



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF MIAMI GARDENS, FLORIDA

**For the Fiscal Year Ended
September 30, 2018**

CITY OF MIAMI GARDENS, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2018

Prepared by:

THE FINANCE DEPARTMENT

CITY OF MIAMI GARDENS, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2018

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INTRODUCTORY SECTION



City of Miami Gardens

March 29, 2019

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

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Miami Gardens, Florida, for the fiscal year ended September 30, 2018, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the City Charter. The financial statements included in this report conform to Generally Accepted Accounting Principles 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 Anthony Brunson P.A. Certified Public Accountants. The independent auditor has issued an unmodified opinion and this report fairly represents the financial position of the City in conformity with GAAP. The independent audit of the financial statements of the City of Miami Gardens was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

The contents of the report have been influenced by compliance with GASB pronouncements, including GASB 68 Accounting and Financial Reporting of Pension, GASB 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions and, Statement 34 Requiring the Preparation of Government-wide Financial Statements on a Full Accrual Basis of Accounting for All Funds, as well as Management's Discussion and Analysis. The MD&A can be found immediately following the independent auditors' report.

Profile of the Government

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

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

The annual budget serves as the foundation for the City's financial planning and control. All Departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Council for their review, a budget estimate of the expenditures and revenues of all the City's Departments and Divisions. Two (2) public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 4.5 of the City Charter provides the Council must adopt the budget by Ordinance. The City's budget is approved at the fund level. The City Manager may adjust the adopted budget for adjustments within a fund. The City Council must approve all other budget amendments as well as supplemental appropriations with the exception of grant revenues and debt proceeds, which can be amended by the City Manager. Budget to actual comparisons are provided in this report for the City's General Fund (page 63), Transportation Fund (page 64), Capital Projects Fund (page 69), Debt Service Fund (page 71), Impact Fee Fund (page 74), Community Development Block Grant Fund (CDBG) (page 75) and Development Service Fund (page 76).

Financial Information

Accounting Control

City Management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is responsible for ensuring an adequate internal control structure is in place and to document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the fund level. The City also maintains an encumbrance accounting system.

The City's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are generally determined by the City Council upon the recommendations of the City Manager and the Finance Director and are based upon established and accepted accounting policies and procedures as well as the number of funds required.

Budgetary Controls

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

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

Economic Condition and Outlook

Limits On Tax Base Growth.

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

The City's property value in FY 2018 increased by 9.5% over the FY 2017 preliminary taxable value. The Council adopted the same millage rate as FY 2017 at 6.9363 mills generating additional revenue of \$2,413,873.

Economic Conditions.

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

In FY 2018, the City had both, public and private development projects continue to move successfully through the site plan review process, which includes one of the City's bond projects: Bennet Lifter Park, Ozinga Concrete Plant totaling 72,000 sq. ft., Gardens Promenade Shopping Center totaling 200,050 sq. ft. at an estimated \$40 million project, Saint Thomas University School of Business adding 3 buildings (career bldg. 59,000 sq. footage, faculty bldg. 13,700 sq. footage, and classroom bldg. 36,800 sq. footage). Another phase of the Princeton Park residential project will add seventy (70) new market rate townhomes to the housing stock, while the Majorca Estates project will add fifty-one (51) new single-family homes and the Center at Miami Gardens Apartments will add two hundred fifty-nine (259) new market rate rentals over the next fiscal year. Lastly, Miami Open at the Hard Rock Stadium totaling 80,000 sq. ft. to support the FY2019 tennis open, as well as, future tennis opens over a 30-year deal.

The City is strategically located between the Miami and Fort Lauderdale markets and is at the crossroads of the area's major traffic ways. A large portion of the City's housing stock was constructed over 30 years ago. In 2006, the City of Miami Gardens became eligible to receive federal funding from the Department of Housing and Urban Development (HUD). The sole purpose of the CDBG Program is to create decent housing, a suitable living environment and economic opportunities for the City's low-income residents, neighborhoods and businesses. Now in its 13th year, the City has received over \$15.4 million in Community Development Block Grant (CDBG) funds. To date, three hundred thirty-two (332) homes have been rehabilitated, twenty-nine (29) first-time homeowners received homeownership assistance, four (4) neighborhood drainage, five (5) park improvement projects have been completed, and three (3) full-time and five (5) part-time jobs have been created from financial assistance to six (6) businesses. Additionally, in 2009 the City received \$6.8 million from the Neighborhood Stabilization Program (NSP) to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods that were on a decline due to the foreclosure crisis. To date, the City has purchased seventy-four (74) homes; seventy (70) of these homes have been completely renovated and sold to first-time homeowners. The sale of the seventy (70) homes has generated over \$5.5 million in program income that is reinvested back into the community for the continuation of the program contract for home improvements. In addition, with collaborative public-private partnership the City utilized NSP funds to develop twenty-four (24) units of elderly rental housing.

Personnel Costs.

The cost of attracting and keeping experienced and competent personnel in South Florida has dramatically increased over the last two (2) decades. The City has to compete with the roughly ninety (90) other municipalities existing in Miami-Dade, Broward and Palm Beach Counties. The level and amount of benefits offered to employees in this market is substantial and the employer contributions for these benefits are typically very high. As the City expands its services, it faces continual pressure in maintaining these costs. Costs for insurance and retirement are expected to continue to climb. The City is a member of the State of Florida Retirement System (FRS). The City has two (2) labor unions, the Federation of Public Employees (FPE) and the Police Benevolent Association (PBA). In FY 2018, all union employees and general employees received a 3% cost of living allowance. Members in FPE union, based on performance evaluations, are eligible for merit lump sum bonuses and merit days off. The PBA members are eligible for merit lump sum bonuses based on performance evaluations while General employees receive merit days off. The City's last monetary increase for merit performance for general employees was in 2010.

Long Term Financial Planning

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

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

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

Successful execution of the objectives associated with these Key Focus Areas will allow the City to align its efforts and resources to accomplish its goals and improve the quality of life for the residents of Miami Gardens. During FY 2019, a new strategic visioning update will occur to better assist the Administration in attaining the growth and development goals of City residents and businesses. Additionally, the new strategic planning effort will establish a plan to ensure continued fiscal stability in light of potential changes to State law.

Over the last few years, the City has worked on developing its annual budget tactically in order to reach its goal of building up the unassigned reserve of the general fund balance to 25% of the annual general fund expenditures. This would ensure the availability of sufficient funds for future unexpected events. Several current and past events have assisted the City in reaching its goal. **For fiscal year ended September 30, 2018 the unassigned fund balance that can be used at the City's discretion in the General Fund is \$19,787,782 which is 26.5% of FY 2019 operating expenses.**

In 2009, the City purchased two (2) economic development properties, the first property is fifteen (15) acres and the other is forty (40) acres. At the end of September 2017, the City completed sale of the fifteen (15) acres and used the proceeds to pay off the loan in FY 2018. The City is negotiating the sale of the thirty-five (35) acre

parcel and will retain five (5) acres for its own usage. Once the sale is finalized, it is the intent of the City to pay off the loan and deposit the gain on the sale of the properties in fund balance.

Major Initiatives

In FY 2018, the City completed the installation of photovoltaic solar panels at both the Police Headquarter Building and the City Hall Building. The installation of these energy saving tools will help the City to obtain Platinum L.E.E.D certification for both buildings.

The City continues to improve the roads, sidewalks, and stormwater drainage as part of the road improvement project with funding provided from the CITT proceeds, the Stormwater Fund, as well as grants. In FY 2018, the City completed another of the Vista Verde Livable Neighborhood drainage projects. Other projects in progress or beginning in FY 2019 includes, Westside Blue Trail, milling and resurfacing from NW 39th Court to 46th Avenue, NW 27th Avenue to NW 37th Avenue, NW 42nd Avenue to NW 47th Avenue, NW 39th Avenue and South of NW 215th Street, and other various sidewalk stand-alone projects.

The Bunche Park/Pool project funded from the General Obligation Bonds approved by voters in 2014 had the groundbreaking ribbon cutting ceremony on December 13, 2017. The grand opening of Bunche Pool project was on April 14, 2018 with an official ribbon cutting ceremony and Bunche Park will be completed in FY 2019. Buccaneer Park scheduled opening ribbon cutting ceremony is on December 15, 2018 with an estimated completion by end of FY 2019. In FY 2018, we completed the track and field at Betty T. Ferguson (BTF) Recreational Complex and the bleacher installation at North Dade Optimist Park. A few more projects such as Norwood Park and Pool, as well as, BTF site improvements (lighting, parking, drainage, walking trail, bleachers, scoreboard, press box, auxiliary buildings) are projected for completion in FY 2019. Bennet Lifter improvements will begin in FY 2019 with a projected completion for FY 2020.

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

The project has been an ongoing effort over the past few years. In FY 2018, the RTCC continued with the buildout to include the completion of the Video Management System, the Video Analytics Solution, and security cameras at City facilities. In FY 2019, we will deploy security cameras at Buccaneer Park and we expect to work towards the completion of several more facets of the overall RTCC project to include the fixed license plate readers deployed at several key intersections and security cameras at the new Bunche Park and Norwood Park. The RTCC project had its ribbon cutting in 2017 and is currently operational. As Public Safety Technology continues to evolve, the amount of virtual eyes in the area can always be increased; the RTCC project will never really reach completion, as we will continue to grow and be ahead of the innovation curve to supply the enhanced safety to everyone within the City.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami Gardens for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the City's tenth (10th) year of receiving this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City received for the thirteenth (13th) straight year, the Distinguished Budget Presentation Award for its FY 2017 budget. In addition, the City received the Outstanding Achievement in Popular Annual Financial Report for its FY 2017 report.

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

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

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



Cameron D. Benson
City Manager



Mirtha Dziezic, CGFO
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Miami Gardens
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

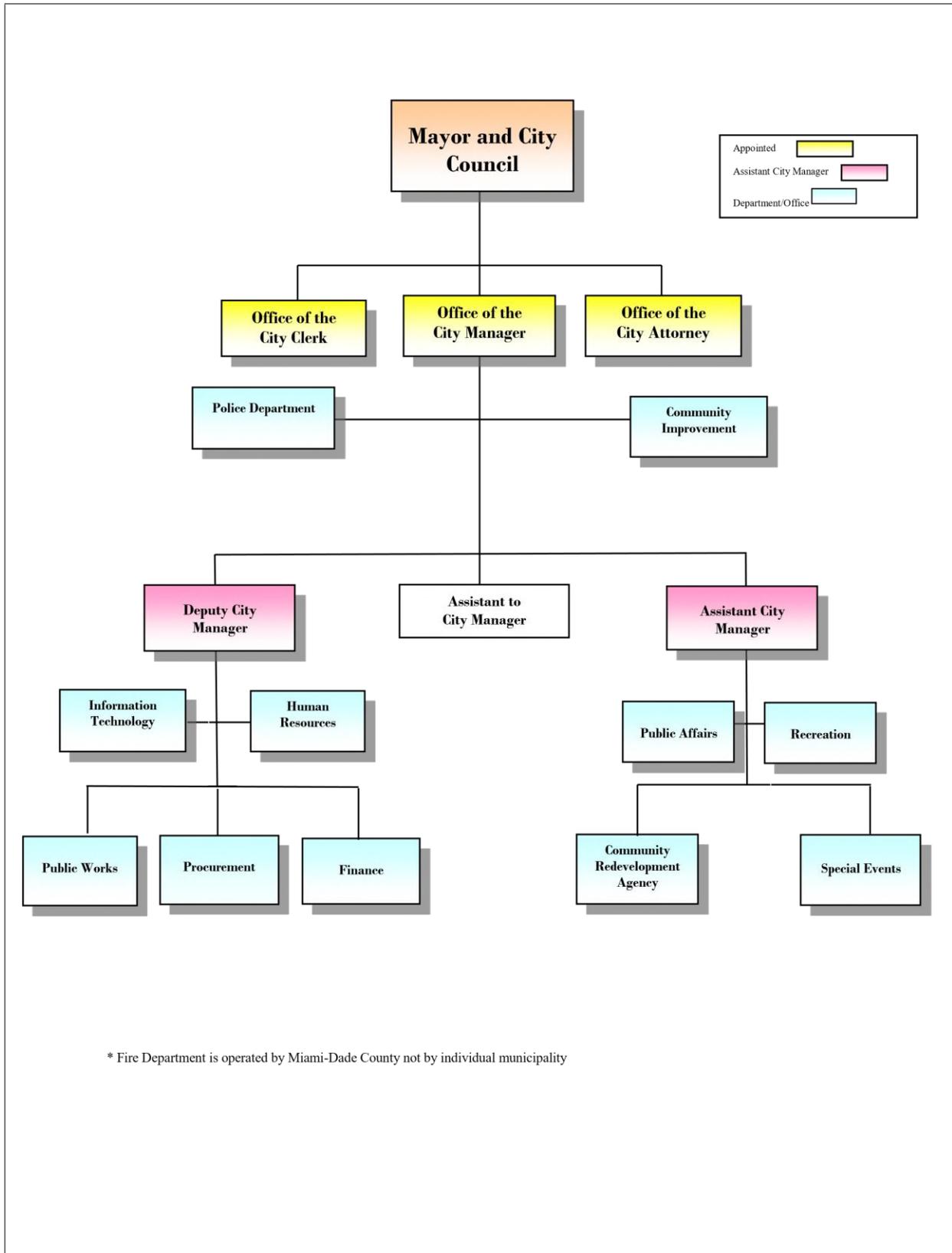
Christopher P. Morill

Executive Director/CEO



CITY OF MIAMI GARDENS, FLORIDA

ORGANIZATIONAL CHART





CITY OF MIAMI GARDENS, FLORIDA

CITY OFFICIALS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY COUNCIL

**Oliver Gilbert III, Mayor
Rodney Harris, Vice Mayor
Erhabor Ighodaro, Ph.D., Council Member
Lisa Davis, Council Member
Lillie Odom, Council Member
Felicia Robinson, Council Member
David Williams Jr., Council Member**

CITY MANAGER

Cameron D. Benson

CITY CLERK

Mario Bataille, CMC

CITY ATTORNEY

Sonja K. Dickens, Esq.

FINANCE DIRECTOR

Mirtha Dziedzic, CGFO

CITY AUDITORS

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



FINANCIAL SECTION

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Gardens, Florida (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

- 1 -



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 18, budgetary comparison information, schedules of the proportionate share of net pension liability, schedules of employer contributions and other post employment benefit liability and related ratios on pages 68 to 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standard*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Miami, Florida
March 29, 2019

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

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Miami Gardens, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended September 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, the City's financial statements and the other required supplemental information.

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

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by \$222,298,807 (Net Position).

Over the last year the total Net Position increased by \$2.40 million. Of this amount, approximately \$115,000 increase took place in the governmental activities and the business-type activities increased \$2.3 million.

The City's net position in the governmental-type activities is \$206.8 million. Of this amount, unrestricted net position is a deficit of \$36.4 million which decreased by \$1.8 million when compared to prior year due to the effect of implementation of GASB Statement 75 and the recognition of total Other Post-Employment Benefits (OPEB) liability of \$2.3 million.

At the close of fiscal year 2018, the City's governmental funds reported a combined ending fund balance of \$100,148,864; an increase of \$748,343 in comparison with the prior year. This increase is attributed to the net results of an increase in fund balance of \$0.7 million in the General Fund, \$2.8 million in the Transportation Fund, an increase of \$3.5 million in the Development Services Fund and a decrease of \$6.8 million in the Capital Projects Fund. Approximately \$24 million of the total fund balance is unassigned fund balance available for spending at the City's discretion.

The General Fund reported an operating surplus of \$12,808,867 for fiscal year 2018, before transfers and other financing sources, \$5,246,814 more than budgeted in the General Fund. After inter-fund transfers and other financing sources, the General Fund generated a net increase of \$699,483. This increase is mainly attributable to increased collections in the following categories: charges for services, franchise fees, and other income; with savings realized from personnel costs due to vacancies. In FY 2018, the City received approximately \$700,000 in additional revenue from electric franchise fee, \$1.1 million from various charges for services, \$264,000 from slot machines, and \$218,000 from foreclosure registry as compared to the budget. Savings in personnel costs are derived from vacancies in the Police and Parks and Recreation departments. **The General Fund unassigned fund balance is \$19.8 million, representing 26.48% of General Fund FY 2019 expenditures.**

For the City's business-type activities, the City experienced operating income of \$2.9 million. After non-operating revenues and expenses, inter-fund transfers and capital contributions, this fund generated an increase in Net Position of \$2.3 million.

The City's total debt decreased by approximately \$12 million which includes the payoff of the Master Lease Series 2013 and Taxable Land Acquisition Revenue Bonds, Series 2016. City-wide depreciation

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

expenses recorded during the year amounted to \$17,451,239. Total net investment in capital assets was \$234,265,903 at year-end.

CITY ACHIEVEMENTS

FY 2018 marked the completion of the Phase II Vista Verde drainage and road improvement projects, and the sidewalk and resurfacing project at Bunche Park. City completed the installation of photovoltaic solar panels at both the Police Headquarter Building and the City Hall Building. The installation of these energy saving tools will help the City to obtain Platinum L.E.E.D certification for both buildings.

The City has expanded the Transit Service in FY 2018 to include weekends due to resident demand. The City is working with the County to expand a third transit route in FY 2019.

All eighteen (18) projects included in the Bond Implementation Plan are in some form of development and/or completion. As of fiscal year end, the following projects/components of projects have been completed: Dr. Lester Brown Park Outdoor Fitness Station, March 2015; Brentwood Pool Outdoor Fitness Station, February 2016; Showmobile, March 2016; Real Time Crime Center Video Wall, August 2016; Betty T. Ferguson Recreational Complex Gymnasium Flooring Upgrade, June 2017; Betty T. Ferguson Recreational Complex Parking Lot Light Upgrade, December 2017; and Bunche Park Pool Improvements, March 2018. The Buccaneer Park opening ribbon cutting ceremony was on December 15, 2018. Bunche Park is nearing completion in FY 2019, in addition, Norwood Park/Pool and upgrades to Betty T. Ferguson Recreational Complex are projected for completion in FY 2020.

The Miami Gardens Police Department's Real Time Crime (RTCC) continued with the buildout to include the completion of the Video Management System, the Video Analytics Solution, and security cameras at City facilities. In FY 2019, we will deploy security cameras at Buccaneer Park, and we expect to work towards the completion of several more facets of the overall RTCC project to include the fixed license plate readers deployed at several key intersections and security cameras at the new Bunche Park and Norwood Park. The RTCC project had its ribbon cutting in 2017 and is currently operational. As Public Safety Technology continues to evolve, the amount of virtual eyes in the area can always be increased; the RTCC project will never really reach completion, as we will continue to grow and be ahead of the innovation curve to supply the enhanced safety to everyone within the City.

The City's Community Development Department has been tasked with establishing and implementing programs that create decent housing, a suitable living environment, and economic opportunities for the City's low-income residents, neighborhoods, and businesses. Now in its 13th year, the City has received over \$15.4 million in Community Development Block Grant (CDBG) funds. To date, three hundred thirty-two (332) homes have been rehabilitated; twenty-nine (29) first-time homeowners received down payment assistance; four (4) neighborhood drainage and five (5) park improvement projects have been completed; twenty-five (25) non-profit organizations have been funded to provide public service programs to residents, three (3) full-time and five (5) part-time jobs have been created from financial assistance to six (6) businesses. Furthermore, in 2009 the City was awarded \$6.8 million from the Neighborhood Stabilization Program to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods that were on the decline due to the foreclosure crisis. To date, the City has purchased seventy-four (74) homes; seventy (70) of these homes have been completely renovated and sold. The sale of the seventy (70) homes has generated over \$5.5 million in program income that is being reinvested back into the program. The Department also received an additional Neighborhood Stabilization Program Grant (NSP3) in 2011 for \$1,940,337, which helped to purchase five (5) homes, rehabilitate three (3) and reconstruct two (2). Additionally, twenty-four (24) units of elderly rental housing were developed in 2017 due to a public-private partnership utilizing NSP3 funds.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Community Development Department is a completely grant-funded operation, and as a result continues to pursue increased funding for the City from a variety of sources. Since its inception in 2006, the Community Development Department has leveraged over \$29 million in multiple grant funding sources to invest into the community, serving more than 3,000 people, nearly 10,000 households, 62 businesses for an overall community benefit that is immeasurable.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the 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 government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Miami Gardens maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Transportation Fund and the Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for the General Fund and all other major and non-major special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19 to 26 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 24 to 26 of this report.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 to 67 of this report.

