020 the commercial portion of the total assessed values was 34% compared to 24% back in FY2009. The City continues to attract new hotel and other commercial developments in order to continue increasing its commercial tax base. Quality recreational activities, including the City's golf course, community center, and new aquatic facility support the residents' requirements for high standards and outstanding recreation and leisure activities. This, along with its own public safety department, provides a higher standard of living than that which is found in surrounding municipalities.

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

On January 29, 2008 the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property. Amendment 1 became effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009. Additional tax relief bills are expected to be introduced at the upcoming legislative session which could, if ratified, further limit the extent to which municipalities can levy taxes.

Revenues (excluding transfers) in the FY 2021 adopted General Fund budget are \$18 million, an increase of approximately 5.9% from the FY 2020 actual revenues of \$17 million. Fines and forfeitures account for most of this decrease.

Fiscal year 2021 budgeted expenditures and transfers are expected to be \$18.2 million, or 2.8%, higher than the fiscal year 2020 actual of \$17.7 million. Given the current economic conditions, the City's budgetary General Fund balance is expected to report a decrease of approx. \$182,496 in FY2020-21.

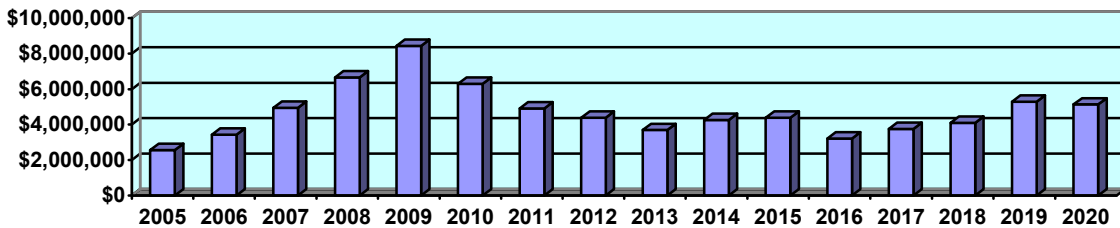
During the current fiscal year, the total fund balance in the General Fund was \$5.1 million compared to \$5.3 million from last year. This \$5.1 million is approximately equal to 3.4 months of General Fund budgeted expenditures. Between fiscal years 2005 and 2020, the City, as can be seen at Figure A-7, rebuilt its fund balance to over \$5.1 million. During the past 5 fiscal years the City has been using reserves to fund repairs and/or replacement of its aging infrastructure as well as replacement of aging equipment in its golf course, police and public works operations. The City also used reserves in FY2016 to pay-off the Golf Course note.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATIOS (CONTINUED)

In 1995, the State of Florida limited all local governments' ability to increase property taxable values in any given year to 3 percent or cost of living, whichever is lower. Figure A-8 illustrates that the City has maintained a stable property tax rate for the past three years. For many years, 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.

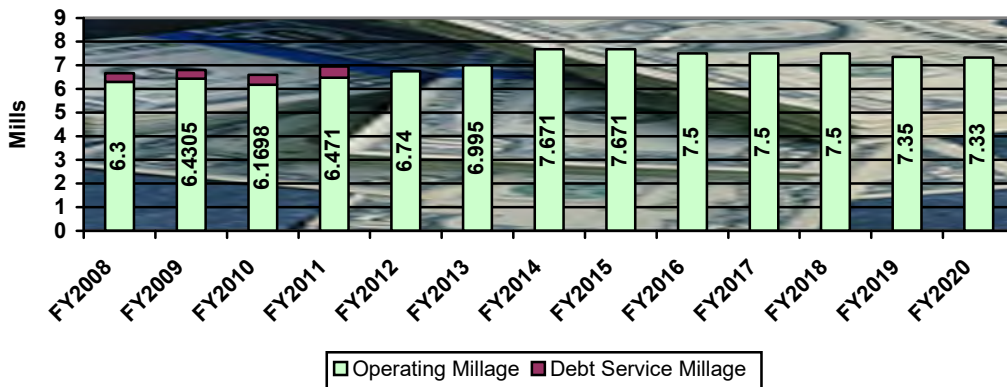
Figure A-7
General Fund Unrestricted Surplus (Deficit)
For the fiscal year ended September 30,



The operating millage rate for tax year 2020, which is collected in fiscal year 2021, is 7.3300 or \$7.33 per thousand dollars of taxable value. Overall, the adopted budget is an economical and prudent financial plan that will ensure quality public services and needed capital improvements for all residents, both today and in the future.

Property values for fiscal year 2020 were \$1,323,842,345 or an increase of approximately \$80 million or 6.4% from the \$1,243,714,481 in final taxable value for the prior fiscal year.

Figure A-8
Total City Millage



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.miamisprings-fl.gov. If you have questions about the report or need additional financial information, contact William Alonso, CPA, CGFO, City Manager/Finance Director, City of Miami Springs, 201 Westward Drive, Miami Springs, Florida 33166.

BASIC FINANCIAL STATEMENTS

CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equity in pooled cash and investments	\$ 2,460,729	\$ -	\$ 2,460,729
Accounts receivable - net	2,279,880	293,015	2,572,895
Internal balances	1,120,150	(1,120,150)	-
Inventories	204,676	6,584	211,260
Restricted assets:			
Cash and equity in pooled cash and investments	2,497,758	-	2,497,758
Capital assets:			
Land	3,085,904	-	3,085,904
Construction in progress	6,249,198	-	6,249,198
Building	23,798,424	-	23,798,424
Equipment	10,411,919	2,409,407	12,821,326
Improvements other than building	5,411,051	5,325,229	10,736,280
Infrastructure	19,311,210	-	19,311,210
Total capital assets	68,267,706	7,734,636	76,002,342
Less accumulated depreciation	(31,956,337)	(4,737,841)	(36,694,178)
Total capital assets - net	36,311,369	2,996,795	39,308,164
TOTAL ASSETS	44,874,562	2,176,244	47,050,806
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	2,135,053	202,093	2,337,146
OPEB	182,135	22,566	204,701
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,317,188	224,659	2,541,847
LIABILITIES			
Accounts payable and accrued expenses	477,667	22,232	499,899
Accrued payroll	273,146	78,717	351,863
Customer deposits-payable with restricted assets	26,054	-	26,054
Unearned revenue	260,965	-	260,965
Noncurrent liabilities:			
Due within One Year:			
Bonds and Loans Payable	1,308,756	52,500	1,361,256
Compensated Absences	1,422,926	72,659	1,495,585
Due in More Than One Year:			
Bonds and Loans Payable	11,861,711	9,165	11,870,876
Compensated Absences	455,028	45,572	500,600
Other Post Employment Benefits	2,509,598	310,925	2,820,523
Net pension liability	1,022,153	154,078	1,176,231
TOTAL LIABILITIES	19,618,004	745,848	20,363,852
DEFERRED INFLOWS OF RESOURCES			
Taxes received in advance	72,982	-	72,982
Related to pensions	1,704,731	126,242	1,830,973
OPEB	154,635	19,159	173,794
TOTAL DEFERRED INFLOWS OF RESOURCES	1,932,348	145,401	2,077,749
NET POSITION			
Net investment in capital assets	23,662,463	2,935,130	26,597,593
Restricted for:			
Building operation	1,350,613	-	1,350,613
Law Enforcement	336,037	-	336,037
Capital Projects	658,408	-	658,408
Senior Center	2,197	-	2,197
Unrestricted	(368,320)	(1,425,476)	(1,793,796)
TOTAL NET POSITION	\$ 25,641,398	\$ 1,509,654	\$ 27,151,052

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Expenses	\$ 2,704,311	\$ 1,709,058	\$ -	\$ (995,253)	\$ -	(995,253)
General government	8,291,917	773,786	456,841	(7,061,290)	-	(7,061,290)
Public safety	3,338,752	-	-	(3,338,752)	-	(3,338,752)
Public works	5,057,688	1,349,341	295,848	(2,150,948)	-	(2,150,948)
Recreation and social services	7,780	-	1,261,551	(7,780)	-	(7,780)
Economic and community development	403,520	-	-	(403,520)	-	(403,520)
Interest on long-term debt	19,803,968	3,832,185	752,689	(13,957,543)	-	(13,957,543)
Total governmental activities						

Functions/programs
Governmental activities:
 General government
 Public safety
 Public works
 Recreation and social services
 Economic and community development
 Interest on long-term debt
 Total governmental activities

Sanitation	2,562,974	2,343,729	-	-	(219,245)	(219,245)
Stormwater	479,667	438,558	-	-	(41,109)	(41,109)
Total business activities	3,042,641	2,782,287	-	-	(260,354)	(260,354)
Total	\$ 22,846,609	\$ 6,614,472	\$ 752,689	\$ (13,957,543)	\$ (260,354)	\$ (14,217,897)

Business-type activities:
 Sanitation
 Stormwater
 Total business activities
 Total

General revenues:		
Property taxes, levied for general purpose	\$ 8,800,684	\$ 8,800,684
Utility taxes	1,808,784	1,808,784
Franchise fees on gross receipts	920,053	920,053
Intergovernmental (unrestricted)	2,336,404	2,336,404
Investment income	65,056	2,382
Other	342,256	13,975
Total general revenues	14,273,237	16,357
Change in net position	315,694	(243,997)
Net position, October 1	25,325,704	1,753,651
Net position, September 30	\$ 25,641,398	\$ 1,509,654

CITY OF MIAMI SPRINGS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Major Funds					Total Governmental Funds
	General	Building Fund	Capital Projects	Other Governmental Funds		
ASSETS						
Cash and equity in pooled cash and investments	\$ 2,460,729	\$ -	\$ -	\$ -	\$ -	\$ 2,460,729
Accounts receivable - net	1,602,034	-	380,917	296,929	-	2,279,880
Inventories	204,676	-	-	-	-	204,676
Due from other funds	1,388,686	-	-	-	-	1,388,686
Restricted assets:						
Cash and equity in pooled cash and investments	-	1,638,290	521,561	337,907	-	2,497,758
Total assets	\$ 5,656,125	\$ 1,638,290	\$ 902,478	\$ 634,836	\$ -	\$ 8,831,729
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 161,294	\$ 17,871	\$ 244,070	\$ 54,432	\$ -	\$ 477,667
Accrued payroll	260,347	8,841	-	3,958	-	273,146
Due to other funds	-	-	-	268,536	-	268,536
Other liabilities	26,054	-	-	-	-	26,054
Unearned revenues	-	260,965	-	-	-	260,965
Total liabilities	447,695	287,677	244,070	326,926	-	1,306,368
DEFERRED INFLOWS OF RESOURCES						
Taxes received in advance	72,982	-	-	-	-	72,982
Total deferred inflows of resources	72,982	-	-	-	-	72,982
FUND BALANCES						
Nonspendable	204,676	-	-	-	-	204,676
Restricted	-	1,350,613	658,408	336,156	-	2,345,177
Committed	86,000	-	-	-	-	86,000
Assigned	-	-	-	2,197	-	2,197
Unassigned	4,844,772	-	-	(30,443)	-	4,814,329
Total fund balances	5,135,448	1,350,613	658,408	307,910	-	7,452,379
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,656,125	\$ 1,638,290	\$ 902,478	\$ 634,836	\$ -	\$ 8,831,729

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

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

Total fund balances - governmental funds (Page 21)		\$ 7,452,379
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	68,267,706	
Less accumulated depreciation	<u>(31,956,337)</u>	36,311,369
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Notes payable	(13,170,467)	
OPEB liability	(2,509,598)	
Net pension liability	(1,022,153)	
Compensated absences	<u>(1,877,954)</u>	(18,580,172)
Deferred inflows/outflows of resources reported in the statement of net position:		
Deferred inflows/outflows		<u>457,822</u>
Net position of governmental activities (Page 19)		<u>\$ 25,641,398</u>

CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Major Funds				Total Governmental Funds
	General	Building Fund	Capital Projects	Other Governmental Funds	
Revenues:					
Taxes and franchise fees	\$ 9,720,737	\$ -	\$ -	\$ -	\$ 9,720,737
Charges for services	2,162,870	-	-	37,822	2,200,692
Public service taxes	1,808,784	-	-	-	1,808,784
Intergovernmental	2,102,560	-	1,239,049	842,800	4,184,409
Licenses and permits	127,440	774,185	-	-	901,625
Fines and forfeitures	744,036	-	-	150,378	894,414
Investment income	42,767	8,385	12,795	1,109	65,056
Other	303,761	38,250	-	2,184	344,195
Total revenues	<u>17,012,955</u>	<u>820,820</u>	<u>1,251,844</u>	<u>1,034,293</u>	<u>20,119,912</u>
Expenditures:					
Current:					
General government	2,308,086	-	-	7,025	2,315,111
Public safety	6,942,233	867,990	-	69,940	7,880,163
Public works	2,472,084	-	-	516,057	2,988,141
Recreation and social services	3,981,645	-	3,202	536,507	4,521,354
Debt service:					
Principal retirement	-	-	-	1,006,824	1,006,824
Interest and fiscal charges	-	-	-	403,520	403,520
Capital outlay:					
General government	2,599	-	-	-	2,599
Public safety	252,603	122,885	-	-	375,488
Public works	24,330	-	-	-	24,330
Recreation and social services	152,753	-	5,114,472	48,727	5,315,952
Total expenditures	<u>16,136,333</u>	<u>990,875</u>	<u>5,117,674</u>	<u>2,588,600</u>	<u>24,833,482</u>
Excess (Deficiency) of revenues over expenditures before other financing (uses) sources	<u>876,622</u>	<u>(170,055)</u>	<u>(3,865,830)</u>	<u>(1,554,307)</u>	<u>(4,713,570)</u>
Other financing sources (uses):					
Issuance of debt	555,419	-	-	-	555,419
Transfers in	-	-	-	1,650,778	1,650,778
Transfers out	(1,580,736)	-	-	(70,042)	(1,650,778)
Total other financing sources (uses)	<u>(1,025,317)</u>	<u>-</u>	<u>-</u>	<u>1,580,736</u>	<u>555,419</u>
Net change in fund balances	<u>(148,695)</u>	<u>(170,055)</u>	<u>(3,865,830)</u>	<u>26,429</u>	<u>(4,158,151)</u>
Fund balances - beginning	<u>5,284,143</u>	<u>1,520,668</u>	<u>4,524,238</u>	<u>281,481</u>	<u>11,610,530</u>
Fund balances - ending	<u>\$ 5,135,448</u>	<u>\$ 1,350,613</u>	<u>\$ 658,408</u>	<u>\$ 307,910</u>	<u>\$ 7,452,379</u>

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances - total government funds (Page 22)		\$ (4,158,151)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays	5,718,369	
Less current year depreciation	<u>(1,604,978)</u>	4,113,391

Net effect of various miscellaneous transactions involving capital assets (ie:sales, trade-ins, capital outlay not meeting threshold)		(251)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in OPEB liability	(166,389)	
Change in Net Pension Liability	(361,490)	
Change in Compensated Absences	(275,807)	
Change in Deferred Inflows	1,385,425	
Change in Deferred Outflows	<u>(672,439)</u>	\$ (90,700)

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

Principal payments	1,006,824	
Issuance of debt	<u>(555,419)</u>	<u>451,405</u>

Change in net position of governmental activities (Page 20)		<u>\$ 315,694</u>
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CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
ASSETS			
Current assets:			
Inventories	\$ 6,584	\$ -	\$ 6,584
Accounts receivable - net	<u>198,332</u>	<u>94,683</u>	<u>293,015</u>
Total current assets	<u>204,916</u>	<u>94,683</u>	<u>299,599</u>
Non-current assets:			
Capital assets:			
Equipment	2,070,921	338,486	2,409,407
Infrastructure	-	<u>5,325,229</u>	<u>5,325,229</u>
Total capital assets	<u>2,070,921</u>	<u>5,663,715</u>	<u>7,734,636</u>
Less accumulated depreciation	<u>(1,383,368)</u>	<u>(3,354,473)</u>	<u>(4,737,841)</u>
Total noncurrent assets	<u>687,553</u>	<u>2,309,242</u>	<u>2,996,795</u>
Total assets	<u>892,469</u>	<u>2,403,925</u>	<u>3,296,394</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	173,297	28,796	202,093
OPEB	<u>19,342</u>	<u>3,224</u>	<u>22,566</u>
Total deferred outflows of resources	<u>192,639</u>	<u>32,020</u>	<u>224,659</u>
LIABILITIES			
Current liabilities:			
Accounts payable	22,232	-	22,232
Due to other funds	929,176	190,974	1,120,150
Accrued liabilities	75,871	2,846	78,717
Current portion of notes payable	52,500	-	52,500
Compensated absences	<u>63,158</u>	<u>9,501</u>	<u>72,659</u>
Total current liabilities	<u>1,142,937</u>	<u>203,321</u>	<u>1,346,258</u>
Non-current liabilities:			
OPEB Liability	266,508	44,417	310,925
Notes payable	9,165	-	9,165
Net pension liability	132,123	21,955	154,078
Compensated absences	<u>35,624</u>	<u>9,948</u>	<u>45,572</u>
Total noncurrent liabilities	<u>443,420</u>	<u>76,320</u>	<u>519,740</u>
Total liabilities	<u>1,586,357</u>	<u>279,641</u>	<u>1,865,998</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	108,254	17,988	126,242
OPEB	<u>16,422</u>	<u>2,737</u>	<u>19,159</u>
Total deferred inflows of resources	<u>124,676</u>	<u>20,725</u>	<u>145,401</u>
NET POSITION			
Net investment in capital assets	625,888	2,309,242	2,935,130
Unrestricted	<u>(1,251,813)</u>	<u>(173,663)</u>	<u>(1,425,476)</u>
Total net position	<u>\$ (625,925)</u>	<u>\$ 2,135,579</u>	<u>\$ 1,509,654</u>

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 2,343,729	\$ 438,558	\$ 2,782,287
Total operating revenues	<u>2,343,729</u>	<u>438,558</u>	<u>2,782,287</u>
Operating expenses:			
Administrative costs	1,165,468	195,236	1,360,704
Operations and maintenance	398,042	125,266	523,308
Disposal and recycling costs	840,233	-	840,233
Depreciation and amortization	156,506	159,165	315,671
Total operating expenses	<u>2,560,249</u>	<u>479,667</u>	<u>3,039,916</u>
Operating income (loss)	<u>(216,520)</u>	<u>(41,109)</u>	<u>(257,629)</u>
Non-operating revenues (expenses):			
Interest income	2,382	-	2,382
Gain on sale of capital assets	13,975	-	13,975
Interest expense and fees	<u>(2,725)</u>	<u>-</u>	<u>(2,725)</u>
Total non-operating expenses	<u>13,632</u>	<u>-</u>	<u>13,632</u>
Change in net position	(202,888)	(41,109)	(243,997)
Total net position, October 1	<u>(423,037)</u>	<u>2,176,688</u>	<u>1,753,651</u>
Total net position, September 30	<u>\$ (625,925)</u>	<u>\$ 2,135,579</u>	<u>\$ 1,509,654</u>

See notes to basic financial statements.

