

2023

Annual Comprehensive Financial Report



**City of Miami Springs Fiscal Year Ending
September 30, 2023
Prepared By: Finance Department**



CITY OF MIAMI SPRINGS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023

Prepared by:

THE FINANCE DEPARTMENT

CITY OF MIAMI SPRINGS, FLORIDA
ANNUAL COMPREHENSIVE 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

April 29, 2024

To the Citizens of the City of Miami Springs:

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the City of Miami Springs, Florida, for the fiscal year ending September 30, 2023, 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, elderly 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, to this end 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.

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

The City is 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 fiscal year 2023 assessed property values increased to \$1,605,558,349 or an increase of approximately \$155.8 million or 10.7% from the \$1,449,806,131 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.

Subsequent to year end, the City signed a new three-year agreement with its police union through fiscal year 2026, while in fiscal year 2022 the City signed a new three-year agreement with the new Lieutenants union that was established in fiscal year 2022.

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 fiscal year 2023 is \$8,082,479 or approximately \$2,331,197 higher than our required minimum of \$5,751,282 in order to meet the 25% requirement. In accordance with this adopted policy, the City complied with the 25% requirement at the end of fiscal year 2023.

The City continues to pursue grant and other funding opportunities to provide needed infrastructure improvements to the City, including funding for canal bank restoration, sidewalk and road projects, and other City infrastructure needs.

During fiscal year 2021 and fiscal year 2022 the city was allocated approximately \$6.8 million in American Rescue Plan (ARPA) funding that will be used for two major stormwater and road improvement projects, the Oakwood/East Drive Stormwater/Road Project and the South Royal Poinciana Median Stormwater and Road Project, as well as other governmental services.

In fiscal year 2022, the City received State funding during the legislative session as follows: \$750,000 for the replacement of an aging pump house located in downtown Hook Square Station adjacent to the C-6 canal, \$2 million for the South Drive Stormwater/Road Improvement Project, an extra \$2 million earmarked for the Oakwood/East Drive stormwater project, and \$750,000 allocated for senior meals and programs.

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.

FINANCIAL INFORMATION (CONTINUED)

Accounting Control (Continued)

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.

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 87.

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 2023 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 2023, the City earned \$385,425 in investment income, as compared to \$22,005 earned in fiscal year 2022.

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, 2023.

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 as of September 30, 2023 was \$3,712,000.

FINANCIAL INFORMATION (CONTINUED)

Debt Administration (Continued)

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 as of September 30, 2023 was \$48,054.

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 as of September 30, 2023 was \$4,250,000.

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, 2023 was \$936,802.

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, 2023 was \$79,006.

On November 14, 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, 2023 was \$144,297.

On November 12, 2021, the city executed a Revenue Note with City National Bank in the amount of \$645,000 for the acquisition of two new sanitation trucks, a Parks and Recreation truck, and infrastructure improvements to the community center. The Note has a term of five years with a fixed interest rate of 1.5%. The Note requires that the city covenants to budget and appropriate the annual debt service payment from Non Ad-Valorem revenues. The maturity date for this Note is December 1, 2026, with quarterly payments of principal and interest of \$33,561. The balance as of September 30, 2023 was \$425,056.

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 fiscal year 2023 budget is providing funding for tree planting and tree trimming citywide, sidewalk repair and for resurfacing of the city's tennis courts. Additionally, as discussed above, ARPA funding will be used for two major stormwater/road improvement projects, addition of police officers and equipment, golf course renovation, and various parks and recreation projects (batting cages and shade canopies). The city will also commence the Hook Square pump station replacement as well as the South Drive Stormwater project which were funded by the State in this year's appropriations. Many of the initiatives will be completed in fiscal year 2024.

The Oakwood/East Drive Project, Hook Square pump station replacement and South Drive Stormwater projects are scheduled to commence in fiscal year 2024 using State appropriations as outlined above.

For fiscal year 2024, the City requested State funding during the legislative session as follows: \$1 million for Miller Drive Roadway improvements, \$1 million for Forrest Drive Stormwater and Flood Mitigation improvements, \$750,000 for Senior Supplemental Meals and Services, \$250,000 for an update to the City's Stormwater Master Plan and \$200,000 for constructing a new World War I memorial monument project.

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 Annual Comprehensive 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 Annual Comprehensive 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 audit of the City in a responsible and progressive manner. Finally, we would also like to thank the various 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,



Juan Carlos Jimenez, ICMA
City Manager



Christopher Chiocca, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Miami Springs
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

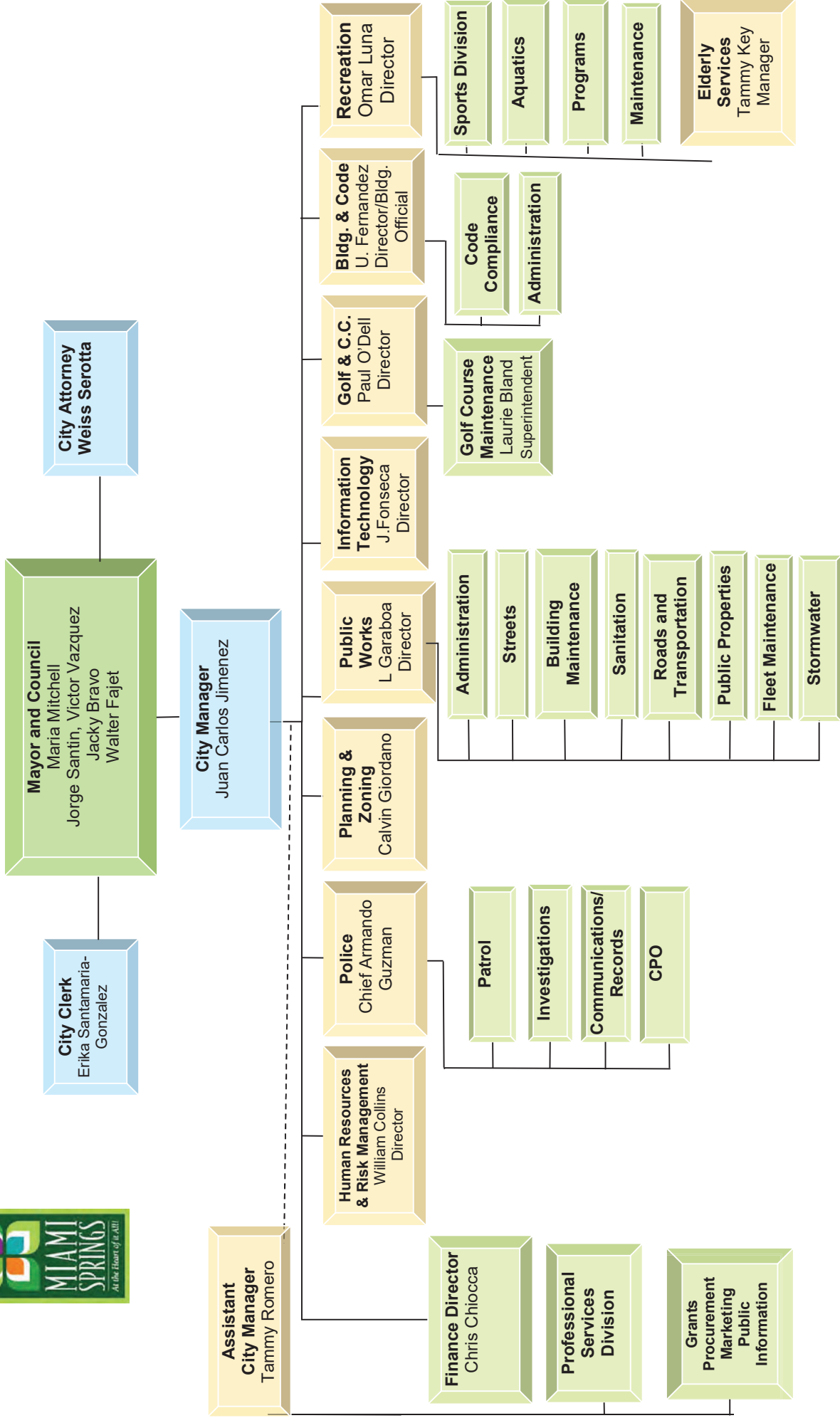
September 30, 2022

Christopher P. Morrell

Executive Director/CEO

City of Miami Springs Organizational Chart

2022 - 2023



MIAMI SPRINGS CITY OFFICIALS

CITY COUNCIL

Mayor: Maria Puente Mitchell

Councilwoman: Jacky Bravo

Councilman: Walter Fajet

Councilman: Jorge Santin

Councilman: Victor Vasquez

CITY MANAGER

Juan Carlos Jimenez, ICMA-CM

FINANCE DIRECTOR

Christopher Chiocca, CPA

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



Accountants
Advisors

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

Report on the Audit of the Financial Statements

Opinions

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, Florida (the "City") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and the OPEB schedule on pages 4–20 and 78–86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, 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 solely 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 City's internal control over financial reporting and compliance.

Very truly yours,

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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, 2023. 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.

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 \$38.8 million (net position). Unrestricted net position was \$5,521,548 compared to a surplus of approximately \$6.0 net position at the end of fiscal year 2022.
- The City's total net position decreased by \$406,482 from \$40,074,412 in fiscal year 2022 to \$40,344,723 in fiscal year 2023. The increase is attributable to the overall decrease of \$175,556 from the City's business-type activities, and an decrease of \$230,926 in net position of the governmental activities.
- During the year, the City had expenditures that were \$4,659,713 greater than the \$25 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 \$348,700.
- The General Fund's fund balance increased by \$110,530 for the fiscal year ended September 30, 2023; this increase was primarily due to revenues in excess of budget and lower than expected expenditures.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was approximately \$7.4 million, or approximately 40% of total General Fund expenditures. The nonspendable fund balance was \$674,550 and the committed fund balance was \$180,768.
- The City's total debt increased by approximately \$2.4 million (net of principal payments on existing debt). This increase was due primarily to the new golf course renovation note.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

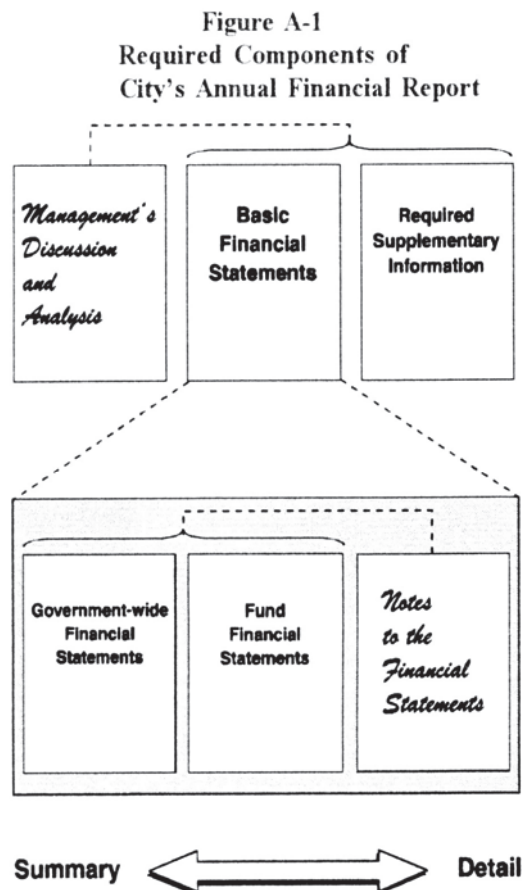
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include 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, 2023

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 governmental 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 21-22 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 and the Capital Projects 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 23-26 of this report.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 solid waste 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 27-29 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 30-31 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 32-77 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 78-86 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 87 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 0.8% between fiscal years 2022 and 2023 (see Table 1).

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities

The net position for the City's governmental activities decreased by \$230,926 or 0.6% to \$38.1 million which is attributable to current year operations. The largest portion of the City's governmental net position, \$26.2 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 (\$6.4 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is \$5.5 million.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-2023
Current and other assets	\$ 26.7	\$ 16.9	\$ 0.8	\$ 0.2	\$ 27.5	\$ 17.1	-37.8%
Capital assets	34.9	39.4	2.4	2.2	37.3	41.6	11.5%
Total assets	61.6	56.3	3.2	2.4	64.8	58.7	-9.4%
Deferred outflows	1.8	7.9	0.2	0.6	2.0	8.5	325.0%
Long-term debt	12.8	19.7	0.7	0.9	13.5	20.6	52.6%
Other liabilities	4.0	4.4	0.3	0.5	4.3	4.9	14.0%
Total liabilities	16.8	24.1	1.0	1.4	17.8	25.5	43.3%
Deferred inflows	8.2	2.0	0.6	0.1	8.8	2.1	-76.1%
Net position							
Net Investment in capital assets	24.2	26.2	2.4	2.3	26.6	28.5	7.1%
Restricted	8.1	6.4	-	-	8.1	6.4	-21.0%
Unrestricted	6.0	5.5	(0.7)	(0.8)	5.3	4.7	-11.3%
Total net position	\$ 38.3	\$ 38.1	\$ 1.7	\$ 1.5	\$ 40.0	\$ 39.6	-1.0%

At the end of the current fiscal year, the City was able to report positive balances in two of the three categories of net position for its governmental activities and business-type activities.

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.

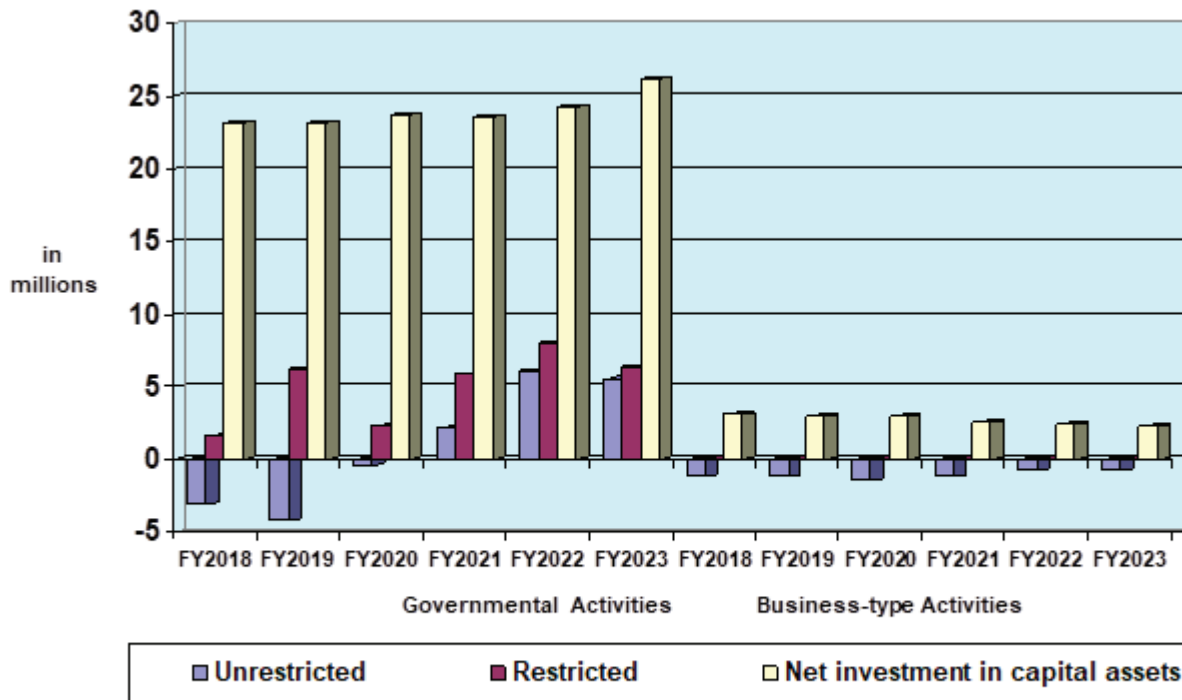
CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 63% 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 decreased by \$230,926 to approximately \$38.1 million for the current fiscal year. This indicates that ongoing expenses were greater than ongoing revenues.

The City's total revenues decreased by 6.2% to \$27.1 million (see Table 2). This decrease was due primarily to the decrease in capital grants related to American Rescue Plan funding received in fiscal year 2022.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

Approximately 39.6% of the City's revenues come from property taxes, and 60 cents of every dollar raised comes from some type of tax (see Figure A-3). Another 24.8% comes from fees charged for services, and 5.7% comes from federal, state and local aid. Total costs of all programs and services increased by approximately 26% for fiscal year 2023 (see Table 3).

The City's expenses cover a range of services; with about 49.2% related to public safety and business-type activities (see Figure A-4).

FIGURE A-3
REVENUES BY SOURCE-GOVERNMENTAL ACTIVITIES

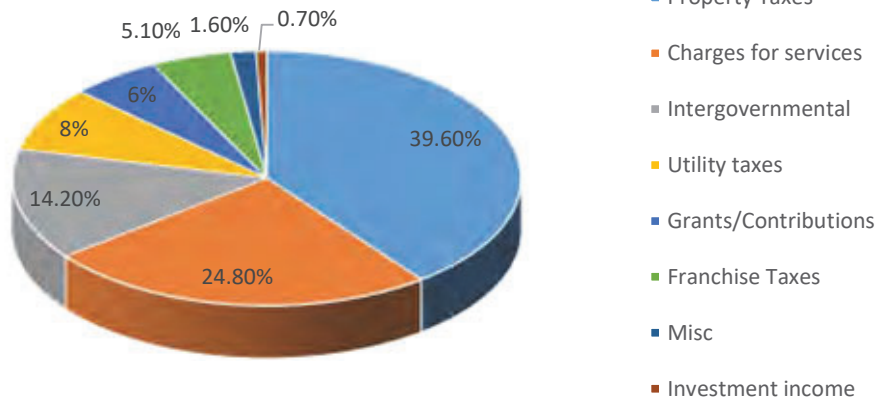
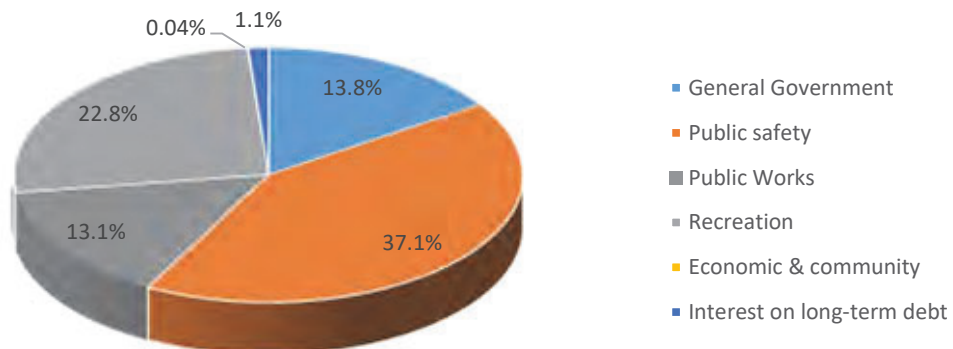


FIGURE -A-4
FUNCTIONAL EXPENSES FOR FY 2023



CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

Revenues for the City's governmental activities decreased 6.2% (from \$26.0 million to \$24.0 million), while the expenses increased from \$19.2 million to \$24.2 million. The decrease in net position for governmental activities was \$230,926 in 2023. This compares to an increase of \$6,732,431 in 2022. Key elements of the 2023 revenue decreases are as follows:

- Capital grants and contributions decreased by \$2.9 million due to the funding for the golf course renovation and other ongoing projects.