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

Required supplementary information can be found on pages 68 to 79 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on pages 82 to 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

The following schedule is a summary of the fiscal year 2018 Statement of Net Position with comparative information for fiscal year 2017. This schedule, which presents Net Position, is one way to measure the City's financial health or position:

City of Miami Garden's Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 108,616,663	\$ 105,872,723	\$ 6,562,952	\$ 4,528,463	\$ 115,179,615	\$ 110,401,186
Capital assets	<u>301,837,332</u>	<u>309,051,299</u>	<u>15,515,949</u>	<u>15,713,043</u>	<u>317,353,281</u>	<u>324,764,342</u>
Total assets	<u>410,453,995</u>	<u>414,924,022</u>	<u>22,078,901</u>	<u>20,241,506</u>	<u>432,532,896</u>	<u>435,165,528</u>
Deferred Outflow of Resources	<u>22,645,010</u>	<u>18,219,616</u>	<u>289,138</u>	<u>301,299</u>	<u>22,934,148</u>	<u>18,520,915</u>
Long-term liabilities	200,753,484	204,626,366	5,404,907	6,320,172	206,158,391	210,946,538
Other liabilities	<u>15,779,916</u>	<u>20,651,854</u>	<u>1,394,170</u>	<u>972,407</u>	<u>17,174,086</u>	<u>21,624,261</u>
Total liabilities	<u>216,533,400</u>	<u>225,278,220</u>	<u>6,799,077</u>	<u>7,292,579</u>	<u>223,332,477</u>	<u>232,570,799</u>
Deferred Inflow of Resources	<u>9,801,219</u>	<u>1,215,755</u>	<u>34,541</u>	<u>-</u>	<u>9,835,760</u>	<u>1,215,755</u>
Net position:						
Net investment in capital assets,	224,300,737	225,805,423	9,965,166	9,755,595	234,265,903	235,561,018
Restricted	18,814,665	15,398,419	-	-	18,814,665	15,398,419
Unrestricted	<u>(36,351,016)</u>	<u>(34,554,179)</u>	<u>5,569,255</u>	<u>3,494,631</u>	<u>(30,781,761)</u>	<u>(31,059,548)</u>
Total net position	<u>\$ 206,764,386</u>	<u>\$ 206,649,663</u>	<u>\$ 15,534,421</u>	<u>\$ 13,250,226</u>	<u>\$ 222,298,807</u>	<u>\$ 219,899,889</u>

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

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule is the summary of fiscal year 2018 Statement of Activities with comparative information for fiscal year 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 21,362,817	\$ 18,291,020	\$ 5,094,141	\$ 3,474,179	\$ 26,456,958	\$ 21,765,199
Operating grants	2,158,862	2,923,990	-	-	2,158,862	2,923,990
Capital grants contributions	182,134	223,711	-	87,640	182,134	311,351
General revenues:						
Property taxes	32,504,999	29,299,174	-	-	32,504,999	29,299,174
Utility taxes	10,750,222	10,489,627	-	-	10,750,222	10,489,627
Franchise fees	3,801,953	3,076,242	-	-	3,801,953	3,076,242
Intergovernmental	20,364,978	19,819,628	-	-	20,364,978	19,819,628
Miscellaneous	3,599,172	3,267,133	105,799	-	3,704,971	3,267,133
Investment earnings	1,508,812	1,061,981	91,798	37,722	1,600,610	1,099,703
Total revenues	<u>96,233,949</u>	<u>88,452,506</u>	<u>5,291,738</u>	<u>3,599,541</u>	<u>101,525,687</u>	<u>92,052,047</u>
Expenses:						
General government	22,811,697	25,414,958	-	-	22,811,697	25,414,958
Public safety	41,203,581	40,627,044	-	-	41,203,581	40,627,044
Public works	16,656,467	16,225,866	-	-	16,656,467	16,225,866
Parks & recreation	6,149,189	6,786,784	-	-	6,149,189	6,786,784
Economic environment	843,429	1,133,556	-	-	843,429	1,133,556
Human services	148,373	136,161	-	-	148,373	136,161
Interest expense	6,940,156	7,435,209	-	-	6,940,156	7,435,209
Stormwater	-	-	2,533,311	2,305,965	2,533,311	2,305,965
Total expenses	<u>94,752,892</u>	<u>97,759,578</u>	<u>2,533,311</u>	<u>2,305,965</u>	<u>97,286,203</u>	<u>100,065,543</u>
Increase/(decrease) in net position before transfers	1,481,057	(9,307,072)	2,758,427	1,293,576	4,239,484	(8,013,496)
Transfers	<u>468,403</u>	<u>454,759</u>	<u>(468,403)</u>	<u>(454,759)</u>	-	-
Increase/(decrease) in net position	1,949,460	(8,852,313)	2,290,024	838,817	4,239,484	(8,013,496)
Net position beginning, as previously stated	206,649,663	-	13,250,226	-	219,899,889	-
Effects of implementation of GASB 75	<u>(1,834,737)</u>	-	<u>(5,829)</u>	-	<u>(1,840,566)</u>	-
Net position as restated	<u>204,814,926</u>	<u>215,501,976</u>	<u>13,244,397</u>	<u>12,411,409</u>	<u>218,059,323</u>	<u>227,913,385</u>
Net position, ending	<u>\$ 206,764,386</u>	<u>\$ 206,649,663</u>	<u>\$ 15,534,421</u>	<u>\$ 13,250,226</u>	<u>\$ 222,298,807</u>	<u>\$ 219,899,889</u>

Governmental Activities

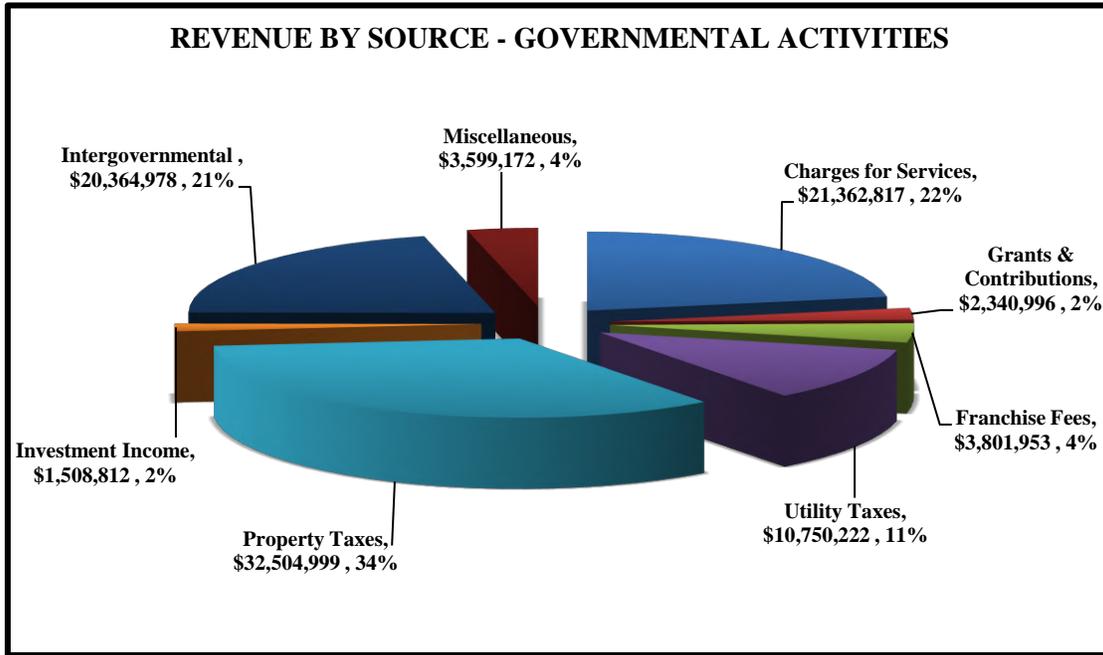
The City's total Net Position increased by \$114,723 from the prior year net position of \$206.7 million to \$206.8 million. This increase was partly attributable to the following:

- Implementation of GASB Statement 75 for Other Post-Employment Benefits (OPEB) required the re-statement of the prior year ending Net Position \$1,834,737.
- The OPEB liability for fiscal year ended 9/30/18 is \$9,082,579, an increase of 451,085 (net of re-statement).
- Increase in pension expenses attributed to GASB 68 of \$2.8 million
- Depreciation expenses in the amount of \$17.0 million
- Reduction in long term debt for principal payments made in FY 2018 in the amount of \$11.9 million
- Increase in governmental fund balance in the amount of \$748,000

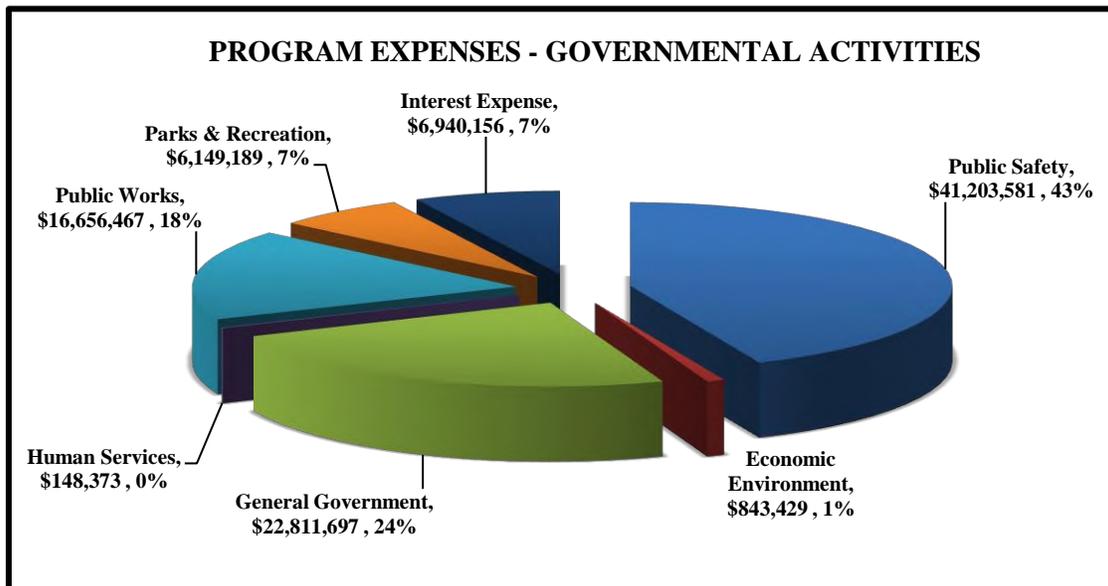
CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2018:



The chart below illustrates the program expenses for governmental activities for fiscal year 2018:



Business-type Activities

The Stormwater Fund ended the fiscal year with unrestricted Net Position of \$5.6 million, an increase of \$2.1 million from the fiscal year 2017 balance.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 21 through 23. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2018, the City's governmental funds reported combined ending fund balances of \$100,148,864 an increase of \$748,343 in comparison with the prior year. Approximately 74.1%, which amounts to \$74,199,486 of the ending balance, constitutes restricted fund balance. Of this amount approximately \$54.9 million is unspent bond proceeds from the General Obligation Bond (GOB) for the parks and recreation facility improvements and the purchase of crime prevention equipment, and the additional financing issued in FY 2016 to complete the City Hall project. Approximately \$24.1 million of the fund balance is available for spending at the City's discretion.

Below is the analysis of the fund balances for fiscal year 2018:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Transportation Fund</u>	<u>Debt Service Fund</u>	<u>Other</u>	<u>Total</u>
Fund balances, September 30, 2017	\$ 20,919,148	\$ 61,902,406	\$ 12,753,273	\$ 526,182	\$ 3,299,512	\$ 99,400,521
Revenues	73,226,123	2,256,106	8,638,824	4,280,119	7,832,777	96,233,949
Expenditures	(60,417,256)	(8,017,433)	(5,278,627)	(19,097,328)	(3,143,365)	(95,954,009)
Other financing sources (uses)	<u>(12,109,384)</u>	<u>(1,086,117)</u>	<u>(591,886)</u>	<u>14,775,032</u>	<u>(519,242)</u>	<u>468,403</u>
Fund balance as of September 30, 2018	21,618,631	55,054,962	15,521,584	484,005	7,469,682	100,148,864
Assigned/non spendable fund balance	(1,830,849)	-	-	-	(933)	(1,831,782)
Restricted/committed fund balance	<u>-</u>	<u>(54,942,560)</u>	<u>(15,521,584)</u>	<u>(484,005)</u>	<u>(3,251,337)</u>	<u>(74,199,486)</u>
Unassigned balances, September 30, 2018	<u>\$ 19,787,782</u>	<u>\$ 112,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,217,412</u>	<u>\$ 24,117,596</u>

General Fund

The General Fund is the chief operating fund of the City. As of September 30, 2018, the unassigned fund balance of the City's General Fund increased to \$19,787,782. Total General Fund revenues increased by \$4,502,180 (6.15%) while expenditures increased by \$1,933,206 (3%) when compared to fiscal year 2017.

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

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Revenues by Types

Revenues for the City's General Fund increased by 6.15% (from \$68.7 million to \$73.2 million). Key elements of the revenue changes are as follows:

	Current Year <u>Actual</u>	Prior Year <u>Actual</u>	Variance <u>Amount</u>	Variance <u>Percent</u>
Ad valorem taxes	\$ 28,224,880	\$ 25,142,514	\$ 3,082,366	12%
Franchise fees	3,801,953	3,076,242	725,711	24%
Utility taxes	10,750,222	10,489,627	260,595	2%
Licenses and permits	1,800,264	1,879,477	(79,213)	-4%
Intergovernmental	12,114,496	11,687,189	427,307	4%
Charges for services	8,038,982	6,966,327	1,072,655	15%
Fines and forfeitures	5,123,160	6,211,277	(1,088,117)	-18%
Interest	398,166	164,136	234,030	143%
Grants	743,405	1,351,012	(607,607)	-45%
Other Income	2,230,595	1,756,142	474,453	27%

- Ad Valorem taxes increase is attributed to the increase in taxable value and higher collection of delinquent taxes. The City levied the same millage as FY 2017 instead of the roll-back rate.
- Increase in franchise fees is attributed to increased collections for electric franchise fees.
- Increase in charges for services from amnesty lien reduction application, off-duty police and Jazz in the Gardens attendance.
- Decrease in Fine and Forfeitures is attributed to reduction in red light camera collections.
- Decrease in grants is due to a receivable for FEMA reimbursement for costs incurred during Hurricane Irma in September 2017 that are not included in FY 2018 and the winding down of the COPS Grants.
- Increase in Other Income is attributed to Calder Casino slot machine revenue, additional interest income earnings from a combination of better cash position and a higher interest rate environment and foreclosure registry revenue.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Expenditures by Categories

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>	<u>Variance Amount</u>	<u>Variance Percent</u>
General government	\$ 20,302,030	\$ 19,545,737	\$ 756,293	4%
Public safety	35,237,563	33,896,992	1,340,571	4%
Culture & recreation	4,877,663	5,041,321	(163,658)	-3%

The General Fund's operating expenses increased by 3% percent (\$58.5 million to \$60.4 million). Key elements of the expenditure increases are as follows:

- The increase in General Government is attributed to the purchase of new vehicles in the amount of \$366,788 and repairs and maintenance of fleet vehicles. The remaining increase is attributed to an increase in staffing and retired employees leave payouts.
- Increase in Public Safety is attributed to filling vacancies.
- Decrease in Parks & Recreation Department is attributed to vacancies.

Business-type Activities

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

Net Position of the Stormwater Utility at the end of the year amounted to \$15,534,421. Of this amount, \$9,965,166 is invested in capital assets, \$5,569,255 is unrestricted. The unrestricted net position increased by \$2,074,624. This increase is attributed to vacancies and delay of some of the planned capital improvement projects for FY 2018.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGET INFORMATION

General Fund Budgetary Highlights

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

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

- The increase in the Legislative Division is from an increase in staffing.
- Increase in Public Affairs is attributed to higher costs for special events held by the City. Some of the higher costs are offset by sponsorships received.
- Increase in Fleet is attributed to the repair and maintenance of city vehicles and fuel costs.
- Increase Non-Departmental attributed to Hurricane Irma related expenses and Insurance Costs.
- Decrease in Parks and Recreation is attributed to vacancies and better management of program expenses.

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

- The positive variance for the Legislative Division is mostly attributed to vacancies.
- The positive variance for the Police Department is attributed to vacancies.

Other Major Governmental Funds

Capital Projects Fund – The Capital Projects Fund is used to account for all revenues and expenditures related to citywide construction and improvement projects. For Fiscal Year 2018, the Fund reported revenues, and transfers in the amount of \$7.6 million, and expenditures which included transfers out totaling approximately \$14.5 million. The fund had a positive unassigned fund balance of \$112,401. This fund has a restricted fund balance of \$54.9 million, of which \$53.1 million is proceeds and interest earnings related to the General Obligation Bond and \$1.7 million bond proceeds to complete the City Hall project for the installation of the photovoltaic solar panels at both the City Hall Building and the Police Headquarters Building.

Transportation Fund – This Fund is used to account for all street and road repairs, the Keep Miami Gardens Beautiful program, capital outlay expenditures and transit expenditures related to the Citizen's Independent Transportation Trust. For the year ended September 30, 2018, the Fund reported revenues and transfers in totaling \$8.8 million. The expenditures and transfers out amount to \$6.1 million. The fund balance increased by \$2,768,311 from \$12,753,273 in FY 2017 to \$15,521,584 in FY 2018.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The City of Miami Gardens' investment in capital assets for its governmental activities as of September 30, 2018 decreased by \$7.2 million from the prior year. The decrease is attributed to the depreciation expenses and a small amount of deletion from retired vehicles. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements and park facilities. The business-type activities reflected a decrease of \$197,094 in capital assets which is also attributed to depreciation expenses.

City of Miami Garden's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 31,464,806	\$ 31,464,806	\$ -	\$ -	\$ 31,464,806	\$ 31,464,806
Art	232,472	232,472	-	-	232,472	232,472
Buildings	64,549,547	67,122,028	-	-	64,549,547	67,122,028
Equipment	3,471,723	3,938,652	66,993	75,822	3,538,716	4,014,474
Other Assets	523,560	665,229	-	-	523,560	665,229
Infrastructure	181,061,922	193,160,157	15,107,380	15,564,158	196,169,302	208,724,315
Improvement other than building	5,758,097	6,096,806	-	-	5,758,097	6,096,806
Construction-in-progress	<u>14,775,205</u>	<u>6,371,149</u>	<u>341,576</u>	<u>73,063</u>	<u>15,116,781</u>	<u>6,444,212</u>
	<u>\$301,837,332</u>	<u>\$309,051,299</u>	<u>\$ 15,515,949</u>	<u>\$ 15,713,043</u>	<u>\$317,353,281</u>	<u>\$324,764,342</u>

Additional Information can be found in Note 4 Capital Assets, on pages 40 to 41.

