

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year Ended

September 30, 2020

City of Miami Gardens, Florida

CITY OF MIAMI GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

Prepared by:

THE FINANCE DEPARTMENT

CITY OF MIAMI GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

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INTRODUCTORY SECTION



City of Miami Gardens

April 7, 2021

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

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Miami Gardens, Florida, for the fiscal year ended September 30, 2020, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the City Charter. The financial statements included in this report conform to Generally Accepted Accounting Principles (GAAP) in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

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

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

Profile of the Government

The City was incorporated May 13, 2003, under the Charter and Laws of Miami-Dade County (the "County"), and is the County's third (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 69), Transportation Fund (page 70), Capital Projects Fund (page 79), Debt Service Fund (page 80), Grants Fund (page 81), and Special Revenue Funds: State Housing Initiatives Partnership (SHIP), Community Development Block Grant Fund (CDBG), Development Service Fund, Law Enforcement Trust Fund, Impact Fees, Brick Paver and Special Taxing District (page 84-87).

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 2020 increased by 7.88% over the FY 2019 final taxable value. The Council adopted the same millage rate as FY 2019 at 6.9363 mills that has remained unchanged over the last seven (7) years, generating additional revenue of \$2,113,236.

Economic Conditions.

The City, in its 17th year, continues to experience economic and environmental growth, both population and business, however, COVID-19 crisis also led to dramatic swings in unemployment and the shutdown of businesses that have been a key to the cities revitalization clearly affecting household spending and retail sales. A Cares Act Grant provided through Miami-Dade County will allow rental and mortgage assistance for those affected. In FY 2021, we are optimistic that the city will get back to some form of normalcy.

In FY 2020, the City had both public and private development projects along with several bond projects continue to move successfully through the site plan review process. Vista Lago is a 605,084 SF multi-family residential development with a combination of 113 townhome units, 120 condominium units and 168 apartment units have completed plan review and will break ground in October 2020. Villages at Miami Gardens Apartments is a residential development with approximately 50 multi-family rental units designed in a two-story, townhome layout will be completed in March 2021. The Oaks Enclave will provide roughly 420 market rate rental units along the Palmetto Expressway across several modern design towers, the project will commence January 2021 and is expected to be completed in December 2021. Commercial developments include a new two-story 42,842 SF FPL Customer Service Center with an adjacent one-story 1,029 SF equipment storage area and a 130,501 self-storage facility at Gardens Promenade shopping center that is presently reaching completion. The Dolphin Training Facility at the Hard Rock Stadium is expected to open in early 2021 and will feature an indoor and outdoor practice fields, a 125,000 SF support building with team spaces, meeting rooms, and administrative offices for coaches, trainers, and staff. City Bond projects include the 14,000 SF Senior Family Center, Bunche Park and new amenities to Betty T Ferguson. Lastly, Miami Open at the Hard Rock Stadium totaling 80,000 sq. ft. supported the FY 2020 tennis opening, as well as, future tennis opens over a 30-year deal through 2050.

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 Community Development Block Grant (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 \$17.6 million in CDBG funds. To date, three hundred fifty-seven (357) homes have been rehabilitated, thirty-one (31) first-time homeowners received homeownership assistance, five (5) neighborhood drainage, nine (9) park improvement projects have been completed, eight (8) additional non-profit organizations have been funded

to provide public service programs to residents, and six (6) full-time and twenty-five (25) part-time jobs have been created from financial assistance to eight (8) businesses. Additionally, in 2009 the City received \$6.8 million from the Neighborhood Stabilization Program (NSP) to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods that were on a decline due to the foreclosure crisis. To date, the City has purchased seventy-four (74) homes; seventy-two (72) of these homes have been completely renovated and sold to first-time homeowners. The sale of the seventy-two (72) homes has generated over \$5.8 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.

Park projects completed using CDBG grant funding include:

- Lester Brown Park installation of the artificial synthetic turf soccer field, bleachers with concrete pads, fencing, shade structure, relocating irrigation line and scoreboard.
- Leslie Estates drainage project.
- Myrtle Grove Park playground.

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 2020, all union employees and general employees received a 4% salary adjustment. Members in FPE union, based on performance evaluations, are eligible for merit lump sum bonuses and merit days off. The PBA members are eligible for merit lump sum bonuses based on performance evaluations while General employees receive merit days off.

Long Term Financial Planning

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

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

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

Successful execution of the objectives associated with these Key Focus Areas will allow the City to align its efforts and resources to accomplish its goals and improve the quality of life for the residents of Miami Gardens.

During FY 2021-2022, the City will be working on a new strategic plan to better assist the Administration in attaining the growth and development goals of City residents and businesses. Additionally, the new strategic planning effort will establish a plan to ensure continued fiscal stability in light of potential changes to State law.

Over the last few years, the City has worked on developing its annual budget tactically reaching its goal of building up the unassigned reserve of the general fund balance to 25% of the annual general fund expenditures. This would ensure the availability of sufficient funds for future unexpected events. Several current and past events have assisted the City in reaching its goal. **For fiscal year ended September 30, 2020 the unassigned fund balance that can be used at the City's discretion in the General Fund is \$31,950,716 which is 39.87% of FY 2021 operating expenses.**

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

Major Initiatives

The City continues to improve the roads, sidewalks, and stormwater drainage as part of the road improvement project with funding provided from the CITT proceeds, the Stormwater Fund, as well as grants. Up through FY 2020, the City completed five (5) of seven (7) Vista Verde Livable Neighborhood drainage projects; however, Vista Verde 3 is nearing completion. Other projects in progress or beginning in FY 2021 includes, milling, surfacing, and sidewalk repairs/replacement from NW 17-27 Avenue between NW 167-183 St., from NW 7 Avenue Extension to NW 183 St, from NW 183 St to NW 191 St; as well as other various sidewalk stand-alone projects. In addition, the City completed the Hard Rock Bridge and Tunnels of \$17.9 million project but the City will finalize the closeout in FY 2021.