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

- All expense categories increased due to increased operating costs, and the adjustment related to the net pension liability.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-2023
Revenues							
Program revenues							
Charges for services	\$ 5.8	\$ 6.0	\$ 2.9	\$ 2.9	\$ 8.7	\$ 8.9	2.3%
Operating grants and contributions	0.7	0.8	-	-	0.7	0.8	14.3%
Capital grants and contributions	3.5	0.5	-	0.2	3.5	0.7	-80.0%
General revenues							0.0%
Property taxes	9.5	9.5	-	-	9.5	9.5	0.0%
Franchise taxes	1.1	1.2	-	-	1.1	1.2	9.1%
Utility taxes	1.8	2.0	-	-	1.8	2.0	11.1%
Investment and other income	0.4	0.6	-	-	0.4	0.6	50.0%
Intergovernmental	3.2	3.4	-	-	3.2	3.4	6.2%
Total revenues	26.0	24.0	2.9	3.1	28.9	27.1	-6.2%
Expenses							
General government	2.6	3.8	-	-	2.6	3.8	46.2%
Public safety	8.1	10.2	-	-	8.1	10.2	25.9%
Public works	2.5	3.6	2.6	3.3	5.1	6.9	35.3%
Parks and recreation	5.7	6.3	-	-	5.7	6.3	10.5%
Interest on long-debt	0.3	0.3	-	-	0.3	0.3	0.0%
Total expenses	19.2	24.2	2.6	3.3	21.8	27.5	26.1%
Increase (decrease) in net position	6.8	(0.2)	0.3	(0.2)	7.1	(0.4)	-105.6%
Net position, September 30	\$ 38.3	\$ 38.1	\$ 1.7	\$ 1.5	\$ 40.0	\$ 34.0	-15.0%

Note: Totals may not add due to rounding.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

In fiscal year 2023, the City's millage rate was 6.9100 which is the same as fiscal year 2022. The City's total General Fund revenue sources were \$304,604 lower than the final budgeted revenues of \$20.1 million. The total expenditures were less than budgeted by \$1,108,317 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 \$24.2 million. Some of that cost was financed by:
 - Those who directly benefited from the programs through charges for services (\$5.9 million)
 - Other governments and organizations that subsidized certain programs from operating grants and contributions (\$1.4 million).
- The City financed the remaining \$23.2 million “public benefit” portion of governmental activities with \$17.4 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
	2022	2023	2022-23	2022	2023	2022-23
Public safety	\$8.1	\$10.2	25.9%	\$6.7	\$8.9	32.8%
Recreation/social services	5.7	6.3	10.5%	2.6	3.8	46.2%
General government	2.6	3.8	46.2%	0.8	0.9	12.5%
Public works	2.5	3.6	44.0%	-1.0	3.0	-400.0%
Interest on long term debt	0.3	0.3	0.0%	0.3	0.3	0.0%
Total	\$19.2	\$24.2	26.0%	\$9.4	\$16.9	145.6%

Business-type Activities

During fiscal year 2023, there was a decrease of \$124,133 in unrestricted net position and a decrease of (\$175,556) 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 \$348,700.
- The sanitation operation posted an operating loss of \$244,766.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Business-type Activities (Continued)

- The stormwater utility operation reflected an operating loss of \$103,934.

For fiscal year 2023, revenues of the City's business-type activities were \$2,982,912 or \$117,771 (4.1%) greater than the prior year total (see Table 2). This increase was due to an increase in sanitation fees for fiscal year 2023.

Figure A-5
Expenses & Program Revenues-Governmental Activities
For the Fiscal Year Ended September 30, 2023

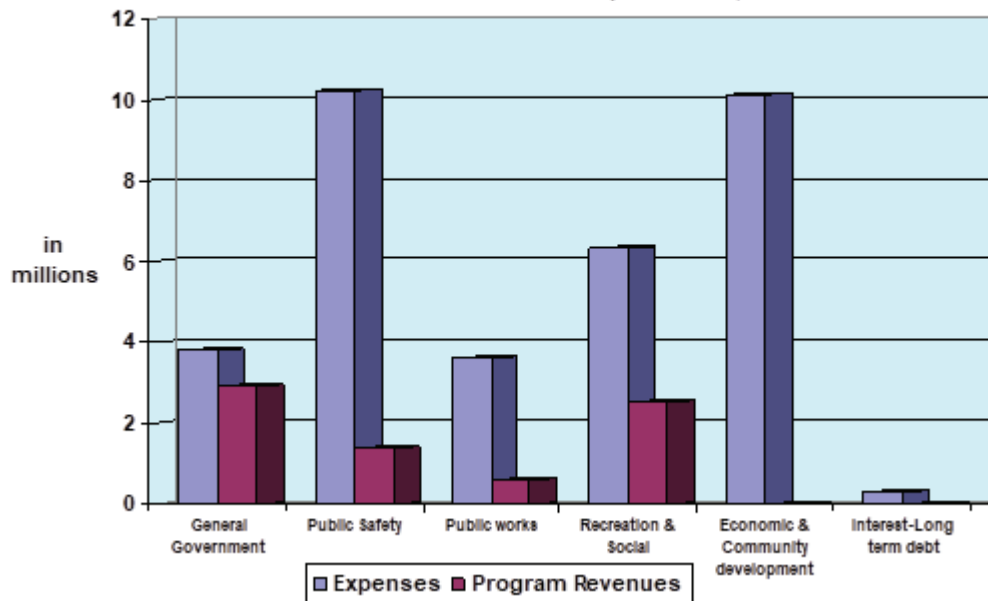
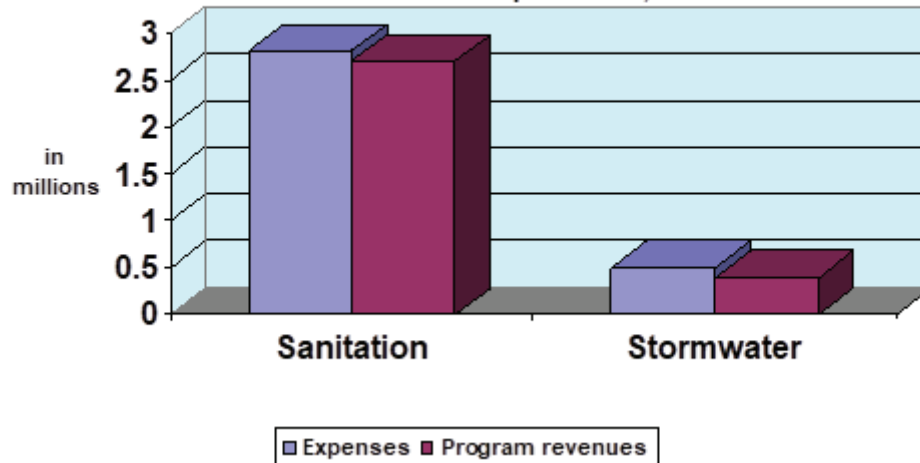


Figure A-6
Expenses & Program Revenues-Business-type Activities For the
Fiscal Year Ended September 30, 2023



CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 \$8.3 million, as compared with \$8.2 million in the prior year. The breakdown of fund balance classifications is as follows:

- Unassigned fund balance was \$7.4 million compared to \$7.7 million in fiscal year 2023; this decrease was partly a result of revenues below budget and lower than budgeted expenditures in public safety of \$310,391, public works of \$139,316, and recreation of \$664,510.
- Committed fund balance was \$180,768 compared to \$33,033 in fiscal year 2022; increase was mainly due to the appropriation of \$90,954 playground items and \$25,162 for vehicle components.
- Non-spendable was \$674,550 compared to \$427,793 in fiscal year 2022; variance is due to an increase in prepaid expenses at fiscal year-end.

During fiscal year 2023, the General Fund provided a subsidy of \$551,232 to the Elderly Services fund to cover the operating deficit of this operation for the fiscal year.

When compared to 2022, total revenues for the General Fund decreased by \$330,499 or 1.6%. Franchise fees increased by \$104,785, utility taxes increased by \$210,020, investment income increased by \$174,387, and charges for services decreased by \$730,922.

In fiscal year 2023, total General Fund expenditures increased by \$1,183,253 or 6.9% compared to the prior year. The bulk of the increase was a \$700,826 or 27.3% in general government mainly due to salary increases, payout of accrued benefits for the retiring City Manager, a partial year of the new finance director, increase of \$431,411 in public safety due salary increases for police officers and equipment acquisitions. It should be noted that other departments reported minimal increases and decreases in expenditures due to vacant positions and lower 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.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

General Fund Budgetary Highlights (Continued)

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 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 \$1,108,317 below final budgeted amounts. The most significant contributor to this variance was lower than budgeted expenditures in public safety of \$310,391, public works of \$139,316, recreation of \$664,510 all due to vacant positions during the year as well lower than expected operating costs.

The fiscal year 2023 final amended budget was \$19,527,620 or an increase of 4.0% over the original General Fund budget of \$18,771,694. The final adopted budget would provide a decrease of \$17,806 to our year end fund balance. The original General Fund budget consisted of \$18,771,694 in expenditures and \$1,476,131 in operating transfers to the other funds.

Table 4
General Fund Revenues

<u>Revenue Sources</u>	<u>2022</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2023</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2022</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Property taxes	\$ 9,542,357	47.5%	\$ 9,505,410	46.5%	\$ (36,947)	-0.4%
Franchise fees	1,120,195	5.6%	1,224,980	6.0%	104,785	9.4%
Utility taxes	1,408,319	7.0%	1,618,339	7.9%	210,020	14.9%
Communications service tax	369,153	1.8%	350,739	1.7%	(18,414)	-5.0%
Licenses and permits	129,508	0.6%	134,036	0.7%	4,528	3.5%
Intergovernmental	2,466,938	12.3%	2,564,911	12.5%	97,973	4.0%
Charges for services	3,393,835	16.9%	2,662,913	13.0%	(730,922)	-21.5%
Fines and forfeitures	1,327,876	6.6%	1,283,163	6.3%	(44,713)	-3.4%
Investment income	18,074	0.1%	192,461	0.9%	174,387	964.9%
Rental revenues	277,316	1.4%	197,783	1.0%	(79,533)	-28.7%
Other revenues	50,059	0.2%	38,396	0.2%	(11,663)	-23.3%
Total revenues	\$ 20,103,630	100.0%	\$ 19,773,131	96.7%	\$ (330,499)	-1.6%

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

General Fund Budgetary Highlights (Continued)

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

Table 5
General Fund Expenditures

<u>Expenditures</u>	<u>2022</u>	<u>Percent</u>	<u>2023</u>	<u>Percent</u>	<u>Increase</u>	<u>Percentage</u>
	<u>Amount</u>	<u>of</u>	<u>Amount</u>	<u>of</u>	<u>(Decrease)</u>	<u>Increase</u>
		<u>Total</u>		<u>Total</u>	<u>From 2022</u>	<u>(Decrease)</u>
General government services	\$ 2,564,639	14.9%	\$ 3,265,465	17.7%	\$ 700,826	27.3%
Public safety	7,981,922	46.3%	8,413,333	45.7%	431,411	5.4%
Public works	2,099,334	12.2%	2,095,946	11.4%	(3,388)	-0.2%
Recreation and social services	4,590,155	26.6%	4,644,559	25.2%	54,404	1.2%
Total expenditures	\$ 17,236,050	100.0%	\$ 18,419,303	100.0%	\$ 1,183,253	6.9%

Differences between the original budget and the final amended budget increased appropriations by \$755,926 and can be briefly summarized as follows:

- \$516,699 in encumbrances carried over from fiscal year 2021-22.
- \$239,227 in additional appropriations related to miscellaneous City-wide repair and maintenance expenditures, vehicle and equipment purchases during the year, and other contractual services.

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

The increase between the estimated revenues and the actual revenues in the General Fund was approximately \$372,189 for fiscal year 2023.

The difference between the appropriations and the actual expenditures in the General Fund was \$1,108,317 for fiscal year 2023. These variances are explained below:

- Greater than budgeted expenditures in general government of \$5,900, lower than budgeted expenditures in public works of \$139,316, public safety of \$310,391 and recreation of \$664,510, mainly due to vacancies during the year as well as lower operating costs.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

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 \$1,848,300 mainly from permit fees. Expenditures for the year totaled \$1,218,643. The fund balance at year end was \$2,136,289.

Capital Projects Fund- This fund is used to account city-wide capital projects such as the new Oakwood/East Drive Stormwater and Road Improvement project, and the South Royal Poinciana Stormwater and Road Improvement project. These projects are being financed through the ARPA grant received this year as well as State Appropriations awarded to the City. During the year the fund reported revenues of \$686,658 primarily from the State Appropriations. Expenditures for the year totaled \$5,516,250. The fund balance at year end was \$3,849,370 and will be appropriated in fiscal year 23-24 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, 2023 increased by \$4.3 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.

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

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2022	2023	2022	2023	2022	2023	Change
Land	\$ 3.1	\$ 3.1	\$ -	\$ -	\$ 3.1	\$ 3.1	0.0%
Buildings	22.3	21.9	-	-	22.3	21.9	-1.8%
Improvements other than building	2.4	2.2	-	-	2.4	2.2	-8.3%
Equipment	2.2	2.0	0.5	0.3	2.7	2.3	-14.8%
Right-of-use leased equipment	0.1	0.1	-	-	0.1	0.1	0.0%
Infrastructure	4.1	3.8	1.9	1.8	6.0	5.6	-6.7%
Construction in progress	0.7	6.4	-	-	0.7	6.4	814.3%
Total	\$ 34.9	\$ 39.5	\$ 2.4	\$ 2.1	\$ 37.3	\$ 41.6	11.5%

This year's major capital asset additions before depreciation for the governmental activities equaled approximately \$5.8 in construction in progress, includes the following:

- South Royal Poinciana project, Oakwood/Drive project, golf course renovation, and other ongoing projects.

This year there were no major capital asset additions for the business-type activities. Additional information on the City's capital assets can be found in Note 5 on pages 52-53 of this report.

Long-term debt. At fiscal year-end the City had \$12.3 million in notes payable, \$1.2 million in leases payable, and \$2.3 million in compensated absences as shown in Table 7. Total debt increased by approximately \$2.4 primarily due to the net of \$3.8 million new note and principal payments.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

The debt position of the City is summarized below and is more fully explained in Note 7, Long-Term Debt, beginning on page 54.

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

	Governmental		Business-type		Total		Total Percentage Change
	Activities		Activities				
	2022	2023	2022	2023	2022	2023	2022-2023
Notes payables	\$ 8.9	\$ 11.9	\$ 0.4	\$ 0.4	\$ 9.3	\$ 12.3	32.3%
Capital lease payable	1.7	1.2	-	-	1.7	1.2	-29.4%
Compensated absences	2.2	2.2	0.1	0.1	2.3	2.3	0.0%
Total	\$ 12.8	\$ 15.3	\$ 0.5	\$ 0.5	\$ 13.3	\$ 15.8	18.8%

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, it is to this end that 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.

CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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

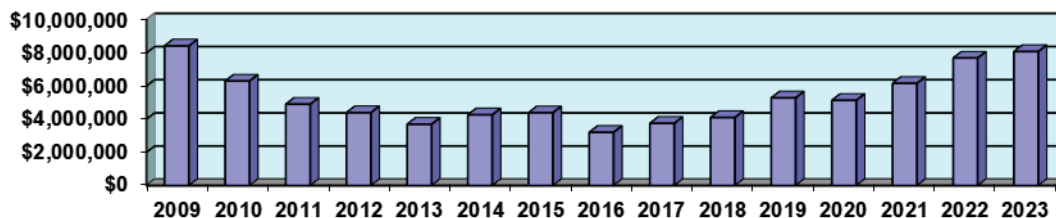
Revenues in the fiscal year 2023 adopted General Fund budget are \$19.9 million, a decrease of approximately .2 million from the fiscal year 2022 actual revenues of \$20.1 million.

Fiscal year 2023 budgeted expenditures and transfers are expected to be \$20.2 million, or .8 million higher than the fiscal year 2022 actual of \$19.4 million. Given the current economic conditions, the City's budgetary General Fund balance is expected to report a decrease of approximately \$1,110,278 in fiscal year 2023-24.

During the current fiscal year, the total fund balance in the General Fund was \$8.3 million compared to \$8.1 million from last year. This \$8.1 million is approximately equal to 5.2 months of General Fund budgeted expenditures. Between fiscal years 2016 and 2023, the City, as can be seen at Figure A-7, rebuilt its fund balance to over \$8.3 million. During the past five fiscal years the City has been replenishing reserves to fund repairs and/or replacement of its aging infrastructure, replacement of aging equipment in its golf course, police and public works operations and to build up its emergency reserves in case of hurricanes and other natural disasters. The City also used reserves in fiscal year 2016 to pay-off the Golf Course note.