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers, governments and other funds	\$ 2,664,709	\$ 319,939	\$ 2,984,648
Cash paid to suppliers	(1,295,861)	(130,347)	(1,426,208)
Cash paid to employees	(759,017)	(129,592)	(888,609)
Payments for interfund services used	(370,000)	(60,000)	(430,000)
Net cash provided (used in) by operating activities	<u>239,831</u>	<u>-</u>	<u>239,831</u>
Cash Flows From Capital And Related Financing Activities:			
Acquisition of capital assets	(152,348)	-	(152,348)
Principal retirements of capital debt	(101,113)	-	(101,113)
Proceeds from sale of capital assets	13,973	-	13,973
Interest paid on capital debt	(2,725)	-	(2,725)
Net cash (used in) capital and related financing activities	<u>(242,213)</u>	<u>-</u>	<u>(242,213)</u>
Cash Flows From Investing Activities:			
Interest and other income	2,382	-	2,382
Net cash provided by investing activities	<u>2,382</u>	<u>-</u>	<u>2,382</u>
Net (Decrease) In Pooled Cash and Investments	-	-	-
Pooled Cash And Investments, October 1	-	-	-
Pooled Cash And Investments, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation Of Operating Loss To Net Cash Provided By Operating Activities:			
Operating (loss)	\$ (216,520)	\$ (41,109)	\$ (257,629)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization	156,506	159,165	315,671
Change in assets and liabilities:			
Decrease in accounts receivable	12,457	4,671	17,128
Increase in deferred outflows	28,784	4,778	33,562
Increase in inventories	(4,509)	-	(4,509)
(Decrease) increase in accounts payable	(82,830)	(12)	(82,842)
Increase in accrued liabilities	62,141	650	62,791
Increase (Decrease) in compensated absences	(443)	74	(369)
Increase in OPEB liabilities	17,670	2,944	20,614
Decrease in pension liability	94,711	15,738	110,449
Increase in deferred inflows	(89,440)	(14,862)	(104,302)
Increase (Decrease) in due to other funds	261,304	(132,037)	129,267
Total adjustments	<u>456,351</u>	<u>41,109</u>	<u>497,460</u>
Net Cash provided by operating activities	<u>\$ 239,831</u>	<u>\$ -</u>	<u>\$ 239,831</u>

See notes to basic financial statements.

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

		<u>Employee Retirement Funds</u>
ASSETS		
Investments:		
Money market funds	\$	1,924,259
Equity securities		35,069,902
Corporate bonds		7,742,743
U.S. government securities		601,730
Mortgage pools		5,217,311
Foreign bonds		667,061
Municipal bonds		765,871
Collateralized mortgage obligations		740,176
Real estate fund		<u>4,507,574</u>
Total investments		57,236,627
Receivables:		
State contribution		387
Accrued interest and dividends		<u>109,123</u>
Total receivables		<u>109,510</u>
Other assets:		
Prepaid expenses		<u>12,412</u>
Total assets		<u>57,358,549</u>
LIABILITIES		
Accounts payable and accrued liabilities		51,456
Due to broker		<u>93,751</u>
Total liabilities		<u>145,207</u>
NET POSITION		
Net position restricted for pension benefits	\$	<u>57,213,342</u>

See notes to basic financial statements.

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
City	\$ 978,658
Plan members	625,698
State of Florida	<u>124,360</u>
Total contributions	<u>1,728,716</u>
Investments earnings:	
Net appreciation in fair value of investments	4,878,441
Dividends and interest income	<u>1,259,438</u>
Total investment earnings	6,137,879
Less investment expense	<u>(319,312)</u>
Net investment earnings	<u>5,818,567</u>
Other income	<u>741</u>
Total additions	<u>7,548,024</u>
DEDUCTIONS	
Pension benefits	3,583,583
Refunds of member contributions	107,500
Administrative expenses	<u>163,633</u>
Total deductions	<u>3,854,716</u>
Net increase	3,693,308
Net position restricted for pension benefits	
Beginning of year	<u>53,520,034</u>
End of year	<u>\$ 57,213,342</u>

See notes to basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Miami Springs, Florida (the "City") is a political subdivision of the State of Florida located in Miami-Dade County. The City 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, 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, 2020.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the City. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no entities that meet the definition for inclusion as a blended component unit or discretely presented component units.

B. Government-Wide and Fund Financial Statements

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

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

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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 Basis of Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

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 accounted for in another fund.

The **Building Operations Fund** is used to account for revenues and expenditures related to the licensing and permitting of all building activity.

The **Capital Projects Fund** is used to account for city-wide construction projects.

The City reports the following major proprietary funds:

The **Sanitation Fund** accounts for the operations of solid waste collection services, which are funded through user charges.

The **Stormwater Fund** accounts for the infrastructure and operations of stormwater transportation, which are funded through user charges.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The basic 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 Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The basic financial statements consist of the government-wide statements and fund financial statements. Each set of statements distinguish between the governmental and business-type activities of the City. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the non-fiduciary activities of the primary government and its component units. The statement of net position reports financial and capital resources of the City's governmental and business-type activities. 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 services provided.

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, and 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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 sanitation and stormwater funds, are charges for services to customers.

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.

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

D. 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's investments are reported at fair value, the majority of which are in the form of certificate of deposits, money market accounts, and overnight repurchase accounts with qualified public depositories.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

F. 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 on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

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.

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, 2020 was 7.35 mills (\$7.35 per \$1,000 of taxable assessed valuation).

G. Inventories and Prepaid Costs

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method).

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.

CITY OF MIAMI SPRINGS, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

Proceeds from forfeiture funds are classified as restricted in the Law Enforcement Special Revenue Fund since these resources are specifically earmarked for law enforcement purposes only. Proceeds from the People's Transportation Tax are classified as restricted since these resources may only be used for road and transportation related expenditures. Additionally, proceeds from the Building Operations Fund are classified as restricted since these resources may only be used for the operation of the building function.

I. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements	20-30
Public domain infrastructure	40
System infrastructure	50
Furniture and equipment	5-10

J. Unearned Revenues

Unearned revenues include amounts collected before the revenue recognition criteria are met. Receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available would be presented as deferred inflows of resources. The unearned items consist primarily of license and permit revenues, and developer fees related to the tax credit transaction.

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service and the department, which the employee serves. It is the City's sick leave policy to permit employees to accumulate earned but unused sick pay benefits.

The City's vacation policy is that earned vacation must be taken within one year of the employee's anniversary date, as there is no carryover from one period to another. Unused vacation pay, if any, is paid with the employee's termination or retirement.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

The liability for these compensated absences is recorded as a long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences that have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement), while the proprietary funds report the liability as it is incurred. For governmental activities, compensated absences are generally liquidated by the General Fund.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs are expensed in the period that the debt is issued.

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

M. Net Position

Total equity as of September 30, 2020, is classified into three components of net position:

- Net investment in capital assets: This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- Restricted net position: This category consists of net assets restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
- Unrestricted net position: This category includes all of the remaining net position that does not meet the definition of the other two categories.

Reconciliation of Net investment in Capital Assets-Governmental Activities

Capital assets-net	\$36,311,369
Bonds and loans payable - net	<u>(12,646,906)</u>
Net investment in capital assets	<u>\$23,662,463</u>

Reconciliation of bonds and loans payable as a function of net investment in capital assets:

Debt balances - governmental	\$13,170,467
Unspent bond proceeds	<u>(521,561)</u>
Bonds and loans payable -net	<u>\$12,646,906</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Position (Continued)

As of September 30, 2020, the City reported a total of \$521,561 of total unspent bond proceeds within the Capital Projects Fund. The available funding was furthermore reported as restricted fund balance for the fiscal year end. The City will recognize the utilization of available debt against future capital outlay purchases as a direct reduction to capital assets in the government wide presentation representing total net investment in capital assets in future periods.

N. Fund Balance-Governmental Funds

As of September 30, 2020, fund balances of the governmental funds are classified as follows:

Non-spendable — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. Ordinances and resolutions approved by the City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council. Ordinances and resolutions are equally binding.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the City Council may assign amounts for specific purposes.

Unassigned — All other spendable amounts. Unassigned fund balance is the residual classification that has not been restricted, committed or assigned. Any residual (unassigned) balance must be positive in the General Fund but may be negative in any other governmental fund as a result of overspending for specific purposes for which amounts have been restricted, committed or assigned.

The General Fund is the only fund that reports a positive unassigned fund balance amount. On other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

CITY OF MIAMI SPRINGS, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance-Governmental Funds (Continued)

In fiscal year 2010, the City Council adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be equal to 25% of the operating expenditures and transfers out budgeted for the General Fund in the subsequent year. The total unassigned fund balance at the end of FY2020 is \$4,844,772 which is in excess of the \$4,524,000 minimum unassigned fund balance requirement of 25% of the operating expenditures and transfers out budgeted in the subsequent year.

As of September 30, 2020, fund balances are composed of the following:

	General Fund	Major Special Revenue Fund Building Fund	Major Capital Projects Fund Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
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Fund balances:

Nonspendable:

Inventories	\$ 204,676	\$ -	\$ -	\$ -	\$ 204,676
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Restricted for:

Law enforcement	-	-	-	336,037	336,037
Capital projects	-	-	658,408	-	658,408
Building Department	-	1,350,613	-	-	1,350,613
Hurricane	-	-	-	119	119

Committed to:

Golf Course cart barn	86,000	-	-	-	86,000
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Assigned to:

Elderly services	-	-	-	2,197	2,197
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Unassigned:

	4,844,772	-	-	(30,443)	4,814,329
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Total fund balances	\$ 5,135,448	\$ 1,350,613	\$ 658,408	\$ 307,910	\$ 7,452,379
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	General Fund	Major Special Revenue Fund Building Fund	Major Capital Projects Fund Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
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Fund balances:

Nonspendable	\$ 204,676	\$ -	\$ -	\$ -	\$ 204,676
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Restricted	-	1,350,613	658,408	336,156	2,345,177
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Committed	86,000	-	-	-	86,000
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Assigned	-	-	-	2,197	\$ 2,197
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Unassigned	4,844,772	-	-	(30,443)	4,814,329
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Total fund balances	\$ 5,135,448	\$ 1,350,613	\$ 658,408	\$ 307,910	\$ 7,452,379
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CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, OPEB, the realization of pension assets and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Miami Springs' General Employees' Pension Plan and the Police & Firefighters Pension Plan ("the Plans") and additions to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Post-Employment Benefits Other Than Pensions (OPEB)

The City's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the City. 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. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rate used for active employees and retirees. However, the City recognizes that there is an "implicit subsidy" arising because of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report. The City is financing the post employee benefits on a pay-as-you-go basis. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

R. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. The City has no material violations of finance-related legal and contractual obligations.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related requirement, bond covenants, and segregation for management purposes. The City has various restrictions placed over certain revenue sources from federal, state, or local requirements.

Revenue Restrictions

The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, Sidewalks, Streets
FEMA	Hurricane Irma Costs
Transportation Tax	Transportation and Roads
Nutrition Program for the Elderly	Grant Program Expenditures
Department of Health & Human Services	Grant Program Expenditures
Federal Forfeitures	Law Enforcement

Excesses of expenditures over appropriations

For the fiscal year ended September 30, 2020, expenditures exceeded appropriations in the General Fund for the following departments; City Manager \$17,535, Human Resources \$1,366, Code Enforcement \$1,084, Public Works-Administration \$11,563, Public Works-Properties \$13,940, Public Works-Fleet \$7,147, and Recreation-Golf Pro Shop \$21,144. These over-expenditures were funded by available fund balance in the General Fund.

3. DEPOSITS AND INVESTMENTS

City of Miami Springs

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. Each fund's portion of this pool is displayed on the balance sheets as cash and equity in pooled cash and investments. Income earned on pooled cash and investments is allocated to the respective funds based on relative month-end balances. In addition, cash and investments are separately held by the City's Enterprise Funds and related investment income is recorded in these funds.

The City does not have a written investment policy and follows the State of Florida investment policy as set forth in State Statute 218-415. Allowable investments include United States government obligations, guaranteed United States agency short-term issues, Florida bank certificates of deposit, and investments authorized by City Council.

CITY OF MIAMI SPRINGS, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

City of Miami Springs (Continued)

As of September 30, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
BB&T Money Market	\$ 150,501	1
City National Bank Money Market	<u>2,158,233</u>	1
 Total Fair Value	 <u>\$ 2,308,734</u>	 1
Portfolio weighted average maturity		

Interest Rate Risk – The City does not have a written policy on interest rate risk, however, the City manages its exposure to declines in fair values by limiting the weighted average monthly maturity of its investment portfolio to less than six months (180 days). At September 30, 2020, the portfolio’s weighted average maturity was 1 day.

Credit Risk – The City’s investment policy specifically sets parameters to minimize the City’s credit risk by:

- Limiting investments to the safest type of issuer
- Pre-qualifying the financial institution, pools, money market funds, and broker/dealer with which the City will do business, and
- Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

The City’s investments are with institutions that are designated public depositories by the State of Florida, all funds in those institutions are collateralized.

Concentration of Credit Risk – There are no limits on the amount that may be invested in Certificates of Deposits (CD’s) placed with public depositories. At September 30, 2020, the City had no CD’s.

Custodial credit risk (deposits) - In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. All of the City’s deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act.” Under the Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository’s collateral pledging level. The book value of the City’s deposits on the balance sheet date was \$2,642,024. The bank balance of the City’s deposits as of September 30, 2020 was \$2,562,965.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

City of Miami Springs (Continued)

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment. The City's investments in the BB&T Money Market account are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool.

A reconciliation of deposits and investments as shown on the balance sheet and the statement of net assets is as follows:

<u>Per Statement of Net Position</u>		<u>By Category</u>	
Cash and equity in pooled cash and investments	\$ 2,460,729	Cash	\$ 7,728
Restricted assets:		Deposits	2,642,025
Cash and cash equivalents	<u>2,497,758</u>	Investments	<u>2,308,734</u>
	<u>\$ 4,958,487</u>		<u>\$ 4,958,487</u>

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

Police and Firefighters' Retirement System

1. Investment Authorization - The Police and Firefighters' Retirement System (the "Plan") investment policy is determined by the Board of Trustees. The Board of Trustees has developed certain investment guidelines and has retained an investment consultant. The investment consultant is expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment consultant is compensated based on a percentage of the portfolio's market value.

The Plan maintains a Master Custodian Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent.