Projects in progress funded from the General Obligation Bonds approved by voters in 2014 includes Norwood Park project completed in FY 2020, with Bunch Park being completed in FY 2021. Risco Park, Andover Park, Bennett Lifter Park, Cloverleaf Park, Rolling Oaks Park and Senior Family Center improvements began in FY 2020 with a projected completion between FY 2021 & 2023. In FY 2021, the City is anticipating beginning improvements to Lester Brown Park (Phase 2) and Scott Park.

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

The project has been an ongoing effort over the past few years. The Police Department completed installation of HD cameras at Bunch Park & Pool and at North Dade Optimist Park. The Police Department expects to work towards the completion of several more facets of the overall RTCC project to include seven (7) new fixed license plate readers deployed at several key intersections, the installation of fiber connection and cameras at Betty T. Ferguson (BTF) and fiber connection installation at Bunch 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 Miami Gardens Police Department continues to be pioneers in public safety technology. As technological advances within the Police Department have grown, the need for a more advanced solution to organize, gather, store and disseminate this information in an efficient matter presented itself. Over the

past year the Miami Gardens Police Department has deployed a modern and innovative Computer Aided Dispatching System that incorporates a Record Management System called Mark43.

Mark43 is an innovative software that allows for information to be captured in accordance with the National Incident-Based Reporting System which is the new required reporting format from the Federal Bureau of Investigations (FBI). Mark43 also has the ability to integrate with several of the previous technology advances made by the Miami Gardens Police Department like the gun fire detection system, the security cameras and many other technological facets.

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2019. This was the City's twelfth (12th) 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 Annual Comprehensive Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City received the Distinguished Budget Presentation Award for its FY 2020 budget, adding to a total of fifteen (15) awards.

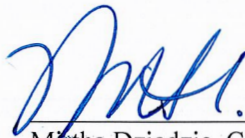
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department; we wish to express our appreciation to them.

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

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



Cameron D. Benson
City Manager



Mirtha Dziedzic, CGFO
Finance Director

CITY OF MIAMI GARDENS, FLORIDA



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
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**City of Miami Gardens
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

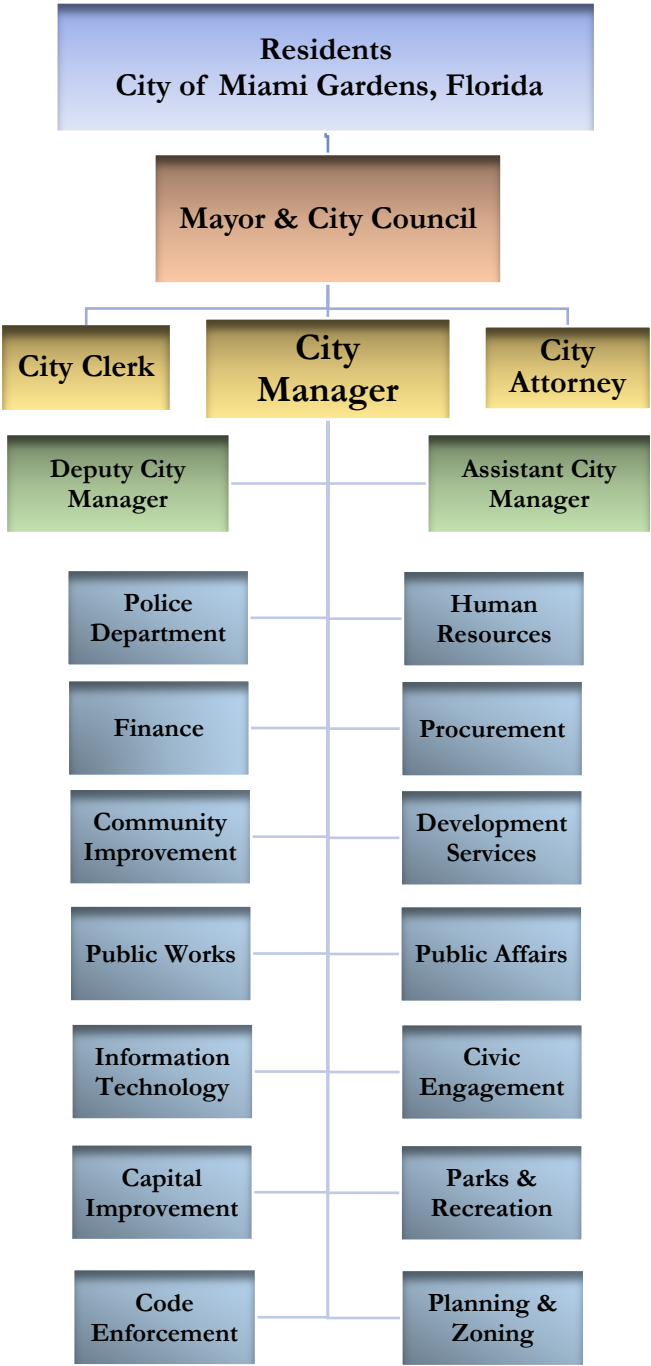
Christopher P. Morill

Executive Director/CEO



CITY OF MIAMI GARDENS, FLORIDA

ORGANIZATIONAL CHART





CITY OF MIAMI GARDENS, FLORIDA

CITY OFFICIALS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

CITY COUNCIL

Oliver Gilbert III, Mayor
Rodney Harris, Vice Mayor
Robert Stephens III, Council Member
Reggie Leon, Council Member
Shannon Campbell, Council Member
Katrina Wilson, Council Member
David Williams Jr., Council Member

CITY MANAGER

Cameron D. Benson

CITY CLERK

Mario Bataille, CMC

CITY ATTORNEY

Sonja K. Dickens, Esq.

FINANCE DIRECTOR

Mirtha Dziedzic, CGFO

CITY AUDITORS

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



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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2020, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 17, budgetary comparison information on pages 69 to 71, Schedules of the Proportionate Share of Net Pension Liability & Schedules of City Contributions on pages 72 to 75, Schedules of Changes in the City and Schedule of Employer's Proportionate Share on pages 76 to 78 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 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 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 April 7, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Miami, Florida
April 7, 2021

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, 2020. 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 2020 by \$236,248,484 (Net Position).

As of September 30, 2020, the total Net Position increased by \$5.0 million. Of this amount, approximately \$3.0 million increase took place in the governmental activities and the business-type activities increased \$2.0 million.