Long-term debt. At year-end the City Governmental Activity had debt outstanding (bonds, capital leases, etc.) in the amount of \$136.1 million, a decrease of \$11,764,420 over last year, attributed to payment of debt service during the year. With the sale of land in FY 2017, the City was able to pay-off the remaining balance of \$6,016,000 of the Taxable Land Acquisition Revenue Bonds, Series 2016. Additionally, the City also paid off its Master Lease Series 2013 during FY 2018. The Business-type Activities reflect a decrease of \$431,670 attributed to debt payments. The debt position of the City is summarized below and is more fully explained in Note 6 Long-Term Debt beginning on page 42.

City of Miami Garden's Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue Bonds	\$ 22,278,260	\$ 30,243,520	\$ -	\$ -	\$ 22,278,260	\$ 30,243,520
Certificate of Participation	47,990,000	49,270,000	-	-	47,990,000	49,270,000
General Obligation Bonds	54,225,000	55,755,000	-	-	54,225,000	55,755,000
Capital Leases	-	759,226	-	-	-	759,226
Due to Dade County	3,382,600	3,777,150	5,704,897	6,125,572	9,087,497	9,902,722
Compensated absences	<u>8,243,608</u>	<u>8,078,992</u>	<u>47,529</u>	<u>58,524</u>	<u>8,291,137</u>	<u>8,137,516</u>
	<u>\$ 136,119,468</u>	<u>\$ 147,883,888</u>	<u>\$ 5,752,426</u>	<u>\$ 6,184,096</u>	<u>\$ 141,871,894</u>	<u>\$ 154,067,984</u>

CITY OF MIAMI GARDENS, FLORIDA

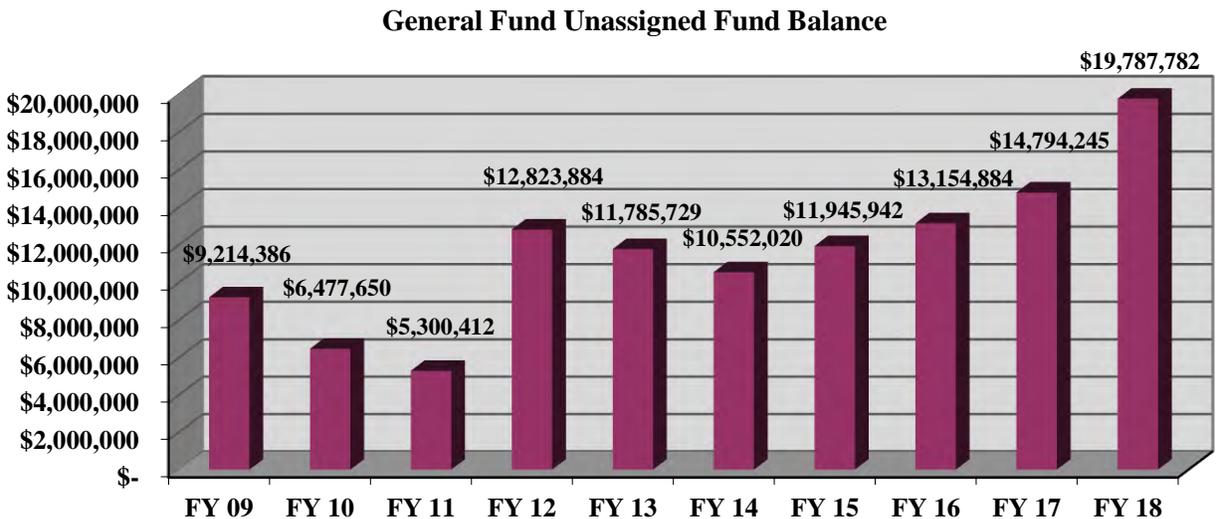
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Ratios

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

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on the property tax and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, business tax, etc.) for their governmental activities. The City's property values increased by 8.8% for FY 2019. Revenues for the Fiscal Year 2019 adopted General Fund budget are \$73.4 million, which is higher than FY 2018 revenue of \$70.3 million. This increase is attributed to the increase in property values and the Council adopting the same millage rate of 6.9363 as FY 2018, which is 8.8% over the rollback rate.

For Fiscal Year 2017, the unassigned fund balance in the General Fund was \$14.79 million compared to \$19.79 million in FY 2018. This \$19.79 million is approximately equal to 3.18 months of budgeted General Fund operating expenditures for FY 2019. The graph below reflects the history of the City's unassigned fund balance.

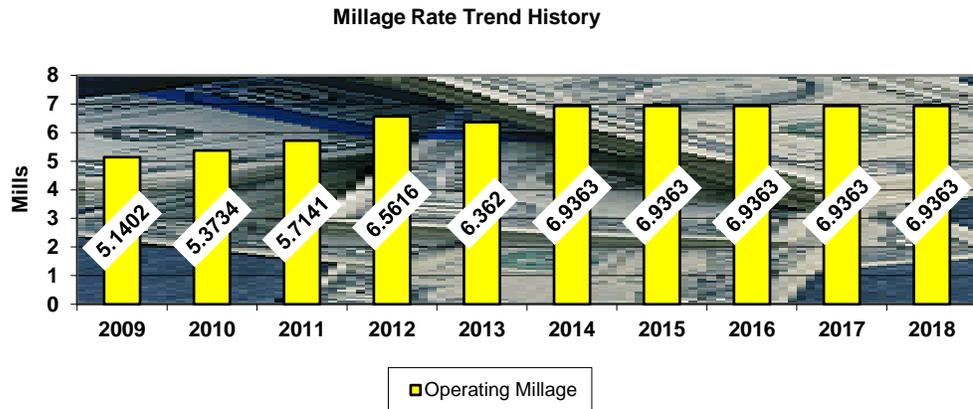


CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

The City, just like many cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect. The adjacent graph illustrates the City Millage Rate history.



Requests for Information

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



BASIC FINANCIAL STATEMENTS

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,709,486	\$ 1,467,300	\$ 10,176,786
Investments	34,903,643	5,000,000	39,903,643
Restricted cash & investments	56,902,146	-	56,902,146
Receivables, net	1,770,118	74,091	1,844,209
Due from other governments	6,012,388	-	6,012,388
Prepaid expenses	318,882	21,561	340,443
Capital assets not being depreciated	46,472,483	341,576	46,814,059
Capital assets being depreciated, net	<u>255,364,849</u>	<u>15,174,373</u>	<u>270,539,222</u>
Total assets	<u>410,453,995</u>	<u>22,078,901</u>	<u>432,532,896</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred loss on refunding	-	154,114	154,114
Pensions (Note 10)	<u>22,645,010</u>	<u>135,024</u>	<u>22,780,034</u>
Total deferred outflows of resources	<u>22,645,010</u>	<u>289,138</u>	<u>22,934,148</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	6,045,422	493,771	6,539,193
Retainage payable	584,052	-	584,052
Matured interest payable	1,961,128	-	1,961,128
Unearned revenue	645,506	-	645,506
Noncurrent liabilities:			
Due within one year			
Compensated absences	1,236,541	7,129	1,243,670
Bonds, loans & capital leases	5,307,267	434,915	5,742,182
Due in more than one year			
Compensated absences	7,007,067	40,400	7,047,467
Bonds, loans & capital leases	127,130,279	5,269,982	132,400,261
Net OPEB obligations	9,082,579	94,525	9,177,104
Net pension liability (Note 10)	<u>57,533,559</u>	<u>458,355</u>	<u>57,991,914</u>
Total liabilities	<u>216,533,400</u>	<u>6,799,077</u>	<u>223,332,477</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Revenue received in advance	1,192,816	-	1,192,816
Deferred gain on refunding	286,432	-	286,432
Deferred inflows of OPEB (Note 11)	293,487	3,054	296,541
Deferred inflows of pensions (Note 10)	<u>8,028,484</u>	<u>31,487</u>	<u>8,059,971</u>
Total deferred inflows of resources	<u>9,801,219</u>	<u>34,541</u>	<u>9,835,760</u>
<u>NET POSITION</u>			
Net investment in capital assets	224,300,737	9,965,166	234,265,903
Restricted for:			
Housing	528,046	-	528,046
Law enforcement	586,256	-	586,256
Transportation	15,512,834	-	15,512,834
Parks & recreation	1,964,975	-	1,964,975
Community development	213,669	-	213,669
Debt service	8,885	-	8,885
Unrestricted	<u>(36,351,016)</u>	<u>5,569,255</u>	<u>(30,781,761)</u>
Total Net Position	<u>\$ 206,764,386</u>	<u>\$ 15,534,421</u>	<u>\$ 222,298,807</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Governmental activities:							
General government	\$ 22,811,697	\$ 12,167,217	\$ -	\$ -	\$ (10,644,480)	\$ -	\$ (10,644,480)
Public safety	41,203,581	8,019,450	1,038,727	118,652	(32,026,752)	-	(32,026,752)
Public works	16,656,467	547,857	20,832	-	(16,087,778)	-	(16,087,778)
Parks and recreation	6,149,189	628,293	-	63,482	(5,457,414)	-	(5,457,414)
Economic environment	843,429	-	950,930	-	107,501	-	107,501
Human services	148,373	-	148,373	-	-	-	-
Interest on long-term debt	<u>6,940,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,940,156)</u>	<u>-</u>	<u>(6,940,156)</u>
Total governmental activities	<u>94,752,892</u>	<u>21,362,817</u>	<u>2,158,862</u>	<u>182,134</u>	<u>(71,049,079)</u>	<u>-</u>	<u>(71,049,079)</u>
Business-type activities:							
Stormwater	<u>2,533,311</u>	<u>5,094,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,560,830</u>	<u>2,560,830</u>
Total business activities	<u>2,533,311</u>	<u>5,094,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,560,830</u>	<u>2,560,830</u>
Total	<u>\$ 97,286,203</u>	<u>\$ 26,456,958</u>	<u>\$ 2,158,862</u>	<u>\$ 182,134</u>	<u>(71,049,079)</u>	<u>2,560,830</u>	<u>(68,488,249)</u>
General revenues:							
Property taxes					32,504,999	-	32,504,999
Franchise fees					3,801,953	-	3,801,953
Utility taxes					10,750,222	-	10,750,222
Intergovernmental revenue (unrestricted)					20,364,978	-	20,364,978
Miscellaneous					3,599,172	105,799	3,704,971
Investment earnings					1,508,812	91,798	1,600,610
Transfers					468,403	(468,403)	-
Total general revenues and transfers					<u>72,998,539</u>	<u>(270,806)</u>	<u>72,727,733</u>
Change in net position					1,949,460	2,290,024	4,239,484
Net position as previously stated					206,649,663	13,250,226	219,899,889
Effects of implementing of GASB 75					<u>(1,834,737)</u>	<u>(5,829)</u>	<u>(1,840,566)</u>
Net position beginning as restated					<u>204,814,926</u>	<u>13,244,397</u>	<u>218,059,323</u>
Net position, end of year					<u>\$ 206,764,386</u>	<u>\$ 15,534,421</u>	<u>\$ 222,298,807</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
ASSETS						
Cash and cash equivalents	\$ 2,814,073	\$ 667,092	\$ 2,162,452	\$ 650,061	\$ 2,415,807	\$ 8,709,485
Investments	17,703,643	-	12,000,000	-	5,200,000	34,903,643
Restricted cash & investments	-	56,902,146	-	-	-	56,902,146
Due from other funds	156,000	-	-	-	-	156,000
Due from other governmental agencies	4,161,168	-	1,848,152	1,161	1,907	6,012,388
Accounts receivables, net	919,882	292,831	25,900	-	531,505	1,770,118
Prepaid	310,132	-	8,750	-	-	318,882
Total assets	\$ 26,064,898	\$ 57,862,069	\$ 16,045,254	\$ 651,222	\$ 8,149,219	\$ 108,772,662
LIABILITIES						
Accounts payable and accrued liabilities	\$ 3,124,538	\$ 2,114,641	\$ 416,698	\$ 167,217	\$ 214,784	\$ 6,037,878
Due to general fund	-	-	-	-	156,000	156,000
Retainage payable	-	477,080	106,972	-	-	584,052
Unearned revenue	121,367	215,386	-	-	308,753	645,506
Other liabilities	7,546	-	-	-	-	7,546
Total Liabilities	3,253,451	2,807,107	523,670	167,217	679,537	7,430,982
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,192,816	-	-	-	-	1,192,816
Fund balances:						
Non spendable						
Prepays	310,132	-	8,750	-	-	318,882
Restricted for:						
Housing	-	-	-	-	528,046	528,046
Law enforcement	-	-	-	-	586,256	586,256
Transportation	-	-	15,512,834	-	-	15,512,834
Parks & recreation	-	114,817	-	-	1,850,157	1,964,97
City Hall project	-	1,730,479	-	-	73,208	1,803,687
Debt service	-	-	-	8,885	-	8,885
General Obligation Bond project	-	53,097,265	-	-	-	53,097,265
Community development	-	-	-	-	213,669	213,669
Committed for:						
Debt service	-	-	-	475,120	-	475,120
Assigned:						
Disaster recovery	323,723	-	-	-	-	323,723
Parks maintenance	1,000,000	-	-	-	933	1,000,933
Subsequent year's budget	196,994	-	-	-	-	196,994
Unassigned	19,787,782	112,401	-	-	4,217,413	24,117,596
Total fund balances	21,618,631	55,054,962	15,521,584	484,005	7,469,682	100,148,864
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,064,898	\$ 57,862,069	\$ 16,045,254	\$ 651,222	\$ 8,149,219	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	301,837,333
OPEB liabilities used in governmental activities are not reported in the governmental funds.	(9,082,579)
Deferred pension and OPEB amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:	
Deferred outflows of resources	22,645,011
Deferred inflows of resources	(8,321,970)
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds	
Bond and capital lease payable	(132,723,978)
Matured interest payable	(1,961,128)
Compensated absences	(8,243,608)
Net pension liability	(57,533,559)
Net position of governmental activities	\$ 206,764,386

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
Revenues:						
Property taxes	\$ 28,224,880	\$ -	\$ -	\$ 4,280,119	\$ -	\$ 32,504,999
Utility taxes	10,750,222	-	-	-	-	10,750,222
Intergovernmental	12,114,496	-	7,907,842	-	-	20,022,338
Charges for services	8,038,982	-	547,857	-	776,309	9,363,148
Licenses and permits	1,800,264	-	-	-	5,001,493	6,801,757
Impact fees	-	-	-	-	333,806	333,806
Fines and forfeitures	5,123,160	-	-	-	34,602	5,157,762
Franchise fees	3,801,953	-	-	-	-	3,801,953
Grant revenue	743,405	63,482	-	-	1,581,428	2,388,315
Other income	2,230,595	1,338,800	1,761	-	29,681	3,600,837
Interest	398,166	853,824	181,364	-	75,458	1,508,812
Total revenues	73,226,123	2,256,106	8,638,824	4,280,119	7,832,777	96,233,949
Expenditures:						
Current:						
General government	16,212,541	430,238	-	-	-	16,642,779
Human services	-	-	-	-	148,373	148,373
Public safety	35,237,563	5,902	-	-	1,837,010	37,080,475
Public works	-	-	3,716,008	-	201,356	3,917,364
Parks and recreation	4,845,575	-	-	-	-	4,845,575
Economic and physical development	-	-	-	-	843,429	843,429
Non-departmental	3,630,786	-	-	-	-	3,630,786
Capital outlay:						
General government	458,703	111,497	-	-	-	570,200
Public safety	-	338,216	-	-	113,197	451,413
Public works	-	-	1,562,619	-	-	1,562,619
Parks and recreation	32,088	7,131,580	-	-	-	7,163,668
Debt service:						
Principal	-	-	-	11,929,037	-	11,929,037
Interest and fiscal charges	-	-	-	7,168,291	-	7,168,291
Total expenditures	60,417,256	8,017,433	5,278,627	19,097,328	3,143,365	95,954,009
Excess (deficiency) of revenues over expenditures	12,808,867	(5,761,327)	3,360,197	(14,817,209)	4,689,412	279,940
Other financing sources (uses):						
Transfers in	1,192,650	5,346,828	197,013	14,775,032	-	21,511,523
Transfers out	(13,302,034)	(6,432,945)	(788,899)	-	(519,242)	(21,043,120)
Total other financing sources (uses)	(12,109,384)	(1,086,117)	(591,886)	14,775,032	(519,242)	468,403
Net change in fund balances	699,483	(6,847,444)	2,768,311	(42,177)	4,170,170	748,343
Fund balances, beginning	20,919,148	61,902,406	12,753,273	526,182	3,299,512	99,400,521
Fund balances, ending	\$ 21,618,631	\$ 55,054,962	\$ 15,521,584	\$ 484,005	\$ 7,469,682	\$ 100,148,864

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 21	\$ 748,343
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	9,747,917
Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net position.	(16,961,884)
The issuance of long-term debt provides current financial resources to governmental funds; however, has no effect on net position. Also, governmental funds report the effect of issuance costs, discounts, premiums and similar items when is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items	221,502
Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.	11,929,037
Interest is accrued in the statement of activities where in the governmental funds expenditures is reported when due	6,633
Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net position	(2,832,902)
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Change in OPEB liability	(744,570)
Change in long-term compensated absences	<u>(164,616)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 19	<u>\$ 1,949,460</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION – PROPRIETARY FUND

SEPTEMBER 30, 2018

	<u>Stormwater Enterprise Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash and equity in pooled cash and investments	\$ 6,467,300
Accounts receivable - net	74,030
Due from County	61
Prepaid items	<u>21,561</u>
Total current assets	<u>6,562,952</u>
 Non-current assets:	
Capital assets being depreciated, net	<u>15,515,949</u>
Total assets	<u>22,078,901</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>	
Refunding loss	<u>154,114</u>
Pension (see Note 10)	<u>135,024</u>
Total deferred outflow of resources	<u>289,138</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	123,771
Accrued liabilities	370,000
Current portion of compensated absences	7,129
Current portion of notes payable	<u>434,915</u>
Total current liabilities	<u>935,815</u>
 Non-current liabilities:	
Notes payable	5,269,982
Net OPEB obligations	94,525
Compensated absences	40,400
Net pension liability (see Note 10)	<u>458,355</u>
Total noncurrent liabilities	<u>5,863,262</u>
Total liabilities	<u>6,799,077</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>	
OPEB (see Notes 11)	3,054
Pension (see Note 10)	<u>31,487</u>
Total deferred inflow of resources	<u>34,541</u>
 <u>NET POSITION</u>	
Net investment in capital assets	9,965,166
Unrestricted	<u>5,569,255</u>
Total net position	<u>\$ 15,534,421</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Stormwater Enterprise Funds</u>
Operating revenues:	
Charges for services	\$ 5,094,141
Miscellaneous	<u>105,799</u>
Total operating revenues	<u>5,199,940</u>
Operating expenses:	
Administrative costs	787,296
Operations and maintenance	1,030,703
Depreciation	<u>489,354</u>
Total operating expenses	<u>2,307,353</u>
Operating income	<u>2,892,587</u>
Non-operating revenues (expenses):	
Interest income	91,798
Interest expense	<u>(225,958)</u>
Total non-operating revenues (expenses)	<u>(134,160)</u>
Income before contributions & transfers	2,758,427
Transfer out	<u>(468,403)</u>
Change in net position	2,290,024
Net position beginning, as previously stated	13,250,226
Effects of implementation of GASB 75	(5,829)
Net position beginning, as restated	<u>13,244,397</u>
Net position, ending	<u>\$ 15,534,421</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds <u>Stormwater</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers, governments and other funds	\$ 5,070,787
Cash paid to suppliers	(1,015,870)
Cash paid to employees	<u>(586,535)</u>
Net cash provided by operating activities	<u>3,468,382</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers to other funds	<u>(468,403)</u>
Net cash used in noncapital financing activities	(468,403)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(292,260)
Principal retirements of capital debt	(420,675)
Proceeds from assumption of long-term debt	14,010
Interest paid on capital debt	<u>(225,958)</u>
Net cash used in capital and related financing activities	<u>(924,883)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and other income	<u>91,798</u>
Net cash provided by investing activities	<u>91,798</u>
NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS	2,166,894
POOLED CASH AND CASH EQUIVALENTS, beginning	<u>4,273,543</u>
POOLED CASH AND CASH EQUIVALENTS, ending	<u>\$ 6,440,437</u>
POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	
Unrestricted	<u>6,467,300</u>
TOTAL, SEPTEMBER 30	<u>\$ 6,467,300</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	<u>\$ 2,892,587</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	489,354
Change in assets and liabilities:	
Increase in accounts receivable	3,508
Decrease in prepaid items	155,760
Decrease in unavailable revenue	(105,799)
Increase in accounts payable	56,607
Increase in OPEB liabilities	10,525
Decrease in pension liabilities	(23,165)
Decrease in compensated absences	(9,345)
Decrease in accrued liabilities	<u>(1,650)</u>
Total adjustments	<u>575,795</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 3,468,382</u></u>

See notes to basic financial statements

NOTES TO FINANCIAL STATEMENTS

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Miami Gardens, Florida (“the City”), located in Miami-Dade County, Florida, is a municipal corporation in the State of Florida. The City, which was incorporated on May 13, 2003, by Miami-Dade County (“the County”), operates under a Council/Manager form of government. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager. The City provides public safety, general government, recreation, and public works services to its residents. The City does not provide educational, utilities, fire or hospital facilities. Those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively. The accompanying financial statements present the City for the fiscal year ended September 30, 2018.