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,

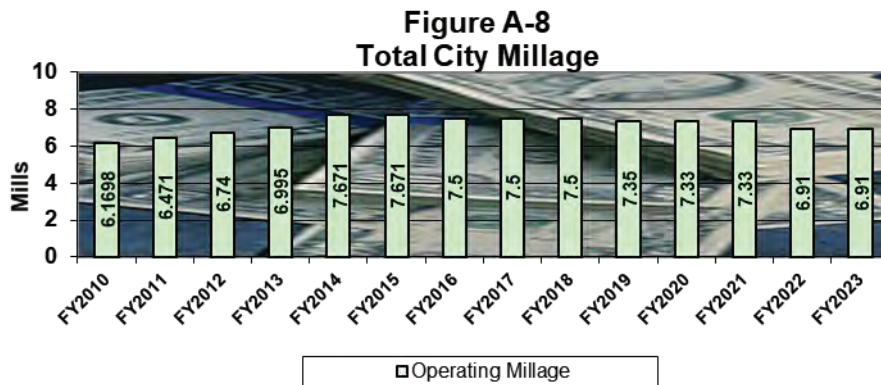


CITY OF MIAMI SPRINGS, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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

The operating millage rate for tax year 2023, which is collected in fiscal year 2024, is 6.9100 or \$6.9100 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 2023 were \$1,605,558,349 or an increase of approximately \$156 million or 10.7% from the \$1,449,806,131 in final taxable value for the prior fiscal year.



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 Christopher Chiocca, CPA, 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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 4,895,922	\$ 412,833	\$ 5,308,755
Accounts receivable - net	3,377,418	631,264	4,008,682
Internal balances	776,308	(776,308)	-
Inventories	247,662	19,187	266,849
Prepaid costs	426,888	-	426,888
Restricted assets:			
Cash and investments	7,153,365	-	7,153,365
Capital assets:			
Land	3,085,904	-	3,085,904
Construction in progress	6,378,493	8,093	6,386,586
Building	29,805,063	-	29,805,063
Machinery and equipment	11,097,156	2,409,407	13,506,563
Improvements other than building	6,115,451	5,325,229	11,440,680
Right-of-use leased equipment	114,059	-	114,059
Infrastructure	19,311,210	-	19,311,210
Total capital assets	75,907,336	7,742,729	83,650,065
Less accumulated depreciation	(36,461,582)	(5,589,275)	(42,050,857)
Total capital assets - net	39,445,754	2,153,454	41,599,208
TOTAL ASSETS	56,323,317	2,440,430	58,763,747
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	7,531,825	595,033	8,126,858
OPEB	307,229	38,064	345,293
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,839,054	633,097	8,472,151
LIABILITIES			
Accounts payable and accrued expenses	554,175	120,438	674,613
Accrued payroll	394,012	181,784	575,796
Customer deposits – payable with restricted assets	75,128	-	75,128
Unearned revenue	1,081,046	-	1,081,046
Noncurrent liabilities:			
Due within one year:			
Bonds, loans payable and leases	1,341,966	107,656	1,449,622
Compensated absences	1,745,344	72,737	1,818,081
Due in more than one year:			
Bonds, loans payable and leases	11,756,913	248,207	12,005,120
Compensated absences	457,672	29,440	487,112
Other post employment benefits	2,268,908	281,106	2,550,014
Net pension liability	4,391,065	347,456	4,738,521
TOTAL LIABILITIES	24,066,229	1,388,824	25,455,053
DEFERRED INFLOWS OF RESOURCES			
Taxes received in advance	74,099	-	74,099
Related to pensions	1,320,628	67,576	1,388,204
OPEB	578,890	71,722	650,612
TOTAL DEFERRED INFLOWS OF RESOURCES	1,973,617	139,298	2,112,915
NET POSITION			
Net investment in capital assets	26,160,196	2,337,591	28,497,787
Restricted for:			
Building operation	2,136,289	-	2,136,289
Law Enforcement	234,962	-	234,962
Capital Projects	3,849,370	-	3,849,370
Roads and transportation	220,160	-	220,160
Unrestricted (deficit)	5,521,548	(792,186)	4,729,362
TOTAL NET POSITION	\$ 38,122,525	\$ 1,545,405	\$ 39,667,930

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:	\$ 3,794,798	\$ 2,897,156	\$ -	\$ -	\$ (897,642)	\$ -	\$ (897,642)
	10,230,642	1,309,913	73,541	-	(8,847,188)	-	(8,847,188)
	3,617,385	29,413	-	550,500	(3,037,472)	-	(3,037,472)
	6,279,861	1,717,460	754,831	-	(3,807,570)	-	(3,807,570)
	10,161	-	-	-	(10,161)	-	(10,161)
Economic and social services	313,882	-	-	-	(313,882)	-	(313,882)
Interest on long-term debt	24,246,729	5,953,942	828,372	550,500	(16,913,915)	-	(16,913,915)
Total governmental activities							
Business-type activities:	2,796,867	2,545,767	-	169,000	-	(82,100)	(82,100)
	541,079	437,145	-	-	-	(103,934)	(103,934)
	3,337,946	2,982,912	-	169,000	-	(186,034)	(186,034)
	\$ 27,584,675	\$ 8,936,854	\$ 828,372	\$ 719,500	(16,913,915)	(186,034)	(17,099,949)
General revenues:							
Property taxes, levied for general purpose					9,505,410	-	9,505,410
Utility taxes					1,969,078	-	1,969,078
Franchise fees on gross receipts					1,224,980	-	1,224,980
Intergovernmental (unrestricted)					3,421,688	-	3,421,688
Investment income					385,425	10,478	395,903
Other					176,408	-	176,408
Total general revenues					16,682,989	10,478	16,693,467
Change in net position					(230,926)	(175,556)	(406,482)
Net position - beginning					38,353,451	1,720,961	40,074,412
Net position - end of year					\$ 38,122,525	\$ 1,545,405	\$ 39,667,930

CITY OF MIAMI SPRINGS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Funds					
	General Fund	Building Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds	
ASSETS						
Cash and investments	\$ 4,895,922	\$ -	\$ -	\$ -	\$ 4,895,922	
Accounts receivable - net	2,219,440	-	700,500	457,478	3,377,418	
Inventories	247,662	-	-	-	247,662	
Due from other funds	1,845,692	-	-	-	1,845,692	
Restricted assets:						
Cash and investments	-	2,560,919	4,295,565	296,881	7,153,365	
Prepaid expenses	426,888	-	-	-	426,888	
Total assets	\$ 9,635,604	\$ 2,560,919	\$ 4,996,065	\$ 754,359	\$ 17,946,947	
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 183,663	\$ 9,132	\$ 286,156	\$ 75,224	\$ 554,175	
Accrued payroll	364,917	11,245	-	17,850	394,012	
Due to other funds	-	-	860,539	208,845	1,069,384	
Other liabilities	75,128	-	-	-	75,128	
Unearned revenues	676,793	404,253	-	-	1,081,046	
Total liabilities	1,300,501	424,630	1,146,695	301,919	3,173,745	
DEFERRED INFLOWS OF RESOURCES						
Taxes received in advance	74,099	-	-	-	74,099	
Total deferred inflows of resources	74,099	-	-	-	74,099	
FUND BALANCES						
Nonspendable	674,550	-	-	-	674,550	
Restricted	-	2,136,289	3,849,370	455,548	6,441,207	
Committed	180,768	-	-	-	180,768	
Unassigned	7,405,686	-	-	(3,108)	7,402,578	
Total fund balances	8,261,004	2,136,289	3,849,370	452,440	14,699,103	
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,635,604	\$ 2,560,919	\$ 4,996,065	\$ 754,359	\$ 17,946,947	

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, 2023

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

Total fund balances - governmental funds (Page 23)		\$ 14,699,103
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Capital assets used in governmental activities are not
financial resources and therefore are not reported in the
governmental funds.

Governmental capital assets	75,907,336	
Less accumulated depreciation	<u>(36,461,582)</u>	39,445,754

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 and leases	(13,098,879)	
OPEB liability	(2,268,908)	
Net pension liability	(4,391,065)	
Compensated absences	<u>(2,203,016)</u>	(21,961,868)

Deferred inflows/outflows of resources reported in the statement
of net position:

Related to pensions	6,211,197	
OPEB	<u>(271,661)</u>	5,939,536

Net position of governmental activities (Page 21)		\$ <u>38,122,525</u>
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CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Funds			Other	Total
	General	Building Fund	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Taxes and franchise fees	\$ 10,730,390	\$ -	\$ -	\$ -	\$ 10,730,390
Charges for services	2,662,913	-	-	32,513	2,695,426
Public service taxes	1,969,078	-	-	-	1,969,078
Intergovernmental	2,564,911	-	550,500	1,594,990	4,710,401
Licenses and permits	134,036	1,799,982	-	-	1,934,018
Fines and forfeitures	1,283,163	-	-	54,388	1,337,551
Investment income	192,461	48,318	136,158	8,488	385,425
Other	236,179	-	-	17,335	253,514
Total revenues	<u>19,773,131</u>	<u>1,848,300</u>	<u>686,658</u>	<u>1,707,714</u>	<u>24,015,803</u>
Expenditures:					
Current:					
General government	3,261,732	-	-	-	3,261,732
Public safety	8,184,143	1,162,975	-	110,662	9,457,780
Public works	2,090,436	-	-	1,073,420	3,163,856
Recreation and social services	4,369,781	-	-	1,314,307	5,684,088
Debt service:					
Principal retirement	-	-	-	1,380,614	1,380,614
Interest and fiscal charges	-	-	-	313,882	313,882
Capital outlay:					
General government	3,733	-	-	-	3,733
Public safety	229,190	55,668	-	5,228	290,086
Public works	5,510	-	-	-	5,510
Recreation and social services	274,778	-	5,516,250	-	5,791,028
Total expenditures	<u>18,419,303</u>	<u>1,218,643</u>	<u>5,516,250</u>	<u>4,198,113</u>	<u>29,352,309</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>1,353,828</u>	<u>629,657</u>	<u>(4,829,592)</u>	<u>(2,490,399)</u>	<u>(5,336,506)</u>
Other financing sources (uses):					
Issuance of debt	500,000	-	3,300,000	-	3,800,000
Transfers in	435,869	-	-	2,245,115	2,680,984
Transfers out	(2,179,167)	-	(435,869)	(65,948)	(2,680,984)
Total other financing sources (uses)	<u>(1,243,298)</u>	<u>-</u>	<u>2,864,131</u>	<u>2,179,167</u>	<u>3,800,000</u>
Net change in fund balances	<u>110,530</u>	<u>629,657</u>	<u>(1,965,461)</u>	<u>(311,232)</u>	<u>(1,536,506)</u>
Fund balances - beginning	<u>8,150,474</u>	<u>1,506,632</u>	<u>5,814,831</u>	<u>763,672</u>	<u>16,235,609</u>
Fund balances - ending	<u>\$ 8,261,004</u>	<u>\$ 2,136,289</u>	<u>\$ 3,849,370</u>	<u>\$ 452,440</u>	<u>\$ 14,699,103</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, 2023

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 25)	\$ (1,536,506)
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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	6,090,357	
Loss on sale of capital assets	(3,000)	
Less current year depreciation	<u>(1,520,420)</u>	
		4,566,937

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	591,063	
Change in net pension liability	(4,391,065)	
Change in net pension asset	(9,238,690)	
Change in Compensated Absences	(42,719)	
Change in deferred Inflows	6,199,913	
Change in deferred outflows	<u>6,039,527</u>	(841,971)

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	1,380,614	
Issuance of debt	<u>(3,800,000)</u>	<u>(2,419,386)</u>

Change in net position of governmental activities (Page 22)	<u>\$ (230,926)</u>
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CITY OF MIAMI SPRINGS, FLORIDA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 5,143	\$ 407,690	\$ 412,833
Inventories	19,187	-	19,187
Accounts receivable - net	367,425	263,839	631,264
Total current assets	<u>391,755</u>	<u>671,529</u>	<u>1,063,284</u>
Non-current assets:			
Capital assets:			
Construction in progress - infrastructure	-	8,093	8,093
Machinery and equipment	2,070,921	338,486	2,409,407
Infrastructure	-	5,325,229	5,325,229
Total capital assets	2,070,921	5,671,808	7,742,729
Less accumulated depreciation	<u>(1,764,085)</u>	<u>(3,825,190)</u>	<u>(5,589,275)</u>
Total capital assets - net	<u>306,836</u>	<u>1,846,618</u>	<u>2,153,454</u>
Total noncurrent assets	<u>306,836</u>	<u>1,846,618</u>	<u>2,153,454</u>
Total assets	<u>698,591</u>	<u>2,518,147</u>	<u>3,216,738</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions	510,247	84,786	595,033
OPEB contributions	<u>32,626</u>	<u>5,438</u>	<u>38,064</u>
Total deferred outflows of resources	<u>542,873</u>	<u>90,224</u>	<u>633,097</u>
LIABILITIES			
Current liabilities:			
Accounts payable	119,088	1,350	120,438
Due to other funds	776,308	-	776,308
Accrued liabilities	-	181,784	181,784
Current portion of notes payable	107,656	-	107,656
Compensated absences	<u>70,634</u>	<u>2,103</u>	<u>72,737</u>
Total current liabilities	<u>1,073,686</u>	<u>185,237</u>	<u>1,258,923</u>
Non-current liabilities:			
OPEB Liability	240,948	40,158	281,106
Notes payable	248,207	-	248,207
Net pension liability	297,947	49,509	347,456
Compensated absences	<u>29,188</u>	<u>252</u>	<u>29,440</u>
Total noncurrent liabilities	<u>816,290</u>	<u>89,919</u>	<u>906,209</u>
Total liabilities	<u>1,889,976</u>	<u>275,156</u>	<u>2,165,132</u>
DEFERRED INFLOWS OF RESOURCES			
Pension expenses	57,947	9,629	67,576
OPEB expenses	<u>61,476</u>	<u>10,246</u>	<u>71,722</u>
Total deferred inflows of resources	<u>119,423</u>	<u>19,875</u>	<u>139,298</u>
NET POSITION/(DEFICIT)			
Net investment in capital assets	490,973	1,846,618	2,337,591
Unrestricted	<u>(1,258,908)</u>	<u>466,722</u>	<u>(792,186)</u>
Total net position (deficit)	<u>\$ (767,935)</u>	<u>\$ 2,313,340</u>	<u>\$ 1,545,405</u>

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 2,545,767	\$ 437,145	\$ 2,982,912
Total operating revenues	<u>2,545,767</u>	<u>437,145</u>	<u>2,982,912</u>
Operating expenses:			
Administrative costs	1,233,839	113,214	1,347,053
Operations and maintenance	468,780	275,480	744,260
Disposal and recycling costs	1,002,018	-	1,002,018
Depreciation	<u>85,896</u>	<u>152,385</u>	<u>238,281</u>
Total operating expenses	<u>2,790,533</u>	<u>541,079</u>	<u>3,331,612</u>
Operating loss	<u>(244,766)</u>	<u>(103,934)</u>	<u>(348,700)</u>
Non-operating revenues (expenses):			
Grant revenues	-	169,000	169,000
Interest income	3,930	6,548	10,478
Interest expense and fees	<u>(6,334)</u>	<u>-</u>	<u>(6,334)</u>
Total non-operating expenses	<u>(2,404)</u>	<u>175,548</u>	<u>173,144</u>
Change in net position	(247,170)	71,614	(175,556)
Total net position - beginning	<u>(520,765)</u>	<u>2,241,726</u>	<u>1,720,961</u>
Total net position - ending	<u>\$ (767,935)</u>	<u>\$ 2,313,340</u>	<u>\$ 1,545,405</u>

See notes to basic financial statements.

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers, governments and other funds	\$ 2,521,015	\$ 267,316	\$ 2,788,331
Cash paid to suppliers	(973,648)	(94,488)	(1,068,136)
Cash paid to employees	(963,764)	(53,664)	(1,017,428)
Payments for interfund services used	(470,000)	(60,000)	(530,000)
Net cash provided by operating activities	<u>113,603</u>	<u>59,164</u>	<u>172,767</u>
Cash Flows From Capital And Related Financing Activities:			
Acquisition of capital assets	-	(8,092)	(8,092)
Principal retirements of capital debt	(106,056)	-	(106,056)
Proceeds from grants	-	169,000	169,000
Interest paid on capital debt	(6,334)	-	(6,334)
Net cash provided by (used in) capital and related financing activities	<u>(112,390)</u>	<u>160,908</u>	<u>48,518</u>
Cash Flows From Investing Activities:			
Interest and other income	<u>3,930</u>	<u>6,548</u>	<u>10,478</u>
Net cash provided by investing activities	<u>3,930</u>	<u>6,548</u>	<u>10,478</u>
Net Increase In Pooled Cash and Investments	5,143	226,620	231,763
Cash And Investments, October 1	<u>-</u>	<u>181,070</u>	<u>181,070</u>
Cash And Investments, September 30	<u>\$ 5,143</u>	<u>\$ 407,690</u>	<u>\$ 412,833</u>
Reconciliation Of Operating Loss To Net Cash Provided By Operating Activities:			
Operating loss	\$ (244,766)	\$ (103,934)	\$ (348,700)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	85,896	152,385	238,281
Change in assets and liabilities:			
Increase in accounts receivable	(24,752)	(169,829)	(194,581)
Decrease in pension asset	574,746	95,504	670,250
Increase in deferred outflows	(405,396)	(67,362)	(472,758)
Increase in inventories	(10,115)	-	(10,115)
Increase in accounts payable	84,678	1,079	85,757
Increase (decrease) in accrued liabilities	(56,308)	179,913	123,605
Increase in compensated absences	9,074	1,040	10,114
Decrease in OPEB liabilities	(62,767)	(10,462)	(73,229)
Decrease in pension liability	297,947	49,509	347,456
Increase in deferred inflows	(413,480)	(68,679)	(482,159)
Increase in due to other funds	278,846	-	278,846
Total adjustments	<u>358,369</u>	<u>163,098</u>	<u>521,467</u>
Net Cash provided by operating activities	<u>\$ 113,603</u>	<u>\$ 59,164</u>	<u>\$ 172,767</u>

See notes to basic financial statements

CITY OF MIAMI SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	<u>Pension</u> <u>Trust Funds</u>
ASSETS	
Investments:	
Money market funds	\$ 642,649
Equity securities	35,507,324
Corporate bonds	3,937,251
Certificates of deposit	445,593
U.S. government securities	1,120,166
Mortgage pools	3,325,386
Foreign bonds	188,538
Municipal bonds	767,785
Collateralized mortgage obligations	5,731,340
Real estate fund	<u>5,023,700</u>
Total investments	56,689,732
Receivables:	
Due from other governments	75,333
Accrued interest and dividends	<u>82,536</u>
Total receivables	<u>157,869</u>
Total assets	<u>56,847,601</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>72,129</u>
Total liabilities	<u>72,129</u>
NET POSITION	
Net position restricted for pension benefits	<u>\$ 56,775,472</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, 2023

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
City	\$ 829,404
Plan members	578,770
State of Florida	158,207
Total contributions	<u>1,566,381</u>
Investments earnings:	
Net appreciation in fair value of investments	4,299,160
Dividends and interest income	1,309,128
Total investment earnings	5,608,288
Less investment expense	<u>(299,831)</u>
Net investment earnings	5,308,457
Other income (loss)	<u>(5,696)</u>
Total additions	<u>6,869,142</u>
DEDUCTIONS	
Pension benefits	3,284,584
Refunds of member contributions	128,597
Administrative expenses	167,977
Total deductions	<u>3,581,158</u>
Net increase	3,287,984
Net position restricted for pension benefits	
Beginning of year	53,487,488
End of year	<u>\$ 56,775,472</u>

See notes to basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023.