The City's net position in the governmental-type activities was \$216.8 million. Of this amount, unrestricted net position deficit totaled \$38.5 million which decreased by \$2.0 million when compared to prior year due to the effect of a decrease in Long-term Liabilities and Capital Assets of \$18.7 million which was partially offset by an increase of total Net Pension Liability of \$15.4 million.

At the close of fiscal year 2020, the City's governmental funds reported a combined ending fund balance of \$120.5 million; an increase of \$16.2 million, in comparison with the prior year. This increase is primarily attributed to the net results of an increase in fund balance of \$12.2 million in the General Fund, an increase of \$8.1 million in the Debt Services Fund due to sale of land, an increase of \$2.0 million in Development Services Fund and a decrease of \$7.2 million in the Capital Projects Fund and \$0.6 million in the Transportation Fund. Approximately \$32 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 \$6,663,582, for fiscal year 2020, before transfers and other financing sources, \$12,186,339 more than budgeted in the General Fund. After inter-fund transfers and other financing sources, the General Fund generated a net increase of \$12,186,339. This increase is mainly attributable to the sale of 35-acres of land; with savings realized from operating expenditures and personnel costs due to vacancies. In FY 2020, the City received approximately \$3.6 million less in revenue from intergovernmental, licenses and permits and other income as compared to the budget. Operating expenditure savings are mostly derived from the Non-departmental, Public Affairs and Parks departments and personnel cost savings are realized from vacancies in various departments. The General Fund unassigned fund balance is \$32.0 million, representing 39.87% of General Fund FY 2021 budgeted expenditures.

For the City's business-type activities, the City experienced operating income of \$2.6 million. After non-operating revenues and expenses, inter-fund transfers and capital contributions, this fund generated an increase in Net Position of \$2.0 million.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's total debt decreased by approximately \$0.5 million that included the payoff of the Land Acquisition Revenue Bond, Series 2009B from the sale of land and the advanced refunding of the Taxable General Obligation Refunding Bond, Series 2020. City-wide depreciation expenses recorded during the year amounted to \$17,919,623. Total net investment in capital assets was \$235,676,491 at year-end.

CITY ACHIEVEMENTS

FY 2020 the City was awarded \$648,000 to construct the Westside Blueway Trail Phase II through Florida Department of Transportation (FDOT), which construction started in March 2020 and was awarded an additional \$1.0 million to expand the Westside Blueway Trail from Risco Park to Betty T. Ferguson Park that is expected to begin in FY 2023. City project for the Hard Rock Bridges and Tunnels of \$17.9 million funded by the State includes two pedestrian bridges and two tunnels projected was completed prior to the 2020 Super Bowl. The Sidewalk, Road Resurfacing and Pavement Preservation Projects completed through each community to repair and construct new sidewalks with ADA (American Disability Act), also resurfacing and pavement preservation on older roads to increase lifespan, in FY 2020 the City completed \$3.5 million. To date, the City has completed 5 of the 7 phases of the Vista Verde Community Road and Drainage Improvement Projects to increase existing or add new drainage systems and then re-surfacing the road(s). The City completed the project NW 27th Avenue and NW 183rd Street Landscaping Improvements that replaces old landscaping materials or landscaping destroyed by hurricane/traffic accidents prior to the 2020 Super Bowl.

All eighteen (18) projects included in the Bond Implementation Plan are in some form of development and/or completion. As of fiscal year end, the following projects/components of projects have been completed: Dr. Lester Brown Park Outdoor Fitness Station, March 2015; Brentwood Pool Outdoor Fitness Station, February 2016; Showmobile, March 2016; Real Time Crime Center Video Wall, August 2016; Betty T. Ferguson Recreational Complex Gymnasium Flooring Upgrade, June 2017; Betty T. Ferguson (BTF) Recreational Complex Parking Lot Light Upgrade, December 2017; Bunche Park Pool Improvements, March 2018; BTF Recreation Center exterior/interior improvements: Turf & Track Replacement, November 2018, Scoreboard, September 2019 and Select Demolition Natorium, April 2019; Lester Brown Park New Playground and Shade Fabric, August 2019; North Dade Optimist Park Shaded Home Side Bleachers, November 2018 & Visitor Side Bleachers and Scoreboard, September 2019; Buccaneer Park, December 2018; Demolitions: 15880 NW 27th Avenue (June 2019), 1798 NW 183rd Street (June 2019), 2775 NW 183rd Street (August 2019). The City in 2020 completed the Norwood Park project in December 2019; however, Bunche Park and Senior Family Center are nearing completion in FY 2021. Risco Park, Andover Park, Bennett Lifter Park, Cloverleaf Park, Rolling Oaks Park started in FY 2020 but have an expected completion between FY 2022-2023. Additionally, improvements to Betty T Ferguson Recreational Complex are slated to begin in FY2021.

The Miami Gardens Police Department's Real Time Crime Center (RTCC) continued with the buildout to include the completion of the Video Management System, the Video Analytics Solution, and security cameras at City facilities. In FY 2020, we deployed and integrated closed circuit television camera systems from Norwood Park, North Dade Optimist Park and Bunche Park into the RTCC and began implementing longer operation hours with the goal of supplying a full operation of 24-hours a day, 7 days a week. As Public Safety Technology continues to evolve, the amount of virtual eyes in the area can always be increased; the RTCC project will never really reach completion, as we will continue to grow and be ahead of the innovation curve to supply the enhanced safety to everyone within the City.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's Community Development Department has been tasked with establishing and implementing programs that create decent housing, a suitable living environment, and economic opportunities for the City's low-income residents, neighborhoods, and businesses. Now in its 13th year, the City has received over \$17.6 million in Community Development Block Grant (CDBG) funds. To date, three hundred fifty-seven (357) homes have been rehabilitated; thirty-one (31) first-time homeowners received down payment assistance; five (5) neighborhood drainage and nine (9) park improvement projects have been completed; eight (8) additional non-profit organizations have been funded to provide public service programs to residents, six (6) full-time and twenty-five (25) part-time jobs have been created from financial assistance to eight (8) businesses. Furthermore, in 2009 the City was awarded \$6.8 million from the Neighborhood Stabilization Program (NSP) 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-two (72) of these homes have been completely renovated and sold. The sale of the seventy-two (72) homes has generated over \$5.8 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 reconstructed two (2). Additionally, twenty-four (24) units of elderly rental housing were developed in 2017 due to a public/private partnership utilizing NSP3 funds.