2. Types of Investments - Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The Plan's asset management structure established by the investment policy is as follows:

<u>Type</u>	<u>Target</u>
Domestic equities	50%
International equity	12%
Real estate	7.5%
Fixed income	30.5%
Cash	0%

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police and Firefighters' Retirement System (Continued)

3. Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table, which shows the distribution of the Plan's investments in government securities and corporate bonds by maturity, at September 30, 2020:

Investment	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
Corporate bonds	\$ 4,848,724	\$ 318,562	\$ 2,436,024	\$ 1,018,655	\$ 1,075,483
U.S. government agencies	393,397	-	-	-	393,397
Mortgage pools	3,043,726	-	30,202	1,070,888	1,942,636
Collateralized mortgage obligations	529,973	-	-	80,176	449,797
Municipal obligations	454,254	-	100,098	63,549	290,607
Foreign Bonds Notes & Debentures	501,814	-	266,900	208,343	26,571
Total	<u>\$ 9,771,888</u>	<u>\$ 318,562</u>	<u>\$ 2,833,224</u>	<u>\$ 2,441,611</u>	<u>\$ 4,178,491</u>

4. Credit Risk - State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy limits fixed income investments to a rating no lower than Standard & Poor's BBB or Moody's Baa. The following table discloses credit ratings by investment type at September 30, 2020:

2020		
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	3,558,593	36.42%
Quality rating of credit risk debt securities		
Aaa	548,826	5.62%
AA+	489,231	5.01%
AA	265,141	2.71%
AA-	255,405	2.61%
A+	245,091	2.51%
A	1,048,324	10.73%
A-	928,947	9.51%
BBB+	1,188,814	12.17%
BBB	529,503	5.42%
BBB-	557,060	5.70%
B+	156,953	1.61%
Total credit risk debt securities	6,213,295	63.58%
Total fixed income securities	\$ 9,771,888	100.00%

*Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police and Firefighters' Retirement System (Continued)

5. Concentration of Credit Risk - The Plan's investment policy stipulates that not more than 5% of the fiduciary net position can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2020, the value of each position held by the Plan portfolio comprised less than 5% of the fiduciary net position and less than 5% of the value of the outstanding capital stock of the respective company.

6. Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the master custodian, the Plan will not be able to recover the value of its investments that are in the possession of the outside party. All of the Plan's investments are in the name of the Plan.

7. Foreign Currency Risk – The Plan may have exposure to foreign currencies by making direct investments in non-US currencies or in securities denominated in non-US currencies, purchasing or selling forward currency exchange contracts in non-US currencies, non-US currency futures contracts and swaps for cross currency investments. Foreign currencies will fluctuate, and may decline, in value relative to the US dollar and other currencies and thereby affect the Funds' investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

8. Plan Investments - 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and Level 2 prices are obtained from various pricing sources by the Plan's custodian bank:

- Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes U.S government agencies, common stock, foreign stock, and mutual fund equities.
- Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes mortgage pools, municipal bonds, collateralized mortgage obligations, corporate bonds, and common stock.
- The Plan invests in a core real estate fund which holds a variety of investment vehicles that do not have readily available market quotations. This investment is measured at net asset value based on its proportionate share of the value of the investments as determined by the fund manager and is valued according to methodologies which include pricing models, property valuations (appraisals), discounted cash flow models, and similar techniques.

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police and Firefighters' Retirement System (Continued)

	Fair Value Measurements Using			
	9/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. government agencies	\$ 393,397	\$ 393,397	\$ -	\$ -
Mortgage pools	3,043,726	-	3,043,726	-
Municipal bonds	454,254	-	454,254	-
Foreign bonds notes & debentures	501,814	501,814	-	-
Collateralized mortgage obligations	529,973	-	529,973	-
Corporate bonds	4,848,724	50,374	4,798,350	-
Total debt securities	<u>9,771,888</u>	<u>945,585</u>	<u>8,826,303</u>	<u>-</u>
Equity securities:				
Common stock	11,836,964	11,836,964	-	-
Foreign stock	549,649	549,649	-	-
Mutual fund equities	9,602,582	9,602,582	-	-
Total equity securities	<u>21,989,195</u>	<u>21,989,195</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>31,761,083</u>	<u>\$ 22,934,780</u>	<u>\$ 8,826,303</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)*				
Core real estate fund	2,687,408			
Money market funds (exempt)	1,179,730			
Total investments	<u>\$ 35,628,221</u>			

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investment Measured at NAV				
Core Real Estate Fund*	<u>\$ 2,687,408</u>	<u>\$ 1,680,000</u>	Quarterly	10 business days

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police and Firefighters' Retirement System (Continued)

* Core real estate fund. This fund is an open-end diversified core commingled real estate fund that invests primarily in core stable institutional offices, retail, industrial, and multi-family residential properties.

General Employees' Retirement System

1. Investment Authorization - The General Employees' Retirement System (the "Plan") investment policy is determined by the Board of Trustees. The Board of Trustees has developed certain investment guidelines and has retained an investment consultant. The investment consultant is expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment consultant is compensated based on a percentage of the portfolio's market value.

The Plan maintains a Master Custodian Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent.

2. Types of Investments - Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The Plan's asset management structure established by the investment policy is as follows:

<u>Type</u>	<u>Target</u>
Large cap value	25%
Large cap growth	25%
International equity	12%
Real estate	7.5%
Fixed income	30.5%
Cash	0%

3. Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table, which shows the distribution of the Plan's investments in government securities and corporate bonds by maturity, at September 30, 2020:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 2,894,019	\$ 25,051	\$ 1,571,383	\$ 602,031	\$ 695,554
U.S. government agencies	208,333	-	-	-	208,333
Mortgage pools	2,173,585	377	37,619	678,802	1,456,787
Municipal bonds	311,617	-	50,549	108,421	152,647
Collateralized mortgage obligations	210,203	-	-	53,450	156,753
Foreign bonds notes & debentures	165,247	-	101,086	45,981	18,180
Total	<u>\$ 5,963,004</u>	<u>\$ 25,428</u>	<u>\$ 1,760,637</u>	<u>\$ 1,488,685</u>	<u>\$ 2,688,254</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

General Employees' Retirement System (Continued)

4. Credit Risk - State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy limits fixed income investments to a rating no lower than Standard & Poor's BBB or Moody's Baa. The following table discloses credit ratings by investment type at September 30, 2020:

	2020	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	2,964,539	49.72%
Quality rating of credit risk debt securities		
AAA	263,229	4.41%
AA+	208,333	3.49%
AA	146,338	2.45%
AA-	70,734	1.19%
A+	114,982	1.93%
A	427,245	7.16%
A-	487,330	8.17%
BBB+	743,594	12.47%
BBB	278,642	4.67%
BBB-	152,044	2.55%
B+	105,994	1.78%
Total credit risk debt securities	2,998,465	50.28%
Total fixed income securities	\$ 5,963,004	100.00%

*Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

The Plan's corporate bonds and agency bonds were all rated "BBB" or better under Standard & Poor's ratings and at least "A" under Moody's ratings. The Plan's mutual bond fund investments were rated and average of "A" under both Standard & Poor's and Moody's.

5. Concentration of Credit Risk - The Plan's investment policy stipulates that not more than 5% of the fiduciary net position can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2020, the value of each position held by the Plan portfolio comprised less than 5% of the fiduciary net position and less than 5% of the value of the outstanding capital stock of the respective company.

6. Foreign Currency Risk - The Plan may have exposure to foreign currencies by making direct investments in non-US currencies or in securities denominated in non-US currencies, purchasing or selling forward currency exchange contracts in non-US currencies, non-US currency futures contracts and swaps for cross currency investments. Foreign currencies will fluctuate, and may decline, in value relative to the US dollar and other currencies and thereby affect the Funds' investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

General Employees' Retirement System (Continued)

7. Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the master custodian, the Plan will not be able to recover the value of its investments that are in the possession of the outside party. All of the Plan's investments are in the name of the Plan.

8. Plan Investments - 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments. Level 1 and Level 2 prices are obtained from various pricing sources by the Plan's custodian bank:

- Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes U.S government agencies, common stock, foreign stock, and mutual fund equities.
- Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes mortgage pools, municipal bonds, collateralized mortgage obligations, corporate bonds, and common stock.
- The Plan invests in a core real estate fund which holds a variety of investment vehicles that do not have readily available market quotations. This investment is measured at net asset value based on its proportionate share of the value of the investments as determined by the fund manager and is valued according to methodologies which include pricing models, property valuations (appraisals), discounted cash flow models, and similar techniques.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. DEPOSITS AND INVESTMENTS (CONTINUED)

General Employees' Retirement System (Continued)

	Fair Value Measurements Using			
	9/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities:				
U.S. government agencies	\$ 208,333	\$ 208,333	\$ -	\$ -
Mortgage pools	2,173,585	-	2,173,585	-
Municipal bonds	311,617	-	311,617	-
Foreign bonds notes & debentures	165,247	165,247	-	-
Collateralized mortgage obligations	210,203	-	210,203	-
Corporate bonds	2,894,019	-	2,894,019	-
Total debt securities	5,963,004	373,580	5,589,424	-
Equity securities:				
Common stock	6,987,546	6,987,546	-	-
Foreign stock	332,687	332,687	-	-
Mutual fund equities	5,760,474	5,760,474	-	-
Total equity securities	13,080,707	13,080,707	-	-
Total investments at fair value	\$ 19,043,711	\$ 13,454,287	\$ 5,589,424	\$ -
Investment measured at Net Asset Value (NAV)*				
Core real estate fund	1,820,166			
Money market funds (exempt)	744,529			
Total investments	\$ 21,608,406			

*As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investment Measured at NAV				
Core Real Estate Fund*	\$ 1,820,166	\$ 1,105,000	Quarterly	10 business days

* *Core real estate fund*. This fund is an open-end diversified core commingled real estate fund that invests primarily in core stable institutional offices, retail, industrial, and multi-family residential properties.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

4. RECEIVABLES AND PAYABLES

Receivables at year-end for the City's governmental funds, including the applicable allowance for uncollectible accounts, are as follows:

	General	Building Fund	Capital Fund	Non-major Governmental	Total Receivables
Governmental activities					
Accounts	\$1,495,903	\$3,425	\$ -	\$ -	\$ 1,499,328
Taxes	978,242	-	380,917	296,929	1,657,087
Other	327,445	-	-	-	327,445
Gross receivables	2,801,590	3,425	380,917	296,929	3,482,860
Less: Allowance for Uncollectibles	(1,199,556)	(3,425)	-	-	(1,202,981)
Net total receivables	<u>\$1,602,034</u>	<u>-</u>	<u>\$ 380,917</u>	<u>\$ 296,929</u>	<u>\$ 2,279,880</u>

Receivables at year-end for the City's business-type activities, including the applicable allowance for uncollectible accounts, are as follows:

	Sanitation	Stormwater	Totals
Accounts	\$271,069	\$ 102,586	\$373,655
Less: Allowance for Un-collectibles	<u>(72,737)</u>	<u>(7,903)</u>	<u>(80,640)</u>
Net total receivables	<u>\$ 198,332</u>	<u>\$ 94,683</u>	<u>\$293,015</u>

Governmental funds report *deferred inflows of resources* for receivables on revenues considered to be not yet available to liquidate liabilities of the current period. Governmental funds also report unearned revenues on revenues received but not yet earned. On September 30, 2020, *unearned revenue* in the governmental funds amounted to \$72,982 representing FY 2020-21 occupational licenses that were paid in advance. In addition, there were \$260,965 in deferred technology and scanning fees collected by the Building Department.

Revenues of the Sanitation and Stormwater funds are reported net of uncollectible amounts. The allowance for uncollectibles was adjusted against current revenues.

Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to solid waste fees	72,737
Uncollectibles related to stormwater fees	<u>7,903</u>
Total uncollectibles of the current fiscal year	<u>\$80,640</u>

Payables at September 30, 2020 were as follows:

	<u>Vendors</u>
Governmental activities:	
General Fund	\$ 161,294
Building Fund	17,871
Capital Projects Fund	244,070
Nonmajor Funds	<u>54,432</u>
Total governmental activities	<u>\$ 477,667</u>
Business-type activities:	
Sanitation Fund	<u>22,233</u>
Total business-type activities	<u>\$ 22,233</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

	Balance		Deletions/	Balance
	<u>Oct. 1, 2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>Sept. 30, 2020</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,085,904	\$ -	\$ -	\$ 3,085,904
Construction in progress	1,270,403	5,175,036	(196,241)	6,249,198
Total capital assets not being depreciated	<u>4,356,307</u>	<u>5,175,036</u>	<u>(196,241)</u>	<u>9,335,102</u>
Capital assets being depreciated:				
Building	23,798,424	-	-	23,798,424
Infrastructure	19,311,210	-	-	19,311,210
Improvements other than buildings	5,214,810	-	196,241	5,411,051
Machinery and equipment	<u>9,963,551</u>	<u>543,333</u>	<u>(94,965)</u>	<u>10,411,919</u>
Total capital assets being depreciated	<u>58,287,995</u>	<u>543,333</u>	<u>101,276</u>	<u>58,932,604</u>
Less accumulated depreciation for:				
Building	(6,000,296)	(410,285)	-	(6,410,581)
Infrastructure	(14,396,390)	(282,678)	-	(14,679,068)
Improvements other than buildings	(3,196,087)	(176,664)	-	(3,372,751)
Machinery and equipment	<u>(6,853,551)</u>	<u>(735,351)</u>	<u>94,965</u>	<u>(7,493,937)</u>
Total accumulated depreciation	<u>(30,446,324)</u>	<u>(1,604,978)</u>	<u>94,965</u>	<u>(31,956,337)</u>
Total capital assets being depreciated, net	<u>27,841,671</u>	<u>(1,061,645)</u>	<u>196,241</u>	<u>26,976,267</u>
Governmental activities capital assets, net	<u>\$ 32,197,978</u>	<u>\$ 4,113,391</u>	<u>\$ -</u>	<u>\$ 36,311,369</u>
Business-Type Activities				
Capital assets being depreciated:				
Infrastructure	\$ 5,325,229	\$ -	\$ -	\$ 5,325,229
Machinery and equipment	<u>2,459,000</u>	<u>152,348</u>	<u>(201,941)</u>	<u>2,409,407</u>
Total capital assets being depreciated	<u>7,784,229</u>	<u>152,348</u>	<u>(201,941)</u>	<u>7,734,636</u>
Less accumulated depreciation for:				
Infrastructure	(2,997,429)	(132,046)	-	(3,129,475)
Machinery and equipment	<u>(1,626,682)</u>	<u>(183,625)</u>	<u>201,941</u>	<u>(1,608,366)</u>
Total accumulated depreciation	<u>(4,624,111)</u>	<u>(315,671)</u>	<u>201,941</u>	<u>(4,737,841)</u>
Total capital assets being depreciated, net	<u>3,160,118</u>	<u>(163,323)</u>	<u>-</u>	<u>2,996,795</u>
Business activities capital assets, net	<u>\$ 3,160,118</u>	<u>\$ (163,323)</u>	<u>\$ -</u>	<u>\$ 2,996,795</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

5. CAPITAL ASSETS (CONTINUED)

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

General government	\$ 371,554
Public safety	367,574
Public works	336,174
Recreation and social services	521,897
Economic and community development	<u>7,780</u>
Total depreciation expense – governmental activities	<u>\$1,604,978</u>
Business-type activities	
Sanitation	156,506
Stormwater	<u>159,165</u>
Total depreciation expense – business- type activities	<u>\$ 315,671</u>

6. LONG-TERM DEBT

Capital Improvement Refunding Revenue Note Series 2015

On February 27, 2015, the City issued the Capital Improvement Refunding Revenue Note Series 2015 in an amount of \$7,554,000 with SunTrust Bank. The proceeds were used as follows: \$1,986,733 was used to refund the \$2,435,812 Capital Improvement Refunding Revenue Note Series 2010 with SunTrust Bank, and \$5,567,267 was used to fund the construction of a new aquatic facility. The refunding note has a fixed interest rate of 3.07% and matures on February 1, 2030. The refunding note is payable solely from and secured by the City's Public Service Tax Revenues and Franchise Fee Revenues. The City achieved a cash flow difference and an economic gain of approximately \$67,719 as a result of the refunding. The balance at September 30, 2020 was \$5,194,000.

Capital Improvement Revenue Note Series 2017

On April 28, 2017, the City issued the Capital Improvement Revenue Note Series 2017 in an amount of \$448,500 with Branch Banking and Trust (BB&T). The proceeds were used to fund the Westward Bike Path project. The note has a fixed interest rate of 2.13% and matures on April 1, 2024. The note is payable solely from and secured by the City's Transportation Surtax revenues. The balance at September 30, 2020 was \$240,268.

Capital Improvement Revenue Note Series 2019

On July 30, 2019, the City issued the Capital Improvement Revenue Note Series 2019 in an amount of \$5,000,000 with CenterState Bank, N.A. The proceeds were used to fund the construction of a new senior center and lighting for the Curtis Mansion parking lot. The note has a fixed interest rate of 2.65% and matures on October 1, 2039. The note is payable solely from and secured by the City's Local Government Half-Cent Sales Tax revenues. The balance at September 30, 2020 was \$5,000,000.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

6. LONG-TERM DEBT (CONTINUED)

Capital Improvement Revenue Note Series 2019 (Continued)

On November 14, 2019, the city executed a Revenue Note with Branch Banking and Trust in the amount of \$555,419 for infrastructure improvements to City Hall, the City's Golf Course and parks, and the acquisition of police equipment and software. The Note has a term of five years with a fixed interest rate of 2.12%. Pledged revenues for this Note is the City's share of State Revenue Sharing funds. The maturity date for this Note is November 1, 2024, with quarterly payments of principal and interest of \$29,320. The balance at September 30, 2020 was \$475,441.