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*.

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.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Additionally, the City reports the following fiduciary funds:

The fiduciary funds account for the activities of the General Employees' Pension Plan and Police and Firefighters' Pension Plan that accumulates resources for pension benefit payments to qualified general and public safety employees.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 money market accounts, and overnight repurchase accounts with qualified public depositories.

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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, 2023 was 6.9100 mills (\$6.9100) 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, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

Proceeds from forfeiture funds are classified as restricted in the Law Enforcement Trust 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. Proceeds from the American Rescue Plan Act (ARPA) are classified as restricted in the Capital Projects fund as these resources are earmarked for storm water and road improvement projects. 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.

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.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

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. 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, 2023, 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	\$ 39,445,755
Bonds, notes payable, and leases- net	(13,098,879)
Retainage payable	<u>(186,679)</u>
Net investment in capital assets	<u>\$ 26,160,196</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance - Governmental Funds

As of September 30, 2023, 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, 2023

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 FY 2023 is \$7,405,686 which is in excess of the \$5,751,282 minimum unassigned fund balance requirement of 25% of the operating expenditures and transfers out budgeted in the subsequent year.

As of September 30, 2023, fund balances are composed of the following:

			Major Special	Major Capital		
			Revenue Fund	Projects Fund	Nonmajor	Total
	General		Building	Capital	Governmental	Governmental
	Fund		Fund	Projects	Funds	Funds
Fund balances:						
Nonspendable:						
Inventories	\$ 247,662	\$	-	\$ -	\$ -	\$ 247,662
Prepaid items	426,888		-	-	-	426,888
Restricted for:						
Debt service	-		-	-	307	307
Law enforcement	-		-	-	234,962	234,962
Capital projects	-		-	3,849,370	-	3,849,370
Building Department	-	2,136,289		-	-	2,136,289
Road and transportation	-	-		-	220,160	220,160
Hurricane	-	-		-	119	119
Committed to:						
Electric charging station	6,000		-	-	-	6,000
Parking study	10,000		-	-	-	10,000
Sign ordinance revisions	17,033		-	-	-	17,033
Vehicle components	25,162		-	-	-	25,162
Park playground items	90,954		-	-	-	90,954
Software	6,007		-	-	-	6,007
Golf course shelter	11,871		-	-	-	11,871
Other	13,741		-	-	-	13,741
Assigned to:						
Elderly services	-		-	-	-	-
Unassigned:	7,405,686		-	-	(3,108)	7,402,578
Total fund balances	\$ 8,261,004	\$	2,136,289	\$ 3,849,370	\$ 452,440	\$ 14,699,103

			Major Special	Major Capital		
			Revenue Fund	Projects Fund	Nonmajor	Total
	General		Building	Capital	Governmental	Governmental
	Fund		Fund	Projects	Funds	Funds
Fund balances:						
Nonspendable	\$ 674,550	\$	-	\$ -	\$ -	\$ 674,550
Restricted	-		2,136,289	3,849,370	455,548	6,441,207
Committed	180,768		-	-	-	180,768
Unassigned	7,405,686		-	-	(3,108)	7,402,578
Total fund balances	\$ 8,261,004	\$	2,136,289	\$ 3,849,370	\$ 452,440	\$ 14,699,103

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 and 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 GASB 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, 2023

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 Hurricane Irma Costs
FEMA	
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, 2023, expenditures exceeded appropriations in the General fund for the following departments; City Manager \$168,734, Planning \$28,862, Code Enforcement \$1,805, Public Works-Streets and Sidewalks \$47,696, Public Works-Fleet Maintenance \$45,889, and Golf Administration \$5,083. 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, 2023

3. DEPOSITS AND INVESTMENTS (CONTINUED)

City of Miami Springs (Continued)

As of September 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Amerant Money Market	<u>\$ 11,704,548</u>	1
Total Fair Value	<u>\$ 11,704,548</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, 2023, 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, 2023, 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 \$749,843. The bank balance of the City's deposits as of September 30, 2023, was \$2,039,660.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 Amerant 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 position is as follows:

<u>Per Statement of Net Position</u>		<u>By Category</u>	
Cash and investments	\$ 5,308,755	Cash	\$ 7,729
Restricted assets:		Deposits	749,843
Cash and cash equivalents	<u>7,153,365</u>	Investments	<u>11,704,548</u>
	<u>\$ 12,462,120</u>		<u>\$ 12,462,120</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 fair 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 equity	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, 2023

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, 2023:

Investment	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 5	6 to 10	More than 10
Corporate bonds	\$ 2,498,823	\$ 238,376	\$ 1,780,955	\$ 412,523	\$ 66,969
Certificates of deposit	242,419	124,488	117,931	-	-
U.S. government agencies	704,174	-	236,162	468,012	-
Mortgage pools	1,984,202	24,147	670,018	516,756	773,281
Municipal bonds	453,803	-	196,691	39,324	217,788
Collateralized mortgage obligations	3,727,811	-	838,723	416,337	2,472,751
Foreign bonds notes & debentures	136,358	-	136,358	-	-
Total	<u>\$ 9,747,590</u>	<u>\$ 387,011</u>	<u>\$ 3,976,838</u>	<u>\$ 1,852,952</u>	<u>\$ 3,530,789</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, 2023:

	2023	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 4,664,909	47.86%
Quality rating of credit risk debt securities		
AAA	719,820	7.38%
AA+	808,282	8.29%
AA	147,081	1.51%
AA-	282,133	2.89%
A+	405,314	4.16%
A	595,937	6.11%
A-	528,219	5.42%
BBB+	495,185	5.08%
BBB	757,725	7.78%
BBB-	342,985	3.52%
Total credit risk debt securities	5,082,681	52.14%
Total fixed income securities	<u>\$ 9,747,590</u>	<u>100.00%</u>

*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, 2023

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, 2023, 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. Risk and Uncertainties - The Plan has investments in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonable possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of fiduciary net position and the statement of changes in fiduciary net position. The Plan, through its investment consultant, monitors the Plan's investments and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

9. 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, 2023

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Police and Firefighters' Retirement System (Continued)

The following is a summary of the fair value hierarchy of investments as of September 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	9/30/2023			
Investments by fair value level:				
Debt securities:				
U.S. government agencies	\$ 704,174	\$ -	\$ 704,174	\$ -
Certificates of deposit	242,419	-	242,419	-
Mortgage pools	1,984,202	-	1,984,202	-
Municipal bonds	453,803	-	453,803	-
Foreign bonds notes & debentures	136,358	-	136,358	-
Collateralized mortgage obligations	3,727,811	-	3,727,811	-
Corporate bonds	2,498,823	-	2,498,823	-
Total debt securities	9,747,590	-	9,747,590	-
Equity securities:				
Common stock	13,864,628	13,864,628	-	-
Foreign stock	824,658	824,658	-	-
Mutual fund equities	7,272,396	7,272,396	-	-
Total equity securities	21,961,682	21,961,682	-	-
Total investments at fair value	31,709,272	\$ 21,961,682	\$ 9,747,590	\$ -
Investment measured at Net Asset Value (NAV)*				
Core real estate fund	3,022,302			
Total investments	\$ 34,731,574			

* 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*	\$ 1,680,000	\$ -	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, 2023

3. DEPOSITS AND INVESTMENTS (CONTINUED)

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 fair 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, 2023:

<u>Investment</u>	<u>Investment Maturities (In Years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Corporate bonds	\$ 1,438,428	\$ 178,760	\$ 1,016,414	\$ 217,143	\$ 26,111
Certificates of deposit	203,174	129,467	73,707	-	-
U.S. government agencies	415,992	-	179,208	236,784	-
Mortgage pools	1,341,184	19,340	520,109	221,874	579,861
Municipal bonds	313,982	-	177,462	23,594	112,926
Collateralized mortgage obligations	2,003,529	-	263,075	250,694	1,489,760
Foreign bonds notes & debentures	52,180	-	52,180	-	-
Total	<u>\$ 5,768,469</u>	<u>\$ 327,567</u>	<u>\$ 2,282,155</u>	<u>\$ 950,089</u>	<u>\$ 2,208,658</u>

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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, 2023:

	2023	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 2,852,184	49.44%
Quality rating of credit risk debt securities		
AAA	477,897	8.28%
AA+	462,059	8.01%
AA	89,496	1.55%
AA-	94,520	1.64%
A+	230,896	4.00%
A	291,098	5.05%
A-	416,082	7.21%
BBB+	285,881	4.96%
BBB	378,016	6.55%
BBB-	190,340	3.30%
Total credit risk debt securities	2,916,285	50.56%
Total fixed income securities	\$ 5,768,469	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, 2023, 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, 2023

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

9. 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, 2023

3. DEPOSITS AND INVESTMENTS (Continued)

General Employees' Retirement System (Continued)

The following is a summary of the fair value hierarchy of investments as of September 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	9/30/2023			
Investments by fair value level:				
Debt securities:				
U.S. government agencies	\$ 415,992	\$ -	\$ 415,992	\$ -
Certificates of deposit	203,174	-	203,174	-
Mortgage pools	1,341,184	-	1,341,184	-
Municipal bonds	313,982	-	313,982	-
Foreign bonds notes & debentures	52,180	-	52,180	-
Collateralized mortgage obligations	2,003,529	-	2,003,529	-
Corporate bonds	1,438,428	-	1,438,428	-
Total debt securities	5,768,469	-	5,768,469	-
Equity securities:				
Common stock	8,446,566	8,446,566	-	-
Foreign stock	504,118	504,118	-	-
Mutual fund equities	4,594,958	4,594,958	-	-
Total equity securities	13,545,642	13,545,642	-	-
Total investments at fair value	19,314,111	\$ 13,545,642	\$ 5,768,469	\$ -
Investment measured at Net Asset Value (NAV)*				
Core real estate fund	2,001,398			
Total investments	\$ 21,315,509			

*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*	\$ 2,001,398	\$ -	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, 2023

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 Projects Fund	Non-major Governmental	Total Receivables
Governmental activities					
Accounts	\$ 1,342,792	\$ 2,597	\$ -	\$ 4,015	\$ 1,349,404
Taxes and fees	1,992,475	-	-	198,704	2,191,179
Other	66,359	-	700,500	254,759	1,021,618
Gross receivables	3,401,626	2,597	700,500	457,478	4,562,201
Less: Allowance for Uncollectibles	(1,182,186)	(2,597)	-	-	(1,184,783)
Net total receivables	\$ 2,219,440	\$ -	\$ 700,500	\$ 457,478	\$ 3,377,418

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

	Sanitation	Stormwater	Total Receivables
Business-type activities			
Accounts	\$ 433,541	\$ 271,182	\$ 704,723
Less: Allowance for Uncollectibles	(66,116)	(7,343)	(73,459)
Net total receivables	\$ 367,425	\$ 263,839	\$ 631,264

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, 2023, *unearned revenue* in the governmental funds amounted to \$74,099 representing fiscal year 2023-24 occupational licenses that were paid in advance. In addition, there was \$404,253 in unearned revenue for 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	\$ 66,116
Uncollectibles related to stormwater fees	7,343
Total uncollectibles of the current fiscal year	<u>\$ 73,459</u>

Payables at September 30, 2023 were as follows:

	Vendors
Governmental activities:	
General Fund	\$ 183,663
Building Fund	9,132
Capital Projects Fund	286,156
Non-major Funds	75,224
Total governmental activities	<u>\$ 554,175</u>
Business-type activities	
Sanitation Fund	\$ 119,088
Stormwater Fund	1,350
Total business-type activities	<u>\$ 120,438</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Balance Oct. 1, 2022	Additions	Deletions/ Transfers	Balance Sept. 30, 2023
Governmental Activities				
Land	\$ 3,085,904	\$ -	\$ -	\$ 3,085,904
Construction in progress	761,390	5,757,853	(140,750)	6,378,493
Total capital assets not being depreciated/amortized	<u>3,847,294</u>	<u>5,757,853</u>	<u>(140,750)</u>	<u>9,464,397</u>
Capital assets being depreciated/amortized:				
Building	29,664,313	-	140,750	29,805,063
Right-of-use leased equipment	114,059	-	-	114,059
Infrastructure	19,311,210	-	-	19,311,210
Improvements other than buildings	6,115,451	-	-	6,115,451
Machinery and equipment	10,790,865	332,504	(26,213)	11,097,156
Total capital assets being depreciated/amortized	<u>65,995,898</u>	<u>332,504</u>	<u>114,537</u>	<u>66,442,939</u>
Less accumulated depreciation/amortization for:				
Building	(7,357,383)	(473,552)	-	(7,830,935)
Right-of-use leased equipment	(53,862)	(37,859)	-	(91,721)
Infrastructure	(15,238,030)	(264,418)	-	(15,502,448)
Improvements other than buildings	(3,738,489)	(188,899)	-	(3,927,388)
Machinery and equipment	(8,576,611)	(555,692)	23,213	(9,109,090)
Total accumulated depreciation/amortization	<u>(34,964,375)</u>	<u>(1,520,420)</u>	<u>23,213</u>	<u>(36,461,582)</u>
Total capital assets being depreciated/amortized, net	<u>31,031,523</u>	<u>(1,187,916)</u>	<u>137,750</u>	<u>29,981,357</u>
Governmental activities capital assets, net	<u>\$34,878,817</u>	<u>\$ 4,569,937</u>	<u>\$ (3,000)</u>	<u>\$39,445,754</u>
Business-Type Activities				
Construction in progress	\$ -	\$ 8,093	\$ -	\$ 8,093
Total capital assets not being depreciated	<u>-</u>	<u>8,093</u>	<u>-</u>	<u>8,093</u>
Capital assets being depreciated:				
Infrastructure	5,325,229	-	-	5,325,229
Machinery and equipment	2,409,407	-	-	2,409,407
Total capital assets being depreciated	<u>7,734,636</u>	<u>-</u>	<u>-</u>	<u>7,734,636</u>
Less accumulated depreciation for:				
Infrastructure	(3,393,567)	(132,046)	-	(3,525,613)
Machinery and equipment	(1,957,427)	(106,235)	-	(2,063,662)
Total accumulated depreciation	<u>(5,350,994)</u>	<u>(238,281)</u>	<u>-</u>	<u>(5,589,275)</u>
Total capital assets being depreciated, net	<u>2,383,642</u>	<u>(238,281)</u>	<u>-</u>	<u>2,145,361</u>
Business activities capital assets, net	<u>\$ 2,383,642</u>	<u>\$ (230,188)</u>	<u>\$ -</u>	<u>\$ 2,153,454</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	\$ 369,140
Public safety	360,047
Public works	319,414
Recreation and social services	461,658
Economic and community development	10,161
Total depreciation expense - governmental activities	\$ 1,520,420
Business-type activities	
Sanitation	\$ 85,896
Stormwater	152,385
Total depreciation expense - business-type activities	<u>\$ 238,281</u>

6. LEASING ACTIVITIES

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset.

Lease agreements are summarized as follows:

<u>Describe</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance September 30, 2023</u>
Motorcycles	5/1/2021	3	38,400	1.17%	114,059	<u>\$ 22,238</u>
Total Lease Agreement						

The motorcycles were leased for the Police Department, beginning May 1, 2021 for a term of three years.

Annual requirements to amortize this lease liability and related interest are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	<u>\$ 22,238</u>	<u>\$ 161</u>

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

7. 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 as of September 30, 2023 was \$3,712,000. In the event of a default, the note contains a provision to bear interest at the default rate and the lender shall have all remedies provided to collect amounts then due.

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 as of September 30, 2023 was \$47,372. In the event of a default, the note contains a provision to bear interest at the default rate and the lender shall have all remedies provided to collect amounts then due.

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 as of September 30, 2023 was \$4,250,000. In the event of a default, the note contains a provision to bear interest at the default rate and the lender shall have all remedies provided to collect amounts then due.