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

Grant funds were provided in FY 2020 to Community Development Block Grant (CDBG) for a total of \$1,334,211 that will be utilized over 5-years to assist with COVID programs, such as, rental assistance, food service programs, and mortgage assistance.

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.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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).

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

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

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

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

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

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

Notes to the financial statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 to 68 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 69 to 78 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information under The Other Supplementary Information that includes combining and individual fund statements and schedules found on pages 79 to 87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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.

Changes in Net Position

The following schedule is a summary of the fiscal year 2020 Statement of Net Position with comparative information for fiscal year 2019. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 129,980,327	\$ 117,571,516	\$ 8,007,569	\$ 7,340,114	\$ 137,987,896	\$ 124,911,630
Capital assets	<u>298,141,298</u>	<u>309,524,374</u>	<u>17,454,111</u>	<u>16,603,630</u>	<u>315,595,409</u>	<u>326,128,004</u>
Total assets	<u>428,121,625</u>	<u>427,095,890</u>	<u>25,461,680</u>	<u>23,943,744</u>	<u>453,583,305</u>	<u>451,039,634</u>
Deferred Outflow of Resources	<u>27,473,969</u>	<u>25,204,407</u>	<u>302,078</u>	<u>296,274</u>	<u>27,776,047</u>	<u>25,500,681</u>
Long-term liabilities	213,994,455	205,816,234	5,153,437	5,498,826	219,147,892	211,315,060
Other liabilities	<u>17,290,112</u>	<u>21,019,595</u>	<u>1,143,571</u>	<u>1,282,035</u>	<u>18,433,683</u>	<u>22,301,630</u>
Total liabilities	<u>231,284,567</u>	<u>226,835,829</u>	<u>6,297,008</u>	<u>6,780,861</u>	<u>237,581,575</u>	<u>233,616,690</u>
Deferred Inflow of Resources	<u>7,481,336</u>	<u>11,617,800</u>	<u>47,957</u>	<u>52,233</u>	<u>7,529,293</u>	<u>11,670,033</u>
Net position:						
Net investment in capital assets	222,916,123	231,676,291	12,760,368	11,473,761	235,676,491	243,150,052
Restricted	32,462,314	22,548,555	-	-	32,462,314	22,548,555
Unrestricted	<u>(38,548,746)</u>	<u>(40,378,178)</u>	<u>6,658,425</u>	<u>5,933,163</u>	<u>(31,890,321)</u>	<u>(34,445,015)</u>
Total net position	<u>\$ 216,829,691</u>	<u>\$ 213,846,668</u>	<u>\$ 19,418,793</u>	<u>\$ 17,406,924</u>	<u>\$ 236,248,484</u>	<u>\$ 231,253,592</u>

At the end of the current fiscal year, the City of Miami Gardens had 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 68 and GASB 75.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule is the summary of fiscal year 2020 Statement of Activities with comparative information for fiscal year 2019:

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 20,153,307	\$ 24,005,746	\$ 4,934,886	\$ 4,886,154	\$ 25,088,193	\$ 28,891,900
Operating grants	9,906,507	18,792,772	-	-	9,906,507	18,792,772
Capital grants contributions	287,492	113,200	476,175	214,632	763,667	327,832
General revenues:						
Property taxes	37,057,237	34,759,128	-	-	37,057,237	34,759,128
Utility taxes	11,267,300	10,830,781	-	-	11,267,300	10,830,781
Franchise fees	2,469,387	3,682,186	-	-	2,469,387	3,682,186
Intergovernmental	18,020,881	20,471,779	-	-	18,020,881	20,471,779
Other Income	10,205,720	3,609,580	-	606	10,205,720	3,610,186
Sale of capital assets	15,772,753	-	-	-	15,772,753	-
Investment earnings	<u>1,101,715</u>	<u>2,136,902</u>	<u>59,632</u>	<u>131,721</u>	<u>1,161,347</u>	<u>2,268,623</u>
Total revenues	<u>126,242,299</u>	<u>118,402,074</u>	<u>5,470,693</u>	<u>5,233,113</u>	<u>131,712,992</u>	<u>123,635,187</u>
Expenses:						
General government	35,809,577	25,470,459	-	-	35,809,577	25,470,459
Public safety	53,753,151	51,502,510	-	-	53,753,151	51,502,510
Public works	18,011,618	18,494,408	-	-	18,011,618	18,494,408
Culture & recreation	7,936,930	7,727,705	-	-	7,936,930	7,727,705
Economic environment	1,568,157	1,221,889	-	-	1,568,157	1,221,889
Human services	713,606	699,832	-	-	713,606	699,832
Interest expense	5,963,167	6,685,444	-	-	5,963,167	6,685,444
Stormwater	-	-	<u>2,961,894</u>	<u>2,878,155</u>	<u>2,961,894</u>	<u>2,878,155</u>
Total expenses	<u>123,756,206</u>	<u>111,802,247</u>	<u>2,961,894</u>	<u>2,878,155</u>	<u>126,718,100</u>	<u>114,680,402</u>
Increase/(decrease) in net position before transfers	2,486,093	6,599,827	2,508,799	2,354,958	4,994,892	8,954,785
Transfers	<u>496,930</u>	<u>482,455</u>	<u>(496,930)</u>	<u>(482,455)</u>	-	-
Increase/(decrease) in net position	2,983,023	7,082,282	2,011,869	1,872,503	4,994,892	8,954,785
Net position, beginning of year	<u>213,846,668</u>	<u>206,764,386</u>	<u>17,406,924</u>	<u>15,534,421</u>	<u>231,253,592</u>	<u>222,298,807</u>
Net position, ending	<u>\$ 216,829,691</u>	<u>\$ 213,846,668</u>	<u>\$ 19,418,793</u>	<u>\$ 17,406,924</u>	<u>\$ 236,248,484</u>	<u>\$ 231,253,592</u>