Debt service requirements to maturity for the fiscal year ending September 30, 2020 are summarized as follows:

	<u>Series 2015 Capital</u>		<u>Series 2017 Capital</u>		<u>Series 2019 Capital</u>		<u>Total</u>	
	<u>Improvement Refunding</u>		<u>Improvement Revenue</u>		<u>Improvement Revenue</u>			
	<u>Note</u>		<u>Note</u>		<u>Note</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 479,000	\$ 158,028	\$ 64,071	\$ 4,606	\$ 358,056	\$ 135,099	\$ 901,127	\$ 297,733
2022	493,000	143,010	64,071	3,242	360,365	126,165	917,436	272,417
2023	510,000	127,541	64,071	1,876	362,723	117,182	936,794	246,599
2024	525,000	111,853	48,054	512	365,132	108,148	938,186	220,513
2025	540,000	95,094	-	-	279,165	99,530	819,165	194,624
2026-2030	2,647,000	210,409	-	-	1,250,000	397,500	3,897,000	607,909
2031-2035	-	-	-	-	1,250,000	231,875	1,250,000	231,875
2036-2039	-	-	-	-	1,250,000	66,250	1,250,000	66,250
Total, net	<u>\$ 5,194,000</u>	<u>\$ 845,935</u>	<u>\$ 240,267</u>	<u>\$ 10,236</u>	<u>\$ 5,475,441</u>	<u>\$ 1,281,749</u>	<u>\$ 10,909,708</u>	<u>\$ 2,137,920</u>

Capital Leases

The City has entered into lease agreements with local financial institutions as lessee for financing the acquisition of machinery and equipment for city-wide use. On April 30, 2014, the City executed a fifteen-year Master Equipment Lease Purchase agreement with Green Campus Partners, LLC for a city-wide energy conservation project. On November 2, 2018, the City executed a five-year Master Equipment Lease Purchase agreement with Bank of America, National Association for purchase of police and golf course vehicles, equipment, and software. These lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The gross amount of equipment leased and capitalized under these leases was approximately \$4,718,811.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

6. LONG-TERM DEBT (CONTINUED)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

	Year ending September 30.	
2021		529,740
2022		478,677
2023		465,427
2024		231,060
2025		156,056
2026-35		<u>747,379</u>
Total minimum lease payments		2,608,339
Less: amount representing interest		
Interest at 2.3% to 3.615% APR		<u>(292,909)</u>
Present value of minimum Lease payments		<u>\$ 2,315,429</u>

Capital assets acquired through the issuance of capital leases are as follows:

	Governmental <i>Activities</i>
Machinery and equipment	\$4,230,316
Less: Accumulated depreciation	<u>(1,269,232)</u>
	<u>\$2,961,084</u>
	Business Type <i>Activities</i>
Machinery and equipment	\$ 448,495
Less: Accumulated depreciation	<u>(310,502)</u>
	<u>\$ 137,993</u>

Long-term debt activity for the year ended September 30, 2020 was as follows:

	October 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	September 30, <u>2020</u>	Due w ithin <u>One Year</u>
Governmental Activities					
Bonds and notes payable:					
2015 Capital Improvement Refunding Note	\$ 5,659,000	\$ -	\$ (465,000)	\$ 5,194,000	\$ 479,000
2017 Capital Improvement Revenue Note	304,339	-	(64,071)	240,268	64,071
2019 Capital Improvement Revenue Note	5,000,000	555,419	(79,978)	5,475,441	358,056
Capital leases	<u>2,658,533</u>	-	<u>(397,775)</u>	<u>2,260,758</u>	<u>407,629</u>
Total bonds and notes payable	<u>13,621,872</u>	<u>555,419</u>	<u>(1,006,824)</u>	<u>13,170,467</u>	<u>1,308,756</u>
Other liabilities:					
Compensated absences	<u>1,602,147</u>	<u>952,294</u>	<u>(676,487)</u>	<u>1,877,954</u>	<u>1,422,926</u>
Governmental Activity Long-term liabilities	<u>\$ 15,223,770</u>	<u>\$ 1,507,713</u>	<u>\$ (1,683,310)</u>	<u>\$ 15,048,171</u>	<u>\$ 2,731,682</u>
Business-type Activities					
Bonds and notes payable:					
Capital leases	\$ 162,529	\$ -	\$ (100,864)	\$ 61,665	\$ 61,665
Other liabilities:					
Compensated absences	<u>118,600</u>	<u>65,868</u>	<u>(66,237)</u>	<u>118,231</u>	<u>72,659</u>
Business-type Activities Long-term liabilities	<u>\$ 281,129</u>	<u>\$ 65,868</u>	<u>\$ (167,101)</u>	<u>\$ 179,896</u>	<u>\$ 134,572</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the fiscal year ended September 30, 2020 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,388,686	\$ -
Road and Transportation	-	140,065
Sanitation Fund	-	929,176
Senior Center	-	28,790
Stormwater Fund	-	190,974
Hurricane Fund	-	99,681
	<u>\$1,388,686</u>	<u>\$1,388,686</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the fiscal year ended September 30, 2020 are as follows:

	<u>Transfers In**</u>	<u>Transfers Out**</u>
General Fund	\$ -	\$1,580,736
Senior Center	222,524	-
Road and transportations	-	70,042
Hurricane Fund	10,885	-
Debt Service	<u>1,417,369</u>	<u>-</u>
	<u>\$ 1,650,778</u>	<u>\$1,650,778</u>

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

- Operating subsidies from the General Fund of \$222,524 to the Elderly Services Center and \$1,417,369 in transfers to the Debt Service Fund to cover debt service payments. The Road and Transportation Fund transferred \$70,042 to the Debt Service Fund to cover the debt payment related to the Bike Path project. The Hurricane Fund required a transfer of \$10,885 for Hurricane Irma costs which will be reimbursed by FEMA.

8. EMPLOYEE RETIREMENT PLANS

(1) Plan Description

The City contributes to two single employer defined benefit pension plans: General Employees' Plan and the Police and Firefighters' Plan. Each plan provides retirement, disability, and death benefits. The Pension Boards' of each retirement plan are authorized to establish and amend benefit provisions. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing the City of Miami Springs, 201 Westward Drive, Miami Springs, Florida 33166.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

(2) Contributions

General Employees

The pension board establishes the required employee contribution and the City is required to contribute the amount in excess of employee contributions to cover the annual pension cost. City employee members are required to contribute 5% of their annual covered salary with the City contributing any additional amount up to 15%, when the annual contribution is greater than 15% of payroll, the amount over 15% is shared equally by the City and the members. Annual contributions are actuarially determined as specified by the Retirement Ordinance as of October 1st. For the year ended September 30, 2020, the average active employee contribution rate was 8.31% of annual pay, and the City's average contribution rate was 12.5% of covered payroll.

Police and Firefighters

This plan contains a "cost-sharing mechanism" in which the regular member contribution rate for both bargaining unit employees and non-bargaining unit managerial employees in that capacity after September 27, 1993 is 9% of earnings. If the combined City and Member contributions required for a year are less than 14% of covered payroll, the difference under 14% shall be rounded to the nearest .1% of budgeted payroll. The resulting difference shall be divided in two, with plan members reducing their contribution rates by half the difference, and the City reducing its contribution by the remaining half for that fiscal year. However, if the combined City and member contributions for any one fiscal year exceed 18% of the budgeted payroll for police officers, the excess rate over 18% will be divided by two with plan members paying half of the excess and the City paying the other half for that fiscal year. Annual contributions are actuarially determined as specified by the Retirement Ordinance as of October 1st.

Effective October 1, 2017, the City negotiated with the Fraternal Order of Police (FOP) a change to the employee contributions that would cap employee contributions at 12.5% for FY 2018, FY 2019 and FY 2020. In June 2019, the city reached an agreement with the FOP to reduce employee contributions to 10.5% beginning October 1, 2019 thru fiscal year ended September 30, 2020. Beginning in FY 2021, contributions would revert back to the "cost-sharing mechanism" described above.

For the year ended September 30, 2020, the average active employee contribution rate was 10.5% of annual pay, and the City's average contribution rate was 21.33% of covered payroll.

(3) Benefits

General Employees

The General Employees' Plan provides retirement, disability, and death benefits. Retirement benefits for general employees are calculated as 1.75% of the employee's average highest compensation over any 5 years of credited service out of the last 10 years prior to termination or retirement times the employee's years of service. General employees may retire on the first day of the month coincident with or next following the earlier of: (1) age 62 and 5 years of credited service, or (2) when the age plus credited service equals 75 percent. General employees may retire early at age 55 and 10 years of credited service. All employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are available to Members with 10 or

CITY OF MIAMI SPRINGS, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

(3) Benefits (Continued)

more years of credited service, the Beneficiary will receive the member's accrued Normal Retirement Benefit. An employee who leaves City service may withdraw his or her contributions plus any accumulated interest.

Employees covered by benefit terms.

At October 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	87
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>79</u>
Total membership	<u>172</u>

Police & Firefighters

The Police & Firefighters Plan provides retirement, disability, and death benefits. Retirement benefits for Police employees within 3 years of normal retirement eligibility on October 12, 2014 are frozen at 3.5% of Average Monthly Earnings (AME) as of October 12, 2014 with no cap. Members hired before October 12, 2014 that were not within 3 years of normal retirement will receive benefit accruals of 3.5% of AME for each year of credited service up to 20 years and 3 percent of AME for each year thereafter. The maximum benefit is 85% of AME. Members hired on or after October 12, 2014 receive a benefit of 2.5% of AME per year of credited service. The maximum benefit is 70% of AME. The minimum benefit is 2% per year of service.

Police employees hired before October 12, 2014, may retire on the first day of the month coincident with or next following the earlier of: (1) age 55 and 10 years of credited service, or (2) 20 years of credited service regardless of age. Police employees hired after October 12, 2014, may retire on the first day of the month coincident with or next following the earlier of: (1) age 55 and 10 years of credited service, or (2) age 52 and 25 years of credited service. Police employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are available to Members who die as a direct result of an occurrence arising in the line of duty to the City regardless of credited service. An employee who leaves City service may withdraw his or her contributions, plus any accumulated interest.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Employees covered by benefit terms

At October 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>35</u>
Total membership	<u>87</u>

Net Pension Liability

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

General Employees

Actuarial assumptions

The total pension liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.5% to 6.5%, depending on service, including inflation
Investment rate of return	7.00%*

*Effective October 1, 2018 the investment return assumption was reduced by 0.25% from 7.25% to 7.00%. Assumed rates of salary increase, retirement, withdrawal, and disability were also revised based on a 9-year experience study performed for the Plan.

RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustments and a 50% white collar adjustments. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Regular Class members of the Florida Retirement System (FRS), as mandated by Florida Statutes Chapter 112.63(1)(f).

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

General Employees (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap value	25%	7.5%
Large cap growth	25%	7.5%
International equity	12	8.5
Fixed income	30.5	2.5
Real estate	<u>7.5</u>	4.5
Total	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, 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 long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

General Employees (Continued)

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability <u>(a) - (b)</u>
<u>Balances at 09/30/19</u>	<u>\$20,768,373</u>	<u>\$20,543,939</u>	<u>\$224,434</u>
Changes for the year:			
Service cost	478,369		478,369
Interest	1,469,522	-	1,469,522
Differences between expected and actual experience	(114,573)	-	(114,573)
Changes of assumptions	506,514	-	506,514
Contributions—employer	-	443,293	(443,293)
Contributions—employee	-	307,085	(307,085)
Net investment income	-	1,107,401	(1,107,401)
Benefit payments, including refunds of employee contributions	(1,954,937)	(1,954,937)	-
Administrative expense	<u>-</u>	<u>(86,097)</u>	<u>86,097</u>
Net changes	<u>384,895</u>	<u>(183,255)</u>	<u>568,150</u>
<u>Balances at 9/30/20</u>	<u>\$21,153,268</u>	<u>\$20,360,684</u>	<u>\$792,584</u>

Plan fiduciary net position as a percentage of
the total pension liability.....96.25%

Covered payroll.....\$3,677,665

Net pension liability as a percentage of covered
payroll..... 21.55%

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

General Employees (Continued)

	1% Decrease	Current Discount Rate 7.00%	1% Increase
	<u>6.00%</u>	<u>Rate 7.00%</u>	<u>8.00%</u>
City's Net Pension Liability	\$3,063,912	\$792,584	\$(1,106,482)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

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

For the year ended September 30, 2020, the City recognized pension expense of \$737,189. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 57,601	\$ 82,747
Changes of assumptions	509,116	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>566,650</u>
Total	<u>\$ 566,717</u>	<u>\$ 649,397</u>

The deferred outflows of resources related to the General Employees Retirement Plan, totaling \$472,860, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2020.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

General Employees (Continued)

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

Year ended 9/30:

2021	\$ (3,330)
2022	(117,612)
2023	(21,943)
2024	60,205
Thereafter	-
Total	<u>\$ (82,680)</u>

Police & Firefighters

Actuarial assumptions

The total pension liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25% to 9.5%, depending on age, including inflation
Investment rate of return	7.0%

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For Males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For Females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Florida Statutes Chapter 112.63(1)(f).

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police & Firefighters (Continued)

Actuarial assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	7.5%
International equity	12	8.5
Fixed income	30.5	2.5
Real estate	<u>7.5</u>	4.5
Total	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, 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 long-term expected rate of return on pension plan investments (7.0%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police & Firefighters (Continued)

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability <u>(a) - (b)</u>
Balances at 09/30/19	<u>\$33,527,777</u>	<u>\$33,047,918</u>	<u>\$479,859</u>
Changes for the year:			
Service cost	546,753	-	546,753
Interest	2,293,156	-	2,293,156
Changes in benefit terms	-		-
Differences between expected and actual experience	(132,350)		(132,350)
Changes of assumptions	-	-	-
Contributions—employer (from city)	-	528,264 130,143	(528,264) (130,143)
Contributions-employer (from state)			
Contributions—employee	-	357,453	(357,453)
Net investment income	-	1,809,760	(1,809,760)
Benefit payments, including refunds of employee contributions	(2,630,311)	(2,630,311)	-
Administrative expense	-	(83,877)	83,877
Other changes	<u>(62,026)</u>	<u>-</u>	<u>(62,026)</u>
Net changes	<u>15,220</u>	<u>111,432</u>	<u>(96,212)</u>
Balances at 9/30/20	<u>\$33,542,997</u>	<u>\$33,159,350</u>	<u>\$383,647</u>

Plan fiduciary net position as a percentage of
the total pension liability.....98.86%

Covered payroll.....\$2,859,624

Net pension liability as a percentage of covered
payroll..... 13.42%

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police & Firefighters (Continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease	Current Discount Rate 7.00%	1% Increase
	<u>6.00%</u>	<u>Rate 7.00%</u>	<u>8.00%</u>
City's net pension liability (asset)	\$4,054,382	\$383,647	\$(2,683,331)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

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

For the year ended September 30, 2020 the City recognized pension expense of \$160,275. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 50,957	\$ 105,946
Changes of assumptions	616,454	1,326
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,074,304</u>
Total	<u>\$ 667,411</u>	<u>\$ 1,181,576</u>

The deferred outflows of resources related to the Police and Firefighters Retirement plan, totaling \$630,158, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2020.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police & Firefighters (Continued)

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

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

Year ended 9/30:	
2021	\$ (214,355)
2022	(181,237)
2023	(211,103)
2024	92,530
Thereafter	<u> -</u>
Total	\$ (514,165)

(5) DROP Program

On October 8, 2001, the General Employees Retirement Plan adopted a Deferred Retirement Option Program (“DROP”) for participants who are eligible to receive normal retirement. Eligible members may participate by applying to the Board.

On February 9, 1998, the Police and Firefighters Pension Plan adopted a DROP for participants who are eligible to receive normal retirement and have either attained age 55 with ten years of continuous service, or have completed 25 years of service. Eligible members may participate by applying to the Board.

For Police & Firefighters’, eligibility to participate shall be forfeited if not exercised within the first 29 years of service. However, participation will be permitted for those members with more than 27 years of service as of January 1, 1998.

Upon a member’s election to participate in the DROP, that member shall cease to be a member his or her respective Plan and shall be precluded from any additional benefits under the Plan; accordingly, that member shall be considered retired.

Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments into the DROP are made monthly for the period the retired member participates in the DROP, up to a maximum of 60 months.

Payments into the DROP will earn the same return as earned by the remainder of the Plan assets.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police & Firefighters (Continued)

(5) DROP Program (Continued)

Upon termination of employment, participants in the DROP have the option of receiving the balance of their account either in a lump sum distribution or in any other form of payment selected by the participant, approved by the Board and conforming to applicable laws.

(6) Defined Contribution Plan

The City of Miami Springs 401(a) Money Purchase Plan is a defined contribution plan established by the City to provide benefits at retirement for certain employees of upper management. At September 30, 2018, there were three plan members, the City Manager, the Police Chief, and the Human Resources Director. The City is required to contribute on behalf of each participant 14.89% of earnings for the plan year. Participants are not permitted to make contributions. City contributions fully vest in the year they are contributed. Plan provisions and contribution requirements are established and may be amended by the City Council.

The plan assets are administered by ICMA Retirement Corp. Participants are mailed quarterly statements or can obtain daily account balances through the Internet. The City does not exercise any control over the plan assets. Contributions were approximately \$57,165 for the fiscal year ended September 30, 2020.