Capital Improvement Revenue Note Series 2022

On November 12, 2021, the city executed a Revenue Note with City National Bank in the amount of \$645,000 for the acquisition of two new sanitation trucks, a Parks and Recreation truck, and infrastructure improvements to the community center. The note has a term of five years with a fixed interest rate of 1.5%. The note requires that the city covenants to budget and appropriate the annual debt service payment from Non Ad-Valorem revenues. The maturity date for this note is December 1, 2026, with quarterly payments of principal and interest of \$33,561. The balance as of September 30, 2023 was \$425,057. In the event of a default, the lender shall have all remedies provided by the loan agreement to collect amounts then due.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

7. LONG-TERM DEBT (CONTINUED)

Capital Improvement Revenue Note Series 2023

On April 24, 2023, the city executed a Revenue Note with SouthState Bank in the amount of \$3,800,000 for the purpose of financing the Miami Springs Golf & Country Club Golf Course Revitalization Project. The note has a term of fifteen years with a fixed interest rate of 6.0%. The note requires that the city covenants to budget and appropriate the annual debt service payment from Non Ad-Valorem revenues. The maturity date for this note is June 1, 2037, with semi-annually payments of principal and interest of \$193,873. The balance as of September 30, 2023 was \$3,800,000. In the event of a default, the note contains a provision to bear interest at the default rate and the lender shall have all remedies provided to collect amounts then due.

Debt service requirements to maturity for the fiscal year ending September 30, 2023 are summarized as follows:

	<u>Series 2015 Capital</u>			<u>Series 2017 Capital</u>			<u>Series 2019 Capital</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>
2024	\$ 525,000	\$ 111,853		\$ 47,372	\$ 512		\$ 250,000	\$ 106,000
2025	540,000	95,094		-	-		250,000	99,375
2026	558,000	78,147		-	-		250,000	92,750
2027	575,000	60,665		-	-		250,000	86,125
2028	593,000	71,607		-	-		250,000	79,500
2029-2033	921,000	-		-	-		1,250,000	298,125
2034-2038	-	-		-	-		1,250,000	132,500
2039	-	-		-	-		500,000	6,625
Total, net	<u>\$ 3,712,000</u>	<u>\$ 417,366</u>		<u>\$ 47,372</u>	<u>\$ 512</u>		<u>\$ 4,250,000</u>	<u>\$ 901,000</u>

	<u>Series 2022 Capital</u>			<u>Series 2023 Capital</u>			<u>Total</u>	
	<u>Improvement Revenue</u>			<u>Improvement Revenue</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>
2024	\$ 128,590	\$ 5,655		\$ 162,143	\$ 225,604		\$ 1,113,106	\$ 449,624
2025	130,530	3,715		172,017	215,729		1,092,547	413,913
2026	132,500	1,746		182,493	205,253		1,122,993	377,896
2027	33,437	125		193,607	194,140		1,052,044	341,055
2028	-	-		205,397	182,349		1,048,397	333,456
2029-2033	-	-		1,230,566	708,166		3,401,566	1,006,291
2034-2038	-	-		1,653,777	284,954		2,903,777	417,454
2039	-	-		-	-		500,000	6,625
Total, net	<u>\$ 425,057</u>	<u>\$ 11,241</u>		<u>\$ 3,800,000</u>	<u>\$ 2,016,195</u>		<u>\$ 12,234,430</u>	<u>\$ 3,346,314</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

7. LONG-TERM DEBT (CONTINUED)

Leases

The City has entered into lease agreements with local financial institutions as a 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. On November 14, 2019, the City executed a five-year Revenue Note with Branch Banking and Trust for infrastructure improvements to City Hall, the City's Golf Course and parks, and the acquisition of police equipment and software. These lease agreements qualify as capital leases 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.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

<u>Year ending</u> <u>September 30,</u>	
2024	\$ 313,679
2025	185,376
2026	160,805
2027	164,697
2028	170,736
2028-37	323,770
Total minimum lease payments	<u>1,319,063</u>
Less: amount representing interest at 2.3% - 3.615% APR	(120,988)
Present value of minimum Lease payments	<u>\$ 1,198,075</u>

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

<u>Governmental Activities</u>	
Machinery and equipment	\$ 4,230,316
Less: Accumulated depreciation	(2,491,642)
	<u>\$ 1,738,674</u>
 <u>Business Type Activities</u>	
Machinery and equipment	\$ 488,495
Less: Accumulated depreciation	(482,312)
	<u>\$ 6,183</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

7. LONG-TERM DEBT (CONTINUED)

Long-term debt activity for the fiscal year ended September 30, 2023 was as follows:

	October 1, 2022	Additions	Reductions	September 30, 2023	Due within One Year
Governmental Activities					
Bonds and notes payable:					
2015 Capital Improvement Refunding Note	\$ 4,222,000	\$ -	\$ (510,000)	\$ 3,712,000	\$ 525,000
2017 Capital Improvement Revenue Note	111,443	-	(64,071)	47,372	47,372
2019 Capital Improvement Revenue Note	4,500,000	-	(250,000)	4,250,000	250,000
2022 Capital Improvement Revenue Note	89,817	-	(20,623)	69,194	21,534
2023 Capital Improvement Revenue Note	-	3,800,000	-	3,800,000	162,143
Financed purchases	1,696,041	-	(497,966)	1,198,075	313,679
Lease liability	60,192	-	(37,954)	22,238	22,238
Total bonds and notes payable	<u>10,679,493</u>	<u>3,800,000</u>	<u>(1,380,614)</u>	<u>13,098,879</u>	<u>1,341,966</u>
Other liabilities:					
Compensated absences	2,160,297	921,049	(878,330)	2,203,016	1,745,344
Governmental activity long-term liabilities	<u>\$12,839,790</u>	<u>\$ 4,721,049</u>	<u>\$ (2,258,944)</u>	<u>\$ 15,301,895</u>	<u>\$ 3,087,310</u>
Business-type Activities					
Bonds and notes payable:					
2022 Capital Improvement Revenue Note	\$ 461,919	\$ -	\$ (106,056)	\$ 355,863	\$ 107,056
Total bonds and notes payable	<u>461,919</u>	<u>-</u>	<u>(106,056)</u>	<u>355,863</u>	<u>107,056</u>
Other liabilities:					
Compensated absences	92,063	109,040	(98,926)	102,177	72,737
Business-type activities long-term liabilities	<u>\$ 553,982</u>	<u>\$ 109,040</u>	<u>\$ (204,982)</u>	<u>\$ 458,040</u>	<u>\$ 179,793</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the fiscal year ended September 30, 2023, are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,845,692	\$ -
Capital Projects	-	860,539
Senior Center		169,122
Sanitation Fund	-	776,308
Hurricane Fund	-	39,723
	<u>\$ 1,845,692</u>	<u>\$ 1,845,692</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, 2023, are as follows:

	Transfers In**	Transfers Out**
General Fund	\$ 435,869	\$ 2,179,167
Senior Center	551,232	-
Capital Projects	-	435,869
Road and Transportation	-	65,948
Debt Service	1,693,883	-
	<u>\$ 2,680,984</u>	<u>\$ 2,680,984</u>

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

- Operating subsidies from the General fund of \$551,232 to the Elderly Services Center and \$1,693,883 in transfers to the Debt Service fund to cover debt service payments. The Road and Transportation fund transferred \$65,948 to the Debt Service Fund to cover the debt payment related to the Bike Path project. The Capital Projects fund transferred \$435,869 which were ARPA funds to cover governmental services costs-police.

9. 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, 2023

9. 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, 2023, the average active employee contribution rate was 5.83% of annual pay, and the City's average contribution rate was 10.47% 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, 2020, the City negotiated with the Fraternal Order of Police (FOP) a change to the employee contributions that would cap employee contributions at 9.5% for FY 2021, FY 2022 and FY 2023. Subsequent to year end, effective October 1, 2023, the City negotiated with the Fraternal Order of Police (FOP) a change to the employee contributions that would cap employee contributions at 9.9% for FY 2024, FY 2025 and FY 2026. For the year ended September 30, 2023, the average active employee contribution rate was 8.7% of annual pay, and the City's average contribution rate was 12.27% 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 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.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Employees covered by benefit terms.

At October 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	7
Active employees	81
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 3.0% 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, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Employees covered by benefit terms

At October 1, 2022 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	1
Active employees	41
Total membership	90

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023, 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, 2023, 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%
Retirement Age	Experience – based table of rates that are specific to the type of eligibility condition

The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Regular (other than K-12 School Instructional Personnel) Class members as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected for non-disabled lives to a future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuations reports.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. 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>
Domestic equity	50%	7.5%
International equity	12%	8.5%
Fixed income	30.5%	2.5-3.5%
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, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

General Employees (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total	Plan Fiduciary	
	Pension	Net	Net Pension
	Liability	Position	Liability/(Asset)
	(a)	(b)	(a) - (b)
<u>Balances at 09/30/2022</u>	\$ 21,638,402	\$ 25,086,188	\$ (3,447,786)
Changes for the year:			
Service cost	554,760	-	554,760
Interest	1,504,793	-	1,504,793
Differences between expected and actual experience	(145,881)	-	(145,881)
Changes of assumptions	-	-	-
Contributions - employer	-	435,789	(435,789)
Contributions - employee	-	268,192	(268,192)
Net investment income	-	(3,935,708)	3,935,708
Benefit payments, including refunds of employee contributions	(1,392,226)	(1,392,226)	-
Administrative expense	-	(89,711)	89,711
Net changes	521,446	(4,713,664)	5,235,110
<u>Balances at 09/30/2023</u>	\$ 22,159,848	\$ 20,372,524	\$ 1,787,324

Plan fiduciary net position as a percentage of the total pension liability	91.93%
Covered payroll	\$ 4,020,870
Net pension liability as a percentage of covered payroll	44.45%

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:

	1% Decrease	Current	1% Increase
	6.00%	Discount Rate 7.00%	8.00%
City's Net Pension Liability \$	4,250,089	\$ 1,787,324	\$ (274,873)

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

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, 2023, the City recognized pension expense of \$402,941. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 40,294	\$ 137,506
Changes in assumptions	-	210,107
Net difference between expected and actual earnings on investments	4,604,017	2,011,345
Total	<u>\$ 4,644,311</u>	<u>\$ 2,358,958</u>

The deferred outflows of resources related to the General Employees Retirement Plan, totaling \$427,903, 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, 2024.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. 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:	
2024	\$ 338,002
2025	279,705
2026	531,693
2027	1,135,953
2028	-
Thereafter	-
Total	<u>\$ 2,285,353</u>

Police & Firefighters

Actuarial assumptions

The total pension liability in the September 30, 2022 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%
Retirement Age	Experience – based table of rates that are specific to the type of eligibility condition

The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk class members in their July 1, 2019 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuations reports.

Effective as of October 1, 2020, the mortality assumption was updated to the tables used in the July 1, 2019 FRS actuarial valuation for Special Risk Class members.

Ordinance No. 1119-2021 was adopted on May 10, 2021. This ordinance increased the benefit multiplier for members hired on or after October 12, 2014 from 2.5% to 3.0% of average monthly earnings. The maximum benefit for such members was also increased from 70% to 75% of average monthly earnings. These changes became effective on October 1, 2021 and apply to all years of service.

Ordinance No. 1123-2022 was adopted on February 28, 2022. Ordinance No. 1122-2021 was adopted on December 13, 2021. These ordinances amended the Plan by unfreezing benefits which were earned prior to October 12, 2014 for those current active members who retire or enter the DROP on or after December 14, 2021.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. 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%	2.5-3.5%
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, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police & Firefighters (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total	Plan Fiduciary	
	Pension	Net	Net Pension
	Liability	Position	Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances at 09/30/2022	\$ 34,867,318	\$ 41,328,472	\$ (6,461,154)
Changes for the year:			
Service cost	652,014	-	652,014
Interest	2,399,844	-	2,399,844
Changes in benefit terms	1,200,474	-	1,200,474
Differences between expected and actual experience	(584,887)	-	(584,887)
Changes of assumptions	-	-	-
Contributions - employer (from city)	-	389,030	(389,030)
Contributions - employer (from state)	-	126,315	(126,315)
Contributions - employee	-	330,338	(330,338)
Net investment income	-	(6,502,357)	6,502,357
Benefit payments, including refunds of employee contributions	(2,471,700)	(2,471,700)	-
Administrative expense	-	(85,134)	85,134
Other changes	3,098	-	3,098
Net changes	1,198,843	(8,213,508)	9,412,351
Balances at 09/30/2023	\$ 36,066,161	\$ 33,114,964	\$ 2,951,197

Plan fiduciary net position as a percentage of the total pension liability	91.82%
Covered payroll	\$ 3,477,240
Net pension liability as a percentage of covered payroll	84.87%

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	1% Increase
	6.00%	Discount Rate 7.00%	8.00%
City's Net Pension Liability \$	6,777,549	\$ 2,951,197	\$ (257,897)

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

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, 2022, the City recognized pension expense of \$1,424,179. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	\$ 298,260	\$ 463,036
Changes in assumptions	-	577,555
Net difference between expected and actual earnings on investments	7,571,791	3,363,770
Total	<u>\$ 7,870,051</u>	<u>\$ 4,404,361</u>

The deferred outflows of resources related to the Police and Firefighters Retirement plan, totaling \$559,708, 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, 2024.

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:

2024	\$ 564,305
2025	404,019
2026	725,033
2027	1,772,333
Thereafter	-
Total	<u>\$ 3,465,690</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

(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.

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. At September 30, 2023, the General Employees Retirement System had two (2) participants with balances amounting to \$170,075 and the Police and Firefighters Retirement System had three (3) participants with balances amounting to \$811,605.

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

(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, 2023, there were four plan members, the City Manager, the Finance Director, 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 \$70,000 for the fiscal year ended September 30, 2023.

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
Deferred outflows			
Difference between expected and actual experience	\$ 40,294	\$ 298,260	\$ 338,554
Difference between expected and actual earnings on investments	2,592,672	4,208,021	6,800,693
Changes in assumptions	-	-	-
Subtotal	2,632,966	4,506,281	7,139,247
Contributions subsequent to the measurement date	427,903	559,708	987,611
Total deferred outflows and contributions subsequent to the measurement	<u>\$ 3,060,869</u>	<u>\$ 5,065,989</u>	<u>\$ 8,126,858</u>
Deferred inflows			
Difference between expected and actual experience	\$ 137,506	\$ 463,036	\$ 600,542
Changes in assumptions	210,107	577,555	787,662
Difference between expected and actual earnings on investments	-	-	-
Total deferred inflows	<u>\$ 347,613</u>	<u>\$ 1,040,591</u>	<u>\$ 1,388,204</u>
Pension expense	<u>\$ 402,941</u>	<u>\$ 1,424,179</u>	<u>\$ 1,827,120</u>

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

10. 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.

11. 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. The following presents the eligibility requirements for retirement under the City's three Retirement Plans: Police and Firefighters' 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, 2023

11. 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, 2023.

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, 2023

11. 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, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or beneficiaries currently receiving benefits	66
Active employees	126
Total membership	<u>192</u>

Total OPEB Liability

The Plan's total OPEB liability of \$2,550,014 was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Actuarial assumptions and other inputs

The total OPEB liability in the September 30, 2022 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	9/30/2022
Measurement date	9/30/2022
Actuarial Cost Method	Entry Age Normal
Discount rate	4.40%
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, 2021 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 9.0%, followed by 5.75% and gradually decreasing to an ultimate trend rate of 3.75%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Administrative expenses are included in the per capita health costs.
Other Information:	Changes in assumptions and other inputs include the change in the discount rate from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022. This change is reflected in the Schedule of Changes in Total OPEB liability.

CITY OF MIAMI SPRINGS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

Changes in the Total OPEB Liability

Balance at 9/30/2021	\$	3,214,306
Changes for the year:		
Service cost		141,906
Interest		72,081
Differences between expected and actual experience		-
Changes in assumptions and other inputs		(748,567)
Benefit payments		(129,712)
Net change in OPEB liability		(664,292)
Balance at 9/30/2022	\$	2,550,014

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 4.40%, 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
3.40%	4.40%	5.40%
\$ 2,849,288	\$ 2,550,014	\$ 2,300,620

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

The following presents the plan's total OPEB liability, 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
\$ 2,307,114	\$ 2,550,014	\$ 2,846,238

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

For the year ended September 30, 2023, the City Plan recognized OPEB expenses of \$109,982. At September 30, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 46,350	\$ 14,194
Changes in assumptions	138,264	636,418
Net difference between expected and actual earnings on investments	160,679	-
Total	<u>\$ 345,293</u>	<u>\$ 650,612</u>

The deferred outflow of resources related to OPEB totaling \$160,679 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, 2024. 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 5.9 years.

Deferred outflows and inflows of resources by year to be recognized in future OPEB expenses are as follows:

Year Ending September 30	Net Deferred (In)Outflows of Resources
2024	\$ (80,672)
2025	(86,331)
2026	(91,768)
2027	(93,037)
2028	(114,190)
Thereafter	-
Total	\$ (465,998)

12. 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.

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Tax-Exempt Bonds

As discussed in Note 7-*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.

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.

Encumbrances

As of September 30, 2023, the City had the following major fund encumbrances:

- 1) \$88,139 in General fund encumbrances related to a shade canopy for the parks and recreation department.
- 2) \$275,131 in the Capital Projects fund related to the golf course renovation project.
- 3) \$673,722 in the Capital Projects fund related to road projects.
- 4) \$87,500 in the Capital Projects fund related to the pump house project.
- 5) \$58,300 in the Capital Projects fund related to the parking study.

There were no encumbrances in the City's non-major funds.