Governmental Activities

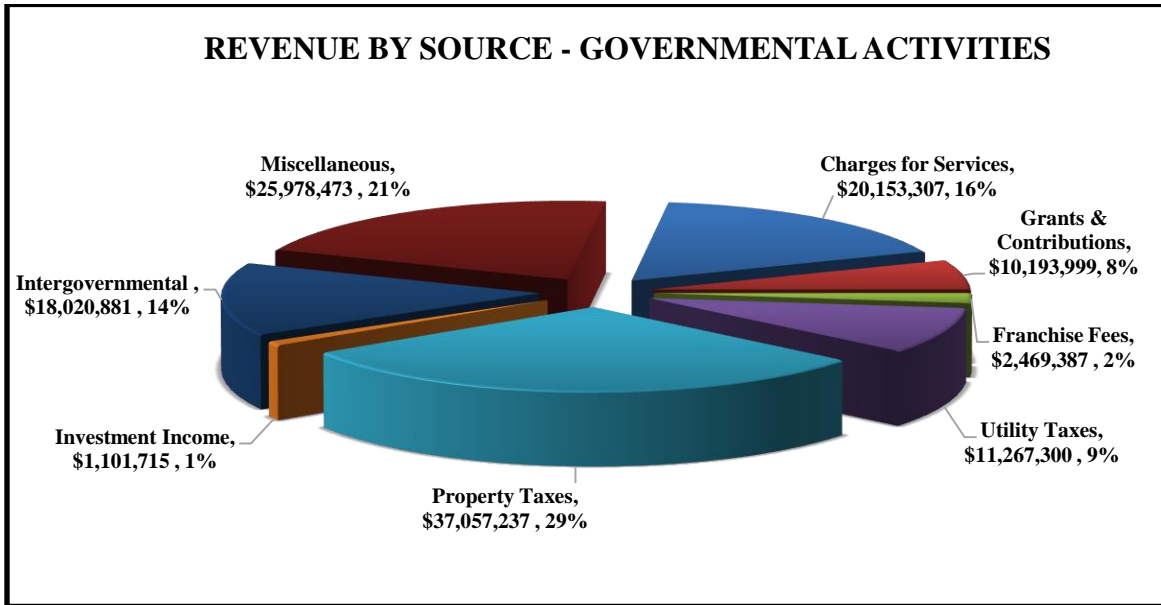
The City's total Net Position increased by \$3 million from the prior year net position of \$213.8 million to \$216.8 million. This increase was partly attributable to the following:

- Increase in pension expenses totaling \$9.9 million attributed to GASB 68
- Depreciation expenses in the amount of \$17.2 million.
- Reduction in long term debt for principal payments made in FY 2020 in the amount of \$1.6 million
- Increase in governmental fund balance in the amount of \$16.2 million

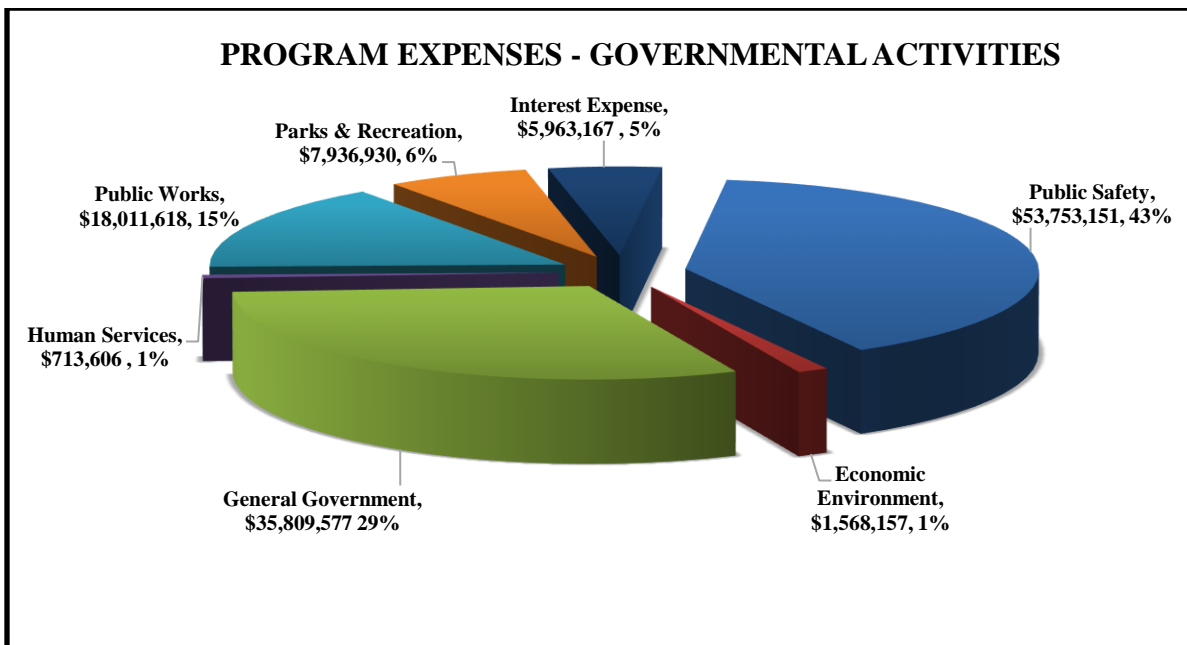
CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2020:



The chart below illustrates the program expenses for governmental activities for fiscal year 2020:



Business-type Activities

The Stormwater Fund ended the fiscal year with unrestricted Net Position of \$6.7 million, an increase of \$0.7 million from the fiscal year 2019 balance.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds