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

Deferred outflows and inflows of resources and pension costs related to pensions are as follows:

	Retirement Plan		
	General Employees	Police and Firefighters	Total
<u>Deferred outflows</u>			
Difference between expected and actual experience	\$ 57,601	\$ 50,957	\$ 108,558
Difference between expected and actual earnings on investments	240,814	370,114	610,928
Changes in assumptions	<u>509,116</u>	<u>616,454</u>	<u>1,125,570</u>
Subtotal	807,531	1,037,525	1,845,056
Contributions subsequent to the measurement date	<u>472,860</u>	<u>630,158</u>	<u>1,103,018</u>
Total deferred outflows and contributions subsequent to the measurement	<u>\$ 1,280,391</u>	<u>\$ 1,667,683</u>	<u>\$ 2,948,074</u>
<u>Deferred inflows</u>			
Difference between expected and actual experience	\$ 72,747	\$ 105,946	\$ 178,693
Changes in assumptions	-	1,326	1,326
Difference between expected and actual earnings on investments	<u>807,464</u>	<u>1,444,418</u>	<u>2,251,882</u>
Total deferred inflows	<u>\$ 880,211</u>	<u>\$ 1,551,690</u>	<u>\$ 2,431,901</u>
Pension expense	<u>\$ 737,189</u>	<u>\$ 160,275</u>	<u>\$ 897,464</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

9. 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 commercial insurance. There have been no reductions in insurance coverage from coverages in the prior year and there have been no claims settled which have exceeded insurance coverage for each of the past three years.

Liability Insurance

The public liability program is designed to cover all public liability type claims incurred, subject to the limitation established by the State of Florida Waiver of Sovereign Immunity Act. Insurance coverage is primarily provided by the Florida Municipal Liability Insurance Program supplemented by other policies and outside carriers. The City's deductible portion of liability claims and premiums paid to insurers are charged to the funds as incurred.

Workmen's Compensation

The City is fully insured for workmen's compensation by the Florida League of Cities and pays premiums for new claims on a quarterly basis.

10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description. City of Miami Springs (the "City") administers a single-employer defined benefit healthcare plan (the "Plan") that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the City's group health insurance plan. The Plan does not issue a publicly available financial report.

Eligibility: Any employee of the City of Miami Springs who satisfies the Vesting, Disability, Early or Normal Retirement provisions of the applicable Retirement Plans may be eligible for certain post-employment benefits. Following presents the eligibility requirements for retirement under the City's three Retirement Plans: Police and Firemen Pension Plan, General Employees' Pension Plan and General Employees 401(a).

Vesting retirement: General Employees: Members become fully vested after 5 years of credited service. Police Officers: Members become fully vested after 5 years of credited service. However, with respect to all groups, there are no OPEB benefits available after termination of employment, unless employee satisfies eligibility requirements for any other retirement benefits listed below.

Disability retirement: General Employees: Members are eligible for a non-duty disability pension after 10 years of creditable service. For duty disability, there is no service credit requirement. Police Officers: Members are eligible for a non-duty disability pension after 10 years of creditable service. For duty disability, there is no service credit requirement.

Early retirement: General Employees: The attainment of age 55 with 10 years of creditable service. Police Officers: The attainment of age 50 with 10 years of creditable service.

Normal retirement: General Employees: The earliest of the attainment of age of 62 with 5 years of creditable service or when age plus service equals 75 years. Police Officers: *Members hired before October 12, 2014:* The earliest of the attainment of age 55 with 10 years of service or 20 years of service regardless of age. *Members hired on or after October 12, 2014:* The earliest of the attainment of age 55 with 10 years of service or age 52 with 25 years of service.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

DROP retirement: General Employees and Police Officers: The Deferred Retirement Option Program (DROP) is available to Members of Pension Plans at the attainment of the applicable Normal Retirement Age. While in DROP, participants receive coverage as active employees with eligibility for OPEB immediately after actual retirement.

DC Plan participants: There are no age or service requirements that must be met to "retire" under the provisions of the Defined Contribution (DC) Plan. However, to be eligible for OPEB, employees must meet requirements applicable to similarly situated participants of the Pension Plan. The post-employment benefits include (a) continued coverage for the retiree and dependent in the Medical/Prescription, (b) continued coverage under the Dental Plan and (c) continued coverage under the Vision Plan.

Health-Related Benefits: Eligible retirees may choose among the same Medical Plan options available for active employees of the City. Dependents of 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 any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription Drugs benefits and rules for coverage as are active employees. Retirees and their dependents who attain age 65 are not required to enroll in Part B under Medicare in order to remain covered under the program. The Plan pays as secondary only for those actually enrolled in Parts A and B.

Continued coverage in the City's Dental and Vision Plans is available to all retirees and their dependents under the same terms as active employees.

Results presented in this report are based on the healthcare plan design in effect as of September 30, 2019.

Retiree Contributions for Medical/Prescription Benefits: All retirees must pay the required premium in order to continue coverage for themselves and/or their dependents after retirement. The stated policy is that premium contribution required from retirees is equal to the blended group rate.

Survivorship Benefits: No benefit (other than COBRA coverage) is offered to surviving dependents of either active employees or retirees.

Dental and Vision Plans: Dental and vision benefits for retirees and their dependents are voluntary and fully paid by the employee. Consequently, dental and vision benefits are not Employer-provided in any sense and are not considered as other post-employment benefits for the purposes of GASB Statement No. 75.

COBRA Benefits: Former employees, retirees and dependents may be eligible for extended benefits under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of GASB Statement No. 75.

Life Insurance: General Employee retirees may also continue after retirement their participation in the Employer-sponsored life insurance policy. The benefit is 100% of salary until age 65, whereupon the policy drops to \$ 5,000. There is no cost to retiree.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Termination and Amendment: The post-employment benefits are extended to retirees and continued at the discretion of the City, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change contributions required from retirees in the future as circumstances change.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., City funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits.

Employees covered by benefit terms:

At September 30, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or beneficiaries currently receiving benefits	68
Active Plan members	<u>116</u>
Total Plan Members	<u>184</u>

Total OPEB Liability

The Plan's total OPEB liability of \$2,820,523 was measured as of September 30, 2019 and was determined by an actuarial valuation as of that date.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

10. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Actuarial valuation date	09/30/2019
Measurement date	09/30/2019
Actuarial Cost Method	Entry Age Normal
Discount rate	2.75% (based on the daily rate of Fidelity's "20 Year Municipal GO AA Index" closest to but not later than the measurement date.
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition.
Mortality Table	Mortality tables used in the July 1, 2019 actuarial valuation of the Florida retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Inflation Rate	2.25%
Projected Salary Increases-General	3.5% to 6.5% based on service includes inflation
Projected Salary Increases-Police	3.25% to 9.5% based on service includes inflation
Healthcare Cost Trend Rate	Based on the Getzen Model, with trend starting at 9.7%, followed by 6.25% and gradually decreasing to an ultimate trend rate of 3.99% plus 0.49% increase to reflect the Excise Tax on High-Cost Employer Health Plans.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the per capita health costs.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

10. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial assumptions and other inputs (Continued)

Other Information: Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB liability.

Changes in the Total OPEB Liability

Balance at 9/30/18	<u>\$2,633,520</u>
Changes for the year:	
Service cost	104,511
Interest	102,807
Differences between expected and actual experience	(52,038)
Changes in assumptions and other inputs	139,248
Benefit payments	<u>(107,525)</u>
Net change in OPEB liability	<u>187,003</u>
Balance at 9/30/19	<u>\$ 2,820,523</u>

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

The following presents the plan's total OPEB liability, calculated using a discount rate of 2.75%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease	Current Discount Rate Assumption	1% Increase
1.75%	2.75%	3.75%
<u>\$3,244,722</u>	<u>\$2,820,523</u>	<u>\$2,477,750</u>

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

The following presents the plan's total OPEB liability, calculated using a discount rate starting at 9.70%, as well as what the Plan's total OPEB liability would be if it were calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
<u>\$2,514,008</u>	<u>\$2,820,523</u>	<u>\$3,202,461</u>

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

For the year ended September 30, 2020, the City Plan recognized OPEB expenses of \$171,503. At September 30, 2020, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

10. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 42,577
Changes in assumptions and other inputs	113,930	131,217
Total	\$ 113,930	\$ 173,794

The deferred outflow of resources related to OPEB totaling \$90,771 resulting from City contribution subsequent to the measurement date will be included as a reduction of the total OPEB liability for the fiscal year ended September 30, 2021. At the beginning of the current measurement period, the average of the expected remaining service lives for the purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 5.5 years.

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

<u>Year Ending September 30</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (35,815)
2022	(35,815)
2023	(9,746)
2024	13,587
2025	7,925
Thereafter	-
Total	\$ (59,864)

11. COMMITMENTS AND CONTINGENCIES

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.

Tax-Exempt Bonds

As discussed in Note 6-*Long Term Debt*, the City has issued tax-exempt bonds to fund capital projects and infrastructure. If the bonds were deemed to be taxable, then the City's interest costs would markedly rise. The potential increase in interest costs would only be determinable at the time such debt was deemed taxable. The City does not, at this time, expect the tax-exempt status of the debt to change.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the City's financial condition.

Operating Leases

The City leases equipment for its Golf and Country Club Fund under non-cancelable operating leases. Total costs for such leases were \$66,056 for the fiscal year ended September 30, 2020.

The City also leases police motorcycles, office equipment and office space under non-cancelable operating leases. Total costs for such leases were \$60,389 for the fiscal year ended September 30, 2020.

The future minimum lease payments are as follows:

<u>Year ending September 30,</u>	
2021	\$150,205
2022	150,205
2023	<u>150,205</u>
Total	<u>\$ 450,615</u>

12. RISKS AND UNCERTAINTIES

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and counties, could continue to be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The City is carefully monitoring the situation and is continuously evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

CITY OF MIAMI SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and franchise fees	\$ 9,744,377	\$ 9,744,377	\$ 9,720,737	\$ (23,640)
Charges for services	2,819,937	2,819,937	2,162,870	(657,067)
Public service taxes	1,777,501	1,777,501	1,808,784	31,283
Intergovernmental	2,115,246	2,115,246	2,102,560	(12,686)
Licenses and permits	187,300	187,300	127,440	(59,860)
Fines and forfeitures	750,000	750,000	744,036	(5,964)
Investment income	34,000	34,000	42,767	8,767
Other	266,000	330,048	303,761	(26,287)
Total revenues	<u>17,694,361</u>	<u>17,758,409</u>	<u>17,012,955</u>	<u>(745,454)</u>
Expenditures:				
General government:				
Council	163,722	186,027	145,362	40,665
City Clerk	324,568	330,970	278,689	52,281
City Manager	384,128	384,287	401,821	(17,534)
City Attorney	188,000	188,000	177,347	10,653
Human Resources	266,000	266,000	267,366	(1,366)
Planning	89,440	90,497	80,609	9,888
Finance	642,234	642,474	619,117	23,357
Information Technology	358,257	371,172	340,374	30,798
Total general government	<u>2,416,349</u>	<u>2,459,427</u>	<u>2,310,685</u>	<u>148,742</u>
Public safety:				
Police	6,993,005	7,401,028	6,988,477	412,551
Code Enforcement	205,275	205,275	206,359	(1,084)
Total public safety	<u>7,198,280</u>	<u>7,606,303</u>	<u>7,194,836</u>	<u>411,467</u>
Public works:				
Administration	391,348	398,399	409,962	(11,563)
Streets & sidewalks	444,813	483,075	467,699	15,376
Properties	843,445	849,895	863,835	(13,940)
Building maintenance	296,201	869,919	688,282	181,637
Fleet maintenance	53,489	59,489	66,636	(7,147)
Total public works	<u>2,029,296</u>	<u>2,660,777</u>	<u>2,496,414</u>	<u>164,363</u>
Recreation:				
Administration	1,503,693	1,597,492	1,433,600	163,892
Aquatics	571,869	597,870	458,214	139,656
Tennis	22,382	42,382	33,311	9,071
Park maintenance	279,835	314,336	278,879	35,457
Golf Administration	15,068	15,068	12,350	2,718
Golf Pro Shop	691,403	702,713	723,857	(21,144)
Golf Maintenance	1,191,727	1,271,077	1,194,187	76,890
Total recreation	<u>4,275,977</u>	<u>4,540,938</u>	<u>4,134,398</u>	<u>406,540</u>
Total expenditures	<u>15,919,902</u>	<u>17,267,445</u>	<u>16,136,333</u>	<u>1,131,112</u>

(Continued)

CITY OF MIAMI SPRINGS, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>1,774,459</u>	<u>490,964</u>	<u>876,622</u>	<u>385,658</u>
Other financing sources (uses):				
Issuance of debt	-	555,419	555,419	-
Transfers out	<u>(1,695,991)</u>	<u>(1,695,991)</u>	<u>(1,580,736)</u>	<u>115,255</u>
Total other financing sources	<u>(1,695,991)</u>	<u>(1,140,572)</u>	<u>(1,025,317)</u>	<u>115,255</u>
Net change in fund balance	78,468	(649,608)	(148,695)	500,913
Fund balances, October 1	<u>5,284,143</u>	<u>5,284,143</u>	<u>5,284,143</u>	<u>-</u>
Fund balances, September 30	<u>\$ 5,362,611</u>	<u>\$ 4,634,535</u>	<u>\$ 5,135,448</u>	<u>\$ 500,913</u>

See notes to budgetary comparison schedule

CITY OF MIAMI SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Building Operation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Licenses and permits	\$ 962,000	\$ 962,000	\$ 774,185	\$ (187,815)
Misc Income	-	-	38,250	38,250
Investment income	-	-	8,385	8,385
Total revenues	962,000	962,000	820,820	(141,180)
Expenditures:				
Current:				
Public safety	931,339	961,929	867,990	93,939
Capital outlay:				
Public safety	-	108,989	122,885	(13,896)
Total expenditures	931,339	1,070,918	990,875	80,043
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	30,661	(108,918)	(170,055)	(61,137)
Net change in fund balance	30,661	(108,918)	(170,055)	(61,137)
Fund balances, October 1			1,520,668	
Fund balances, September 30			\$ 1,350,613	

CITY OF MIAMI SPRINGS, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2020

A. Budgetary Information

The following procedures are used to establish the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States.

1. Prior to July 30 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing such expenditures.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The level of control at which expenditures may not exceed budget is at the departmental level. The City Council approves these levels by annual resolution. The City Manager is authorized to transfer budgeted amounts within individual departments; any revisions that alter the total expenditures of any appropriation center within a fund must be approved by the City Commission.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be re-appropriated and honored during the subsequent year. The City legally adopts budgets for both major funds, the General Fund. The City also adopts budgets for the Road and Transportation, the Law Enforcement Trust Fund, Senior Center, and Debt Service Funds all of which are non-major governmental funds, as well as the business-type funds.

Appropriations lapse at year end, except for grants and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.

The final budget includes budget transfers and supplemental appropriations, which have the effect of adjusting the original adopted budget. General Fund supplemental appropriations amounted to \$1,347,543 for the fiscal year ended September 30, 2020 and consists of the roll-forward of encumbrances from FY 2019, the purchase of Golf and Police equipment and software funded through a lease with BB&T Bank, and other miscellaneous appropriations for new equipment, City Hall renovations, and other citywide renovations.

See Note 2 of the financial statements for an explanation of over expenditures.