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all governmental activities of the City. For the most part, the effect of interfund activity has been removed from these statements; interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City has one business-type activity, the stormwater fund.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Property taxes, franchise fees, and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major proprietary fund:

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the stormwater fund are charges to customers for services.

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. New Pronouncements – Adopted and Unadopted

The GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* in June 2015. This statement is effective for financial statements for fiscal years beginning after June 15, 2016. The adoption of GASB 74 did not impact the City's financial position or results of operations.

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions* in June 2015. This Statement improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The adoption of this Statement resulted in a restatement of fund balances of the governmental activities and business-type activities. See **Note 13** for details of the restatements.

The GASB issued Statement No. 77, *Tax Abatement Disclosures* in August 2015. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The adoption resulted in no additional disclosures as the City did not enter into any tax abatement agreement fiscal year ended September 30, 2018.

The GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pensions Plans* in December 2015. The adoption resulted in no additional financial impact for the City.

The GASB issued Statement No 80, *Blending Requirements for Certain Component Units* in January 2016. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. The adoption of GASB 80 did not impact the City.

The GASB issued Statement No 81, *Irrevocable Split Interest Agreements* in March 2016. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The adoption of GASB 81 did not impact the City.

The GASB issued Statement No. 82, *Pension Issues* (an amendment of GASB Statements No. 67, No. 68, and No. 73) in March 2016. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The adoption of GASB Statements No. 82 is reflected in the government-wide financial statements and in Note 10, Employee Retirement Plans.

The GASB issued Statement No 83, *Certain Asset Retirement Obligations* in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. New Pronouncements – Adopted and Unadopted (continued)

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

The GASB issued Statement No 85, *Omnibus 2017* in March 2017. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits and other postemployment benefits (OPEB). The provisions of this Statement are effective for periods beginning after June 15, 2017. The adoption of GASB 85 did not impact the City.

The GASB issued Statement No 86, *Certain Debt Extinguishment Issues* in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. For the current fiscal year, the City has no transactions applicable to the provisions of this Statement.

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

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

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

3. Prepaid Items

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. No such costs were capitalized in 2018.

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

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

5. Compensated Absences

It is the City's policy to permit employees to accumulate within certain limits, earned but unused personal-time-off, which will be paid to employees upon separation from City service. All personal-time-off is accrued when incurred in the government-wide financial statements. In the governmental funds, a liability is recorded only for pay time off payouts for employee separations that occurred within 60 days after the fiscal year ended September 30, 2018. The General Fund and Enterprise Fund has been used in prior years to liquidate the liability for compensated absences.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows

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

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

7. Unearned Revenues

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Nature and Purpose of Classifications of Fund Equity

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

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

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

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

9. Fund Balance Flow Assumption

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policy

The City's policy is to maintain an adequate General Fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council adopted a goal to maintain an unassigned fund balance equal to 16% to 25% during the annual budget process. For Fiscal Year ending September 30, 2018 the General Fund reports a positive unassigned fund balance. It represents 26.5% of the General Fund Budget.

11. Restricted Fund Balance

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, Sidewalks, Streets
Community Development Block Grant	Grant Program Expenditures
State Housing Initiative Program (SHIP)	Grant Program Expenditures
Federal/State Forfeitures	Law Enforcement

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

F. Significant Accounting Policies

Pensions

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Post-Employment Benefits (OPEB)

Pursuant to Section 112.0801, Florida Statutes, The City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The rates provide for an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The City is financing the post-employment benefits on a pay-as-you-go basis. As determined by an actuarial valuation, the City records a net OPEB obligation in its proprietary and government-wide financial statements related to the implicit subsidy. See Note 11 for further information.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments in the State Board Administration (SBA) Florida PRIME totaling \$6,387,045 are recorded at amortized cost.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

As of September 30, 2018, the City of Miami Gardens had the following investments:

Investment Type	Fair Value	Level 1	Level 2	Weighted Average Maturity (years)
Investments not measured at fair value				
State Board of Administration *	\$ 70,441,511			60 days
Money Market**	9,082,054			
Tax Certificates **	5,620			
Certificate of Deposit **	<u>17,276,604</u>			
Total deposits and investments	<u>\$ 96,805,789</u>			

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

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

At September 30, 2018, \$56,902,146 in deposit and investments relate to unspent debt proceeds pertaining to various financings including General Obligation Bonds, and Revenue bonds, which are restricted assets whose use is limited to projects primarily related to the acquisition and construction of City facilities and equipment as authorized by City Council Board Resolutions and Debt Covenants.

The total deposits and investments of \$91,805,789 at September 30, 2018, related to the Governmental Funds and \$5,000,000 corresponded to Stormwater.

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

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

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage of Investment</u>	<u>Amount</u>
State Board of Administration*	AA	71.49%	\$ 70,441,511
Tax certificates	Not Rated	0.01%	\$ 5,620
Money Market	Not Rated	10.97%	\$ 9,082,054
Certificate of Deposit	Not Rated	17.53%	\$ 17,276,604

*Standard and Poor's

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

The investments were purchased with the intent to be held to maturity and with a maturity of less than 5 years to manage its exposure to decline in fair values. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2018.

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

NOTE 3. RECEIVABLES

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

Ad valorem, utility & franchise fees	\$ 2,434,982
Intergovernmental	3,037,176
Grants	539,070
Miscellaneous receivable	<u>1,771,278</u>
Net receivable	<u>\$ 7,782,506</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 3. RECEIVABLES (Continued)

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

Stormwater accounts	\$	108,870
Less: allowance for uncollectibles		(34,840)
Intergovernmental		<u>61</u>
Net receivable	\$	<u><u>74,091</u></u>

NOTE 4. CAPITAL ASSETS

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

	<u>Balance</u> <u>October 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>September 30, 2018</u>
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 31,464,806	\$ -	\$ -	\$ -	\$ 31,464,806
Art in Public Places	232,472	-	-	-	232,472
Construction in progress	<u>6,371,149</u>	<u>8,404,056</u>	<u>-</u>	<u>-</u>	<u>14,775,205</u>
Total capital assets not being depreciated	<u>38,068,427</u>	<u>8,404,056</u>	<u>-</u>	<u>-</u>	<u>46,472,483</u>
Capital assets being depreciated:					
Building	79,447,003	-	-	-	79,447,003
Infrastructure	363,194,169	463,182	-	-	363,657,351
Improvements other than buildings	8,119,440	-	-	-	8,119,440
Machinery and equipment	23,085,253	880,679	(611,273)	-	23,354,659
Other assets	<u>2,445,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,445,141</u>
Total capital assets being depreciated	<u>476,291,006</u>	<u>1,343,861</u>	<u>(611,273)</u>	<u>-</u>	<u>477,023,594</u>
Less accumulated depreciation for:					
Building	(12,324,975)	(2,572,481)	-	-	(14,897,456)
Infrastructure	(170,034,012)	(12,561,417)	-	-	(182,595,429)
Improvements other than buildings	(2,022,634)	(338,709)	-	-	(2,361,343)
Machinery and equipment	(19,146,601)	(1,343,146)	606,811	-	(19,882,936)
Other assets	<u>(1,779,912)</u>	<u>(141,669)</u>	<u>-</u>	<u>-</u>	<u>(1,921,581)</u>
Total accumulated depreciation	<u>(205,308,134)</u>	<u>(16,957,422)</u>	<u>606,811</u>	<u>-</u>	<u>(221,658,745)</u>
Total capital assets being depreciated, net	<u>270,982,872</u>	<u>(15,613,561)</u>	<u>(4,462)</u>	<u>-</u>	<u>255,364,849</u>
Governmental activities capital assets, net	<u>\$ 309,051,299</u>	<u>\$ (7,209,505)</u>	<u>\$ (4,462)</u>	<u>\$ -</u>	<u>\$ 301,837,332</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 4. CAPITAL ASSETS (Continued)

	Balance October 1, 2017	Additions	Deletions	Transfers	Balance September 30, 2018
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	\$ 73,063	\$ 268,513	\$ -	\$ -	\$ 341,576
Total capital assets not being depreciated	73,063	268,513	-	-	341,576
Capital assets being depreciated:					
Infrastructure	21,049,587	-	-	-	21,049,587
Machinery and equipment	1,069,134	23,748	-	-	1,092,882
Total capital assets being depreciated	22,118,721	23,748	-	-	22,142,469
Less accumulated depreciation for:					
Infrastructure	(5,485,429)	(456,778)	-	-	(5,942,207)
Machinery and equipment	(993,312)	(32,577)	-	-	(1,025,889)
Total accumulated depreciation	(6,478,741)	(489,355)	-	-	(6,968,096)
Total capital assets being depreciated, net	15,639,980	(465,607)	-	-	15,174,373
Business activities capital assets, net	\$ 15,713,043	\$ (197,094)	\$ -	\$ -	\$ 15,515,949

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

Governmental Activities

General government	\$ 1,888,138
Public safety	1,276,280
Public works	12,634,141
Recreation & social services	1,163,325
Total depreciation expense - governmental activities	\$ 16,961,884

Business-type Activities

Stormwater	\$ 489,355
Total depreciation expense - business-type activities	\$ 489,355

Construction Commitments

The City of Miami Gardens has active construction projects as of September 30, 2018. The projects include final completion of the Bunche Park, Norwood Park/Pool, Betty T. Ferguson, Buccaneer Park and various capital improvements at the parks. The amount remaining on these uncompleted projects as of September 30, 2018 was \$17,866,460.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 5. ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2018 are as follows:

Major Funds:	
General Fund	\$ 196,994
Transportation Fund	196,532
Capital Projects Fund	<u>17,866,460</u>
Total Major Funds	18,259,986
Non-Major Governmental Funds	<u>270,073</u>
Total Encumbrances	<u>\$ 18,530,059</u>

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the City for governmental and business-type activities for the year ended September 30, 2018:

	October 1, 2017	Additions	Reductions	Adjustments	September 30, 2018	Due within One Year
Governmental Activities						
Bonds and notes payable:						
QNIP due to Miami-Dade County	\$ 3,777,150	\$ -	\$ 394,550	\$ -	\$ 3,382,600	\$ 409,825
Land Acquisition Revenue Bonds, Series 2005	4,535,715	-	333,461	-	4,202,254	345,899
Land Acquisition Revenue Bonds, Series 2007	8,343,258	-	728,983	-	7,614,275	760,500
Land Acquisition Revenue Bonds, Series 2009	2,823,958	-	180,229	-	2,643,729	188,775
Taxable Land Acquisition Revenue Bond, Series 2009B	6,100,440	-	460,000	-	5,640,440	460,000
Certificates of Participation Series 2010 A-1 & A-2	49,270,000	-	1,280,000	-	47,990,000	1,330,000
Master Lease Series 2013	759,226	-	759,226	-	-	-
General Obligation Bond, Series 2014	55,755,000	-	1,530,000	-	54,225,000	1,560,000
Taxable Land Acquisition Revenue Bonds, Series 2016	6,016,000	-	6,016,000	-	-	-
Capital Improvement Revenue Bonds, Series 2016	2,424,149	-	246,587	-	2,177,562	252,263
Less: Bond discounts	(596,958)	25,861	-	-	(571,097)	(25,861)
Add: Bond premiums	5,380,137	-	247,363	-	5,132,774	247,363
Total bonds and notes payable	<u>144,588,075</u>	<u>25,861</u>	<u>12,176,399</u>	<u>-</u>	<u>132,437,537</u>	<u>5,528,764</u>
Other liabilities:						
Pension liability	58,303,747	(770,188)	-	-	57,533,559	-
Compensated absences	8,078,992	3,460,295	3,295,679	-	8,243,608	1,236,541
Total other liabilities	<u>66,382,739</u>	<u>2,690,107</u>	<u>3,295,679</u>	<u>-</u>	<u>65,777,167</u>	<u>1,236,541</u>
Governmental activity long-term liabilities	<u>\$ 210,970,814</u>	<u>\$ 2,715,968</u>	<u>\$ 15,472,078</u>	<u>\$ -</u>	<u>\$ 198,214,704</u>	<u>\$ 6,765,305</u>
Business-type Activities						
Bonds and notes payable:						
Miami-Dade County Stormwater Utility Bond	\$ 6,125,572	\$ -	\$ 420,675	\$ -	\$ 5,704,897	\$ 434,915
Total bonds and notes payable	<u>6,125,572</u>	<u>-</u>	<u>420,675</u>	<u>-</u>	<u>5,704,897</u>	<u>434,915</u>
Other liabilities:						
Compensated absences	58,524	58,389	69,384	-	47,529	7,129
Net pension liability	481,520	23,165	-	-	504,685	-
Total other liabilities	<u>540,044</u>	<u>81,554</u>	<u>69,384</u>	<u>-</u>	<u>552,214</u>	<u>7,129</u>
Business-type activities long-term liabilities	<u>\$ 6,665,616</u>	<u>\$ 81,554</u>	<u>\$ 490,059</u>	<u>\$ -</u>	<u>\$ 6,257,111</u>	<u>\$ 442,044</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6. LONG-TERM LIABILITIES (Continued)

Public Service Tax Revenue Bonds, Series 1999 and Series 2002

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

The following table details the future debt service for this agreement:

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 409,825	\$ 139,009	\$ 548,834
2020	425,750	122,415	548,165
2021	442,650	105,177	547,827
2022	461,175	87,250	548,425
2023	480,025	68,582	548,607
2024-2027	<u>1,163,175</u>	<u>116,594</u>	<u>1,279,769</u>
	<u>\$ 3,382,600</u>	<u>\$ 639,025</u>	<u>\$ 4,021,625</u>

Series 2005 \$7,500,000 Land Acquisition Revenue Bonds

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 345,899	\$ 150,293	\$ 496,192
2020	358,801	137,150	495,951
2021	372,185	123,518	495,703
2022	386,067	109,376	495,443
2023	400,468	94,707	495,175
2024-2026	<u>2,338,834</u>	<u>171,032</u>	<u>2,509,866</u>
	<u>\$ 4,202,254</u>	<u>\$ 786,076</u>	<u>\$ 4,988,330</u>

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

On January 12, 2007, the City issued \$14,400,000 in Land Acquisition and Improvement Revenue Bonds to finance a portion of the costs of purchasing land for, and financing architectural, engineering, environmental, legal, and other planning costs related to a City Hall, Public Works facility, Public Safety facility, and other facilities. The bonds are being secured by the City's communication services tax and local government half-cent sales tax. The bonds bear an interest rate of 4.24% with semi-annual payments of \$538,749 paid beginning October 11, 2007, and ending December 30, 2026. In FY 2019, the bond will be refunded by issuance of a taxable bond.

The following table details the future debt service schedule for the bonds:

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 760,500	\$ 316,999	\$ 1,077,499
2020	793,379	284,120	1,077,499
2021	827,680	249,819	1,077,499
2022	863,464	214,036	1,077,499
2023	900,795	176,704	1,077,499
2024-2027	<u>3,468,457</u>	<u>300,547</u>	<u>3,769,004</u>
	<u>\$ 7,614,275</u>	<u>\$ 1,542,225</u>	<u>\$ 9,156,500</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

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

The following table details the future debt service schedule for the bonds:

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 188,775	\$ 120,023	\$ 308,798
2020	197,422	111,376	308,798
2021	207,089	101,709	308,798
2022	216,909	91,889	308,798
2023	227,195	81,603	308,798
2024-2028	1,307,880	236,110	1,543,990
2029	<u>298,459</u>	<u>8,809</u>	<u>307,268</u>
	<u>\$ 2,643,729</u>	<u>\$ 751,519</u>	<u>\$ 3,395,248</u>

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 460,000	\$ 134,826	\$ 594,826
2020	460,000	130,893	590,893
2021	<u>4,720,440</u>	<u>64,386</u>	<u>4,784,826</u>
	<u>\$ 5,640,440</u>	<u>\$ 330,105</u>	<u>\$ 5,970,545</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,330,000	\$ 3,335,030	\$ 4,665,030
2020	1,380,000	3,261,879	4,641,879
2021	1,430,000	3,185,980	4,615,980
2022	1,495,000	3,083,448	4,578,448
2023	1,565,000	2,976,257	4,541,257
2024-2028	8,980,000	13,093,764	22,073,764
2029-2033	11,230,000	9,631,300	20,861,300
2034-2038	14,035,000	5,324,900	19,359,900
2039-2040	<u>6,545,000</u>	<u>692,300</u>	<u>7,237,300</u>
	<u>\$ 47,990,000</u>	<u>\$ 44,584,858</u>	<u>\$ 92,574,858</u>

Series 2014 General Obligation Bond

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6. LONG-TERM LIABILITIES (Continued)

Series 2014 General Obligation Bond (continued)

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,560,000	\$ 2,661,550	\$ 4,221,550
2020	1,620,000	2,599,150	4,219,150
2021	1,705,000	2,518,150	4,223,150
2022	1,755,000	2,467,000	4,222,000
2023	1,840,000	2,379,250	4,219,250
2024-2028	10,685,000	10,419,750	21,104,750
2029-2033	13,635,000	7,467,750	21,102,750
2034-2038	17,405,000	3,700,750	21,105,750
2039	<u>4,020,000</u>	<u>201,000</u>	<u>4,221,000</u>
	<u>\$ 54,225,000</u>	<u>\$ 34,414,350</u>	<u>\$ 88,639,350</u>

Series 2016 Capital Improvement Revenue Bond

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 252,263	\$ 45,469	\$ 297,732
2020	257,716	40,016	297,732
2021	263,287	34,445	297,732
2022	268,977	28,755	297,732
2023	274,791	22,941	297,732
2024-2026	<u>860,528</u>	<u>32,668</u>	<u>893,196</u>
	<u>\$ 2,177,562</u>	<u>\$ 204,294</u>	<u>\$ 2,381,856</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 6. LONG-TERM LIABILITIES (Continued)

Series 2016 Taxable Land Acquisition Revenue Bond

In 2009, the City issued a taxable revenue bond of \$7.3 million to finance the costs of acquisition of land to foster economic growth in the enterprise zone as part of economic development activities. The bond matured on February 1, 2016 with a balloon payment. The City has refinanced this issuance in the amount of \$6,366,000 for a three year term, to mature on April 1, 2019. This issuance was a taxable bond based on 30 days LIBOR rate plus 2.25% and was pledged against the Public Service Tax and State Revenue Sharing. The City paid off the bond from the FY2018 proceeds generated on the sale of the 15-acre parcel.