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

As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$120,524,802 an increase of \$16,200,058 in comparison with the prior year. Approximately 61.8%, which amounts to \$74,521,447 of the ending balance, constitutes restricted fund balance. Of this amount approximately \$42 million is unspent bond proceeds from the General Obligation Bond (GOB) for the parks and recreation facility improvements and the additional financing issued in FY 2016 to complete the City Hall project. Approximately \$32 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 2020:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Transportation Fund</u>	<u>Debt Service Fund</u>	<u>Grant Fund</u>	<u>Other</u>	<u>Total</u>
Fund balances, September 30, 2019	\$ 24,139,344	\$ 49,629,624	\$ 17,759,048	\$ 529,015	\$ -	\$ 12,267,713	\$ 104,324,744
Revenues	75,299,293	16,884,562	7,941,478	4,534,009	2,241,672	11,249,598	118,150,612
Expenditures	(68,635,711)	(8,381,567)	(7,895,713)	(17,406,333)	(2,241,672)	(6,511,488)	(111,072,484)
Other financing sources (uses)	<u>5,522,757</u>	<u>(15,742,813)</u>	<u>(608,419)</u>	<u>20,987,689</u>	<u>-</u>	<u>(1,037,284)</u>	<u>9,121,930</u>
Fund balance as of September 30, 2020	36,325,683	42,389,806	17,196,394	8,644,380	-	15,968,539	120,524,802
Assigned/non spendable fund balance	(4,374,967)	-	-	-	-	(9,677,672)	(14,052,639)
Restricted/committed fund balance	<u>-</u>	<u>(42,389,806)</u>	<u>(17,196,394)</u>	<u>(8,644,380)</u>	<u>-</u>	<u>(6,290,867)</u>	<u>(74,521,447)</u>
Unassigned balances, September 30, 2020	<u>\$ 31,950,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,950,716</u>

General Fund

The General Fund is the chief operating fund of the City. As of September 30, 2020, the unassigned fund balance of the City's General Fund increased to \$31,950,716. Total General Fund revenues decreased by \$1,528,534 (1.99%) while expenditures increased by \$397,207 (0.58%) when compared to fiscal year 2019.

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 decreased by 1.99% (from \$76.8 million to \$75.3 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	\$ 32,823,228	\$ 30,496,660	\$ 2,326,568	8%
Franchise fees	2,469,387	3,682,186	(1,212,799)	-33%
Utility taxes	11,267,300	10,830,781	436,519	4%
Licenses and permits	1,716,124	1,939,475	(223,351)	-12%
Intergovernmental	11,007,902	12,336,319	(1,328,417)	-11%
Charges for services	5,613,247	7,523,947	(1,910,700)	25%
Fines and forfeitures	5,358,999	6,472,876	(1,113,877)	-17%
Interest	323,042	580,914	(257,872)	-44%
Grants	3,286,885	806,108	2,480,777	308%
Other Income	1,433,179	2,158,561	(725,382)	-34%

- Ad Valorem taxes increase is attributed to the increase in taxable value. The City levied the same millage as FY 2019 instead of the roll-back rate.
- Decrease in franchise fees is attributed to decreased receipts from electric, gas and solid waste.
- Decrease in intergovernmental is due mainly from decreased receipts from the State (sales tax, licenses, state revenue sharing, etc.).
- Decrease in Fine and Forfeitures is mainly attributed to a decrease in red light camera collections.

General Fund Expenditures by Categories

	Current Year <u>Actual</u>	Prior Year <u>Actual</u>	Variance <u>Amount</u>	Variance <u>Percent</u>
General government	\$ 20,537,031	\$ 22,159,426	\$ (1,622,395)	-7%
Public safety	42,017,577	40,056,085	1,961,492	5%
Culture & recreation	6,081,103	6,022,993	58,110	1%

The General Fund's operating expenses increased by 0.58% percent (\$68.2 million to \$68.6 million). Key elements of the expenditure increases are as follows:

- The decrease in General Government is attributable to the closing of facilities and the cancelling of special events due to the COVID pandemic.
- Increase in Public Safety is attributed to filling vacancies, as well as, the salary adjustments related to the collective bargaining agreement with the PBA.

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

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

Net Position of the Stormwater Utility at the end of the year amounted to \$19,418,793. Of this amount, \$12,760,368 is invested in capital assets, \$6,658,425 is unrestricted. The unrestricted net position increased by \$725,262. This increase is attributed to vacancies and delay of some of the planned capital improvement projects for FY 2020.

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:

- Increase in Police is attributed to overtime related to the pandemic.
- Increase in Non-departmental is attributed to the sale of land.
- Decrease in Fleet is attributed to repairs and maintenance, fuel, and reduction in vehicle purchases.

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

- The positive variance for Public Affairs is mostly attributed to the cancellation of Jazz in the Gardens due to the pandemic.
- The positive variance for Non-departmental was attributed to the sale of land.

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 2020, the Fund reported revenues, and transfers in the amount of \$22.5 million, and expenditures which included transfers out totaling approximately \$29.7 million. This fund has a restricted fund balance of \$42.4 million, of which \$41 million is proceeds and interest earnings related to the General Obligation Bond and \$1 million bond proceeds to complete the City Hall.

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, 2020, the Fund reported revenues and transfers in totaling \$8.2 million. The expenditures and transfers out amount to \$8.7 million. The fund balance decreased by \$562,654 from \$17,759,048 in FY 2019 to \$17,196,394 in FY 2020.

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, 2020 decreased by \$11.4 million from the prior year. The decrease is attributed to the sale of land and parks & recreation construction in progress (CIP). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements and park facilities. The business-type activities reflected an increase of \$0.9 million in capital assets which is also attributed to depreciation expenses.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 22,525,887	\$ 31,464,806	\$ -	\$ -	\$ 22,525,887	\$ 31,464,806
Art	232,472	232,472	-	-	232,472	232,472
Buildings	59,641,260	61,995,423	-	-	59,641,260	61,995,423
Equipment	2,627,652	3,487,723	1,116,684	1,023,366	3,744,336	4,511,089
Other Assets	653,357	438,435	-	-	653,357	438,435
Infrastructure	160,764,954	170,366,246	14,812,015	14,888,732	175,576,969	185,254,978
Improvement other than building	5,729,340	6,066,839	-	-	5,729,340	6,066,839
Construction-in-progress	<u>45,966,376</u>	<u>35,472,430</u>	<u>1,525,412</u>	<u>691,532</u>	<u>47,491,788</u>	<u>36,163,962</u>
	<u>\$298,141,298</u>	<u>\$309,524,374</u>	<u>\$ 17,454,111</u>	<u>\$ 16,603,630</u>	<u>\$315,595,409</u>	<u>\$326,128,004</u>

Additional Information can be found in Note 4 Capital Assets, on pages 39 to 40.