CITY OF MIAMI SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MIAMI SPRINGS GENERAL EMPLOYEES' RETIREMENT SYSTEM

(as required by GASB Statement No. 68)

Measurement date September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 478,369	\$ 449,371	\$ 425,585	\$ 327,212	\$ 298,401	\$ 318,230
Service Cost	1,469,522	1,446,426	1,346,316	1,332,765	1,315,271	1,281,464
Interest on the total pension liability	(114,573)	185,603	603,966	109,558	-	(120,753)
Changes in benefit terms	506,514	461,742	347,759	-	-	-
Difference between actual & expected experience of the total pension liability	(1,944,484)	(1,161,974)	(1,585,026)	(1,731,453)	(993,482)	(908,927)
Changes in assumptions	(10,453)	(60,181)	(18,047)	(39,929)	(53,595)	(60,675)
Benefit payments	384,895	1,320,987	1,120,553	(1,847)	566,595	509,339
Other	20,768,373	19,447,386	18,326,833	18,328,680	17,762,085	17,252,746
Net Change in Total Pension Liability	\$ 21,153,268	\$ 20,768,373	\$ 19,447,386	\$ 18,326,833	\$ 18,328,680	\$ 17,762,085
Total Pension Liability - Beginning						
Total Pension Liability - Ending (a)						
Plan Fiduciary Net Position						
Contributions - Employer	443,293	420,570	338,551	317,957	344,236	366,204
Contributions - Member	307,085	285,901	283,972	252,554	208,312	188,555
Net Investment Income	1,107,401	2,106,317	2,021,370	1,720,828	766,343	1,903,591
Benefit Payments	(1,944,484)	(1,161,974)	(1,585,026)	(1,731,453)	(993,482)	(908,927)
Refunds	(10,453)	(60,181)	(18,047)	(39,929)	(53,595)	(60,675)
Pension plan administrative expense	(86,097)	(93,369)	(83,952)	(82,657)	(82,212)	(76,422)
Other	(183,255)	1,497,264	956,868	437,300	189,602	1,412,326
Net Change in Plan Fiduciary Net Position	20,543,939	19,046,675	18,089,807	17,652,507	17,462,905	16,050,579
Plan Fiduciary Net Position - Beginning						
Plan Fiduciary Net Position - Ending	\$ 20,360,684	\$ 20,543,939	\$ 19,046,675	\$ 18,089,807	\$ 17,652,507	\$ 17,462,905
Net Pension Liability - Ending	\$ 792,584	\$ 224,434	\$ 400,711	\$ 237,026	\$ 676,173	\$ 299,150
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.25%	98.92%	97.94%	98.71%	96.31%	98.32%
Covered Payroll ¹	3,677,665	3,407,640	3,124,004	2,757,140	2,284,123	3,369,071
Net Pension Liability as a Percentage of Covered Payroll	21.55%	6.59%	12.83%	8.60%	29.60%	8.88%

¹ Covered Payroll for the fiscal years ending after 2014 was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

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

CITY OF MIAMI SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MIAMI SPRINGS GENERAL EMPLOYEES' RETIREMENT SYSTEM

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ¹	Actual Contribution as a % of Covered Payroll
2020	\$ 472,860	\$ 472,860	\$ -	\$ 3,781,853	12.50%
2019	443,293	443,293	-	3,677,665	12.05%
2018	420,570	420,570	-	3,407,640	12.34%
2017	338,551	338,551	-	3,124,004	10.84%
2016	317,957	317,957	-	2,757,140	11.53%
2015	344,236	344,236	-	2,284,123	15.07%
2014	366,204	366,204	-	3,369,071	10.87%

¹ Covered payroll for the fiscal year ending in 2015 and later was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

Notes to the Schedule of Contributions

Valuation Date	10/1/2018
Measurement Date:	9/30/2019
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the expected contribution date and the beginning of the fiscal year in which the contribution is due.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	22 years (single equivalent period)
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	3.5% to 6.5% depending on service, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition

Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Regular Class members of the Florida Retirement System (FRS), as mandated by Florida Statutes Chapter 112.63(j)(f).
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This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

CITY OF MIAMI SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MIAMI SPRINGS POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
(as required by GASB Statement No. 68)

	2019	2018	2017	2016	2015	2014
Measurement date September 30,						
Total Pension Liability						
Service Cost	\$ 546,751	\$ 590,707	\$ 590,908	\$ 517,936	\$ 516,880	\$ 606,975
Interest on the total pension liability	2,293,156	2,299,169	2,262,208	2,265,414	2,246,773	2,216,416
Changes in benefit terms	-	-	-	-	-	(614,240)
Difference between actual & expected experience of the total pension liability	(132,350)	110,907	(56,808)	(103,859)	-	(90,536)
Changes in assumptions	-	1,341,696	(11,268)	-	-	-
Benefit payments	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,688)
Refunds	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Other	(62,026)	(3,717)	5,585	189	(65,584)	(101,254)
Net Change in Total Pension Liability	<u>15,220</u>	<u>2,587,037</u>	<u>(52,884)</u>	<u>(67,609)</u>	<u>544,221</u>	<u>649,841</u>
Total Pension Liability - Beginning	<u>33,527,777</u>	<u>30,940,740</u>	<u>30,993,624</u>	<u>31,061,233</u>	<u>30,517,012</u>	<u>29,867,171</u>
Total Pension Liability - Ending (a)	<u>\$ 33,542,997</u>	<u>\$ 33,527,777</u>	<u>\$ 30,940,740</u>	<u>\$ 30,993,624</u>	<u>\$ 31,061,233</u>	<u>\$ 30,517,012</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 658,407	\$ 746,806	\$ 799,561	\$ 824,123	\$ 746,333	\$ 745,274
Contributions - Member	357,453	338,943	381,489	353,736	309,304	336,297
Net Investment Income	1,809,760	3,464,364	3,331,989	2,753,012	1,252,928	2,968,350
Benefit Payments	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,688)
Refunds	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Pension plan administrative expense	(83,877)	(83,463)	(76,677)	(114,442)	(108,988)	(110,599)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>111,432</u>	<u>2,714,925</u>	<u>1,592,853</u>	<u>1,069,140</u>	<u>45,729</u>	<u>2,571,802</u>
Plan Fiduciary Net Position - Beginning	<u>33,047,918</u>	<u>30,332,993</u>	<u>28,740,140</u>	<u>27,671,000</u>	<u>27,625,271</u>	<u>25,053,469</u>
Plan Fiduciary Net Position - Ending	<u>\$ 33,159,350</u>	<u>\$ 33,047,918</u>	<u>\$ 30,332,993</u>	<u>\$ 28,740,140</u>	<u>\$ 27,671,000</u>	<u>\$ 27,625,271</u>
Net Pension Liability - Ending	<u>\$ 383,647</u>	<u>\$ 479,859</u>	<u>\$ 607,747</u>	<u>\$ 2,253,484</u>	<u>\$ 3,390,233</u>	<u>\$ 2,891,741</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.86%	98.57%	98.04%	92.73%	89.09%	90.52%
Covered Payroll ¹	\$ 2,859,624	\$ 2,711,544	\$ 2,543,260	\$ 2,358,240	\$ 1,995,510	\$ 3,100,575
Net Pension Liability as a Percentage of Covered Payroll	13.42%	17.70%	23.90%	95.56%	169.89%	93.26%

¹ Covered Payroll for the fiscal years ending after 2014 was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

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

CITY OF MIAMI SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MIAMI SPRINGS POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ¹	Actual Contribution as a % of Covered Payroll
September 30, 2020	\$ 632,668	\$ 632,668	\$ -	2,965,962	21.33%
2019	720,433	720,433	-	2,859,624	25.19%
2018	750,523	750,523	-	2,711,544	27.68%
2017	728,190	728,190	-	2,543,260	28.63%
2016	752,596	752,596	-	2,358,240	31.91%
2015	712,370	680,547	31,823	1,995,510	34.10%
2014	650,366	682,583	(32,217)	3,100,575	22.01%

¹ Covered payroll for the fiscal year ending in 2015 and later was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

² A prepaid contribution of \$32,217 was established as September 30, 2014 resulting from the employer contribution overpayment received during fiscal year 2014. This prepaid contribution was utilized during fiscal year 2015 to cover a portion of the actuarially determined contribution for the year.

Notes to the Schedule of Contributions

Valuation Date	10/1/2018
Measurement Date:	9/30/2019
Notes	Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the expected contribution date and the beginning of the fiscal year in which the contribution is due.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	17 years (single equivalent period)
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	3.25% to 9.5% depending on age, including inflation
Investment Rate of Return	7.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Florida Statutes Chapter 112.63(i)(f).

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

CITY OF MIAMI SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

(as required by GASB Stament No. 75)

Measurement Year Ended September 30,	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 104,511	\$ 107,514	\$ 112,469
Interest on the Total OPEB Liability	102,807	94,927	86,160
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	(52,038)	-	-
Changes in assumptions and other inputs	139,248	(115,795)	(147,733)
Benefit payments	(107,525)	(115,637)	(110,544)
Net change in Total OPEB Liability	187,003	(28,991)	(59,648)
Total OPEB Liability-beginning*	2,633,520	2,662,511	2,722,159
Total OPEB Liability-ending	\$ 2,820,523	\$ 2,633,520	\$ 2,662,511
Estimated covered employee payroll	\$ 7,070,405	\$ 8,391,425	\$ 7,039,959
Total OPEB liability as a percentage of covered employee payroll	39.89%	31.38%	37.82%

Notes to schedule:

Changes of assumptions and other inputs includes the change in discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019.

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

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Senior Center Fund - This fund is used to account for the financial management of programs funded under Title III of the Older Americans Act.

Law Enforcement Trust Fund (LETf) is used to account for the resources accumulated from the sale of forfeited property as well as federal grants, all proceeds are to be used for law enforcement purposes only.

Hurricane Fund is used to account for expenditures related to hurricane and other storm damages that are reimbursed by FEMA.

Road and Transportation fund is used to account for expenditures related to road and transportation improvements.

Debt Service Funds

Debt Service Fund is used to account for the accumulation of transfers from other funds and payment of principal and interest and fiscal charges on the City's debt which are payable from non-ad valorem taxes.

CITY OF MIAMI SPRINGS, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Senior Center	LETF	Hurricane	Road and Transportation	Debt Service	
ASSETS						
Accounts receivable - net	\$ 71,124	\$ -	\$ 99,800	\$ 126,005	\$ -	\$ 296,929
Restricted assets:						
Cash and equity in pooled cash and investments	100	337,807	-	-	-	337,907
Total assets	<u>\$ 71,224</u>	<u>\$ 337,807</u>	<u>\$ 99,800</u>	<u>\$ 126,005</u>	<u>\$ -</u>	<u>\$ 634,836</u>
LIABILITIES						
Accounts payable	\$ 36,279	\$ 1,770	\$ -	\$ 16,383	\$ -	\$ 54,432
Accrued payroll	3,958	-	-	-	-	3,958
Due to other funds	28,790	-	99,681	140,065	-	268,536
Total liabilities	<u>69,027</u>	<u>1,770</u>	<u>99,681</u>	<u>156,448</u>	<u>-</u>	<u>326,926</u>
FUND BALANCES						
Assigned	2,197	-	-	-	-	2,197
Restricted	-	336,037	119	-	-	336,156
Unassigned	-	-	-	(30,443)	-	(30,443)
Total fund balances	<u>2,197</u>	<u>336,037</u>	<u>119</u>	<u>(30,443)</u>	<u>-</u>	<u>307,910</u>
Total liabilities and fund balances	<u>\$ 71,224</u>	<u>\$ 337,807</u>	<u>\$ 99,800</u>	<u>\$ 126,005</u>	<u>\$ -</u>	<u>\$ 634,836</u>

CITY OF MIAMI SPRINGS, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds					Total
	Senior Center	LETF	Hurricane	Road and Transportation	Debt Service	Nonmajor Governmental Funds
Revenues:						
Charges for services	\$ 17,240	\$ -	\$ -	\$ 20,582	\$ -	\$ 37,822
Intergovernmental	295,848	-	-	546,952	-	842,800
Fines and forfeitures	-	150,378	-	-	-	150,378
Investment income	-	1,109	-	-	-	1,109
Miscellaneous	2,184	-	-	-	-	2,184
Total revenues	<u>315,272</u>	<u>151,487</u>	<u>-</u>	<u>567,534</u>	<u>-</u>	<u>1,034,293</u>
Expenditures:						
Current:						
General government	-	-	-	-	7,025	7,025
Public safety	-	69,940	-	-	-	69,940
Public works	-	-	10,766	505,291	-	516,057
Recreation and social services	536,507	-	-	-	-	536,507
Debt service:						
Principal retirement	-	-	-	-	1,006,824	1,006,824
Interest and fiscal charges	-	-	-	-	403,520	403,520
Capital outlay:						
Recreation and social services	1,500	-	-	47,227	-	48,727
Total expenditures	<u>538,007</u>	<u>69,940</u>	<u>10,766</u>	<u>552,518</u>	<u>1,417,369</u>	<u>2,588,600</u>
Deficiency of revenues over expenditures before other financing sources	<u>(222,735)</u>	<u>81,547</u>	<u>(10,766)</u>	<u>15,016</u>	<u>(1,417,369)</u>	<u>(1,554,307)</u>
Other financing sources						
Transfers in	222,524	-	10,885	-	1,417,369	1,650,778
Transfers out	-	-	-	(70,042)	-	(70,042)
Total other financing sources	<u>222,524</u>	<u>-</u>	<u>10,885</u>	<u>(70,042)</u>	<u>1,417,369</u>	<u>1,580,736</u>
Net change in fund balance	<u>(211)</u>	<u>81,547</u>	<u>119</u>	<u>(55,026)</u>	<u>-</u>	<u>26,429</u>
Fund balances, October 1	2,408	254,490	-	24,583	-	281,481
Fund balances, September 30	<u>\$ 2,197</u>	<u>\$ 336,037</u>	<u>\$ 119</u>	<u>\$ (30,443)</u>	<u>\$ -</u>	<u>\$ 307,910</u>

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2020

	DEBT SERVICE FUND			
	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ 7,025	\$ (7,025)
Debt service:				
Principal retirement	1,031,156	1,013,848	1,006,824	7,024
Interest and fiscal charges	408,681	403,520	403,520	-
Total expenditures	1,439,837	1,417,368	1,417,369	(1)
Excess (deficiency) of revenues over expenditures before other financing (uses) sources	(1,439,837)	(1,417,368)	(1,417,369)	(1)
Other financing sources				
Transfers in	1,439,837	1,439,837	1,417,369	(22,468)
Total other financing sources	1,439,837	1,439,837	1,417,369	(22,468)
Net change in fund balance	-	22,469	-	(22,469)
Fund balances, October 1			-	
Fund balances, September 30			\$ -	

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2020

	LETF FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 150,378	150,378
Investment income	1,500	1,500	1,109	(391)
Total revenues	1,500	1,500	151,487	149,987
Expenditures:				
Current:				
Public safety	169,692	183,361	69,940	(113,421)
Total expenditures	169,692	183,361	69,940	(113,421)
Deficiency of revenues over expenditures before other financing sources(uses)	(168,192)	(181,861)	81,547	263,408
Net change in fund balance	(168,192)	(181,861)	81,547	263,408
Fund balances, October 1			254,490	
Fund balances, September 30			\$ 336,037	

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2020

	SENIOR CENTER FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 17,240	\$ (2,760)
Intergovernmental	270,000	270,000	295,848	25,848
Other	-	-	2,184	2,184
Total revenues	290,000	290,000	315,272	25,272
Expenditures:				
Current:				
Recreation and social services	616,199	679,741	536,507	143,234
Capital outlay:				
Recreation and social services	-	-	1,500	(1,500)
Total expenditures	616,199	679,741	538,007	141,734
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(326,199)	(389,741)	(222,735)	167,006
Other financing sources (uses)				
Transfers in	326,199	326,199	222,524	(103,675)
Total other financing sources (uses)	326,199	326,199	222,524	(103,675)
Net change in fund balance	-	(63,542)	(211)	-
Fund balances, October 1			2,408	
Fund balances, September 30			\$ 2,197	

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2020

	ROAD AND TRANSPORTATION			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Charges for services	\$ 22,508	\$ 22,000	\$ 20,582	\$ (1,418)
Intergovernmental	575,000	575,000	546,952	(28,048)
Total revenues	597,508	597,000	567,534	(29,466)
Expenditures:				
Current:				
Public works	622,706	639,230	505,291	133,939
Capital outlay:				
Public Works	40,421	40,421	47,227	6,806
Total expenditures	663,127	679,651	552,518	140,745
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(65,619)	(82,651)	15,016	97,667
Other financing sources (uses)				
Transfers out	(70,042)	(70,042)	(70,042)	-
Total other financing sources (uses)	(70,042)	(70,042)	(70,042)	-
Net change in fund balance	(135,661)	(152,693)	(55,026)	-
Fund balances, October 1			24,583	
Fund balances, September 30			\$ (30,443)	

FIDUCIARY FUNDS

Fiduciary Funds account for revenues for resources revenue sources which by law are designated to finance particular functions or activities of government.

General Employees' Pension Plan Fund - This fund is used to account for the financial management and resources of the City of Miami Springs General Employees' Retirement System.

Police & Firefighters' Pension Plan Fund - This fund is used to account for the financial management and resources of the City of Miami Springs Police and Firefighters' Retirement System.