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

Stormwater Utility Revenue Bond – Enterprise Fund

The County issued two Utility Revenue Bonds, Series 1999 and 2004. The City is responsible for 8.742% of the debt services of these two bonds. The County refinanced the bond in 2014. The City’s Stormwater Assessments will continue to be paid directly to the County until the County’s Stormwater Utility Revenue Bonds matures in 2029.

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 434,915	\$ 197,385	\$ 632,300
2020	450,126	182,337	632,463
2021	465,774	166,763	632,537
2022	481,684	150,647	632,331
2023	498,469	133,981	632,450
2024-2028	2,762,733	398,990	3,161,723
2029	611,196	21,143	632,339
	<u>\$ 5,704,897</u>	<u>\$ 1,251,246</u>	<u>\$ 6,956,143</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 7. LEASES

Capital Leases

On May 15, 2013, the City executed a \$3.7 million master lease purchase agreement for the acquisition of police vehicles and other major equipment. This five-year lease was secured by the City's promise to budget and appropriate funds for the periodic repayment of leased amounts based upon an annual rate of 1.299%. The City made final payment in May 2018.

There are no future lease obligations as of September 30, 2018.

NOTE 8. INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

Transactions between funds of the City can result in receivables and payables at year-end when there is reasonable expectation of repayment. There were no receivables and payables at September 30, 2018.

Interfund activity for the fiscal year ended September 30, 2018 is as follows:

	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund	\$ 1,192,649	\$ 13,302,034
Transportation Fund	197,013	788,898
Development Services Fund	-	519,242
Debt Service Fund	14,775,032	-
Capital Projects Fund	5,346,828	6,432,945
Stormwater Fund	-	468,403
	<u>\$ 21,511,522</u>	<u>\$ 21,511,522</u>

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 9. PROPERTY TAXES

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

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

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, 2018 was 6.9363 mills (\$6.9363 per \$1,000 of taxable assessed valuation) which has remained unchanged over the past 4 years.

NOTE 10. RETIREMENT PLANS

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

A. Pension Plan - Florida Retirement System (FRS)

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

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

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

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

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year 2017-2018 are as follows:

<u>Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>	<u>Total Contribution Rate</u>
Regular	3.00%	6.20%	9.20%
Senior Management	3.00%	20.99%	23.99%
Special Risk	3.00%	21.55%	24.55%
DROP	N/A	11.60%	11.60%

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

For the fiscal year ending September 30, 2018, contributions, including employee contributions, to the Pension Plan for the City totaled \$5,817,934.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2018, the City reported a liability of \$47,345,265 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on its share of the City's 2017-2018 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 215.136(10) Florida Statutes. The 7.00 percent return assumption used in the June 30, 2018 calculations were determined by Plan's consulting actuary to be reasonable and appropriate per Actuarial Standards of Practice. The 7.00 percent reported investment return assumption differs from the 7.40 percent investment return assumption chosen by the 2018 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$7,370,234. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,010,856	\$ (145,575)
Change of Assumptions	15,470,130	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(3,657,999)
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	435,381	(2,422,865)
Pension Plan Contributions Subsequent to the Measurement Date	<u>1,338,257</u>	<u>-</u>
Total	<u>\$ 21,254,624</u>	<u>\$ (6,226,439)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$1,338,257 for the City, resulting from contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Deferred Outflows/(Inflows) Net in Thousands</u>
2019	\$ 5,521,587
2020	3,703,811
2021	436,476
2022	2,247,864
2023	1,704,154
Thereafter	<u>76,036</u>
Total	<u>\$ 13,689,928</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

Actuarial Assumptions – The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.9%	2.9%	1.8%
Fixed Income	18.00%	4.4%	4.3%	4.0%
Global Equity	54.00%	7.6%	6.3%	17.0%
Real Estate (Property)	11.00%	6.6%	6.0%	11.3%
Private Equity	10.00%	10.7%	7.8%	26.5%
Strategic Investments	<u>6.00%</u>	6.0%	5.7%	8.6%
Total	<u>100.00%</u>			
Assumed Inflation – Mean			2.6%	1.9%

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

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportional Share of the Net Pension Liability	\$86,407,094	\$47,345,265	\$14,902,106

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

Payables to the Pension Plan - At September 30, 2018, the City had no outstanding payables to the Pension Plan for contributions required for the fiscal year ended September 30, 2018.

B. Retiree Health Insurance Subsidy Program (HIS)

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

Benefits Provided - For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution rate for the period October 1, 2017 through September 30, 2018, was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

For the fiscal year ending September 30, 2018, contributions to the HIS Plan for the City totaled \$700,368.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2018, the City reported a liability of \$10,663,122 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based its share of the City's 2017-2018 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$635,535. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 163,248	\$ (18,116)
Change of Assumptions	1,185,871	(1,127,394)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,437	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	15,837	(688,023)
Pension Plan Contributions Subsequent to the Measurement Date	<u>154,017</u>	<u>-</u>
Total	<u>\$ 1,525,410</u>	<u>\$ (1,833,533)</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

The deferred outflows of resources related to the HIS Plan, totaling \$154,017 for the City, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Deferred Outflows/(Inflows) Net</u>
2019	\$ 144,581
2020	144,038
2021	100,274
2022	(198,099)
2023	(363,851)
Thereafter	<u>(289,084)</u>
Total	<u>\$ (462,141)</u>

Actuarial Assumptions – Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2017 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2018.

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

The total pension liability as of June 30, 2018 was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	3.87%, net of pension plan investment expense, including inflation

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

The actuarial assumptions that determine the total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability at September 30, 2018 was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2018 valuation was updated from 3.58% to 3.87% reflecting the change in the Bond Buyer General Obligation 20-Bond municipal Bond Index as of June 30, 2018.

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

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Proportional Share of the Net Pension Liability	\$12,144,671	\$10,663,122	\$9,428,165

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

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

	Florida Retirement System	Health Insurance Subsidy	Aggregate Total
Liabilities	\$ 47,345,265	\$ 10,663,122	\$ 58,008,387
Pension Expense	7,370,234	635,535	8,005,769
Deferred Outflows of Resources	21,254,624	1,525,410	22,780,034
Deferred Inflows of Resources	(6,226,439)	(1,833,533)	(8,059,972)

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

C. Investment Plan

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

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

Allocations to the investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 10. RETIREMENT PLANS (Continued)

C. Investment Plan (continued)

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

The Investment Plan pension expense for the City totaled \$854,657, for the fiscal year ended September 30, 2018.

At September 30, 2018, the City has no outstanding contributions to the Investment Plan required for the fiscal year.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Effective October 1, 2017, the City implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the City. The implementation of this statement resulted in a restatement of the City's government-wide statements as subsequently discussed in **Note 13**.

Plan Description

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

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Benefits Provided

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

Funding Policy

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

Plan Membership

At April 1, 2017, the date of the latest actuarial valuation, plan participation consisted of the following:

Active plan members	398
Inactive plan members	<u>14</u>
	<u>412</u>

Total OPEB Liability

The City's total OPEB liability of \$9,177,104 was measured as of September 30, 2017, and was determined by an actuarial valuation as of April 1, 2017.

Actuarial Assumptions and Other Inputs

Valuation Date:	April 1, 2017
Measurement Date:	September 30, 2017
Roll-forward Disclosure	The Total OPEB Liability was rolled-forward from the valuation date to the measurement date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.2%
Discount Rate	3.50%
Salary Increases	3% per annum
Retirement Age	Retirement rate assumptions are based on the Florida Retirement System, retirement rates based on those used in the July 1, 2016 actuarial valuation of Florida Retirement System.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (continued)

Methods and Assumptions Used to Determine Total OPEB Liability (continued):

Mortality

Healthy

Regular, male: RP 2000 50% white collar, 50% blue collar; fully generational with Scale BB.

Regular, female: RP 2000 100% white collar; fully generational with Scale BB.

Special Risk, male: RP 2000 10% white collar, 90% blue collar; fully generational with Scale BB.

Special Risk, female: RP 2000 100% white collar; fully generational with Scale BB.

Disabled

RP 2000 Combined Healthy Table Set Forward 3 Years, no projected improvement

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

Healthcare Cost Trend Rates Based on the 2014 Society of Actuaries Long Term Medical Trend Mode, with 1.6% GDP This rate has been adjusted to take into account the impact of the Cadillac Tax which will take effect in 2018. The rate is 4.7% in 2015. Only the pre Medicare trend is applicable for this plan. The rate in 2030 is 6.4%; the rate in 2040 is 5.9%. The ultimate rate is 3.90%.

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

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

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 3.10% as of September 30, 2016 and 3.50% as of September 30, 2017.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (continued)

Changes in the OPEB liability for the fiscal year ended September 30, 2018, were as follow:

Balance at September 30, 2017 -as restated	<u>\$ 8,721,323</u>
<i>Changes for the year</i>	
Service cost	659,445
Interest	268,218
Changes in assumptions	(333,608)
Differences between expected and actual experience	<u>-</u>
Total change in OPEB liability for 9/30/18	594,055
Estimated employer contributions/ benefits payments	<u>(138,274)</u>
Net changes	<u>455,780</u>
Total OPEB Liability - September 30, 2018	<u>\$ 9,177,104</u>

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

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

Discount Rate	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 10,021,216	\$ 9,177,103	\$ 8,372,394
Net OPEB Liability	\$ 10,021,216	\$ 9,177,103	\$ 8,372,394

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

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending September 30, 2018.

Ultimate Trend	1% Decrease 2.90%	Medical Trend 3.90%	1% Increase 4.90%
Total OPEB Liability	\$ 7,968,673	\$ 9,177,103	\$ 10,647,600
Net OPEB Liability	\$ 7,968,673	\$ 9,177,103	\$ 10,647,600

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the fiscal year ended September 30, 2018, the City recognized OPEB expense of \$890,595. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	(296,541)
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	-	-
Total	\$ -	\$ 296,541

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

<u>Fiscal Year Ended September 30</u>	Deferred Outflow/ (Inflows), Net
2019	\$ (37,068)
2020	(37,068)
2021	(37,068)
2022	(37,068)
2023	(37,068)
Thereafter	(111,201)

NOTE 12. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 12. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES (Continued)

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

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

Risk Management

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

Litigation

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

Compliance Audits

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

NOTE 13. RESTATEMENT – IMPLEMENTATION OF GASB No. 75

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the 2017-2018 fiscal year, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This statement addresses accounting and financial reporting for Other Post Employment Benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses in the government's financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 13. RESTATEMENT – IMPLEMENTATION OF GASB No. 75 (Continued)

The implementation of GASB Statement No. 75 described above, required the City to restate the Statement of Net Position in the government-wide financial statement - governmental activities and business-type activities.

The impact of the restatement on the governmental activities and business-type activities beginning net position at September 30, 2018, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position, September 30, 2017, as previously reported	\$ 206,649,663	\$ 13,250,226
Impact of implementing GASB Statement No 75	<u>(1,834,737)</u>	<u>(5,829)</u>
Net position, September 30, 2017, as restated	<u>\$ 204,814,926</u>	<u>\$ 13,244,397</u>

The implementation of GASB Statement No. 75 resulted in the City recording deferred inflows of \$296,541, and increasing the net OPEB liability from \$6,880,757 to \$9,177,103 as of September 30, 2018.

NOTE 14. SUBSEQUENT EVENT

In the case of Wanda Gilbert & Herman Gilbert v. City of Miami Gardens; Case No. 11-17908-CA-15; Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, Wanda Gilbert sued the City of Miami Gardens for violations of the Florida Whistle-blower's Act, discrimination, and retaliation. Plaintiff claims that she was subjected to gender and race discrimination and that when she "blew the whistle" on alleged wrongful practices within the police department, the City retaliated by firing her. On November 6, 2018, a jury returned a verdict in favor of Plaintiff on all counts; resulting in a total damages award of \$916,423. Another \$82,000 will be added to that amount, representing "front pay" awarded by the judge. Gilbert also is entitled to attorneys' fees and costs under both statutes. The City is planning to appeal this ruling.

On January 9, 2019, the City Council enacted Ordinance No. 2019-001-403, authorizing the issuance of Taxable Refunding Revenue Bond in a principal amount of not exceeding Eight Million Dollars (\$8,000,000) for the purpose of refinancing the City's outstanding Land Acquisition and Improvement Revenue Bonds, Series 2007 and paying costs of issuance of the bond. On February 13, the City Council approved Resolution No. 2019-075-3704, awarding the sale of the Bond to PNC Bank, National Association. The proceeds are held in escrow until the redemption of the Series 2007 Note on June 30, 2019.

Management has performed an analysis of the activities and transactions subsequent to September 30, 2018 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2018. Management has performed their analysis through March 29, 2019, the date the financial statements were available for issuance.



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

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 28,070,808	\$ 28,070,808	\$ 28,224,880	\$ 154,072
Utility taxes	10,465,344	10,465,344	10,750,222	284,878
Intergovernmental	12,140,348	12,140,348	12,114,496	(25,852)
Charges for services	6,910,891	6,929,275	8,038,982	1,109,707
Licenses and permits	1,903,500	1,903,500	1,800,264	(103,236)
Fines and forfeitures	5,548,600	5,548,600	5,123,160	(425,440)
Franchise fees	2,970,000	2,970,000	3,801,953	831,953
Grants and donations	610,155	610,155	743,405	133,250
Other income	1,524,600	1,614,457	2,230,595	616,138
Interest	125,000	125,000	398,166	273,166
Total revenues	70,269,246	70,377,487	73,226,123	2,848,636
Expenditures:				
Current:				
General government:				
Legislative	1,154,433	1,238,231	1,064,944	173,287
City Manager	1,434,310	1,421,648	1,413,723	7,925
Public affairs	3,922,843	4,331,537	4,327,528	4,009
City Clerk	450,730	450,649	437,356	13,293
Finance	1,109,545	1,109,329	1,061,794	47,535
Human Resources	1,076,395	1,117,079	1,091,129	25,950
City Attorney	589,165	687,662	682,593	5,069
Planning & Zoning	782,854	678,534	625,934	52,600
Non-departmental	3,569,523	3,789,684	3,630,786	158,898
Purchasing	433,969	405,418	370,179	35,239
Information Technology	2,286,832	2,340,202	2,267,336	72,866
Fleet	1,654,011	2,160,582	2,099,148	61,434
City Hall facilities	886,933	845,117	770,877	74,240
Public safety:				
Police	35,138,432	34,842,125	34,007,759	834,366
Code enforcement	1,441,101	1,309,239	1,229,804	79,435
Culture and recreation	5,662,129	5,550,920	4,845,575	705,345
Capital outlay				
General government	493,490	489,367	458,703	30,664
Parks and recreation	373,178	48,110	32,088	16,022
Total expenditures	62,459,873	62,815,433	60,417,256	2,398,177
Excess(deficiency) of revenues over expenditures	7,809,373	7,562,054	12,808,867	5,246,813
Other financing sources (uses):				
Transfers in	1,192,649	1,192,649	1,192,650	1
Transfers out	(13,302,034)	(13,302,034)	(13,302,034)	-
Total other financing sources (uses)	(12,109,385)	(12,109,385)	(12,109,384)	1
Net change in fund balances	\$ (4,300,012)	\$ (4,547,331)	\$ 699,483	\$ 5,246,814

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE TRANSPORTATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 7,549,738	\$ 7,549,738	\$ 7,907,842	\$ 358,104
Charges for services	93,000	93,000	547,857	454,857
Other income	42,700	42,700	1,761	(40,939)
Interest income	<u>35,000</u>	<u>35,000</u>	<u>181,364</u>	<u>146,364</u>
Total revenues	<u>7,720,438</u>	<u>7,720,438</u>	<u>8,638,824</u>	<u>918,386</u>
Expenditures:				
Public works:				
Administration	546,089	569,950	568,050	1,900
Keep Miami Gardens Beautiful	164,596	219,165	210,837	8,328
Streets	2,161,589	2,163,471	1,652,641	510,830
CITT	588,164	245,222	235,493	9,729
CITT - Transit	1,035,107	1,073,534	1,048,987	24,547
Capital outlay	<u>3,437,658</u>	<u>4,170,742</u>	<u>1,562,619</u>	<u>2,608,123</u>
Total expenditures	<u>7,933,203</u>	<u>8,442,084</u>	<u>5,278,627</u>	<u>3,163,457</u>
Excess (deficiency) of revenues over expenditures	<u>(212,765)</u>	<u>(721,646)</u>	<u>3,360,197</u>	<u>4,081,843</u>
Other financing sources (uses):				
Transfers in	197,013	197,013	197,013	-
Transfers out	(788,899)	(788,899)	(788,899)	-
Total other financing sources (uses)	<u>(591,886)</u>	<u>(591,886)</u>	<u>(591,886)</u>	<u>-</u>
Net change in fund balances	<u>\$ (804,651)</u>	<u>\$ (1,313,532)</u>	<u>\$ 2,768,311</u>	<u>\$ 4,081,843</u>

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

- (a) The City Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (d) The level of control at which expenditures may not exceed budget is at the fund level. The City Commission approves these levels by annual ordinance. The City Manager is authorized to transfer budgeted amounts within individual funds; any revisions that alter the total expenditures of any fund must be approved by the City Commission.
- (e) The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. During fiscal year ended September 30, 2018 no supplemental appropriation was required for Council approval.
- (f) The City manager is authorized to make revisions to the adopted budget when new debt is issued or grants received that were not included in the originally adopted budget.
- (g) Formal budgetary integration is employed as a management control device for the general fund.
- (h) The budgets for the general fund, debt service fund and transportation fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (i) Unencumbered appropriations lapse at fiscal year-end. Unencumbered amounts are re-appropriated in the following year's budget.



CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Miami Gardens' proportion of the net pension liability (asset)	0.1572%	0.1623%	0.1698%	0.1640%	0.1695%
City of Miami Gardens' proportionate share of the net pension liability (asset)	\$ 47,345,265	\$ 47,996,891	\$ 42,874,705	\$ 21,180,496	\$ 10,341,056
City of Miami Gardens' covered-employee payroll	\$ 33,443,863	\$ 32,373,547	\$ 32,263,403	\$ 32,315,181	\$ 33,328,131
City of Miami Gardens' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	141.57%	148.26%	132.89%	65.54%	31.03%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

Note: The amounts presented for each fiscal year were determined as of June 30th.

*Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

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

Note: The amounts presented for each fiscal year were determined as of September 30th.

*Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Miami Garden's proportion of the net pension liability (asset)	0.1007%	0.1009%	0.1045%	0.1045%	0.1134%
City of Miami Garden's proportionate share of the net pension liability (asset)	\$ 10,663,122	\$ 10,788,375	\$ 12,184,848	\$ 11,080,866	\$ 10,603,683
City of Miami Gardens' covered-employee payroll	\$ 33,443,863	\$ 32,154,217	\$ 32,263,403	\$ 32,315,181	\$ 33,328,131
City of Miami Gardens' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.88%	33.55%	37.77%	34.29%	31.82%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The amounts presented for each fiscal year were determined as of June 30th.

*Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

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

Note: The amounts presented for each fiscal year were determined as of September 30th.