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

CITY OF MIAMI SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive/(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and franchise fees	\$ 10,556,252	\$ 10,556,252	\$ 10,730,390	\$ 174,138
Charges for services	2,512,300	3,899,976	2,662,913	(1,237,063)
Public service taxes	1,781,585	1,781,585	1,969,078	187,493
Intergovernmental	2,226,389	1,821,202	2,564,911	743,709
Licenses and permits	200,000	200,000	134,036	(65,964)
Fines and forfeitures	1,372,526	1,412,120	1,283,163	(128,957)
Investment income	36,000	36,000	192,461	156,461
Other	335,800	370,600	236,179	(134,421)
Total revenues	<u>19,020,852</u>	<u>20,077,735</u>	<u>19,773,131</u>	<u>(304,604)</u>
Expenditures:				
General government:				
Council	183,132	225,420	164,355	61,065
City Clerk	345,606	349,114	345,613	3,501
City Manager	429,952	430,662	599,396	(168,734)
City Attorney	236,722	253,755	236,871	16,884
Human Resources	330,171	353,776	297,785	55,991
Planning	90,957	93,824	122,686	(28,862)
Finance	765,428	866,829	846,455	20,374
Information Technology	417,383	423,565	389,685	33,880
Total general government	<u>2,799,351</u>	<u>2,996,945</u>	<u>3,002,845</u>	<u>(5,900)</u>
Public safety:				
Police	8,414,459	8,514,688	8,202,492	312,196
Code Enforcement	310,376	310,376	312,181	(1,805)
Total public safety	<u>8,724,835</u>	<u>8,825,064</u>	<u>8,514,673</u>	<u>310,391</u>
Public works:				
Administration	485,630	485,631	484,920	711
Streets and sidewalks	378,975	378,975	426,671	(47,696)
Properties	928,290	1,035,885	827,141	208,744
Building maintenance	419,078	419,080	395,634	23,446
Fleet maintenance	40,500	40,500	86,389	(45,889)
Total public works	<u>2,252,473</u>	<u>2,360,071</u>	<u>2,220,755</u>	<u>139,316</u>
Recreation:				
Administration	1,805,755	2,016,948	1,715,524	301,424
Aquatics	685,989	685,990	667,606	18,384
Tennis	47,400	53,399	52,248	1,151
Park maintenance	412,601	412,601	361,193	51,408
Golf Administration	14,093	13,132	18,215	(5,083)
Golf Pro Shop	646,225	767,208	765,893	1,315
Golf Maintenance	1,382,972	1,396,262	1,100,351	295,911
Total recreation	<u>4,995,035</u>	<u>5,345,540</u>	<u>4,681,030</u>	<u>664,510</u>
Total expenditures	<u>18,771,694</u>	<u>19,527,620</u>	<u>18,419,303</u>	<u>1,108,317</u>

(Continued)

CITY OF MIAMI SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<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>249,158</u>	<u>550,115</u>	<u>1,353,828</u>	<u>803,713</u>
Other financing sources (uses):				
Issuance of debt	500,000	500,000	500,000	-
Transfers in	408,210	408,210	435,869	27,659
Transfers out	<u>(1,476,131)</u>	<u>(1,476,131)</u>	<u>(2,179,167)</u>	<u>(703,036)</u>
Total other financing sources	<u>(567,921)</u>	<u>(567,921)</u>	<u>(1,243,298)</u>	<u>(675,377)</u>
Net change in fund balance	<u>\$ (318,763)</u>	<u>\$ (17,806)</u>	110,530	<u>\$ 128,336</u>
Fund balance - beginning			<u>8,150,474</u>	
Fund balance - ending			<u>\$ 8,261,004</u>	

See notes to budgetary comparison schedule

CITY OF MIAMI SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE BUILDING FUND FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Building Operation Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Licenses and permits	\$ 850,550	\$ 922,025	\$ 1,799,982	\$ 877,957
Investment income	-	-	48,318	48,318
Total revenues	<u>850,550</u>	<u>922,025</u>	<u>1,848,300</u>	<u>926,275</u>
Expenditures:				
Current:				
Public safety	<u>1,135,228</u>	<u>1,206,703</u>	<u>1,162,975</u>	<u>43,728</u>
Total expenditures	<u>1,135,228</u>	<u>1,206,703</u>	<u>1,218,643</u>	<u>(11,940)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(284,678)</u>	<u>(284,678)</u>	<u>629,657</u>	<u>914,335</u>
Net change in fund balance	<u>\$ (284,678)</u>	<u>\$ (284,678)</u>	629,657	<u>\$ 914,335</u>
Fund balance - beginning			<u>1,506,632</u>	
Fund balance - ending			\$ 2,136,289	

See notes to budgeting comparison schedule

CITY OF MIAMI SPRINGS, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 Council.

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 all major funds, the General fund, the Building fund and the Capital Projects fund. The City also adopts budgets for the Road and Transportation fund, the Law Enforcement Trust fund, the Elderly Services fund, and the Debt Service fund 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 and Building fund supplemental appropriations amounted to \$755,926 and \$71,475, respectively for the fiscal year ended September 30, 2023, and consists of the roll-forward of encumbrances from FY 2022, and other miscellaneous appropriations for new equipment, 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 THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
MIAMI SPRINGS GENERAL EMPLOYEES' RETIREMENT SYSTEM

(as required by GASB Statement No. 68)

Measurement date September 30,

Total Pension Liability

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 554,760	\$ 530,621	\$ 517,823	\$ 478,369	\$ 449,371	\$ 425,585	\$ 327,212	\$ 298,401	\$ 318,230
Interest on the total pension liability	1,504,793	1,501,470	1,460,559	1,469,522	1,446,426	1,346,316	1,332,765	1,315,271	1,281,464
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Difference between actual & expected experience of the total pension liability	(145,881)	(63,182)	191,392	(114,573)	185,603	603,966	109,558	-	(120,753)
Changes in assumptions	-	(457,293)	-	506,514	461,742	347,759	-	-	-
Benefit payments	(1,271,874)	(1,468,620)	(1,535,189)	(1,944,484)	(1,161,974)	(1,585,026)	(1,731,453)	(993,482)	(908,927)
Refunds	(120,352)	(115,706)	(76,741)	(10,453)	(60,181)	(18,047)	(39,929)	(53,595)	(60,675)
Other	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	521,446	(72,710)	557,844	384,895	1,320,987	1,120,553	(1,847)	566,595	509,339
Total Pension Liability - Beginning	21,638,402	21,711,112	21,153,268	20,768,373	19,447,386	18,326,833	18,328,680	17,762,085	17,252,746
Total Pension Liability - Ending (a)	<u>\$ 22,159,848</u>	<u>\$ 21,638,402</u>	<u>\$ 21,711,112</u>	<u>\$ 21,153,268</u>	<u>\$ 20,768,373</u>	<u>\$ 19,447,386</u>	<u>\$ 18,326,833</u>	<u>\$ 18,328,680</u>	<u>\$ 17,762,085</u>

Plan Fiduciary Net Position

Contributions - Employer	\$ 435,789	\$ 478,209	\$ 472,860	\$ 443,293	\$ 420,570	\$ 338,551	\$ 317,957	\$ 344,236	\$ 366,204
Contributions - Member	288,192	321,545	314,272	307,085	285,901	283,972	252,554	208,312	188,555
Net Investment Income	(3,935,708)	4,351,716	2,158,818	1,107,401	2,106,317	2,021,370	1,720,828	766,343	1,903,591
Benefit Payments	(1,271,874)	(1,468,620)	(1,535,189)	(1,944,484)	(1,161,974)	(1,585,026)	(1,731,453)	(993,482)	(908,927)
Refunds	(120,352)	(115,706)	(76,741)	(10,453)	(60,181)	(18,047)	(39,929)	(53,595)	(60,675)
Pension plan administrative expense	(89,711)	(89,485)	(86,173)	(86,097)	(93,369)	(83,952)	(82,657)	(82,212)	(76,422)
Other	-	(2)	-	-	-	-	-	-	-

Net Change in Plan Fiduciary Net Position

Plan Fiduciary Net Position - Beginning	(4,713,664)	3,477,657	1,247,847	(183,255)	1,497,264	956,868	437,300	189,602	1,412,326
Plan Fiduciary Net Position - Ending	25,086,188	21,608,531	20,360,684	20,543,939	19,046,675	18,089,807	17,652,507	17,462,905	16,050,579
Plan Fiduciary Net Position - Ending	<u>\$ 20,372,524</u>	<u>\$ 25,086,188</u>	<u>\$ 21,608,531</u>	<u>\$ 20,360,684</u>	<u>\$ 20,543,939</u>	<u>\$ 19,046,675</u>	<u>\$ 18,089,807</u>	<u>\$ 17,652,507</u>	<u>\$ 17,462,905</u>
Net Pension Liability - Ending	\$ 1,787,324	\$ (3,447,786)	\$ 102,581	\$ 792,584	\$ 224,434	\$ 400,711	\$ 237,026	\$ 676,173	\$ 299,180
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.93%	115.93%	99.53%	96.25%	98.92%	97.94%	98.71%	96.31%	98.32%
Covered Payroll ¹	\$ 4,020,870	\$ 3,955,043	\$ 3,781,853	\$ 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	44.45%	-87.17%	2.71%	21.55%	6.59%	12.83%	8.60%	29.60%	8.88%

¹ Covered Payroll for the fiscal year in 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 CITY CONTRIBUTIONS
MIAMI SPRINGS GENERAL EMPLOYEES' RETIREMENT SYSTEM

Fiscal Year Ending <u>September 30.</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u> ²	Contribution Deficiency <u>(Excess)</u>	Covered <u>Payroll</u> ¹	Actual Contribution as a % of <u>Covered Payroll</u>
2023	\$ 427,903	\$ 427,903	\$ -	\$ 4,408,816	9.71%
2022	435,789	435,789	-	4,020,870	10.84%
2021	478,209	478,209	-	3,955,043	12.09%
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.

² A receivable City contribution for the fiscal year ending September 30, 2014 of \$12,537, deposited after September 30, 2014, is reflected in the 2014 fiscal year actual contribution figure and excluded from the 2015 fiscal year.

Notes to the Schedule of Contributions

Valuation Date

10/1/2021

Measurement Date:

9/30/2022

Notes

Actuarially determined contribution rates are calculated as of the October 1st which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	26 years (single equivalent period)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	3.50% to 6.50% 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	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Regular (other than K-12 Instructional Personnel) Class members as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

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

Measurement date September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 652,014	\$ 570,158	\$ 528,793	\$ 546,751	\$ 590,707	\$ 590,908	\$ 517,936	\$ 516,880	\$ 606,975
Interest on the total pension liability	2,399,844	2,384,297	2,312,255	2,293,156	2,299,189	2,262,208	2,265,414	2,246,773	2,216,416
Changes in benefit terms	1,200,474	187,216	-	-	-	-	-	-	(614,240)
Difference between actual & expected experience of the total pension liability	(584,887)	381,175	308,668	(132,350)	110,907	(56,808)	(103,859)	-	(90,536)
Changes in assumptions	-	(1,021,829)	-	-	1,341,696	(11,268)	-	-	-
Benefit payments	(2,458,907)	(2,239,659)	(2,048,394)	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,888)
Refunds	(12,793)	-	(30,757)	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Other	3,098	(5,092)	(2,510)	(62,026)	(3,717)	5,585	189	(65,584)	(101,254)
Net Change in Total Pension Liability	1,198,843	256,266	1,068,055	15,220	2,587,037	(52,884)	(67,609)	544,221	649,841
Total Pension Liability - Beginning	34,867,318	34,611,052	33,542,997	33,527,777	30,940,740	30,993,624	31,061,233	30,517,012	29,867,171
Total Pension Liability - Ending (a)	\$ 36,066,161	\$ 34,867,318	\$ 34,611,052	\$ 33,542,997	\$ 33,527,777	\$ 30,940,740	\$ 30,993,624	\$ 31,061,233	\$ 30,517,012
Plan Fiduciary Net Position									
Contributions - Employer	\$ 515,345	\$ 592,671	\$ 630,158	\$ 658,407	\$ 746,806	\$ 799,561	\$ 824,123	\$ 746,333	\$ 745,274
Contributions - Member	330,338	299,853	311,426	357,453	338,943	381,489	353,736	309,304	336,297
Net Investment Income	(6,502,357)	7,155,332	3,660,490	1,809,760	3,464,364	3,331,989	2,753,012	1,252,928	2,968,350
Benefit Payments	(2,458,907)	(2,239,659)	(2,048,394)	(2,519,654)	(1,751,725)	(2,740,461)	(2,737,349)	(2,031,499)	(1,319,888)
Refunds	(12,793)	-	(30,757)	(110,657)	-	(103,048)	(9,940)	(122,349)	(47,832)
Pension plan administrative expense	(85,134)	(84,538)	(77,460)	(83,877)	(83,463)	(76,677)	(114,442)	(108,988)	(110,599)
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(8,213,508)	5,723,659	2,445,463	111,432	2,714,925	1,592,853	1,069,140	45,729	2,571,802
Plan Fiduciary Net Position - Beginning	41,328,472	35,604,813	33,159,350	33,047,918	30,332,993	28,740,140	27,671,000	27,625,271	25,053,469
Plan Fiduciary Net Position - Ending	\$ 33,114,964	\$ 41,328,472	\$ 35,604,813	\$ 33,159,350	\$ 33,047,918	\$ 30,332,993	\$ 28,740,140	\$ 27,671,000	\$ 27,625,271
Net Pension Liability - Ending	\$ 2,951,197	\$ (6,461,154)	\$ (993,761)	\$ 383,647	\$ 479,859	\$ 607,747	\$ 2,253,484	\$ 3,390,233	\$ 2,891,741
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.82%	118.53%	102.87%	98.86%	98.57%	98.04%	92.73%	89.09%	90.52%
Covered Payroll ¹	\$ 3,477,240	\$ 3,156,947	\$ 2,965,962	\$ 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	84.87%	-204.70%	-33.51%	13.42%	17.70%	23.90%	95.56%	169.89%	93.26%

¹ Covered Payroll for the fiscal year in 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 CITY CONTRIBUTIONS
MIAMI SPRINGS POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess) ¹	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 532,404	\$ 532,404	\$ -	3,690,931	14.42%
2022	512,247	512,247	-	3,477,240	14.73%
2021	597,763	597,763	-	3,156,347	18.94%
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 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	10/1/2021
Measurement Date:	9/30/2022
Notes	Actuarially determined contribution rates are calculated as of the October 1st which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	0 years (single equivalent period)
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	3.25% to 9.50% 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	The same versions of Oub-2010 Headcount-Weighted Mortality Tables for Special Risk- class members as used by the Florida Retirement System(FRS) for Special Risk class members in their July 1, 2019 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently- published FRS actuarial valuation reports.

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

(as required by GASB Statement No. 75)

Measurement Year Ended September 30,	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 141,906	\$ 120,924	\$ 117,291	\$ 104,511	\$ 107,514	\$ 112,469
Interest on the Total OPEB Liability	72,081	71,589	79,542	102,807	94,927	86,160
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	-	70,118	-	(52,038)	-	-
Changes in assumptions and other inputs	(748,567)	151,718	(27,403)	139,248	(115,795)	(147,733)
Benefit payments	(129,712)	(99,225)	(90,771)	(107,525)	(115,637)	(110,544)
Net change in Total OPEB Liability	(664,292)	315,124	78,659	187,003	(28,991)	(59,648)
Total OPEB Liability-beginning*	<u>3,214,306</u>	<u>2,899,182</u>	<u>2,820,523</u>	<u>2,633,520</u>	<u>2,662,511</u>	<u>2,722,159</u>
Total OPEB Liability-ending	<u>\$ 2,550,014</u>	<u>\$ 3,214,306</u>	<u>\$ 2,899,182</u>	<u>\$ 2,820,523</u>	<u>\$ 2,633,520</u>	<u>\$ 2,662,511</u>
Estimated covered employee payroll	\$ 7,879,041	\$ 8,124,058	\$ 6,747,834	\$ 7,070,405	\$ 8,391,425	\$ 7,039,959
Total OPEB liability as a percentage of Covered-Employee payroll	32.36%	39.57%	42.96%	39.89%	31.38%	37.82%

Notes to schedule:

The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2022:

- The discount rate was changed from 2.19% to 4.40%.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for OPEB.

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.