Long-term debt. At year-end the City's Governmental Activities had debt outstanding (bonds, notes payable etc.) in the amount of \$132.5 million, an increase of \$0.5 million over last year, attributed to the increase of compensated absences during the year. The Business-type Activities reflect a decrease of \$436,918 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 41.

City of Miami Garden's Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue Bonds	\$ 13,477,490	\$ 20,322,047	\$ -	\$ -	\$ 13,477,490	\$ 20,322,047
Certificate of Participation	45,280,000	46,660,000	-	-	45,280,000	46,660,000
General Obligation Bonds	59,670,000	52,665,000	-	-	59,670,000	52,665,000
Due to Dade County	2,547,025	2,972,775	4,819,837	5,269,973	7,366,862	8,242,748
Compensated absences	<u>11,482,035</u>	<u>9,371,695</u>	<u>67,305</u>	<u>54,087</u>	<u>11,549,340</u>	<u>9,425,782</u>
	<u>\$ 132,456,550</u>	<u>\$ 131,991,517</u>	<u>\$ 4,887,142</u>	<u>\$ 5,324,060</u>	<u>\$ 137,343,692</u>	<u>\$ 137,315,577</u>

CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

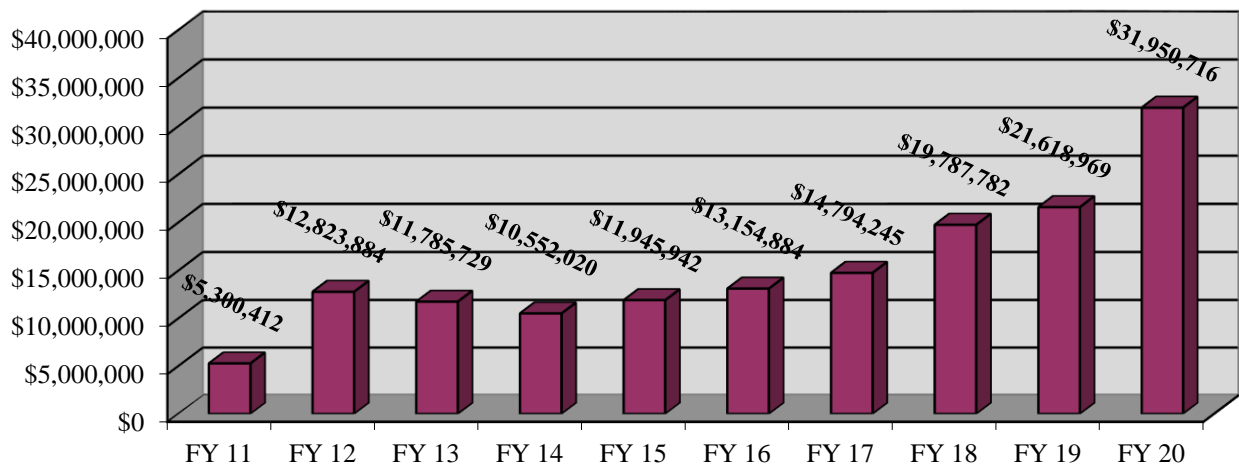
Economic Factors and Next Year's Budgets and Ratios

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 7.88% for FY 2021. Revenues for the Fiscal Year 2021 adopted General Fund budget are \$80.1 million, which is higher than FY 2020 revenue of \$75.3 million. This increase is partly attributed to the increase in property values and the Council adopting the same millage rate of 6.9363 as FY 2020, which is 8.09% over the rollback rate. Additional anticipated increases for Interfund Transfers, and Culture and Recreation fees due to the opening of new facilities, make up the rest of the expected increase in general fund revenue.

For Fiscal Year 2019, the unassigned fund balance in the General Fund was \$21.62 million compared to \$32.0 million in FY 2020. This \$32.0 million is approximately equal to 5 months of budgeted General Fund operating expenditures for FY 2021. The graph below reflects the history of the City's unassigned fund balance.