*Note: The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 659,445
Interest	268,218
Changes in assumptions	(333,608)
Benefit Payments	<u>(138,274)</u>
Net change in Total OPEB Liability	455,781
Total OPEB Liability- Beginning as restated	<u>8,721,323</u>
Total OPEB Liability - Ending	<u>\$ 9,177,104</u>
Covered employer payroll	33,443,863
Total OPEB Liability as a % of covered employee payroll	27%

Notes to schedule

1. Changes of assumption - Discount rate was changed as follows:
Discount Rate
9/30/2017 3.10%
9/30/2018 3.50%
2. The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	<u>2018</u>
Contributions - Employer	\$ 138,274
Net investment income	-
Benefit payments- net of retiree contributions	(135,274)
Administrative Expense	-
Net Change in Fiduciary Net Position	<u>-</u>
Fiduciary Net Position - Beginning of	-
Fiduciary Net Position - End of Year	<u>-</u>
Total OPEB Liability - Ending	<u>\$ 9,177,104</u>
Fiduciary Net position as a % of Total OPEB Liability	0%
Covered employer payroll	\$ 33,443,863
Plan Fiduciary Net OPEB as a % of covered employee payroll	0%

Notes to schedule

1. Changes of assumption - Discount rate was changed as follows:
Discount Rate
9/30/2017 3.10%
9/30/2018 3.50%
2. The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	<u>2018</u>
Employer's Proportion of the Net OPEB Liability	24.76%
Employer's Proportionate Share of the Net OPEB Liability	\$ 2,272,251
Employer's Covered Payroll	\$ 33,443,863
Employer's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	7%
Plan Fiduciary Net OPEB as a Percentage of the Total OPEB Liability	0%

The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	<u>2018</u>
Employer's Proportion of the Net OPEB Liability	74.21%
Employer's Proportionate Share of the Net OPEB Liability	\$ 6,810,328
Employer's Covered Payroll	\$ 33,443,863
Employer's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	20%
Plan Fiduciary Net OPEB as a Percentage of the Total OPEB Liability	0%

The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.

CITY OF MIAMI GARDENS, FLORIDA

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

SEPTEMBER 30, 2018

	2018
Employer's Proportion of the Net OPEB Liability	1.03%
Employer's Proportionate Share of the Net OPEB Liability	\$ 94,524
Employer's Covered Payroll	\$ 33,443,863
Employer's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll ¹	0.28%
Plan Fiduciary Net OPEB as a Percentage of the Total OPEB Liability	0%

The information in this schedule is not required to be presented retroactively. Therefore, years will be added to this schedule in future fiscal years until ten years of information are available.



OTHER SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

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

Debt Service Fund

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



CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Grant revenue	\$ -	\$ 2,939,034	\$ 63,482	\$ (2,875,552)
Other income	1,089,737	1,317,202	1,338,800	21,598
Interest	-	-	853,824	853,824
Total revenues	1,089,737	4,256,236	2,256,106	(2,000,130)
Expenditures:				
Administration	500,619	503,119	430,238	72,881
Public Safety	-	-	5,902	(5,902)
Capital outlay	-	62,032,750	7,581,293	54,451,457
Total expenditures	500,619	62,535,869	8,017,433	54,518,436
Excess of revenues over expenditures	589,118	(58,279,633)	(5,761,327)	52,518,306
Other financing sources (uses):				
Transfers in	5,346,827	5,346,827	5,346,828	1
Transfers out	(6,432,945)	(6,432,945)	(6,432,945)	-
Total other financing sources (uses)	(1,086,118)	(1,086,118)	(1,086,117)	1
Net change in fund balances	\$ (497,000)	\$ (59,365,751)	\$ (6,847,444)	\$ 52,518,307

CITY OF MIAMI GARDENS, FLORIDA

MAJOR GOVERNMENTAL FUND BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 4,222,285	\$ 4,222,285	\$ 4,280,119	\$ 57,834
Total revenues	4,222,285	4,222,285	4,280,119	57,834
Expenditures:				
Principal	11,929,362	11,929,362	11,929,037	325
Interests	7,339,955	7,339,955	7,168,291	171,664
Total expenditures	19,269,317	19,269,317	19,097,328	171,989
Excess of revenues over expenditures	(15,047,032)	(15,047,032)	(14,817,209)	229,823
Other financing sources (uses):				
Transfers in	14,775,032	14,775,032	14,775,032	-
Total other financing sources (uses)	14,775,032	14,775,032	14,775,032	-
Net change in fund balances	\$ (272,000)	\$ (272,000)	\$ (42,177)	\$ 229,823

NON-MAJOR 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 the government.

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

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

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

Grant Fund. This fund accounts for revenue and expenditures related to specific state, federal or local grants that the City was awarded.

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

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

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



CITY OF MIAMI GARDENS, FLORIDA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2018

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Brick Paver</u>	<u>Impact Fees</u>	<u>Non-Major Governmental Funds</u>
<u>ASSETS</u>								
Cash	\$ 925	\$ 560,117	\$ 173,059	\$ 1,372,993	\$ 117,725	\$ 933	\$ 190,056	\$ 2,415,808
Investments	-	-	-	3,000,000	-	-	2,200,000	5,200,000
Accounts receivables, net	186,905	154,850	189,405	345	-	-	-	531,505
Due from other governments	-	-	-	-	-	-	1,907	1,907
Total assets	<u>\$ 187,830</u>	<u>\$ 714,967</u>	<u>\$ 362,464</u>	<u>\$ 4,373,338</u>	<u>\$ 117,725</u>	<u>\$ 933</u>	<u>\$ 2,391,963</u>	<u>\$ 8,149,220</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable and accrued expenses	\$ 7,707	\$ 31,920	\$ 19,166	\$ 155,925	\$ -	\$ -	\$ 65	\$ 214,783
Due to General Fund	156,000	-	-	-	-	-	-	156,000
Unearned revenue/escrow	<u>24,123</u>	<u>155,002</u>	<u>129,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,754</u>
Total liabilities	<u>187,830</u>	<u>186,922</u>	<u>148,795</u>	<u>155,925</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>679,537</u>
Fund balances:								
Restricted for:								
Housing	-	528,045	-	-	-	-	-	528,045
Law enforcement	-	-	-	-	117,725	-	468,532	586,257
Parks & recreation	-	-	-	-	-	-	1,850,158	1,850,158
General administration	-	-	-	-	-	-	73,208	73,208
Community development	-	-	213,669	-	-	-	-	213,669
Assigned	-	-	-	-	-	933	-	933
Unassigned	-	-	-	4,217,413	-	-	-	4,217,413
Total fund balances	<u>-</u>	<u>528,045</u>	<u>213,669</u>	<u>4,217,413</u>	<u>117,725</u>	<u>933</u>	<u>2,391,898</u>	<u>7,469,683</u>
Total liabilities and fund balances	<u>\$ 187,830</u>	<u>\$ 714,967</u>	<u>\$ 362,464</u>	<u>\$ 4,373,338</u>	<u>\$ 117,725</u>	<u>\$ 933</u>	<u>\$ 2,391,963</u>	<u>\$ 8,149,220</u>

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Brick Paver</u>	<u>Impact Fees</u>	<u>Non-Major Governmental Funds</u>
Revenues:								
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 333,806	\$ 333,806
Forfeiture funds	-	-	-	-	22,093	-	12,509	34,602
Licenses & permits	-	-	-	5,001,493	-	-	-	5,001,493
Charges for services	-	-	-	776,309	-	-	-	776,309
Grant revenue	469,369	342,640	769,419	-	-	-	-	1,581,428
Other income	-	4,931	24,750	-	-	-	-	29,681
Interest	-	6,105	-	37,723	1,869	-	29,761	75,458
Total revenues	<u>469,369</u>	<u>353,676</u>	<u>794,169</u>	<u>5,815,525</u>	<u>23,962</u>	<u>-</u>	<u>376,076</u>	<u>7,832,777</u>
Expenditures:								
Economic and physical development	988	90,644	751,798	-	-	-	-	843,430
Public safety	5,455	-	-	1,776,886	42,459	-	12,209	1,837,010
Public services	201,356	-	-	-	-	-	-	201,356
Human services	148,373	-	-	-	-	-	-	148,373
Capital outlay	<u>113,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,197</u>
Total expenditures	<u>469,369</u>	<u>90,644</u>	<u>751,798</u>	<u>1,776,886</u>	<u>42,459</u>	<u>-</u>	<u>12,209</u>	<u>3,143,365</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>263,032</u>	<u>42,371</u>	<u>4,038,639</u>	<u>(18,497)</u>	<u>-</u>	<u>363,867</u>	<u>4,689,412</u>
Other financing sources (uses):								
Transfers out	-	-	-	(519,242)	-	-	-	(519,242)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(519,242)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(519,242)</u>
Net change in fund balances	-	263,032	42,371	3,519,397	(18,497)	-	363,867	4,170,170
Fund balances, beginning	<u>-</u>	<u>265,013</u>	<u>171,298</u>	<u>698,016</u>	<u>136,222</u>	<u>933</u>	<u>2,028,030</u>	<u>3,299,512</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 528,045</u>	<u>\$ 213,669</u>	<u>\$ 4,217,413</u>	<u>\$ 117,725</u>	<u>\$ 933</u>	<u>\$ 2,391,897</u>	<u>\$ 7,469,682</u>

CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE IMPACT FEES NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Original		
Revenues:				
Impact fees	\$ -	\$ -	\$ 333,806	\$ 333,806
Other income	-	-	12,509	12,509
Interest	-	-	29,761	29,761
Total revenues	-	-	376,076	376,076
Expenditures:				
Police	-	-	12,209	(12,209)
Capital outlay	-	-	-	-
Total expenditures	-	-	12,209	(12,209)
Excess of revenues over expenditures	-	-	363,867	363,867
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 363,867	\$ 363,867

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grant revenue	\$ 971,071	\$ 2,865,648	\$ 769,419	\$ (2,096,229)
Other income	<u>-</u>	<u>-</u>	<u>24,750</u>	<u>24,750</u>
Total revenues	<u>971,071</u>	<u>2,865,648</u>	<u>794,169</u>	<u>(2,071,479)</u>
Expenditures:				
Operating	839,874	2,865,648	751,798	2,113,850
Capital outlay	<u>131,197</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>971,071</u>	<u>2,865,648</u>	<u>751,798</u>	<u>2,113,850</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>42,371</u>	<u>42,371</u>
Other financing sources (uses):				
Transfers in	-	-	-	<u>-</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,371</u>	<u>\$ 42,371</u>

CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE DEVELOPMENT SERVICES FUND NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses & permits	\$ 2,212,766	\$ 2,210,338	\$ 5,001,493	\$ 2,791,155
Charges for services	321,396	330,534	776,309	445,775
Other income	<u>6,710</u>	<u>-</u>	<u>37,723</u>	<u>37,723</u>
Total revenues	<u>2,540,872</u>	<u>2,540,872</u>	<u>5,815,525</u>	<u>3,274,653</u>
Expenditures:				
Building services	<u>2,021,630</u>	<u>2,021,630</u>	<u>1,776,886</u>	<u>244,744</u>
Total expenditures	<u>2,021,630</u>	<u>2,021,630</u>	<u>1,776,886</u>	<u>244,744</u>
Excess of revenues over expenditures	<u>519,242</u>	<u>519,242</u>	<u>4,038,639</u>	<u>3,519,397</u>
Other financing sources (uses):				
Transfers out	<u>(519,242)</u>	<u>(519,242)</u>	<u>(519,242)</u>	<u>-</u>
Total other financing sources (uses)	<u>(519,242)</u>	<u>(519,242)</u>	<u>(519,242)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,519,397</u>	<u>\$ 3,519,397</u>



STATISTICAL SECTION

CITY OF MIAMI GARDENS, FLORIDA

STATISTICAL SECTION

This part of the City of Miami Garden’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	87-91
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	92-95
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity	96-100
<i>These schedules contain information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in future.</i>	
Demographic and Economic Information	101-102
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.</i>	
Operating Information	103-105
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.</i>	

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



CITY OF MIAMI GARDENS, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Invested in capital assets	\$ 289,514,837	\$286,317,554	\$ 227,616,716	\$ 265,675,780	\$ 261,783,392	\$ 255,314,939	\$ 250,167,614	\$ 237,824,806	\$ 225,805,423	\$ 224,300,737
Restricted	-	2,029,805	49,292,687	6,111,104	6,121,430	6,796,767	9,757,585	12,535,914	15,398,419	18,814,666
Unrestricted	<u>6,883,850</u>	<u>(976,348)</u>	<u>(4,159,133)</u>	<u>4,845,868</u>	<u>2,179,405</u>	<u>(2,432,679)</u>	<u>(39,687,115)</u>	<u>(34,858,744)</u>	<u>(34,554,179)</u>	<u>(36,351,017)</u>
Total governmental activities net position	<u>\$ 296,398,687</u>	<u>\$287,371,011</u>	<u>\$ 272,750,270</u>	<u>\$ 276,632,752</u>	<u>\$ 270,084,227</u>	<u>\$ 259,679,027</u>	<u>\$ 220,238,084</u>	<u>\$ 215,501,976</u>	<u>\$ 206,649,663</u>	<u>\$ 206,764,386</u>
Business-type activities										
Invested in capital assets	\$ 6,713,834	\$ 7,644,476	\$ 8,158,392	\$ 9,140,724	\$ 9,132,867	\$ 9,702,322	\$ 9,346,633	\$ 9,720,254	\$ 9,755,595	\$ 9,965,166
Restricted	518,057	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,159,901</u>	<u>1,375,440</u>	<u>1,250,982</u>	<u>1,225,840</u>	<u>1,422,103</u>	<u>1,708,955</u>	<u>2,362,274</u>	<u>2,691,155</u>	<u>3,494,631</u>	<u>5,569,255</u>
Total business-type activities net position	<u>\$ 8,391,792</u>	<u>\$ 9,019,916</u>	<u>\$ 9,409,374</u>	<u>\$ 10,366,564</u>	<u>\$ 10,554,970</u>	<u>\$ 11,411,277</u>	<u>\$ 11,708,907</u>	<u>\$ 12,411,409</u>	<u>\$ 13,250,226</u>	<u>\$ 15,534,421</u>
Primary government										
Invested in capital assets	\$ 296,228,671	\$293,962,030	\$ 235,775,108	\$ 274,816,504	\$ 270,916,259	\$ 265,017,261	\$ 259,514,247	\$ 247,545,060	\$ 235,561,018	\$ 234,265,903
Restricted	518,057	-	49,292,687	6,111,104	6,121,430	6,796,767	9,757,585	12,535,914	15,398,419	18,814,666
Unrestricted	<u>8,043,751</u>	<u>399,092</u>	<u>(2,908,151)</u>	<u>6,071,708</u>	<u>3,601,508</u>	<u>(723,724)</u>	<u>(37,324,841)</u>	<u>(32,167,589)</u>	<u>(31,059,548)</u>	<u>(30,781,762)</u>
Total primary government net position	<u>\$ 304,790,479</u>	<u>\$294,361,122</u>	<u>\$ 282,159,644</u>	<u>\$ 286,999,316</u>	<u>\$ 280,639,197</u>	<u>\$ 271,090,304</u>	<u>\$ 231,946,991</u>	<u>\$ 227,913,385</u>	<u>\$ 219,899,889</u>	<u>\$ 222,298,807</u>

CITY OF MIAMI GARDENS, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES										
Governmental activities:										
General government	\$ 15,125,100	\$ 17,238,930	\$ 19,540,594	\$ 16,076,550	\$ 16,525,346	\$ 20,174,685	\$ 17,423,449	\$ 24,890,226	\$ 22,342,383	\$ 22,811,697
Public safety	38,234,029	40,240,521	36,652,536	34,564,704	37,298,100	37,768,451	37,250,605	37,327,259	40,627,044	41,203,580
Public works	16,493,776	14,475,704	14,461,666	14,477,703	15,161,302	15,564,664	16,511,565	16,246,746	16,225,866	16,656,467
Parks and recreation	7,021,628	7,403,794	7,576,867	6,964,532	6,801,697	7,065,966	6,514,054	6,864,744	6,786,784	6,149,189
Economic environment	4,272,833	6,011,115	5,009,478	5,038,712	2,341,655	1,725,248	1,546,074	1,460,882	1,133,556	843,430
Human Services	-	-	-	-	-	28,555	176,605	396,981	136,161	148,373
Interest on long-term debt	1,590,157	2,263,358	5,835,054	5,674,415	5,543,197	6,013,090	7,603,784	7,460,875	7,435,209	6,940,156
Total governmental activities:	<u>82,737,524</u>	<u>87,633,422</u>	<u>89,076,195</u>	<u>82,796,616</u>	<u>83,671,297</u>	<u>88,340,659</u>	<u>87,026,136</u>	<u>94,647,713</u>	<u>94,687,003</u>	<u>94,752,892</u>
Business-type activities:										
Stormwater	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787	2,559,364	2,437,432	2,389,114	2,305,965	2,533,311
Total business-type activities	<u>2,200,414</u>	<u>2,301,921</u>	<u>2,875,119</u>	<u>3,122,946</u>	<u>2,894,787</u>	<u>2,559,364</u>	<u>2,437,432</u>	<u>2,389,114</u>	<u>2,305,965</u>	<u>2,533,311</u>
Total primary government expenses	<u>84,937,938</u>	<u>89,935,343</u>	<u>91,951,314</u>	<u>85,919,562</u>	<u>86,566,084</u>	<u>90,900,023</u>	<u>89,463,568</u>	<u>97,036,827</u>	<u>96,992,968</u>	<u>97,286,203</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	3,956,041	6,487,138	6,441,291	7,618,723	8,370,005	8,678,486	9,614,573	7,286,561	8,384,564	12,167,217
Public safety	4,265,862	4,587,639	4,647,205	5,143,350	5,963,644	5,680,283	6,813,911	9,016,281	9,009,862	8,019,450
Public works	96,171	48,239	58,163	60,829	89,437	83,287	110,435	203,383	239,869	547,857
Parks & Recreation	486,382	722,355	1,084,193	1,217,539	1,158,323	1,000,675	1,121,882	1,202,311	656,725	628,293
Operating grants and contributions	4,592,454	8,583,150	6,668,214	7,047,517	3,159,475	3,296,282	2,896,185	2,639,895	2,923,990	2,158,862
Capital grants and contributions	7,271,980	5,767,617	5,269,558	2,780,862	3,478,683	1,983,665	236,335	1,500,167	223,711	182,134
Total governmental activities program revenues	<u>20,668,889</u>	<u>26,196,137</u>	<u>24,168,624</u>	<u>23,868,820</u>	<u>22,219,567</u>	<u>20,722,678</u>	<u>20,793,321</u>	<u>21,848,598</u>	<u>21,438,721</u>	<u>23,703,813</u>
Business-type activities:										
Charges for services:										
Stormwater	3,381,668	3,456,364	3,408,106	3,714,835	3,498,210	3,804,604	3,464,069	3,395,975	3,474,179	5,094,141
Capital grants and contributions	645,351	88,275	147,301	701,670	-	38,650	34,000	129,887	87,640	-
Total business-type activities program revenues	<u>4,027,019</u>	<u>3,544,639</u>	<u>3,555,407</u>	<u>4,416,505</u>	<u>3,498,210</u>	<u>3,843,254</u>	<u>3,498,069</u>	<u>3,525,862</u>	<u>3,561,819</u>	<u>5,094,141</u>
Total primary government revenues	<u>24,695,908</u>	<u>29,740,776</u>	<u>27,724,031</u>	<u>28,285,325</u>	<u>25,717,777</u>	<u>24,565,932</u>	<u>24,291,390</u>	<u>25,374,460</u>	<u>25,000,540</u>	<u>28,797,954</u>
Net (expense)/revenue										
Governmental activities	(62,068,635)	(61,437,284)	(64,907,571)	(58,927,796)	(61,451,730)	(67,617,981)	(66,232,815)	(72,799,115)	(73,248,282)	(71,049,079)
Business-type activities	1,826,605	1,242,718	680,288	1,293,559	603,423	1,283,890	1,060,637	1,136,748	1,255,854	2,560,830
Total primary government net expenses	<u>(60,242,030)</u>	<u>(60,194,566)</u>	<u>(64,227,283)</u>	<u>(57,634,237)</u>	<u>(60,848,307)</u>	<u>(66,334,091)</u>	<u>(65,172,178)</u>	<u>(71,662,367)</u>	<u>(71,992,428)</u>	<u>(68,488,249)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	23,840,155	22,493,510	19,616,970	21,340,234	19,653,871	21,757,058	26,268,558	27,332,192	29,299,174	32,504,999
Utility taxes	10,561,528	10,641,034	11,135,661	10,467,536	10,525,589	10,411,425	11,361,010	10,395,944	10,489,627	10,750,222
Franchise fees on gross receipts	5,052,006	5,092,510	3,987,008	4,504,778	4,239,521	3,477,303	3,398,916	3,537,910	3,076,242	3,801,953
Intergovernmental (unrestricted)	12,568,685	11,861,949	12,706,449	23,346,113	17,360,797	17,762,556	18,811,366	19,202,180	19,819,628	20,364,978
Investment income (unrestricted)	479,471	88,446	49,541	118,307	84,489	225,284	464,725	272,071	521,128	657,553
Investment income (restricted)	-	-	178,208	-	-	25,287	358,452	285,002	540,853	851,259
Miscellaneous	769,743	1,578,046	2,303,934	2,852,207	3,426,225	3,122,865	3,179,810	6,593,687	3,267,134	3,599,172
Loss on sale of capital assets	-	-	-	-	-	-	-	-	(3,072,575)	-
Transfers	593,983	654,111	309,061	381,101	422,553	431,004	435,314	444,022	454,759	468,403
Total governmental activities	<u>53,865,570</u>	<u>52,409,606</u>	<u>50,286,832</u>	<u>63,010,276</u>	<u>55,713,045</u>	<u>57,212,782</u>	<u>64,278,151</u>	<u>68,063,008</u>	<u>64,395,970</u>	<u>72,998,539</u>
Business-type activities:										
Investment income	19,712	5,105	6,261	3,226	3,401	3,421	5,469	9,776	37,722	91,798
Miscellaneous	15,254	34,412	11,970	41,506	4,135	-	-	-	-	105,799
Transfers	(593,983)	(654,111)	(309,061)	(381,101)	(422,553)	(431,004)	(435,314)	(444,022)	(454,759)	(468,403)
Total business-type activities	<u>(559,017)</u>	<u>(614,594)</u>	<u>(290,830)</u>	<u>(336,369)</u>	<u>(415,017)</u>	<u>(427,583)</u>	<u>(429,845)</u>	<u>(434,246)</u>	<u>(417,037)</u>	<u>(270,806)</u>
Total primary government	<u>53,306,553</u>	<u>51,795,012</u>	<u>49,996,002</u>	<u>62,673,907</u>	<u>55,298,028</u>	<u>56,785,199</u>	<u>63,848,306</u>	<u>67,628,762</u>	<u>63,978,933</u>	<u>72,727,733</u>
Change in Net Position										
Governmental activities	(8,203,065)	(9,027,678)	(14,620,739)	4,082,480	(5,738,685)	(10,405,200)	(1,954,665)	(4,736,108)	(8,852,313)	1,949,460
Business-type activities	1,267,588	628,124	389,458	957,190	188,406	856,307	630,792	702,502	838,817	2,290,024
Total primary government	<u>\$(6,935,477)</u>	<u>\$(8,399,554)</u>	<u>\$(14,231,281)</u>	<u>\$ 5,039,670</u>	<u>\$(5,550,279)</u>	<u>\$(9,548,893)</u>	<u>\$(1,323,873)</u>	<u>\$(4,033,606)</u>	<u>\$(8,013,496)</u>	<u>\$ 4,239,484</u>