Elderly Services 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 Fund

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, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Elderly Services	LETF	Hurricane	Road and Transportation	Debt Service	
ASSETS						
Accounts receivable - net	\$ 214,768	\$ 149	\$ 39,842	\$ 202,719	\$ -	\$ 457,478
Restricted assets:						
Cash and equity in pooled cash and investments	18,062	237,994	-	40,518	307	296,881
Total assets	<u>\$ 232,830</u>	<u>\$ 238,143</u>	<u>\$ 39,842</u>	<u>\$ 243,237</u>	<u>\$ 307</u>	<u>\$ 754,359</u>
LIABILITIES						
Accounts payable	\$ 48,966	\$ 3,181	\$ -	\$ 23,077	\$ -	\$ 75,224
Accrued payroll	17,850	-	-	-	-	17,850
Due to other funds	169,122	-	39,723	-	-	208,845
Total liabilities	<u>235,938</u>	<u>3,181</u>	<u>39,723</u>	<u>23,077</u>	<u>-</u>	<u>301,919</u>
FUND BALANCES						
Restricted	-	234,962	119	220,160	307	455,548
Unassigned	(3,108)	-	-	-	-	(3,108)
Total fund balances	<u>(3,108)</u>	<u>234,962</u>	<u>119</u>	<u>220,160</u>	<u>307</u>	<u>452,440</u>
Total liabilities and fund balances	<u>\$ 232,830</u>	<u>\$ 238,143</u>	<u>\$ 39,842</u>	<u>\$ 243,237</u>	<u>\$ 307</u>	<u>\$ 754,359</u>

CITY OF MIAMI SPRINGS, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Elderly Services	LETF	Hurricane	Road and Transportation	Debt Service		
Revenues:							
Charges for services	\$ 3,100	\$ -	\$ -	\$ 29,413	\$ -	\$	32,513
Intergovernmental	737,495	-	-	857,495	-		1,594,990
Fines and forfeitures	-	54,388	-	-	-		54,388
Investment income	-	4,920	-	2,648	920		8,488
Miscellaneous	17,335	-	-	-	-		17,335
Total revenues	757,930	59,308	-	889,556	920		1,707,714
Expenditures:							
Current:							
Public Safety	-	110,662	-	-	-		110,662
Public Works	-	-	-	1,073,420	-		1,073,420
Recreation and social services	1,314,307	-	-	-	-		1,314,307
Debt service:							
Principal retirement	-	-	-	-	1,380,614		1,380,614
Interest and fiscal charges	-	-	-	-	313,882		313,882
Capital outlay:							
Public Safety	-	5,228	-	-	-		5,228
Total expenditures	1,314,307	115,890	-	1,073,420	1,694,496		4,192,885
Deficiency of revenues over expenditures before other financing sources	(556,377)	(56,582)	-	(183,864)	(1,693,576)		(2,490,399)
Other financing sources							
Transfers in	551,232	-	-	-	1,693,883		2,245,115
Transfers out	-	-	-	(65,948)	-		(65,948)
Total other financing sources	551,232	-	-	(65,948)	1,693,883		2,179,167
Net change in fund balances	(5,145)	(56,582)	-	(249,812)	307		(311,232)
Fund balances - beginning	2,037	291,544	119	469,972	-		763,672
Fund balances - ending	\$ (3,108)	\$ 234,962	\$ 119	\$ 220,160	\$ 307	\$	\$ 452,440

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL NON-MAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Debt Service Fund		
	Budgeted Amounts		Variance with Final Budget Positive/(Negative)
	Original	Final	
Revenues:			
Investment income	\$ -	\$ -	\$ 920
Total revenues	-	-	920
Expenditures:			
Debt service:			
Principal retirement	\$ 1,378,256	\$ 1,378,256	\$ 1,380,614
Interest and fiscal charges	294,670	294,670	313,882
Total expenditures	1,672,926	1,672,926	1,694,496
Excess (deficiency) of revenues over expenditures before other financing (uses) sources	(1,672,926)	(1,672,926)	(1,693,576)
Other financing sources			
Transfers in	1,672,926	1,672,926	1,693,883
Total other financing sources	1,672,926	1,672,926	1,693,883
Net change in fund balance	\$ -	\$ -	307
Fund balance - beginning			-
Fund balance - ending			\$ 307

See notes to budgeting comparison schedule

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, 2023

	LET Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 54,388	\$ 54,388
Investment income	1,500	1,500	4,920	3,420
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>59,308</u>	<u>57,808</u>
Expenditures:				
Current:				
Public safety	<u>160,954</u>	<u>164,074</u>	<u>110,662</u>	<u>(53,412)</u>
Total expenditures	<u>160,954</u>	<u>164,074</u>	<u>115,890</u>	<u>(48,184)</u>
Deficiency of revenues over expenditures before other financing sources(uses)	<u>(159,454)</u>	<u>(162,574)</u>	<u>(56,582)</u>	<u>105,992</u>
Net change in fund balance	<u>\$ (159,454)</u>	<u>\$ (162,574)</u>	<u>(56,582)</u>	<u>\$ 105,992</u>
Fund balance - beginning			<u>291,544</u>	
Fund balance - ending			<u>\$ 234,962</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, 2023

	Elderly Services Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Charges for services	\$ 29,536	\$ 29,536	\$ 3,100	\$ (26,436)
Intergovernmental	840,617	840,617	737,495	(103,122)
Other	-	-	17,335	17,335
Total revenues	<u>870,153</u>	<u>870,153</u>	<u>757,930</u>	<u>(112,223)</u>
Expenditures:				
Current:				
Recreation and social services	<u>1,199,097</u>	<u>1,199,097</u>	<u>1,314,307</u>	<u>(115,210)</u>
Total expenditures	<u>1,199,097</u>	<u>1,199,097</u>	<u>1,314,307</u>	<u>(115,210)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(328,944)</u>	<u>(328,944)</u>	<u>(556,377)</u>	<u>(227,433)</u>
Other financing sources (uses)				
Transfers in	<u>326,746</u>	<u>326,746</u>	<u>551,232</u>	<u>224,486</u>
Total other financing sources (uses)	<u>326,746</u>	<u>326,746</u>	<u>551,232</u>	<u>224,486</u>
Net change in fund balance	<u>\$ (2,198)</u>	<u>\$ (2,198)</u>	<u>(5,145)</u>	<u>\$ -</u>
Fund balance - beginning			<u>2,037</u>	
Fund balance - ending			<u>\$ (3,108)</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, 2023

	Road and Transportation			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 28,000	\$ 28,000	\$ 29,413	\$ 1,413
Investment income	-	-	2,648	2,648
Intergovernmental	620,000	946,980	857,495	(89,485)
Other	-	-	-	-
Total revenues	648,000	974,980	889,556	(85,424)
Expenditures:				
Current:				
Public works	632,579	959,559	1,073,420	(113,861)
Total expenditures	632,579	959,559	1,073,420	(113,861)
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	15,421	15,421	(183,864)	(199,285)
Other financing sources (uses)				
Transfers out	-	-	(65,948)	(65,948)
Total other financing sources (uses)	-	-	(65,948)	(65,948)
Net change in fund balance	\$ 15,421	\$ 15,421	(249,812)	\$ -
Fund balance - beginning			469,972	
Fund balance - ending			\$ 220,160	

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 and 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, 2023

	<u>Pension Trust Funds</u>		<u>Total Pension</u>
	<u>General Employees' Pension Plan</u>	<u>Police & Firefighters' Pension Plan</u>	<u>Trust Funds</u>
ASSETS			
Cash and Cash equivalents	\$ 242,750	\$ 399,899	\$ 642,649
Investments at fair value:			
Equity securities	13,545,642	21,961,682	35,507,324
Corporate bonds	1,438,428	2,498,823	3,937,251
Certificates of deposit	203,174	242,419	445,593
U.S. government securities	415,992	704,174	1,120,166
Mortgage pools	1,341,184	1,984,202	3,325,386
Foreign bonds	52,180	136,358	188,538
Municipal bonds	313,982	453,803	767,785
Collateralized mortgage obligations	2,003,529	3,727,811	5,731,340
Real estate fund	2,001,398	3,022,302	5,023,700
Total investments	<u>21,315,509</u>	<u>34,731,574</u>	<u>56,047,083</u>
Receivables:			
Due from other governments	35,262	40,071	75,333
Accrued interest and dividends	31,609	50,927	82,536
Total receivables	<u>66,871</u>	<u>90,998</u>	<u>157,869</u>
Other assets:			
Prepaid expenses	-	-	-
Total assets	<u>21,625,130</u>	<u>35,222,471</u>	<u>56,847,601</u>
LIABILITIES			
Accounts payable and accrued liabilities	24,911	47,218	72,129
Due to broker	-	-	-
Total liabilities	<u>24,911</u>	<u>47,218</u>	<u>72,129</u>
NET POSITION			
Net position restricted for pension benefits	<u>\$ 21,600,219</u>	<u>\$ 35,175,253</u>	<u>\$ 56,775,472</u>

CITY OF MIAMI SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Pension Trust Funds</u>		<u>Total Pension</u>
	<u>General Employees'</u>	<u>Police & Firefighters'</u>	<u>Trust</u>
	<u>Pension Plan</u>	<u>Pension Plan</u>	<u>Funds</u>
ADDITIONS			
Contributions:			
City	\$ 427,903	\$ 401,501	\$ 829,404
Plan members	257,659	321,111	578,770
State of Florida	-	158,207	158,207
Total contributions	<u>685,562</u>	<u>880,819</u>	<u>1,566,381</u>
Investments earnings:			
Net appreciation (depreciation) in fair value of investments	1,604,923	2,694,237	4,299,160
Dividends and interest income	503,270	805,858	1,309,128
Total investment earnings (losses)	2,108,193	3,500,095	5,608,288
Less: investment expense	(122,686)	(177,145)	(299,831)
Net investment earnings (losses)	1,985,507	3,322,950	5,308,457
Other income (loss)	(948)	(4,748)	(5,696)
Total additions	<u>2,670,121</u>	<u>4,199,021</u>	<u>6,869,142</u>
DEDUCTIONS			
Pension benefits	1,267,279	2,017,305	3,284,584
Refunds of member contributions	85,978	42,619	128,597
Administrative expenses	89,169	78,808	167,977
Total deductions	<u>1,442,426</u>	<u>2,138,732</u>	<u>3,581,158</u>
Net decrease	1,227,695	2,060,289	3,287,984
Net position restricted for pension benefits			
Beginning of year	20,372,524	33,114,964	53,487,488
End of year	<u>\$ 21,600,219</u>	<u>\$ 35,175,253</u>	<u>\$ 56,775,472</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 context for understanding what the information in the financial statements, note disclosures, and require supplementary information says about the City's overall health.

Contents

Page

Financial Trends <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>	95-99
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	100-103
Debt Capacity <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>	104-108
Demographic and Econcomic Information <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>	109-110
Operating Information <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>	111-113

Sources: Unless otherwise noted, the information in theses 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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 20,073	\$ 16,607	\$ 21,697	\$ 22,129	\$ 23,184	\$ 23,039	\$ 23,662	\$ 23,634	\$ 24,199	\$ 26,160
Restricted	1,317	4,545	607	541	1,628	6,326	2,317	5,896	8,085	6,441
Unrestricted	2,021	(1,611)	(2,121)	(691)	(3,138)	(4,039)	(338)	2,091	6,069	5,522
Total governmental activities net position	<u>\$ 23,411</u>	<u>\$ 19,540</u>	<u>\$ 20,183</u>	<u>\$ 21,979</u>	<u>\$ 21,674</u>	<u>\$ 25,326</u>	<u>\$ 25,641</u>	<u>\$ 31,621</u>	<u>\$ 38,353</u>	<u>\$ 38,123</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,830	\$ 2,904	\$ 3,349	\$ 3,197	\$ 3,072	\$ 2,997	\$ 2,935	\$ 2,649	\$ 2,384	\$ 2,337
Unrestricted	268	(465)	(842)	(934)	(1,165)	(1,243)	(1,403)	(1,179)	(663)	(792)
Total business-type activities net position	<u>\$ 3,098</u>	<u>\$ 2,439</u>	<u>\$ 2,506</u>	<u>\$ 2,263</u>	<u>\$ 1,906</u>	<u>\$ 1,754</u>	<u>\$ 1,532</u>	<u>\$ 1,470</u>	<u>\$ 1,721</u>	<u>\$ 1,545</u>
Primary government										
Net investment in capital assets	\$ 22,903	\$ 19,511	\$ 25,046	\$ 25,326	\$ 26,256	\$ 26,036	\$ 26,597	\$ 26,283	\$ 26,583	\$ 28,497
Restricted	1,317	4,545	607	541	1,628	6,326	2,317	5,896	8,085	6,441
Unrestricted	2,289	(2,076)	(2,963)	(1,625)	(4,304)	(5,282)	(1,741)	912	5,406	4,730
Total primary government net position	<u>\$ 26,509</u>	<u>\$ 21,979</u>	<u>\$ 22,690</u>	<u>\$ 24,242</u>	<u>\$ 23,580</u>	<u>\$ 27,080</u>	<u>\$ 27,173</u>	<u>\$ 33,091</u>	<u>\$ 40,074</u>	<u>\$ 39,668</u>

CITY OF MIAMI SPRINGS, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental activities:										
General government	\$ 2,531	\$ 2,401	\$ 2,381	\$ 2,517	\$ 2,492	\$ 2,717	\$ 2,704	\$ 2,742	\$ 2,597	\$ 3,795
Public safety	6,680	6,047	6,627	6,819	6,821	7,307	8,292	8,285	8,126	10,231
Public works	2,644	2,383	2,494	2,727	7,163	3,058	3,339	2,926	2,544	3,617
Recreation and social services	4,209	4,017	4,195	4,742	4,631	5,772	5,058	5,297	5,680	6,280
Economic and community development	136	159	178	151	13	13	8	8	12	10
Interest on long-term debt	124	208	312	275	278	309	309	369	331	314
Total governmental activities:	16,325	15,216	16,187	17,231	21,397	19,176	19,710	19,627	19,290	24,247
Business-type activities:										
Sanitation	2,416	2,473	2,466	2,352	2,494	2,488	2,540	2,573	2,286	2,797
Stormwater	519	525	469	421	412	466	480	428	335	541
Total business-type activities	2,935	2,997	2,935	2,773	2,906	2,954	3,020	3,001	2,621	3,338
Total primary government expenses	\$ 19,260	\$ 18,213	\$ 19,121	\$ 20,004	\$ 24,501	\$ 22,130	\$ 22,730	\$ 22,628	\$ 21,911	\$ 27,585
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	1,624	1,239	1,492	2,146	2,241	1,863	1,709	2,058	1,812	2,897
Public safety	422	463	563	840	1,262	1,032	774	826	1,269	1,310
Public works	19	18	-	-	-	-	-	-	35	29
Recreation and social services	1,540	1,538	1,588	1,757	1,817	1,925	1,925	2,403	2,643	1,718
Economic and community development	19	19	21	16	16	-	-	-	-	-
Capital grants and contributions	-	-	214	571	818	490	1,262	3,635	3,485	551
Operating grants and contributions	243	299	220	251	2,311	2,679	753	984	668	828
Total governmental activities program revenues	3,867	3,576	4,097	5,581	8,465	7,989	6,423	9,906	9,912	7,333
Business-type activities:										
Charges for services:										
Sanitation	2,257	2,274	2,278	2,275	2,357	2,366	2,344	2,527	2,437	2,983
Stormwater	231	247	251	252	383	434	434	433	435	169
Capital grants and contributions	-	-	470	-	-	-	-	-	-	-
Total business-type activities program revenues	2,488	2,521	2,999	2,527	2,740	2,801	2,778	2,960	2,872	3,152
Total primary government revenues	\$ 6,355	\$ 6,097	\$ 7,095	\$ 8,108	\$ 11,205	\$ 10,790	\$ 9,201	\$ 12,866	\$ 12,784	\$ 10,485
Net (expense)/revenue										
Governmental activities	\$ (12,457)	\$ (11,640)	\$ (12,090)	\$ (11,650)	\$ (12,932)	\$ (11,186)	\$ (13,287)	\$ (9,721)	\$ (9,377)	\$ (16,914)
Business-type activities	(447)	(476)	64	(246)	(175)	(153)	(242)	(41)	251	(186)
Total primary government net expenses	\$ (12,905)	\$ (12,116)	\$ (12,026)	\$ (11,896)	\$ (13,107)	\$ (11,340)	\$ (13,528)	\$ (9,762)	\$ (9,126)	\$ (17,100)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	6,669	7,151	7,073	7,503	8,124	8,597	8,597	9,801	9,542	9,505
Utility taxes	1,808	1,796	1,829	1,794	1,852	1,791	1,791	1,807	1,778	1,969
Franchise fees on gross receipts	941	946	915	945	970	984	920	939	1,120	1,225
Intergovernmental (unrestricted)	2,442	2,437	2,585	2,584	2,626	2,639	2,338	2,707	3,251	3,422
Investment income	14	20	19	22	23	57	64	17	22	386
Miscellaneous	277	301	312	598	511	769	343	429	396	176
Total governmental activities	\$ 12,151	\$ 12,651	\$ 12,733	\$ 13,446	\$ 14,105	\$ 14,837	\$ 14,052	\$ 15,700	\$ 16,109	\$ 16,683
Business-type activities:										
Investment income	1	1	4	2	1	1	1	-	1	10
Gain (loss) on sale of capital assets	(26)	-	-	-	-	-	14	-	-	-
Total business-type activities	\$ (25)	\$ 1	\$ 4	\$ 2	\$ 1	\$ 1	\$ 15	\$ -	\$ 1	\$ 10
Total primary government	\$ 12,126	\$ 12,652	\$ 12,736	\$ 13,448	\$ 14,106	\$ 14,838	\$ 14,067	\$ 15,700	\$ 16,110	\$ 16,693
Change in Net Position										
Governmental activities	\$ (306)	\$ 1,011	\$ 643	\$ 1,796	\$ 1,173	\$ 3,651	\$ 765	\$ 5,980	\$ 6,732	\$ (231)
Business-type activities	(472)	(475)	67	(244)	(174)	(152)	(244)	(41)	252	(176)
Total primary government	\$ (778)	\$ 535	\$ 710	\$ 1,552	\$ 999	\$ 3,498	\$ 521	\$ 5,939	\$ 6,984	\$ (407)

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	Local Option Gas Tax	Enhanced Transportation Tax	State Revenue Sharing Tax	Alcoholic Beverage Tax	Half Cent Sales tax	Utility Tax	Franchise tax	Total
	General Purpose								
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	1,129	968	1,809	920	14,988
2021	8,801	345	547	469	1,129	968	1,807	939	15,005
2022	9,542	366	801	638	13	1,422	1,777	1,120	15,679
2023	9,505	380	857	690	10	1,478	1,969	1,225	16,114

CITY OF MIAMI SPRINGS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Nonspendable	\$ 162	\$ 233	\$ 215	\$ 195	\$ 239	\$ 216	\$ 216	\$ 233	\$ 428	\$ 675
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	243	661	150	199	70	80	80	6	33	181
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,858	3,497	2,841	3,335	3,792	4,988	4,988	6,166	7,689	7,405
Total general fund	<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>\$ 5,284</u>	<u>\$ 6,405</u>	<u>\$ 8,150</u>	<u>\$ 8,261</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,317	4,482	422	460	1,629	6,327	2,315	5,893	8,083	6,441
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	63	-	-	428	-	2	2	2	(3)
Unassigned	<u>(205)</u>	<u>(196)</u>	<u>(213)</u>	<u>-</u>	<u>(986)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 5,895</u>	<u>\$ 8,085</u>	<u>\$ 6,438</u>