CITY OF MIAMI SPRINGS, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	<u>Employee Retirement Funds</u>		Total Employee Retirement Funds
	<u>General Employees' Pension Plan</u>	<u>Police & Firefighters' Pension Plan</u>	
ASSETS			
Investments at fair value:			
Money market funds	\$ 744,529	\$ 1,179,730	\$ 1,924,259
Equity securities	13,080,707	21,989,195	35,069,902
Corporate bonds	2,894,019	4,848,724	7,742,743
U.S. government securities	208,333	393,397	601,730
Mortgage pools	2,173,585	3,043,726	5,217,311
Foreign bonds	165,247	501,814	667,061
Municipal bonds	311,617	454,254	765,871
Collateralized mortgage obligations	210,203	529,973	740,176
Real estate fund	1,820,166	2,687,408	4,507,574
Total investments	<u>21,608,406</u>	<u>35,628,221</u>	<u>57,236,627</u>
Receivables:			
Due from broker	148	239	387
Accrued interest and dividends	47,942	61,181	109,123
Total receivables	<u>48,090</u>	<u>61,420</u>	<u>109,510</u>
Other assets:			
Prepaid expenses	5,861	6,551	12,412
Total assets	<u>21,662,357</u>	<u>35,696,192</u>	<u>57,358,549</u>
LIABILITIES			
Accounts payable and accrued liabilities	18,588	32,868	51,456
Due to broker	35,240	58,511	93,751
Total liabilities	<u>53,828</u>	<u>91,379</u>	<u>145,207</u>
NET POSITION			
Net position restricted for pension benefits	\$ 21,608,529	\$ 35,604,813	\$ 57,213,342

CITY OF MIAMI SPRINGS, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Employee Retirement Funds</u>		Total Employee Retirement Funds
	<u>General Employees' Pension Plan</u>	<u>Police & Firefighters' Pension Plan</u>	
ADDITIONS			
Contributions:			
City	\$ 472,860	\$ 505,798	\$ 978,658
Plan members	314,272	311,426	625,698
State of Florida	-	124,360	124,360
Total contributions	<u>787,132</u>	<u>941,584</u>	<u>1,728,716</u>
Investments earnings:			
Net appreciation in fair value of investments	1,801,129	3,077,312	4,878,441
Dividends and interest income	483,066	776,372	1,259,438
Total investment earnings	2,284,195	3,853,684	6,137,879
Less investment expense	<u>(125,675)</u>	<u>(193,637)</u>	<u>(319,312)</u>
Net investment earnings	2,158,520	3,660,047	5,818,567
Other income	298	443	741
Total additions	<u>2,945,950</u>	<u>4,602,074</u>	<u>7,548,024</u>
DEDUCTIONS			
Pension benefits	1,535,189	2,048,394	3,583,583
Refunds of member contributions	76,743	30,757	107,500
Administrative expenses	<u>86,173</u>	<u>77,460</u>	<u>163,633</u>
Total deductions	<u>1,698,105</u>	<u>2,156,611</u>	<u>3,854,716</u>
Net increase	1,247,845	2,445,463	3,693,308
Net position restricted for pension benefits			
Beginning of year	<u>20,360,684</u>	<u>33,159,350</u>	<u>53,520,034</u>
End of year	<u>\$ 21,608,529</u>	<u>\$ 35,604,813</u>	<u>\$ 57,213,342</u>

STATISTICAL SECTION

CITY OF MIAMI SPRINGS, FLORIDA
STATISTICAL SECTION

This part of the City of Miami Spring'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.

Contents

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Financial Trends	91-95
<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>	
Revenue Capacity	96-99
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	100-104
<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>	
Demographic and Economic Information	105-106
<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>	
Operating Information	107-109
<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 SPRINGS, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 20,011	\$ 19,773	\$ 20,934	\$ 20,073	\$ 16,607	\$ 21,697	\$ 22,129	\$ 23,184	\$ 23,039	\$ 23,662
Restricted	2,121	1,496	1,184	1,317	4,545	607	541	1,628	6,326	2,317
Unrestricted	3,080	2,630	1,600	2,021	(1,611)	(2,121)	(691)	(3,138)	(4,039)	(338)
Total governmental activities net position	\$ 25,211	\$ 23,899	\$ 23,717	\$ 23,411	\$ 19,540	\$ 20,183	\$ 21,979	\$ 21,674	\$ 25,326	\$ 25,641
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,943	\$ 2,623	\$ 2,855	\$ 2,830	\$ 2,904	\$ 3,349	\$ 3,197	\$ 3,072	\$ 2,997	\$ 2,935
Unrestricted	1,076	1,164	91	268	(465)	(842)	(934)	(1,165)	(1,243)	(1,403)
Total business-type activities net position	\$ 4,019	\$ 3,787	\$ 3,570	\$ 3,098	\$ 2,439	\$ 2,506	\$ 2,263	\$ 1,906	\$ 1,754	\$ 1,532
Primary government										
Net investment in capital assets	\$ 22,964	\$ 22,386	\$ 23,789	\$ 22,903	\$ 19,511	\$ 25,046	\$ 25,326	\$ 26,256	\$ 26,036	\$ 26,597
Restricted	2,121	1,496	1,184	1,317	4,545	607	541	1,628	6,326	2,317
Unrestricted	4,156	3,794	2,315	2,269	(2,076)	(2,963)	(1,625)	(4,304)	(5,282)	(1,741)
Total primary government net position	\$ 29,231	\$ 27,686	\$ 27,287	\$ 26,509	\$ 21,979	\$ 22,690	\$ 24,242	\$ 23,580	\$ 27,080	\$ 27,173

CITY OF MIAMI SPRINGS, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental activities:										
General government	\$ 2,442	\$ 2,828	\$ 2,636	\$ 2,531	\$ 2,401	\$ 2,381	\$ 2,517	\$ 2,492	\$ 2,717	\$ 2,704
Public safety	6,056	6,516	6,581	6,580	6,047	6,627	6,819	6,821	7,307	8,292
Public works	3,034	2,270	2,652	2,644	2,383	2,494	2,727	7,163	3,058	3,339
Recreation and social services	3,674	3,840	3,943	4,209	4,017	4,195	4,742	4,831	5,772	5,058
Economic and community development	154	518	192	138	159	178	151	13	13	8
Interest on long-term debt	294	140	129	124	208	312	275	278	309	404
Total governmental activities:	<u>15,654</u>	<u>16,112</u>	<u>16,133</u>	<u>16,325</u>	<u>15,216</u>	<u>16,187</u>	<u>17,231</u>	<u>21,397</u>	<u>19,176</u>	<u>19,604</u>
Business-type activities:										
Sanitation	2,191	2,272	2,291	2,416	2,473	2,466	2,352	2,494	2,488	2,540
Stormwater	414	410	458	519	525	469	421	412	466	480
Total business-type activities	<u>2,605</u>	<u>2,683</u>	<u>2,749</u>	<u>2,935</u>	<u>2,997</u>	<u>2,935</u>	<u>2,773</u>	<u>2,906</u>	<u>2,954</u>	<u>3,020</u>
Total primary government expenses	<u>\$ 18,259</u>	<u>\$ 18,795</u>	<u>\$ 18,881</u>	<u>\$ 19,260</u>	<u>\$ 18,213</u>	<u>\$ 19,121</u>	<u>\$ 20,004</u>	<u>\$ 24,501</u>	<u>\$ 22,130</u>	<u>\$ 22,824</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	822	1,298	1,328	1,624	1,239	1,492	2,146	2,241	1,883	1,709
Public safety	241	464	527	422	463	563	840	1,262	1,032	774
Public works	-	15	36	19	18	-	-	-	-	-
Recreation and social services	1,335	1,550	1,430	1,540	1,538	1,588	1,757	1,817	1,925	1,348
Economic and community development	-	17	16	19	19	21	16	16	-	-
Capital grants and contributions	4,127	146	1,458	-	-	214	571	818	490	1,262
Operating grants and contributions	478	493	253	243	299	220	251	2,311	2,676	753
Total governmental activities program revenues	<u>7,003</u>	<u>3,984</u>	<u>5,046</u>	<u>3,867</u>	<u>3,578</u>	<u>4,097</u>	<u>5,581</u>	<u>8,465</u>	<u>7,989</u>	<u>5,847</u>
Business-type activities:										
Charges for services:										
Sanitation	2,333	2,156	2,251	2,257	2,274	2,278	2,275	2,357	2,366	2,344
Stormwater	276	293	279	231	247	251	252	383	434	439
Capital grants and contributions	-	-	-	-	-	470	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>2,609</u>	<u>2,449</u>	<u>2,530</u>	<u>2,488</u>	<u>2,521</u>	<u>2,999</u>	<u>2,527</u>	<u>2,740</u>	<u>2,801</u>	<u>2,783</u>
Total primary government revenues	<u>\$ 9,612</u>	<u>\$ 6,433</u>	<u>\$ 7,576</u>	<u>\$ 6,355</u>	<u>\$ 6,097</u>	<u>\$ 7,095</u>	<u>\$ 8,108</u>	<u>\$ 11,205</u>	<u>\$ 10,790</u>	<u>\$ 8,630</u>
Net (expense)/revenue										
Governmental activities	\$ (8,651)	\$ (12,128)	\$ (11,085)	\$ (12,457)	\$ (11,640)	\$ (12,090)	\$ (11,650)	\$ (12,932)	\$ (11,186)	\$ (13,957)
Business-type activities	4	(234)	(219)	(447)	(476)	64	(246)	(175)	(153)	(237)
Total primary government net expenses	<u>\$ (8,647)</u>	<u>\$ (12,362)</u>	<u>\$ (11,305)</u>	<u>\$ (12,905)</u>	<u>\$ (12,118)</u>	<u>\$ (12,026)</u>	<u>\$ (11,896)</u>	<u>\$ (13,107)</u>	<u>\$ (11,340)</u>	<u>\$ (14,194)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	6,133	5,812	5,823	6,669	7,151	7,073	7,503	8,124	8,597	8,801
Utility taxes	1,783	1,698	1,758	1,808	1,796	1,829	1,794	1,852	1,791	1,809
Franchise fees on gross receipts	902	880	674	941	946	915	945	970	984	920
Intergovernmental (unrestricted)	1,800	2,162	2,226	2,442	2,437	2,585	2,584	2,626	2,639	2,338
Investment income	88	31	8	14	20	19	22	23	57	64
Miscellaneous	258	232	216	277	301	312	598	511	769	343
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 11,024</u>	<u>\$ 10,816</u>	<u>\$ 10,905</u>	<u>\$ 12,151</u>	<u>\$ 12,651</u>	<u>\$ 12,733</u>	<u>\$ 13,446</u>	<u>\$ 14,105</u>	<u>\$ 14,837</u>	<u>\$ 14,273</u>
Business-type activities:										
Investment income	3	2	2	1	1	4	2	1	1	2
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	(26)	-	-	-	-	-	14
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ (25)</u>	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 16</u>
Total primary government	<u>\$ 11,027</u>	<u>\$ 10,817</u>	<u>\$ 10,907</u>	<u>\$ 12,126</u>	<u>\$ 12,652</u>	<u>\$ 12,736</u>	<u>\$ 13,448</u>	<u>\$ 14,106</u>	<u>\$ 14,838</u>	<u>\$ 14,290</u>
Change in Net Position										
Governmental activities	\$ 2,373	\$ (1,313)	\$ (182)	\$ (306)	\$ 1,011	\$ 643	\$ 1,796	\$ 1,173	\$ 3,651	\$ 316
Business-type activities	7	(232)	(217)	(472)	(475)	67	(244)	(174)	(152)	(244)
Total primary government	<u>\$ 2,380</u>	<u>\$ (1,545)</u>	<u>\$ (399)</u>	<u>\$ (778)</u>	<u>\$ 535</u>	<u>\$ 710</u>	<u>\$ 1,552</u>	<u>\$ 999</u>	<u>\$ 3,498</u>	<u>\$ 72</u>

CITY OF MIAMI SPRINGS, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Ad-Valorem Taxes General Purpose	Ad-Valorem Taxes Debt Service	Local Option Gas Tax	Enhanced Transportation Tax	State Revenue Sharing Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Half Cent Sales tax	Utility Tax	Franchise tax	Total
2011	5,577	383	370	418	369	-	9	827	1,718	891	10,562
2012	5,812	-	362	470	404	-	15	896	1,698	880	10,539
2013	5,823	-	360	495	402	-	10	950	1,758	674	10,672
2014	6,669	-	367	527	427	-	12	1,003	1,808	727	11,540
2015	7,151	-	380	-	454	-	11	1,051	1,796	711	11,555
2016	7,073	-	381	568	463	-	9	1,075	1,829	692	12,090
2017	7,503	-	391	571	486	-	9	1,079	1,794	690	12,523
2018	8,124	-	385	597	497	-	10	1,121	1,852	970	13,555
2019	8,597	-	386	595	510	-	14	1,129	1,791	984	14,006
2020	8,801	-	345	547	469	-	9	968	1,809	920	13,868

CITY OF MIAMI SPRINGS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	136	134	162	233	215	195	239	216	205
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	243	661	150	199	70	80	86
Committed	-	847	577	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,634	3,411	2,981	3,858	3,497	2,841	3,335	3,792	4,988	4,845
Total general fund	<u>\$ 4,904</u>	<u>\$ 4,394</u>	<u>\$ 3,692</u>	<u>\$ 4,264</u>	<u>\$ 4,391</u>	<u>\$ 3,205</u>	<u>\$ 3,729</u>	<u>\$ 4,101</u>	<u>\$ 5,284</u>	<u>\$ 5,135</u>
All other governmental funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	112	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,821	937	1,190	1,317	4,482	422	460	1,629	6,327	2,315
Committed	169	140	-	-	-	-	-	-	-	-
Assigned	19	419	-	-	63	-	-	428	-	2
Unassigned	-	-	(187)	(205)	(196)	(213)	-	(986)	-	-
Total all other governmental funds	<u>\$ 2,121</u>	<u>\$ 1,496</u>	<u>\$ 1,003</u>	<u>\$ 1,112</u>	<u>\$ 4,348</u>	<u>\$ 209</u>	<u>\$ 460</u>	<u>\$ 643</u>	<u>\$ 6,327</u>	<u>\$ 2,317</u>

* During FY2009 the City implemented the new fund balance classifications.

CITY OF MIAMI SPRINGS, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes and franchise fees	\$ 6,850	\$ 6,692	\$ 6,697	\$ 7,610	\$ 8,097	\$ 7,988	\$ 8,448	\$ 9,093	\$ 9,581	\$ 9,721
Charges for services	1,936	2,134	2,014	2,160	2,155	2,414	2,724	2,638	2,703	2,201
Public service taxes	1,718	1,698	1,758	1,808	1,796	1,829	1,794	1,852	1,791	1,809
Intergovernmental	3,609	2,692	2,678	2,582	2,736	2,941	3,350	5,687	5,773	4,184
Licenses and permits	641	488	740	1,043	556	757	1,350	1,554	1,158	902
Fines and forfeitures	209	534	576	519	466	636	849	1,249	1,019	894
Interest	27	31	8	14	21	19	22	22	57	65
Miscellaneous	600	529	300	283	299	268	363	474	745	344
Total revenues	15,590	14,799	14,772	16,018	16,227	16,851	18,900	22,570	22,827	20,120
EXPENDITURES										
General government	2,755	2,611	2,376	2,246	2,284	2,285	2,172	2,217	2,298	2,588
Public safety	5,928	6,402	6,356	6,354	6,720	6,938	7,059	7,332	7,619	7,601
Public works	2,733	1,823	2,166	2,308	2,150	2,266	2,423	6,616	2,703	2,988
Recreation and social services	3,315	3,393	3,559	3,749	3,607	3,806	4,339	4,491	5,040	4,522
Economic and community development	72	510	123	5	27	42	12	-	-	-
Debt service:										
Principal retirement	476	428	440	574	2,708	1,621	663	718	2,328	1,014
Interest and fiscal charges	202	140	129	124	208	312	275	279	309	404
Capital outlay:										
General government	2	1	9	864	983	22	34	3	10	3
Public safety	119	112	206	193	168	227	147	203	853	375
Public works	225	80	95	115	212	149	840	1,030	21	24
Recreation and social services	213	129	277	1,009	1,369	4,153	391	454	1,761	5,315
Economic and community development	1,383	303	231	50	-	216	138	-	-	-
Total expenditures	17,423	15,933	15,967	17,592	20,436	22,037	18,493	23,343	22,942	24,833
Excess (deficiency) of revenues over expenditures	(1,833)	(1,134)	(1,196)	(1,574)	(4,210)	(5,186)	407	(773)	(115)	(4,714)
Other financing (uses) sources:										
Transfers in	1,457	1,205	641	809	1,060	2,266	1,113	2,653	3,584	1,651
Transfers out	(1,457)	(1,205)	(641)	(809)	(1,060)	(2,266)	(1,113)	(2,653)	(3,584)	(1,651)
Proceeds from capital lease	-	-	-	1,631	-	46	-	1,063	1,982	555
Proceeds from debt	-	-	-	624	7,574	-	-	-	5,000	-
Total other financing sources (uses)	-	-	-	2,255	7,574	46	-	1,063	6,982	555
Net change in fund balances	\$(1,834)	\$(1,134)	\$(1,134)	\$ 681	\$ 3,364	\$(5,140)	\$ 407	\$ 290	\$ 6,867	\$(4,158)
Debt service as a percentage of noncapital expenditures	4.4%	3.7%	3.8%	4.6%	16.5%	11.2%	5.5%	4.6%	13.0%	7.4%

CITY OF MIAMI SPRINGS, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Real Property			Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net assessed Value as a Percentage of Estimated Actual Value (1)
	Residential Property	Commercial Property						
2011	631,848	179,860		60,956	872,664	6.4710	1,298,885	64.72%
2012	599,212	185,007		66,114	850,333	6.7400	1,221,297	77.98%
2013	597,863	211,570		77,894	887,327	6.9950	1,263,267	72.13%
2014	621,834	246,863		75,422	946,119	7.6710	1,284,743	73.64%
2015	653,405	264,315		88,523	986,244	7.6710	1,316,177	74.93%
2016	692,877	290,727		70,334	1,053,938	7.5000	1,553,378	67.85%
2017	743,121	292,140		85,506	1,120,767	7.5000	1,695,734	66.09%
2018	723,168	389,788		85,223	1,198,179	7.5000	1,789,390	66.96%
2019	818,800	348,482		89,180	1,256,462	7.3500	1,833,511	68.53%
2020	875,127	353,249		95,466	1,323,842	7.3300	1,954,847	67.72%