CITY OF MIAMI GARDENS, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Local Option Gas Tax</u>	<u>State Revenue Sharing Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Half Cent Sales Tax</u>	<u>Utility Tax</u>	<u>Franchise Tax</u>	<u>Total</u>
2009	\$ 23,840	\$ 2,147	\$ 3,172	\$ 19	\$ 6,223	\$ 10,561	\$ 5,052	\$ 51,014
2010	22,494	2,104	3,151	20	6,086	10,641	5,093	49,589
2011	19,617	2,224	3,255	16	6,735	11,136	3,987	46,970
2012	19,979	2,142	3,442	14	6,955	10,468	4,505	47,505
2013	17,943	2,101	3,487	21	7,338	10,526	4,240	45,656
2014	21,063	2,133	3,554	25	7,657	10,411	3,525	48,368
2015	21,655	2,219	3,657	22	8,031	11,362	3,399	50,345
2016	22,854	2,199	3,625	19	8,298	10,395	3,538	50,928
2017	24,222	2,283	3,787	25	8,425	10,490	3,076	52,308
2018	27,090	2,253	3,776	23	8,837	10,750	3,802	56,531

CITY OF MIAMI GARDENS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Non-spendable:										
Prepays	\$ -	\$ -	\$ 335,722	\$ 653,356	\$ 545,371	\$ 308,471	\$ 246,671	\$ 254,560	\$ 331,478	\$ 310,132
Committed to:										
Capital outlay	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Subsequent year's budget	374,219	1,074,216	28,572	946,437	-	2,455	363,621	35,257	4,469,702	196,994
Parks maintenance	-	-	-	-	-	-	500,000	750,000	1,000,000	1,000,000
Disaster recovery	-	-	-	-	-	-	-	-	323,723	323,723
Unassigned	9,214,386	6,477,650	4,964,690	11,224,091	11,240,358	10,241,094	11,945,942	13,154,884	14,794,245	19,787,782
Total general fund	<u>\$ 9,588,605</u>	<u>\$ 7,551,866</u>	<u>\$ 5,328,984</u>	<u>\$ 12,823,884</u>	<u>\$ 11,785,729</u>	<u>\$ 10,552,020</u>	<u>\$ 13,056,234</u>	<u>\$ 14,194,701</u>	<u>\$ 20,919,148</u>	<u>\$ 21,618,631</u>
All other governmental funds										
Non-spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ 390	\$ -	\$ -	\$ 9,583	\$ 8,750
Restricted for:										
Housing	335,246	144,711	51,527	1,808	121,916	108,908	119,059	4,850	265,013	528,045
Law enforcement	78,244	164,655	360,954	341,762	141,200	152,182	266,608	363,973	305,413	586,257
Transportation	518,120	2,625	7,183	3,711,984	4,604,466	5,298,838	7,335,122	9,984,147	12,743,690	15,512,834
Parks & recreation	1,186,457	1,237,593	1,362,409	1,341,994	1,205,129	1,126,872	1,395,418	1,851,897	1,904,120	1,964,974
City Hall project	-	-	46,852,312	39,489,995	10,933,917	11,935	32,035	1,911,609	1,908,947	1,803,687
Debt service	-	-	-	-	-	-	155,082	73,926	8,885	8,885
General Obligation Bond projects	-	-	-	-	-	66,122,224	65,718,426	63,814,163	59,433,257	53,097,265
Capital projects	2,523,596	859,375	-	-	-	-	-	-	-	-
Community Development Block Grant	10,345	479,291	658,302	526,027	48,719	109,967	486,296	257,121	171,298	213,669
Development services fund	18,345	3,555	-	-	-	-	-	-	-	-
Committed to:										
Debt service	-	-	-	4,083,426	2,218,076	1,051,162	61,487	325,729	517,297	475,120
City Hall Project	-	-	-	-	-	1,239,467	-	-	-	-
Stormwater fund (1)	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Debt payment	-	-	-	-	-	-	-	3,500,000	-	-
Subsequent year's budget	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	833	933	933	933
Capital projects	322,914	1,322,078	3,408,613	1,064,595	1,396,696	709,740	-	-	-	-
Unassigned:										
Community Development Block Grant	-	-	-	-	-	-	-	-	-	-
Capital Projects fund	-	-	-	-	-	-	(1,955,609)	228,990	514,921	112,401
Development services fund	-	-	(620,259)	(318,128)	(459,483)	(451,453)	(110,533)	95,270	697,841	4,217,413
Total all other governmental funds	<u>\$ 4,993,267</u>	<u>\$ 4,213,883</u>	<u>\$ 52,081,041</u>	<u>\$ 50,243,463</u>	<u>\$ 20,211,086</u>	<u>\$ 75,480,232</u>	<u>\$ 73,504,224</u>	<u>\$ 82,412,608</u>	<u>\$ 78,481,373</u>	<u>\$ 78,530,233</u>

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

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

CITY OF MIAMI GARDENS, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes and franchise fees	\$ 28,892,161	\$ 27,586,020	\$ 23,603,978	\$ 25,845,012	\$ 23,893,392	\$ 25,234,361	\$ 29,667,474	\$ 30,870,102	\$ 32,375,416	\$ 36,306,952
Charges for services	5,220,215	4,677,906	4,985,825	5,950,208	7,170,038	7,602,354	8,824,499	7,388,494	7,620,153	9,363,148
Utility taxes	10,561,528	10,641,034	11,135,661	10,467,536	10,525,589	10,411,425	11,361,010	10,395,944	10,489,627	10,750,222
Intergovernmental	11,961,988	11,841,067	12,655,535	23,346,113	17,186,317	17,721,789	18,522,102	18,868,282	19,359,532	20,022,338
Licenses and permits	1,555,154	3,517,434	3,549,846	3,926,916	3,506,129	3,595,612	3,834,908	3,645,956	4,163,151	6,801,757
Fines and forfeitures	1,939,905	3,461,093	3,413,252	3,846,554	4,752,650	4,157,295	4,612,169	6,083,000	6,327,724	5,157,762
Impact fee	84,372	188,938	281,929	307,680	152,592	87,470	386,406	586,898	179,992	333,806
Grant revenue	12,449,876	14,374,711	12,007,847	9,949,640	6,812,638	5,320,714	2,963,403	4,473,960	3,607,797	2,388,315
Interest	479,870	88,446	227,749	118,307	84,489	160,087	547,172	281,068	757,967	1,508,812
Miscellaneous	795,407	1,574,983	2,284,773	3,217,257	3,426,225	3,122,865	3,182,629	6,597,875	3,267,134	3,600,837
Total revenues	<u>73,940,476</u>	<u>77,951,632</u>	<u>74,146,395</u>	<u>86,975,223</u>	<u>77,510,059</u>	<u>77,413,972</u>	<u>83,901,772</u>	<u>89,191,579</u>	<u>88,148,493</u>	<u>96,233,949</u>
EXPENDITURES										
General government	11,940,736	13,877,497	11,411,053	11,145,965	12,486,845	13,517,593	14,733,506	17,032,690	16,057,625	16,642,779
Human Services	-	-	-	-	-	28,555	176,605	396,981	136,161	148,373
Public safety	35,742,819	37,878,583	34,371,296	32,530,993	34,993,256	35,945,956	35,556,280	35,631,038	35,819,337	37,080,474
Public works	3,380,828	2,621,846	2,619,674	2,589,782	3,139,109	3,082,935	3,402,650	3,657,628	3,440,243	3,917,364
Parks and recreation	6,526,322	6,624,882	6,236,622	5,565,777	5,586,301	5,879,496	5,313,861	5,621,490	5,429,777	4,845,575
Economic and physical environment	4,272,833	6,011,114	5,009,478	5,038,712	2,341,655	1,725,248	1,546,074	1,460,882	1,133,556	843,430
Non-departmental	206,848	248,292	3,591,447	3,923,874	4,102,095	4,259,919	3,620,615	3,563,202	3,509,180	3,630,786
Debt service:										
Principal retirement	4,387,593	4,315,767	5,019,979	3,889,705	4,925,259	4,431,378	5,254,807	11,796,744	9,428,384	11,929,037
Interest and fiscal charges	1,624,748	2,322,143	4,368,382	5,712,392	5,581,708	5,480,843	7,562,808	7,500,935	7,477,375	7,168,291
Bond issuance cost	-	-	865,111	-	-	459,547	-	-	-	-
Capital outlay:										
General government	23,996,255	553,212	2,982,676	7,288,312	33,168,928	10,010,512	4,679,551	629,244	1,122,390	570,200
Public safety	1,260,838	760,687	308,667	175,000	653,370	60,005	45,594	552,309	210,121	451,413
Public works	1,141,508	1,666,852	2,663,150	2,293,567	3,350,589	2,978,435	1,464,777	1,827,830	1,297,991	1,562,619
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Parks and recreation	13,435,270	5,950,601	3,587,815	1,344,923	2,374,029	2,133,182	451,752	2,283,777	4,975,325	7,163,668
Total expenditures	<u>107,916,598</u>	<u>82,831,475</u>	<u>83,035,350</u>	<u>81,499,002</u>	<u>112,703,144</u>	<u>89,993,604</u>	<u>83,808,880</u>	<u>91,954,751</u>	<u>90,037,465</u>	<u>95,954,009</u>
Excess(deficiency) of revenues over expenditures	(33,976,122)	(4,879,843)	(8,888,955)	5,476,221	(35,193,085)	(12,579,632)	92,892	(2,763,172)	(1,888,972)	279,940
Other financing (uses) sources:										
Transfers in	11,389,351	13,012,781	11,952,349	12,029,443	14,822,384	15,479,624	13,936,975	22,336,131	19,979,850	21,511,523
Transfers out	(10,795,368)	(12,358,671)	(11,643,288)	(11,648,342)	(14,399,831)	(15,048,620)	(13,501,661)	(21,892,109)	(19,525,091)	(21,043,120)
Proceeds from capital lease	-	-	-	-	3,700,000	-	-	-	-	-
Proceeds from bond	20,614,098	1,409,612	55,000,000	-	-	60,000,000	-	12,366,000	4,227,425	-
Premiums on bond issuance	-	-	-	-	-	6,184,065	-	-	-	-
Discounts on bond issuance	-	-	(775,830)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>21,208,081</u>	<u>2,063,722</u>	<u>54,533,231</u>	<u>381,101</u>	<u>4,122,553</u>	<u>66,615,069</u>	<u>435,314</u>	<u>12,810,022</u>	<u>4,682,184</u>	<u>468,403</u>
Net change in fund balances	<u>\$(12,768,041)</u>	<u>\$(2,816,121)</u>	<u>\$ 45,644,276</u>	<u>\$ 5,857,322</u>	<u>\$(31,070,532)</u>	<u>\$ 54,035,437</u>	<u>\$ 528,206</u>	<u>\$ 10,046,850</u>	<u>\$ 2,793,212</u>	<u>\$ 748,343</u>
Debt service as a percentage of noncapital expenditures	8.8%	9.0%	14.0%	13.6%	14.4%	13.2%	16.6%	22.3%	20.5%	22.2%

CITY OF MIAMI GARDENS, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Total Assessed Value	Less: Tax Exempt Property	Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percentage of Estimated Actual Value (1)
2009	\$ 8,031,936,238	\$ 439,098,214	\$ 8,471,034,452	\$ 3,623,777,706	\$ 4,847,256,746	\$ 5.1402	\$ 4,834,595,603	100.26%
2010	6,964,395,404	403,295,314	7,367,690,718	3,066,430,658	4,301,260,060	5.3734	4,503,604,818	95.51%
2011	4,829,645,032	424,414,297	5,254,059,329	1,538,703,973	3,715,355,356	5.7141	3,717,102,853	99.95%
2012	4,541,068,996	430,140,872	4,971,209,868	1,504,385,885	3,466,823,983	6.5616	3,467,200,467	99.99%
2013	4,473,851,995	409,206,426	4,883,058,421	1,492,163,302	3,390,895,119	6.3620	3,381,045,528	100.29%
2014	4,389,292,826	384,000,304	4,773,404,000	1,472,932,907	3,300,471,093	6.9363	3,315,149,071	99.55%
2015	4,510,205,108	379,130,957	4,889,447,567	1,467,469,874	3,421,977,693	6.2363	3,451,480,819	99.14%
2016	4,684,612,172	392,207,255	5,076,922,932	1,487,649,804	3,589,273,128	8.1761	3,626,944,476	98.96%
2017	4,949,652,518	409,750,134	5,359,506,509	1,539,992,799	3,819,513,710	8.0934	3,822,908,533	99.91%
2018	5,437,119,005	412,243,766	5,849,461,004	1,627,169,554	4,222,291,450	7.9928	4,067,707,040	103.80%

Note: Property in the City is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value.

The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3 percent per year or the amount of the Consumer Price index, whichever is less. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per \$1,000 of assessed value.

(1) Includes tax-exempt property.