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Taxes and franchise fees	\$ 7,610	\$ 8,097	\$ 7,988	\$ 8,448	\$ 9,093	\$ 9,581	\$ 9,721	\$10,741	\$10,663	\$ 10,730
Charges for services	2,160	2,155	2,414	2,724	2,638	2,703	2,201	3,231	3,452	2,695
Public service taxes	1,808	1,796	1,829	1,794	1,852	1,791	1,809	1,807	1,777	1,969
Intergovernmental	2,582	2,736	2,941	3,350	5,687	5,773	4,184	7,237	7,286	4,710
Licenses and permits	1,043	656	757	1,350	1,554	1,158	902	1,235	1,016	1,934
Fines and forfeitures	519	466	636	849	1,249	1,019	894	879	1,402	1,338
Interest	14	21	19	22	22	57	65	17	22	385
Miscellaneous	283	299	268	363	474	745	344	460	393	254
Total revenues	16,018	16,227	16,851	18,900	22,570	22,827	20,120	25,607	26,011	24,015
EXPENDITURES										
General government	2,246	2,284	2,285	2,172	2,217	2,298	2,588	2,543	2,558	3,261
Public safety	6,354	6,720	6,938	7,059	7,332	7,619	7,601	8,257	8,884	9,458
Public works	2,308	2,150	2,266	2,423	6,616	2,703	2,988	2,692	2,563	3,164
Recreation and social services	3,749	3,607	3,806	4,339	4,491	5,040	4,522	4,879	5,629	5,684
Economic and community development	5	27	42	12	-	-	-	-	-	-
Debt service:										
Principal retirement	574	2,708	1,621	663	718	2,328	1,014	1,308	1,347	1,381
Interest and fiscal charges	124	208	312	275	279	309	404	369	332	314
Capital outlay:										
General government	864	983	22	34	3	10	3	57	6	4
Public safety	193	168	227	147	203	853	375	122	201	290
Public works	115	212	149	840	1,030	21	24	192	2	5
Recreation and social services	1,009	1,369	4,153	391	454	1,761	5,315	339	659	5,791
Economic and community development	50	-	216	138	-	-	-	-	-	-
Total expenditures	17,592	20,436	22,037	18,493	23,343	22,942	24,833	20,758	22,181	29,352
Excess (deficiency) of revenues over expenditures	(1,574)	(4,210)	(5,186)	407	(773)	(115)	(4,714)	4,849	3,830	(5,337)
Other financing (uses) sources:										
Transfers in	809	1,060	2,266	1,113	2,653	3,584	1,651	1,803	3,133	2,681
Transfers out	(809)	(1,060)	(2,266)	(1,113)	(2,653)	(3,584)	(1,651)	(1,803)	(3,133)	(2,681)
Proceeds from capital lease	1,631	-	46	-	1,063	1,982	555	-	-	-
Proceeds from debt	624	7,574	-	-	-	5,000	-	-	105	3,800
Total other financing sources (uses)	2,255	7,574	46	-	1,063	6,982	555	-	105	3,800
Net change in fund balances	\$ 681	\$ 3,364	\$ (5,140)	\$ 407	\$ 290	\$ 6,867	\$ (4,158)	\$ 4,849	\$ 3,935	\$ (1,537)
Debt service as a percentage of noncapital expenditures	4.6%	16.5%	11.2%	5.5%	4.6%	13.0%	7.4%	8.4%	7.9%	7.3%

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					
2014	620,798	211,570	77,894	910,262	7.6710	1,266,224	71.89%
2015	621,834	248,863	75,422	946,119	7.6710	1,395,092	67.82%
2016	653,405	264,315	68,523	986,244	7.5000	1,472,257	66.99%
2017	692,877	290,727	70,334	1,053,938	7.5000	1,623,957	64.90%
2018	743,121	292,140	85,506	1,120,767	7.3575	1,784,849	62.79%
2019	723,168	389,788	85,223	1,198,179	7.3500	1,876,472	63.85%
2020	818,800	348,482	89,180	1,256,462	7.3300	1,919,259	65.47%
2021	875,127	353,249	95,466	1,323,842	7.3300	1,954,847	67.72%
2022	901,485	339,775	96,210	1,337,470	7.2095	1,978,539	67.60%
2023	1,145,205	354,590	105,763	1,605,558	6.9100	2,002,193	80.19%

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		Special Districts				
				County-Wide	Debt Service	Fire	Library	School	State	
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	2.4321	0.2840	7.9740	0.9187	24.3967
2016	7.5000	-	7.5000	4.6669	0.4500	2.4293	0.2840	7.6120	0.8871	23.8293
2017	7.5000	-	7.5000	4.6669	0.4000	2.4282	0.2840	7.3220	0.8627	23.4638
2018	7.3575	-	7.3575	4.6669	0.4000	2.4282	0.2840	6.9940	0.8093	22.9399
2019	7.3500	-	7.3500	4.6669	0.4644	2.4207	0.2840	6.7330	0.7671	22.6861
2020	7.3300	-	7.3300	4.6669	0.4780	2.4207	0.2840	7.1480	0.7795	23.1071
2021	7.3300	-	7.3300	4.6669	0.4780	2.4207	0.2840	7.1290	0.7502	23.0588
2022	7.2095	-	7.2095	4.6669	0.5075	2.4207	0.2840	7.0090	0.7892	22.8868
2023	6.9100	-	6.9100	4.5740	0.4355	2.3965	0.2812	6.6990	0.7589	22.0551

(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)

2023				2014			
Taxpayer	Taxable Valuation	Rank	Percentage Total Taxable Valuation	Taxpayer	Taxable Valuation	Rank	Percentage Total Taxable Valuation
FLORIDA POWER & LIGHT COMPANY	\$ 31,852	1	2.0%				
MIAMI AP HOTEL LLC	23,000	2	1.4%	MIAMI AP HOTEL LLC	\$ 33,500	1	3.5%
AIRBUS SERVICE COMPANY INC	17,476	3	1.1%				
FAIRHAVENS REAL ESTATE	17,379	4	1.1%	FAIRHAVENS REAL ESTATE	5,972	8	0.6%
FLIGHT SAFETY INTERNATIONAL	16,077	5	1.0%				
SUCRE LLC	15,317	6	1.0%				
O2R PROPERTIES	15,059	7	0.9%				
DORAL BOULEVARD HOTEL LLC	14,579	8	0.9%				
AA BAKER GROUP LTD	13,142	9	0.8%				
DORIAN VAN BEYER CALLEN	12,000	10	0.8%	DORIAN VAN BEYER CALLEN	11,251	2	1.2%
				4299 MIAMI SPRINGS LLC	11,100	3	1.2%
				RED ROOF INNS	9,700	4	1.0%
				PRIME AFC INVEST MGMT LLC	8,005	5	0.8%
				BRE LQ FL PROPERTIES	6,655	6	0.7%
				FAIRWAYS INC	6,000	7	0.6%
				PFEIFFER AND MARIN HOLDINGS	5,748	9	0.6%
				BRE HMSTD PORTFOLIO LLC	5,119	10	0.5%
	\$ 175,881		11.0%		\$ 103,050		10.9%

Sources: Miami-Dade County Tax Assessors' Office
2023 Tax Roll
Real/personal property adjusted taxable value- \$1,598,589,815

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		
2014	7,009	6,669	95.1%	-	95.1%
2015	7,261	7,151	98.5%	-	98.5%
2016	7,393	7,073	95.7%	-	95.7%
2017	7,881	7,502	95.2%	-	95.2%
2018	8,253	8,124	98.4%	-	98.4%
2019	8,819	8,597	97.5%	-	97.5%
2020	9,210	8,801	95.6%	-	95.6%
2021	9,904	9,801	99.0%	-	99.0%
2022	9,642	9,542	99.0%	-	99.0%
2023	9,567	9,505	99.4%	-	99.4%

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	Leases	Sewer Bonds	Notes Payable	Leases			
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
2021		10,009	1,853	-	-	9	11,871	2.43%	834
2022		9,090	1,529	-	462	-	11,081	2.00%	746
2023		11,879	1,242	-	356	-	13,477	2.35%	945

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 108 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)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	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 100 for property value data.

(2) See the Schedule of Demographic and Economic Statistics on page 109 for population data.

CITY OF MIAMI SPRINGS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FISCAL YEAR ENDED SEPTEMBER 30, 2023
(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) (4)	\$ 4,847,498	0.38%	\$ 18,420
Miami-Dade County (3) (4)	<u>3,151,802</u>	0.38%	<u>11,977</u>
Subtotal overlapping debt	7,999,300		30,397
City of Miami Springs direct debt	<u>13,454</u>	100.0%	<u>13,454</u>
Total direct and overlapping debt	\$ 8,012,754		\$ 43,851

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)

(4) 2023 data not available as of the date of this report

CITY OF MIAMI SPRINGS, FLORIDA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	147,937	147,541	168,259	179,805	188,469	188,469	198,561	200,621	203,039	224,953
Total net debt applicable to limit (1)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	147,937	147,541	168,259	179,805	188,469	188,469	198,561	200,621	203,039	224,953
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%	0.00%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2023

Assessed valuation 2023 roll	\$ 1,499,685
Bonded debt limit- 15% of assessed value	\$ 224,953
Total ad valorem debt- General Obligation Bonds	
Amount of debt applicable	\$ -
Legal debt margin	\$ 224,953

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 FY 2011.

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 Debt Service	Half Cent Sales Tax Revenues (2)	Public Service Tax & Franchise Fee Revenues (3)	Local Government Half-Cent Sales Tax Revenues (4)	Debt Service Requirements		
							Principal	Interest	Total Coverage
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
2021	-	-	-	(3)	1,850,958	1,166,349	715,000	305,573	1,020,573 296
2022	-	-	-	(3)	2,064,604	1,422,479	743,000	274,271	1,017,271 343
2023	-	-	-	(3)	1,969,078	1,477,604	760,000	240,166	1,000,166 345

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

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 \$2.6 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 the 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 Sales Tax revenues. The Capital Improvement 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.

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)
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
2021	14,255	489,374	34,330	45.3	3,834	3.8
2022	13,851	553,167	39,937	42.5	3,453	1.9
2023	13,859	574,414	41,447	44.8	3,429	1.6

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>2023</u>			<u>2014</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	39,959	1	2.91%	33,477	1	2.63%
Miami-Dade County, Florida	27,862	2	2.03%	25,502	2	2.00%
University of Miami	19,996	3	1.46%	12,720	6	1.00%
Publix Supermarket	12,524	4	0.91%	4,604	9	0.36%
Jackson Memorial Hospital	12,173	5	0.89%	8,208	8	0.64%
American Airlines	11,102	6	0.81%	9,000	7	0.71%
Miami-Dade College	7,111	7	0.52%	-	-	0.00%
Florida International University	6,608	8	0.48%	3,534	10	0.28%
United States Postal Service	5,134	9	0.37%	-	-	0.00%
Baptist Health Systems	5,133	10	0.37%	13,376	5	1.05%
Federal Government	-	-	0.00%	19,600	3	1.54%
State Government	-	-	0.00%	18,300	4	1.44%
	<u>147,602</u>		<u>10.75%</u>	<u>148,321</u>		<u>8.67%</u>

Source: The Beacon Council

CITY OF MIAMI SPRINGS, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	17	16	16	16	16	16	16	16	17	17
Public safety										
Police										
Officers	42	43	43	43	43	44	45	45	46	47
Civilians	11	10	13	13	12	12	12	12	12	12
Building and Zoning	5	6	7	7	7	6	7	7	9	9
Public Works	13	13	18	20	21	21	23	23	22	21
Culture and recreation	13	11	16	18	19	20	19	19	21	22
Sanitation	13	13	13	13	12	12	11	11	11	11
Stormwater	3	3	2	2	2	2	2	2	2	2
	<u>117</u>	<u>115</u>	<u>128</u>	<u>132</u>	<u>132</u>	<u>133</u>	<u>135</u>	<u>135</u>	<u>140</u>	<u>141</u>

Source: City of Miami Springs Finance Department

CITY OF MIAMI SPRINGS, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Number of calls answered	15,009	13,990	15,853	15,853	14,885	15,939	19,031	15,919	12,497	14,035
Number of arrests	373	327	292	292	374	405	568	364	674	546
Number of sworn personnel	42	43	43	43	43	44	45	46	43	47
Building and Zoning:										
Number of building permits issued	1,302	1,274	1,549	1,549	1,746	1,761	1,440	2,225	1,589	1,392
License/permit revenue generated	\$948,629	\$552,041	\$618,194	\$618,194	\$1,418,490	\$1,288,049	\$820,820	\$1,172,954	\$935,751	\$1,848,300
Occupational licenses issued	569	582	568	568	603	532	506	517	580	576
Culture and recreation										
Number of senior meals served	41,746	56,014	42,346	42,346	47,850	52,916	54,917	77,677	99,355	119,195
Recreation revenues collected	\$411,196	\$343,094	\$420,444	\$420,444	\$486,797	\$486,797	\$95,630	\$307,461	\$485,355	\$518,034
Sanitation										
Refuse collected (tons per month)	961	914	953	953	927	937	1,060	1,023	989	1,050

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	36	36	32	41	41	51	51	50	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/Soccer fields	10	10	10	10	10	10	10	10	10	11
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	2	2	2

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 City of Miami Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated April 29, 2024.

Report on 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) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 City'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. 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 & García, LLP
Miami, Florida
April 29, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND EACH STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

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

Opinion on the Major Federal Program and Each State Project

We have audited City's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the City's major federal program and state projects for the fiscal year ended September 30, 2023. The City's major federal program and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program and state projects for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program and Each State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program and each state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of the major federal program and each state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
April 29, 2024

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass - Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<i>U.S. Treasury Department</i>			
<i>Indirect Programs-Passed through Florida Department of Emergency Management</i>			
Coronavirus State and Local Fiscal Recovery Funds (CSFRF)	21.027		\$ 2,021,135
<i>Total U.S. Treasury Department</i>			<u>2,021,135</u>
<i>U.S. Department of Health and Human Services</i>			
<i>Indirect Programs-Passed through the Alliance for Aging:</i>			
Title III, Part C Nutrition Services	93.045	AA2105/AA2205	383,096
Coronavirus Aid, Relief, and Economic Safety (CARES) Act-Nutrition and Support Services	93.354	KCA-2005-A	16,006
<i>Total U.S. Department of Health and Human Services</i>			<u>399,102</u>
<i>U.S. Department of Justice</i>			
<i>Direct Programs:</i>			
Federal Equitable Sharing	16.922		115,892
<i>Total U.S. Department of Justice</i>			<u>115,892</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,536,129</u>

See notes to the schedule of federal awards and state financial assistance

CITY OF MIAMI SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)

FISCAL YEAR ENDED SEPTEMBER 30, 2023

<u>Local Grantor/Pass-Through Grantor/Program Title</u>	<u>State Assistance Listing Number</u>	<u>Contract #</u>	<u>Total State Expenditures</u>
Florida Department of Elder Affairs			
Local Services program-General revenue	65.009	KL2205	\$ 237,672
Local Services program-General revenue	65.009	KL2305	<u>100,721</u>
Total Florida Department of Elder Affairs			<u>338,393</u>
Florida Department of Environmental Protection			
Vulnerability and Resiliency Assessment and Adaptation	37.098	22PLN51	169,000
Statewide Surface Water Restoration and Wastewater Projects - South Drive Road	37.039	LPA0337	124,000
Statewide Surface Water Restoration and Wastewater Projects - Hook Square Pump	37.039	LPA0336	145,000
Statewide Surface Water Restoration and Wastewater Projects - East Drive	37.039	LPA0192	<u>14,741</u>
Total Florida Department of Environmental Protection			<u>452,741</u>
Local Transportation Projects	55.039	FM-449249-1-54-01	<u>300,000</u>
Total Florida Department of Transportation			
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>1,091,134</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 3,627,263</u>

See notes to the schedule of federal awards and state financial assistance

CITY OF MIAMI SPRINGS, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and State financial assistance (the "Schedule") includes the federal and state grant activity of the City for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and 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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MIAMI SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

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

Federal Awards

Internal control over major federal awards:

Material weakness(es) identified?

____ Yes X No

Significant deficiencies identified?

____ Yes X None reported

Type of auditors' report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR 200.516(a)?

____ Yes X No

Identification of major federal programs:

Federal
Assistance
Listing No.

Federal Program or Cluster

21.027 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

State Financial Assistance

Internal control over major state projects:

Material weakness(es) identified?

____ Yes X No

Significant deficiencies identified?

____ Yes X None reported

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

Unmodified

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 projects:

CSFA Number

State Projects

65.009 Local Services Programs
55.039 Local Transportation Projects

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

Federal \$750,000
State \$327,340

Auditee qualified as low risk auditee?

____ Yes X No

CITY OF MIAMI SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III – MAJOR FEDERAL PROGRAM FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – MAJOR STATE PROJECT FINDINGS AND QUESTIONED COSTS

None.



Accountants
Advisors

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 City of Miami Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 29, 2024.

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for the Major Federal Program and each State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 29, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Miami Springs, Florida was incorporated by the Laws of Florida Chapter 12635. There are no component units related to the City.

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 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.

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. Our assessment was performed as of the fiscal year end.

Financial Condition and Management (continued)

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 have one recommendation identified as MLC 2023-001.

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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and members of 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
April 29, 2024

CITY OF MIAMI SPRINGS, FLORIDA
CURRENT YEAR RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

MLC 2023-001 – SANITATION FUND REVENUES

Criteria

It is a best practice for management to continuously evaluate operating income (loss) for proprietary funds in an effort to determine if adjustments are needed annually to cover operating expenses. Fees charged to customers should be sufficient for operations of the proprietary funds.

Condition and Cause

The City has not been adjusting fees adequately for the charges of sanitation services to customers in response to increases in operating expenses. As a result, the City has been operating the Sanitation Fund at a deficit as the revenues are not sufficient to cover operating expenses.

Effect

The City will continue to operate the Sanitation Fund at an operating loss which could potentially lead to other funds having to cover the deficits of the Sanitation Fund. Additionally, if the City were to continue operating the fund at a deficit, it could lead a financial strain on the City in addition to being susceptible to a deteriorating financial condition.

Recommendation

We recommend that the City apply a consistent process to evaluate Sanitation Fund expenses to ensure the revenues are sufficient to cover expenses and adjust fees accordingly. We recommend this evaluation be performed on an annual basis.

Management's Response

Management is exploring all options to increase revenues and decrease expenses to improve the operating loss and unrestricted net position.



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

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

We have examined City of Miami Springs's (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2022 to September 30, 2023. 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 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, 2022 to September 30, 2023.

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
April 29, 2024