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 SPRINGS, FLORIDA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS(1)

LAST TEN FISCAL YEARS

Fiscal Year	City of Miami Springs				OVERLAPPING RATES							Total Direct & Overlapping Rates
	City Wide	Debt Service	Total Direct Rate	County-Wide	County							
					Debt Service	Fire	Library	School	State	Special Districts		
2011	6.4710	0.4698	6.9408	5.9275	0.4450	2.5953	0.2840	8.2490	0.6585	25.1001		
2012	6.7400	-	6.7400	4.8050	0.2850	2.4627	0.1795	8.0050	0.9708	23.4480		
2013	6.9950	-	6.9950	4.7035	0.2850	2.4627	0.1725	7.9980	0.9634	23.5801		
2014	7.6710	-	7.6710	4.7035	0.4220	2.4496	0.1725	7.9970	0.9382	24.3538		
2015	7.6710	-	7.6710	4.6669	0.4500	2.4293	0.2840	7.6120	0.8896	24.0028		
2016	7.5000	-	7.5000	4.6669	0.4000	2.4282	0.2840	7.3220	0.8627	23.4638		
2017	7.5000	-	7.5000	4.6669	0.4000	2.4282	0.2840	6.9940	1.1907	23.4638		
2018	7.3500	-	7.3500	4.6669	0.4644	2.4282	0.2840	6.7330	0.7596	22.6861		
2019	7.3300	-	7.3300	4.6669	0.4780	2.4207	0.2840	7.1480	0.7795	23.1071		
2020	7.3300	-	7.3300	4.6669	0.4780	2.4207	0.2840	7.1290	0.7502	23.0588		

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

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 SPRINGS, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(amounts expressed in thousands)

2020		2011					
Taxpayer	Taxable Valuation	Rank	Percentage Total Taxable Valuation	Taxpayer	Taxable Valuation	Rank	Percentage Total Taxable Valuation
MIAMI AP HOTEL LLC	\$ 32,300	1	2.4%				
DORIAN VAN BEYER CALLEN	17,702	2	1.3%	DORIAN VAN BEYER CALLEN	\$ 9,419	3	1.0%
42ND AVE HOSPITALITY	13,500	3	1.0%				
DORAL BOULEVARD	13,468	4	1.0%				
MIAMI AIRPRT LODGING	13,200	5	1.0%				
AA GROUP LTD	13,221	6	1.0%	AA GROUP LTD	14,976	2	1.7%
4299 MIAMI SPRINGS LLC	13,024	7	1.0%	4299 MIAMI SPRINGS LLC	6,436	9	0.7%
MIAMI LEJEUNE LLC	12,597	8	1.0%				
FAIRHAVENS REAL ESTATE	12,690	9	1.0%	FAIRHAVENS REAL ESTATE	6,669	8	0.7%
665 MOKENA PROPERTIES	11,051	10	0.8%				
	<u>\$ 152,753</u>		<u>11.5%</u>		<u>\$ 102,772</u>		<u>11.4%</u>
				PRIME AFC INVEST MGMT LLC	7,783	6	0.9%
				FELCOR HOLDINGS L.P.	28,500	1	3.1%
				36TH STREET HOTEL HOLDINGS	\$ 7,802	5	0.9%
				ROYAL ARMES PROPERTIES	6,812	7	0.8%
				SOUTHERN BELL	6,275	10	0.7%
				RED ROOF INNS	8,100	4	0.9%

Sources: Miami-Dade County Tax Assessors' Office
 2020 Tax Roll
 Real/personal property adjusted taxable value- \$1,323,740,967

CITY OF MIAMI SPRINGS, FLORIDA

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total taxes Levied for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Percent of Levy
		Amount	Percent of Levy		
2011	5,840	5,577	95.5%	-	95.5%
2013	5,824	5,823	100.0%	-	100.0%
2014	6,807	6,669	98.0%	-	98.0%
2015	7,261	7,151	98.5%	-	98.5%
2016	7,103	7,073	99.6%	-	99.6%
2017	7,567	7,502	99.1%	-	99.1%
2018	7,920	8,124	102.6%	-	102.6%
2019	8,423	8,597	102.1%	-	102.1%
2020	8,749	8,801	100.6%	-	100.6%

Source: City of Miami Springs, Finance department and the Miami Dade County Tax Collector's Office

Note: Total Adjusted Tax Levy is based on final assessed property values by Miami-Dade County Department of Property Appraisal office after the Property Appraisal Adjustment Board has completed hearings on the tax roll; and before discounts.

Discounts Allowed:

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

CITY OF MIAMI SPRINGS, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Notes Payable	Capital Leases	Sewer Bonds	Notes Payable	Capital Leases			
2011	-	4,694	53	-	207	224	5,178	1.85%	375
2012	-	4,272	37	-	166	158	4,633	1.66%	335
2013	-	3,849	18	-	124	562	4,553	1.41%	324
2014	-	3,414	2,132	-	83	399	6,028	1.56%	429
2015	-	8,418	2,132	-	41	286	10,877	2.81%	773
2016	-	6,990	1,848	-	-	463	9,301	2.40%	661
2017	-	6,546	2,078	-	-	454	9,078	2.12%	645
2018	-	7,477	1,491	-	-	261	9,229	2.16%	656
2019	-	10,963	2,658	-	-	163	13,784	3.19%	971
2020	-	10,432	2,736	-	-	62	13,230	2.88%	929

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 104 for the personal income and population data.

CITY OF MIAMI SPRINGS, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-

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

Note: Total Adjusted Tax Levy is based on final assessed property values by Miami-Dade County Department of Property Appraisal office after the Property Appraisal Adjustment Board has completed hearings on the tax roll; and before discounts.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 77 for property value data.

(2) See the Schedule of Demographic and Economic Statistics on page 86 for population data.

CITY OF MIAMI SPRINGS, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

FISCAL YEAR ENDED SEPTEMBER 30, 2020

(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Amount Applicable to Miami Springs</u>
Miami-Dade County Schools (2)	\$ 3,188,281	0.43%	\$ 13,710
Miami-Dade County (3)	<u>4,336,800</u>	0.43%	<u>18,648</u>
Subtotal overlapping debt	7,525,081		32,358
City of Miami Springs direct debt	<u>13,230</u>	100.0%	<u>13,230</u>
Total direct and overlapping debt	\$ 7,538,311		\$ 45,588

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

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

(3) Miami-Dade County, Finance Department (includes revenue bonds, loans and capital leases)

CITY OF MIAMI SPRINGS, FLORIDA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

	2011	2014	2015	2016	2017	2018	2019	2019	2020
Debt Limit	135,380	141,976	147,937	147,541	168,259	179,805	188,469	188,469	198,561
Total net debt applicable to limit (1)	-	-	-	-	-	-	-	-	-
Legal debt margin	135,380	141,976	147,937	147,541	168,259	179,805	188,469	188,469	198,561
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2020

Assessed valuation 2020 roll	<u>\$ 1,323,741</u>
Bonded debt limit- 15% of assessed value	\$ 198,561
Total ad valorem debt- General Obligation Bonds	-
Amount of debt applicable	<u>\$ 198,561</u>
Legal debt margin	<u>\$ 198,561</u>

Note: City Charter sets limit of ad-valorem bond indebtedness at 15% of assessed valuations.

(1) General Obligation Bonds were issued in 1998, and refunded during FY2011.

CITY OF MIAMI SPRINGS, FLORIDA

PLEDGED REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Water & Sewer Charges and Other (1)	Less: Operating Expenses	Net Revenue Available for		Half Cent Sales Tax Revenues (2)	Public Service Tax & Franchise Fee Revenues (3)	Local Government Half-Cent Sales Tax Revenues (4)	Debt Service Requirements		Coverage	
			Debt Service	Service				Principal	Interest		Total
2011	-	-	-	-	827,344	-	-	383,484	204,429	587,913	141
2012	-	-	-	-	896,447	-	-	428,297	140,262	568,579	158
2013	-	-	-	-	949,575	-	-	440,297	128,506	568,804	167
2014	-	-	-	-	1,003,119	-	-	434,692	115,914	550,606	182
2015	-	-	-	-	1,051,079	2,139,229	-	738,504	243,951	982,455	325
2016	-	-	-	-	(2)	2,149,997	-	376,000	258,771	634,771	339
2017	-	-	-	-	(2)	2,184,204	-	376,000	258,771	634,771	344
2018	-	-	-	-	(2)	2,232,489	-	376,000	258,771	634,771	352
2019	-	-	-	-	(3)	1,880,112	1,128,950	715,000	305,573	1,020,573	295
2020	-	-	-	-	(3)	1,831,308	967,813	715,000	305,573	1,020,573	274

Note: 1) The City's water and sewer revenue bonds were defeased with the sale of the utility operation to Miami-Dade County on September 3, 2008. This schedule presented for historical reference only and operating transfers.

Gross Revenue includes total operating revenues, interest income, miscellaneous revenue and operating transfers.

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

Direct Operating Expenses do not include interest and depreciation.

2) The City issued \$2.5 million Sales Tax Revenue Refunding Note collateralized by the Half Cent Sales Tax. The Sales Tax Revenue Refunding Note requires that if the coverage is under 1.5X, the City pledges to budget and appropriate from other non ad-valorem revenues a sufficient amount to meet the 1.5X coverage ratio. This Note was prepaid in full during FY2016.

3) The City issued \$7.55 million Capital Improvement Refunding Revenue Note, Series 2015 which is collateralized by the Public Service Tax and Franchise Fee Revenues. The Capital Improvement Refunding Revenue Note requires that if the coverage is under 1.5X, the City pledges to budget and appropriate from other non ad-valorem revenues a sufficient amount to meet the 1.5X coverage ratio.

4) The City issued \$5 million Capital Improvement Revenue Note, Series 2019 which is collateralized by the Local Government Half-Cent Seales Tax revenues and appropriate from other non ad-valorem revenues a sufficient amount to meet the 1.5X coverage ratio.

CITY OF MIAMI SPRINGS, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (Amounts Expressed in Thousands)	Per capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment rate (4)
2011	13,809	279,618	20,249	N/A	3,458	11.5
2012	13,844	280,327	20,249	42.5	3,458	8.7
2013	14,037	322,332	22,963	42.5	3,678	8.4
2014	14,067	386,843	27,500	42.5	3,875	6.4
2015	14,027	392,279	27,966	42.0	3,875	6.2
2016	14,089	388,194	27,553	43.3	3,875	4.8
2017	14,214	432,120	30,401	45.5	3,995	4.6
2018	14,217	432,211	30,401	45.5	3,995	4.2
2019	14,192	431,451	30,401	45.5	3,995	3.2
2020	14,237	459,471	32,273	45.7	3,683	8.8

Source: (1) City of Miami Springs and State of Florida

(2) <http://www.city-data.com/city/Miami-Springs-Florida.html>

(3) Miami-Dade County Public Schools Registrar's Office

(4) Florida Agency for Workplace Innovation, Office of Workforce Information Services,
Labor Market Statistics

N/A- Information not available

CITY OF MIAMI SPRINGS, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	<u>2020</u>			<u>2011</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>Percentage of Total County Employment</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	33,477	1	2.79%	48,571	1	4.77%
Miami-Dade County, Florida	25,502	2	2.13%	29,000	2	3.05%
Federal Government	19,200	3	1.60%	19,500	3	1.95%
State Government	17,100	4	1.43%	17,100	4	1.62%
University of Miami	12,818	5	1.07%	16,000	5	1.05%
Baptist Health Systems	11,353	6	0.95%	13,376	6	1.03%
American Airlines	11,031	7	0.92%	9,000	9	1.00%
Jackson Memorial Hospital	9,797	8	0.82%	12,571	7	0.94%
City of Miami	3,997	9	0.33%			0.00%
Florida International University	3,534	10	0.29%	8,000	10	0.00%
Miami Dade Community College	-		0.00%	-	-	0.86%
Publix Supermarket	-		0.00%	10,800	8	0.62%
	<u>147,809</u>		<u>12.32%</u>	<u>183,918</u>		<u>16.89%</u>

Source: The Beacon Council

CITY OF MIAMI SPRINGS, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	19	19	17	17	16	16	16	16	16	16
Public safety										
Police	43	43	43	42	43	43	43	43	44	45
Officers	11	11	11	11	10	13	13	12	12	12
Civilians	5	5	5	5	6	7	7	7	6	7
Building & Zoning										
Public Works	25	23	16	13	13	18	20	21	21	23
Culture and recreation	10	10	11	13	11	16	18	19	20	19
Sanitation	13	13	13	13	13	13	13	12	12	11
Stormwater	2	2	3	3	3	2	2	2	2	2
	<u>128</u>	<u>126</u>	<u>119</u>	<u>117</u>	<u>115</u>	<u>128</u>	<u>132</u>	<u>132</u>	<u>133</u>	<u>135</u>

Source: City of Miami Springs Finance Department

CITY OF MIAMI SPRINGS, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police:							2,020			
Number of calls answered	18,043	17,504	15,893	15,009	13,990	15,853	15,853	14,885	15,939	19,031
Number of arrests	430	494	489	373	327	292	292	374	405	568
Number of uniformed officers	43	43	43	42	43	43	43	43	44	45
Building & Zoning:										
Number of building permits issued	1,105	1,220	1,278	1,302	1,274	1,549	1,549	1,746	1,761	1,440
License/Permit revenue generated	\$490,819	\$404,196	\$663,443	\$948,629	\$552,041	\$618,194	\$618,194	\$1,418,490	\$1,288,049	\$ 820,820
Occupational licenses issued	603	587	569	569	582	568	568	603	532	506
Culture and recreation										
Number of senior meals served	43,054	41,634	39,851	41,746	56,014	42,346	42,346	47,850	52,916	54,917
Recreation revenues collected	\$449,149	\$475,212	\$460,122	\$411,196	\$343,094	\$420,444	\$420,444	\$ 486,797	\$ 486,797	\$ 95,630
Sanitation										
Refuse collected (tons per month)	475	508	839	961	914	953	953	927	937	1,060

Sources: Various City departments
 Note: Indicators are not available for the general government function.

CITY OF MIAMI SPRINGS, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</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>	<u>2020</u>
Public Safety										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	43	36	36	36	36	32	41	41	51	51
Public works										
Streets (Miles-paved)	55	55	55	55	55	55	55	55	55	55
Culture and recreation										
Sports/Recreation Parks	3	3	3	3	3	3	3	3	3	3
Recreation Center	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	5	5	5	5	5
Baseball/Football fields	10	10	10	10	10	10	10	10	10	10
Golf courses	1	1	1	1	1	1	1	1	1	1
Sanitation										
Number of collection trucks	6	6	6	6	6	6	6	6	6	6
Elderly Services										
Senior centers	1	1	1	1	1	1	1	1	1	1
Transportation vehicles	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments
 Note: No capital asset indicators are available for the general government function.

COMPLIANCE SECTION

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

Honorable Mayor and Members of the City Council
City of Miami Springs, 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, as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2021.

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.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
February 23, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR IT'S MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR
GENERAL**

Honorable Mayor and Members of the City Council
City of Miami Springs, Florida

Report on Compliance for It's Major State Project

We have audited the City of Miami Springs' (the "City") compliance with the types of compliance requirements described in the Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on the City's major state project for the fiscal year ended September 30, 2020. The City's major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, contracts, and grants applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major state project 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 Chapter 10.550, *Rules of the Auditor General*. Those standards 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 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 the City's major state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major 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 its major state project for the fiscal year ended September 30, 2020.

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 the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with 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.

Report on Internal Control over Compliance (Continued)

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 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 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 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.

Purpose of this Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
February 23, 2021

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Local Grantor/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract #</u>	<u>Expenditures</u>
<i>Florida Department of Elder Affairs</i>			
Local Services program-General revenue	65.009	KL-2005	\$ 16,271
Construction of New Senior Center Building	65.013	XQ901	\$ 850,000
<i>Total Florida Department of Elder Affairs</i>			<u>866,271</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 866,271</u>

See notes to schedule of expenditures of state financial assistance

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of the City for the fiscal year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.550, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF MIAMI SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Significant deficiencies identified?

___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

State Awards

Internal control over major state awards:

Material weakness(es) identified?

___ Yes X No

Significant deficiencies identified?

___ Yes X None Reported

Type of auditors' report issued on compliance for major state projects:

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General?

___ Yes X No

Identification of major state project:

CSFA No.

State Project

65.013 Construction of New Senior Center Building

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

\$300,000

CITY OF MIAMI SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - MAJOR STATE PROJECT FINDINGS AND QUESTIONED COSTS

None.

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

Honorable Mayor and Members of the City Council
City of Miami Springs, Florida

Report on the Financial Statements

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 of Miami Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 23, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination 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 February 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

Financial Condition and Management (Continued)

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the 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. This assessment was performed as of the fiscal year end.

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

Additional Matters

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
February 23, 2021



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

Honorable Mayor and Members of the City Council
City of Miami Springs, Florida

We have examined the City of Miami Springs' (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020. Management of the City 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, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of management, the Mayor, the City Council, others within the City and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
February 23, 2021