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

CITY OF MIAMI GARDENS, FLORIDA

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (1)

LAST TEN FISCAL YEARS

OVERLAPPING RATES

Fiscal Year	City (2)			County			School Board			Other Authorities/Special Districts				Total Direct & Overlapping Rates
	City Operating	City Debt	Total City	County Operating	County Debt	Total County	School Operating	School Debt	Total School	Fire	Library	State	Children's Trust	
2009	5.1402	-	5.1402	4.8379	0.2850	5.1229	7.5330	0.2640	7.7970	2.2271	0.3822	0.6585	0.4212	21.7491
2010	5.3734	-	5.3734	4.8379	0.2850	5.1229	7.6980	0.2970	7.9950	2.2271	0.3822	0.6585	0.5000	22.2591
2011	5.7141	-	5.7141	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	2.5953	0.2840	0.6585	0.5000	23.8734
2012	6.5616	-	6.5616	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	2.4627	0.1795	0.4708	0.5000	23.2696
2013	6.3620	-	6.3620	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	2.4627	0.1725	0.4634	0.5000	22.9471
2014	6.9363	-	6.9363	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	2.4623	0.1725	0.4455	0.5000	23.6191
2015	6.9363	1.3000	8.2363	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	2.4321	0.2840	0.2610	0.5000	24.8043
2016	6.9363	1.2398	8.1761	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	2.4293	0.2840	0.2412	0.5000	24.3595
2017	6.9363	1.1571	8.0934	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	2.4282	0.2840	0.2268	0.5000	23.9213
2018	6.9363	1.0565	7.9928	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	2.4282	0.2840	0.2145	0.4673	23.4477

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

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

Additional information:

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

Tax rate limits:

City 10.000 Mills

County 10.000 Mills

School 10.000 Mills

State 10.000 Mills

Source: Miami-Dade County

Department of Property Appraisal

CITY OF MIAMI GARDENS, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

(amounts expressed in thousands)

2018					2009				
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Industry or Business Type</u>	<u>Rank</u>	<u>Percentage Total Assessed Valuation</u>	<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Industry or Business Type</u>	<u>Rank</u>	<u>Percentage Total Assessed Valuation</u>
HARD ROCK STADIUM	\$ 253,751	Sports & Entertainment	1	15.8%	ROBBIE STADIUM CORPORATION	\$ 122,395	Sports & Entertainment	1	2.5%
WALMART STORES EAST LP	48,938	Retail	2	3.1%	WALMART	58,512	Retail	2	1.2%
CALDER RACE COURSE, INC.	47,243	Sports & Entertainment	3	3.0%	DR HORTON	36,327	Real Estate	5	0.8%
DORSAN DEVELOPMENT	44,433	Real Estate	4	2.8%	CALDER RACE COURSE, INC	44,961	Sports & Entertainment	3	0.9%
MDH MIAMI SSIP LLC	37,309	Real Estate	5	2.3%	CAN AM ASSOCIATES	42,323	Real Estate	4	0.9%
THE CORNERSTONE GROUP	28,664	Real Estate	6	1.8%	CONTINENTAL EQUITIES INC	37,007	Real Estate	6	0.8%
CAPO & SONS CORP	24,059	Real Estate	7	1.5%	DORSAN DEVELOPMENT	28,755	Real Estate	7	0.6%
491 UNITS MIAMI GARDENS INVESTMENTS	23,432	Real Estate	8	1.5%	SOMERVALE ADMINISTRATIVE INC	26,600	Real Estate	8	0.5%
WALDEN POND LTD	23,134	Real Estate	9	1.4%	CRYSTAL LAKES INVESTMENTS	25,075	Real Estate	9	0.5%
ADVENIR AT WALDEN LAKE	<u>22,380</u>	Real Estate	10	<u>1.4%</u>	LAKES EDGE PARTNERS L.P.	<u>23,038</u>	Real Estate	10	<u>0.5%</u>
	<u>\$ 553,343</u>			<u>34.6%</u>		<u>\$ 444,993</u>			<u>9.2%</u>

Sources:

Miami-Dade County Tax Assessors' Office 2017 Tax Roll

CITY OF MIAMI GARDENS, 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		Total Collections to Date	
		<u>Amount</u>	<u>Percent of Levy</u>	<u>Amount</u>	<u>Percent of Levy</u>
2009	\$ 24,136	\$ 23,840	98.8%	\$ 23,840	98.8%
2010	23,235	22,494	96.8%	22,494	96.8%
2011	20,259	19,617	96.8%	19,617	96.8%
2012	21,510	19,979	92.9%	19,979	92.9%
2013	20,528	17,943	87.4%	17,943	87.4%
2014	22,049	21,063	95.5%	21,063	95.5%
2015	22,935	21,655	94.4%	21,655	94.4%
2016	24,453	22,854	93.5%	22,854	93.5%
2017	25,983	24,222	93.2%	24,222	93.2%
2018	29,048	27,090	93.3%	27,090	93.3%

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

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

Discounts Allowed:

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

CITY OF MIAMI GARDENS, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Interlocal Debt</u>	<u>Capital Leases</u>	<u>Interlocal Debt</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>			
2009	\$ -	\$ 45,258	\$ 8,405	\$ 3,158	\$ 8,365	\$ -	\$ -	\$ 65,186	n/a	\$ 594
2010	-	44,352	7,775	1,788	8,118	76	-	62,109	n/a	579.55
2011	-	96,397	7,133	365	7,827	58	-	111,780	n/a	1,043.79
2012	-	93,008	6,242	-	7,542	39	-	106,831	n/a	997.05
2013	-	89,084	5,566	3,700	7,245	20	-	105,615	n/a	983.39
2014	66,122	85,388	4,877	2,979	7,302	-	-	166,668	n/a	1,540.94
2015	64,544	82,572	4,525	2,249	6,924	-	-	160,814	n/a	1,473.32
2016	62,867	85,703	4,158	1,509	6,532	-	-	160,769	n/a	1,445.79
2017	61,135	78,916	3,777	759	6,126	-	-	150,713	n/a	1,331.38
2018	59,358	69,697	3,383	-	5,705	-	-	138,143	n/a	1,215.75

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 101 for the personal income and population data.

N/A- Information not available

CITY OF MIAMI GARDENS, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

FOR THE YEAR ENDED SEPTEMBER 30, 2018

(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Amount Applicable to Miami Gardens</u>
Miami-Dade County Schools (2)	\$ 980,501	1.54%	\$ 15,141
Miami-Dade County (3)	<u>1,837,515</u>	1.54%	<u>28,374</u>
Subtotal overlapping debt	2,818,016		43,515
City of Miami Gardens direct debt	<u>132,438</u>	100.0%	<u>132,438</u>
Total direct and overlapping debt	<u>\$ 2,950,454</u>		<u>\$ 175,953</u>

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

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

(3) Miami-Dade County, Finance Department

CITY OF MIAMI GARDENS, FLORIDA

OUTSTANDING DEBT, LEGAL DEBT LIMIT AND COVENANTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>Amount of debt outstanding:</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
Land Acquisition Revenue Bonds, Series 2005	\$ 4,202,253	\$ -
Miami Dade County Public Service Tax Revenue Bonds	3,382,600	-
Miami Dade County Stormwater Utility Bond	-	5,704,897
Land Acquisition and Improvement Revenue Bonds, Series 2007	7,614,275	-
Land Acquisition Revenue bond, Series 2009	2,643,729	-
Taxable Land Acquisition Revenue Bond, Series 2009B	5,640,440	-
Certificate of Participation Series A-1 + A-2	47,418,903	-
General Obligation Bond Series 2014	59,357,774	-
Taxable Land Acquisition Bond Series 2016	-	-
Capital Improvement Revenue Bonds, Series 2016	<u>2,177,562</u>	<u>-</u>
Total outstanding debt	<u>\$ 132,437,536</u>	<u>\$ 5,704,897</u>

Legal Debt Limit

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

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

Land Acquisition Revenue Bonds, Series 2005

Land Acquisition and Improvement Revenue Bonds, Series 2007

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

CITY OF MIAMI GARDENS, FLORIDA

RATIOS OF GENERAL BONDED DEBT

LAST FIVE FISCAL YEARS

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

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

CITY OF MIAMI GARDENS, FLORIDA

PLEGGED REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Net Revenues Available			Debt Service Requirements			
	Half Cent Sales Tax	Communications Service Tax	Total Revenues	Principal	Interest	Total	Coverage
2009	\$ 6,222,531	\$ 4,061,914	\$ 10,284,445	\$ 4,606,642	\$ 356,718	\$ 4,963,360	2.07
2010	6,086,022	3,994,708	10,080,730	1,878,470	1,243,936	3,122,406	3.23
2011	6,735,084	4,426,216	11,161,300	2,520,599	1,240,515	3,761,114	2.97
2012	6,955,225	3,669,763	10,624,988	2,606,837	1,153,974	3,760,811	2.83
2013	7,337,557	3,438,720	10,776,277	2,715,833	1,060,134	3,775,967	2.85
2014	7,657,123	2,757,382	10,414,505	1,736,371	974,965	2,711,336	3.84
2015	8,030,951	3,734,526	11,765,477	1,389,374	774,275	2,163,649	5.44
2016	8,297,899	2,419,177	10,717,076	1,442,387	758,174	2,200,561	4.87
2017	8,424,917	2,239,034	10,663,951	1,336,356	816,536	2,152,892	4.95
2018	8,836,779	2,207,815	11,044,595	1,382,559	723,414	2,105,973	5.24

Fiscal Year	Electricity Utility Tax	Total Revenues	Principal	Interest	Total	Coverage
2009	4,968,381	4,968,381	900,465	703,003	1,603,468	3.10
2010	5,473,141	5,473,141	437,301	656,697	1,093,998	5.00
2011	5,458,988	5,458,988	434,424	643,210	1,077,634	5.07
2012	5,578,789	5,578,789	455,634	622,668	1,078,302	5.17
2013	5,915,587	5,915,587	478,895	599,121	1,078,016	5.49
2014	6,444,502	6,444,502	190,456	594,042	784,497	8.21
2015	6,363,753	6,363,753	302,421	241,818	544,240	11.69
2016	6,568,238	6,568,238	6,622,555 *	207,468	6,830,024	0.96
2017	6,839,846	6,839,846	491,113	221,544	712,657	9.60
2018	7,139,948	7,139,948	6,336,115 **	193,031	6,529,146	1.09

Source: City of Miami Gardens Finance department.

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

** In FY 2018, the City paid off Series 2016 Taxable Land Acquisition Revenue Bond from sale of 15-acre parcel.

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (Amounts Expressed in Thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2009	109,730	n/a	n/a	11.3
2010	107,167	n/a	n/a	17.9
2011	107,091	n/a	n/a	14.0
2012	107,147	n/a	n/a	12.4
2013	107,399	n/a	n/a	13.0
2014	108,160	n/a	n/a	5.5
2015	109,151	n/a	n/a	5.0
2016	111,198	n/a	n/a	4.9
2017	113,201	n/a/	n/a	4.1
2018	113,628	n/a/	n/a	6.1

Sources: (1) State of Florida and University of Florida Bureau of Economic Research

(2) Represents Income Per Capita for Miami-Dade County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis

(3) Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics for Miami Metro area as of November 2018

CITY OF MIAMI GARDENS, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	<u>2018</u>			<u>2009</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>
HARD ROCK STADIUM	1,500	1	29.72%	1,500	2	16.93%
WALMART	907	2	17.97%	680	4	7.67%
CITY OF MIAMI GARDENS	498	3	9.87%	562	5	6.34%
UAIC	449	4	8.90%	430	6	4.85%
ST THOMAS UNIVERSITY	320	5	6.34%	400	7	4.51%
CALDER RACE TRACK	300	6	5.94%	698	3	7.88%
US POST OFFICE	289	7	5.73%	126	13	1.42%
LEHMAN DEALERSHIPS	277	8	5.49%	395	8	4.46%
BRANDSMART USA	263	9	5.21%	318	10	3.59%
FLORIDA MEMORIAL UNVIVERSITY	244	10	4.83%	276	11	3.11%
COMCAST CABLE				190	12	2.14%
PRECISION RESPONSE CORP.				345	9	3.89%
MIAM DADE SCHOOL BOARD	-		-	<u>2,942</u>	1	<u>33.20%</u>
	<u>5,047</u>		<u>100.00%</u>	<u>8,862</u>		<u>100.00%</u>

Source: City of Miami Gardens

CITY OF MIAMI GARDENS, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30,									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	70.0	73.0	71.0	67.0	68.0	79.0	72.0	68.0	58.5	68.0
Public safety:										
Police	258.0	260.0	261.0	259.0	265.0	263.0	249.0	257.0	251.0	254.0
School Crossing Guard	41.0	33.0	33.0	30.5	30.5	25.5	24.5	24.5	24.5	21.5
Code enforcement	26.0	24.0	23.0	21.0	20.0	20.0	13.0	21.0	18.0	18.0
Building & Planning	25.0	25.5	22.5	22.0	20.0	20.0	26.0	16.0	20.0	20.0
Public Works	31.0	30.0	32.0	28.0	30.0	30.0	33.0	36.0	36.0	42.0
Culture and recreation	99.0	129.0	90.0	80.7	86.0	45.0	57.5	67.5	64.0	68.0
Stormwater	<u>12.0</u>	<u>12.0</u>	<u>14.0</u>	<u>14.0</u>	<u>13.0</u>	<u>10.0</u>	<u>9.0</u>	<u>9.0</u>	<u>8.0</u>	<u>7.0</u>
	<u>562.0</u>	<u>586.5</u>	<u>546.5</u>	<u>522.2</u>	<u>532.5</u>	<u>492.5</u>	<u>484.0</u>	<u>499.0</u>	<u>480.0</u>	<u>498.5</u>

Source: City of Miami Gardens Finance Department

CITY OF MIAMI GARDENS, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

<u>Function/Program</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police:										
Number of emergency calls for service	5,793	7,254	8,006	22,788	20,655	23,077	22,034	21,879	22,039	21,922
Number of non-emergency calls for service	124,909	118,957	106,630	115,422	102,578	94,570	47,368	89,942	86,860	97,492
Number of arrests	7,293	5,986	6,280	5,170	4,871	4,209	4,534	2,406	1,873	2,146
Number of uniformed officers	197	197	194	198	207	202	201	201	231	294
Building & Zoning:										
Number of building permits issued	9,738	5,900	5,613	5,547	4,313	5,273	4,949	5,959	6,305	7,740
Certificates of Use Permits issued	1,725	1,754	1,852	1,171	1,484	849	2,059	1,502	2,481	1,355
Occupational licenses issued	1,910	2,018	2,185	1,382	1,709	1,039	2,311	1,729	2,938	1,895
Transportation										
Sidewalks repaired (linear feet)	9,131	19,471	19,001	11,201	8,132	9,018	5,501	10,236	6,147	6,679
Roads resurfaced (miles)	1	1	1	-	7	28	50	60	11	60
Number of trees planted	148	1,161	1,157	98	539	12	124	236	278	619
Number of potholes repaired	274	153	123	136	132	157	92	118	113	86
Culture and recreation										
Number of sports programs	5	5	4	4	4	4	6	16	16	2

Sources: Various city departments

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

n/a - information not available for these years

CITY OF MIAMI GARDENS, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety										
Police ⁽¹⁾ :										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	215	236	236	229	274	269	264	270	254	243
Public works										
Streets (miles-paved)	277.4	350.8	351.5	351.5	352.14	356.46	357.91	357.9	357.9	357.9
Streets (miles-unpaved)	2	-	-	-	-	-	-	-	-	0
Miles of canals	10	12	44	44	44	44	44	27	27	27
Culture and recreation										
Parks	17	17	17	17	17	19	20	20	20	18
Swimming pools	4	5	5	5	5	4	2	1	1	2
Tennis courts	14	14	14	14	14	14	14	14	14	11
Playgrounds	14	14	14	14	14	13	14	14	14	12
Basketball courts	22	22	20	20	20	21	21	21	21	17
Football/soccer fields	-	-	-	-	-	6	7	7	7	5
Baseball fields	-	-	-	-	-	6	6	6	6	5
Cricket pitches	-	-	-	-	-	3	3	3	3	3

⁽¹⁾ The City's police department took over operations from Miami-Dade County on December 16, 2007; police statistics were not available before this date. The information presented above represents the number of stations and vehicles operated by Miami-Dade County within our City limits.

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.

n/a-information not available for these years



COMPLIANCE SECTION



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Gardens, Florida, (the "City") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

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



Miami, Florida
March 29, 2019



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited City of Miami Gardens, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the City of Miami Gardens, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control Over Compliance

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 29, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Miami, Florida
March 29, 2019

**CITY OF MIAMI GARDENS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

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

Federal Awards

Internal Control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Part 200.516 (a)? ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Programs</u>
14.218	Community Development Block Grants (CDBG)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes ___ No

**CITY OF MIAMI GARDENS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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

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

Section III - Other Matter —Prior Year

2015-1 Information Technology Improvement

Condition

During our review of the City’s IT procedures and risk assessment we noted that the City does not have a formal Information Systems Security Management Program in place. Several components of a program already exist, however, there are some key aspects that should be formalized and implemented such as formal Information Security Policies and Procedures and the possible appointment of a Chief Information Security Officer (CISO). A formal Information System Security Program must be supported by appropriate policies and procedures and a person responsible for compliance with said policies and procedures. This is an industry “best practice”.

Criteria

National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 Revision 4 PM-1 Information Security Program Plan, states that the organization:

- a. Develops and disseminates an organization-wide information security program plan;
- b. Reviews the organization-wide information security program plan [*Assignment: organization defined frequency*];
- c. Updates the plan to address organizations changes and problems identified during plan implementation or security control assessment; and
- d. Protects the information security program plan from unauthorized disclosure and modification.

The Information Systems Audit and Control Associations (ISACA) CoBIT 5 encourages a business framework for Governance and Management of Enterprise IT. This includes: Information security, implementing, enabling processes, enabling information, assurance and risk management.

**CITY OF MIAMI GARDENS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Section III - Other Matter —Prior Year (Continued)

2015-1 Information Technology Improvement (continued)

Recommendation

We recommend that COMG develop and implement a formal Information System Security Program to include the following critical components:

- An independent penetration test of all COMG’s internet facing assets immediately;
- Formalized information security policies and procedures;
- The appointment of an ISSO with the appropriate job responsibilities;
- Annual independent/outside penetration testing or an appropriate frequency determined by management;
- Formalize disaster recovery plan and testing; and
- Continuous monitoring for information security and access to the financial management system.

Current Year Status

The condition has been satisfactorily addressed by the City.

Section IV - Financial Statement —Prior Year Findings

There were no findings during the prior year.

Section V - Federal Award —Current Year Findings and Questioned Costs

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

Section VI - Federal Award —Prior Year Findings and Questioned Costs

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

**CITY OF MIAMI GARDENS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CDEFA</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Sub-recipients</u>
Direct Programs:				
<u>U.S. Department of Justice</u>				
Public Safety Partnership and Community Policing Grants	16.710	2013-UM-WX-0073	\$ 128,548	\$ -
Public Safety Partnership and Community Policing Grants	16.710	2014-UM-WX-0037	382,692	-
Edward Byrne Formula Grant Program	16.751	2016-DJ-BX-0591	9,898	-
Edward Byrne Formula Grant Program	16.751	2015-DJ-BX-0883	<u>2,863</u>	<u>-</u>
Total U.S. Department of Justice			<u>524,001</u>	<u>-</u>
Indirect Programs:				
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through State of Florida Department of Community Affairs:				
Community Development Block Grants (CDBG)	14.218	B-14-MC-12-0052	655,889	146,100
Neighborhood Stabilization Program (NSP)	14.256	B-08-MN-12-0017	<u>95,842</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development			<u>751,731</u>	<u>146,100</u>
<u>U.S. Department of Agriculture</u>				
Passed Through the Florida Department of Health:				
Community Food Projects	10.558	A-3596	2,022	-
Passed Through Forest Services:				
Cooperative Forestry Assistance			<u>988</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,010</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Passed Through the State of Florida, Office of the Attorney General:				
Victims of Crime Act (VOCA)	16.575	VOCA-2017-CITY OF MIAMI GARDENS-00574	<u>97,005</u>	<u>-</u>
Total U.S. Department of Justice			<u>97,005</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Passed Through the City of Miami:				
Homeland Security Grant Program	97.067	17-DS-v9-11-23-02-346	<u>118,652</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>118,652</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,494,399</u>	<u>\$ 146,100</u>

**CITY OF MIAMI GARDENS
SCHEDULE STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<u>State Grantor/ Pass Through Grantor Programs</u>	<u>CSFA Number</u>	<u>State Grant/ Contract Number</u>	<u>State Expenditures</u>
 <i><u>Florida Housing Initiative Program</u></i>			
State Housing Initiative Program	40.901	N/A	\$ <u>90,643</u>
<i>Total State Housing Initiative Program</i>			<u>90,643</u>
 <i><u>Florida Department of Transportation (FDOT)</u></i>			
Florida Highway Beautification Grant Program	55.003	G0S93	15,439
Local Transportation Projects	55.039	G0T88	<u>3,959</u>
<i>Total Florida Department of Transportation</i>			<u>19,398</u>
 <i><u>Executive Office of the Governor</u></i>			
Passed Through Florida Division of Emergency Management:			
Hurricane Loss Mitigation Program	31.066	18HL-AG-11-23-02-003	<u>180,553</u>
<i>Total Executive Office of the Governor</i>			<u>180,553</u>
Total Expenditures of State Financial Awards			<u>\$ 290,594</u>

CITY OF MIAMI GARDENS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal awards programs and state projects of City of Miami Gardens, Florida, (the "City") for the year ended September 30, 2018. All federal awards and state projects expended from federal and state agencies are included in these Schedules.

Note 2 - Basis of Presentation

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

Note 3 - Indirect Cost Rate

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

Note 4 - Florida Single Audit

For the year ended September 30, 2018, the City did not meet the threshold of \$750,000 for a State Single Audit; as such the City was not subject to the State Single Audit procedure.



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Miami Gardens, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 29, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports 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 March 29, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Findings or recommendations made in the preceding audit report were addressed in the Schedule of Findings and Question costs .

Official Title and Legal Authority

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

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Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, refer to the schedule of findings and question costs for such recommendations.

Additional Matters

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

Purpose of this Letter

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



Miami, Florida
March 29, 2019



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, Section 218.415 Florida Statutes compliance requirements; during the period of October 1, 2017 to September 30, 2018.

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

Miami, Florida
March 29, 2019



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