General Fund Unassigned Fund Balance

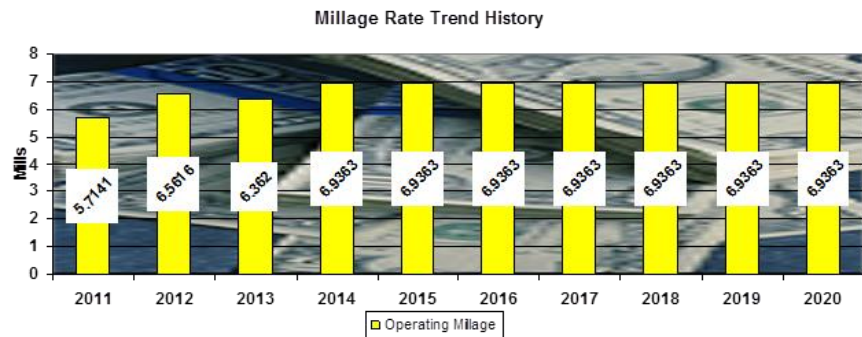


CITY OF MIAMI GARDENS, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

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



Requests for Information

The City’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City’s finances and to demonstrate the City’s accountability. The financial statements are available on the City’s website at www.miamigardens-fl.gov. 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, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 27,729,739	\$ 2,767,773	\$ 30,497,512
Cash with fiscal agent	8,065,828	-	8,065,828
Investments	31,395,106	5,000,000	36,395,106
Restricted cash & investments	43,575,422	-	43,575,422
Receivables, net	14,567,488	139,887	14,707,375
Due from other governments	4,260,009	78,348	4,338,357
Prepaid expenses	386,735	21,561	408,296
Capital assets not being depreciated	68,724,735	1,525,412	70,250,147
Capital assets being depreciated, net	<u>229,416,563</u>	<u>15,928,699</u>	<u>245,345,262</u>
Total assets	<u>428,121,625</u>	<u>25,461,680</u>	<u>453,583,305</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred loss on refunding	-	126,094	126,094
Deferred Outflow of OPEB	567,459	4,865	572,324
Pensions (Note 10)	<u>26,906,510</u>	<u>171,119</u>	<u>27,077,629</u>
Total deferred outflows of resources	<u>27,473,969</u>	<u>302,078</u>	<u>27,776,047</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	6,062,030	664,336	6,726,366
Retainage payable	1,397,193	-	1,397,193
Matured interest payable	1,274,024	-	1,274,024
Due to other governments	84,826	-	84,826
Unearned revenue	609,519	-	609,519
Noncurrent liabilities:			
Due within one year:			
Compensated absences	1,722,305	13,461	1,735,766
Bonds and loans	6,140,215	465,774	6,605,989
Due in more than one year:			
Compensated absences	9,759,730	53,844	9,813,574
Bonds, loans & capital leases	111,134,510	4,354,063	115,488,573
Net OPEB obligations	6,943,812	76,188	7,020,000
Net pension liability (Note 9)	<u>86,156,403</u>	<u>669,342</u>	<u>86,825,745</u>
Total liabilities	<u>231,284,567</u>	<u>6,297,008</u>	<u>237,581,575</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Revenue received in advance	1,301,956	-	1,301,956
Deferred gain on refunding	171,857	-	171,857
Deferred inflows of OPEB (Note 11)	3,454,156	30,150	3,484,306
Deferred inflows of pensions (Note 10)	<u>2,553,367</u>	<u>17,807</u>	<u>2,571,174</u>
Total deferred inflows of resources	<u>7,481,336</u>	<u>47,957</u>	<u>7,529,293</u>
<u>NET POSITION</u>			
Net investment in capital assets	222,916,123	12,760,368	235,676,491
Restricted for:			
Housing	510,840	-	510,840
Law enforcement	1,742,162	-	1,742,162
Transportation	17,186,811	-	17,186,811
Parks & recreation	3,619,854	-	3,619,854
General administration	148,307	-	148,307
Public services	123,323	-	123,323
Community development	486,637	-	486,637
Debt service	8,644,380	-	8,644,380
Unrestricted	<u>(38,548,746)</u>	<u>6,658,425</u>	<u>(31,890,321)</u>
Total Net Position	<u>\$ 216,829,691</u>	<u>\$ 19,418,793</u>	<u>\$ 236,248,484</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental activities:							
General government	\$ 35,809,577	\$ 9,202,668	\$ -	\$ -	\$ (26,606,909)	\$ -	\$ (26,606,909)
Public safety	53,753,151	9,230,487	3,960,981	113,197	(40,448,486)	-	(40,448,486)
Public works	18,011,618	817,474	1,680,304	-	(15,513,840)	-	(15,513,840)
Parks and recreation	7,936,930	902,678	214,040	174,295	(6,645,917)	-	(6,645,917)
Economic environment	1,568,157	-	3,337,576	-	1,769,419	-	1,769,419
Human services	713,606	-	713,606	-	-	-	-
Interest on long-term debt	5,963,167	-	-	-	(5,963,167)	-	(5,963,167)
Total governmental activities	<u>123,756,206</u>	<u>20,153,307</u>	<u>9,906,507</u>	<u>287,492</u>	<u>(93,408,900)</u>	<u>-</u>	<u>(93,408,900)</u>
Business-type activities:							
Stormwater	<u>2,961,894</u>	<u>4,934,886</u>	<u>-</u>	<u>476,175</u>	<u>-</u>	<u>2,449,167</u>	<u>2,449,167</u>
Total business activities	<u>2,961,894</u>	<u>4,934,886</u>	<u>-</u>	<u>476,175</u>	<u>-</u>	<u>2,449,167</u>	<u>2,449,167</u>
Total	<u>\$ 126,718,100</u>	<u>\$ 25,088,193</u>	<u>\$ 9,906,507</u>	<u>\$ 763,667</u>	<u>(93,408,900)</u>	<u>2,449,167</u>	<u>(90,959,733)</u>
General revenues:							
Property taxes					37,057,237	-	37,057,237
Franchise fees					2,469,387	-	2,469,387
Utility taxes					11,267,300	-	11,267,300
Intergovernmental revenue (unrestricted)					18,020,881	-	18,020,881
Other Income					10,205,720	-	10,205,720
Sale of capital assets					15,772,753	-	15,772,753
Investment earnings					1,101,715	59,632	1,161,347
Transfers					496,930	(496,930)	-
Total general revenues and transfers					<u>96,391,923</u>	<u>(437,298)</u>	<u>95,954,625</u>
Change in net position					2,983,023	2,011,869	4,994,892
Net position beginning of year					<u>213,846,668</u>	<u>17,406,924</u>	<u>231,253,592</u>
Net position, end of year					<u>\$ 216,829,691</u>	<u>\$ 19,418,793</u>	<u>\$ 236,248,484</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Major Funds					Non-Major	Total
	General	Capital Projects	Transportation	Debt Service	Grants	Governmental Funds	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 10,032,767	\$ 1,340,015	\$ 4,882,007	\$ 703,675	\$ 124,892	\$ 10,646,383	\$ 27,729,739
Cash with fiscal agent	-	-	-	8,065,828	-	-	8,065,828
Investments	14,195,106	-	12,000,000	-	-	5,200,000	31,395,106
Restricted cash & investments	-	43,575,422	-	-	-	-	43,575,422
Due from other funds	7,946,700	-	-	-	-	-	7,946,700
Due from other governmental agencies	3,030,315	-	1,211,639	14,052	-	4,003	4,260,009
Accounts receivables, net	5,228,254	178,263	3,713	-	7,676,807	1,480,451	14,567,488
Prepaid	377,152	-	9,583	-	-	-	386,735
Total assets	<u>\$ 40,810,294</u>	<u>\$ 45,093,700</u>	<u>\$ 18,106,942</u>	<u>\$ 8,783,555</u>	<u>\$ 7,801,699</u>	<u>\$ 17,330,837</u>	<u>\$ 137,927,027</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 2,952,562	\$ 1,215,339	\$ 792,738	\$ 139,175	\$ 401,302	\$ 560,914	\$ 6,062,030
Retainage payable	-	1,273,168	117,810	-	-	6,215	1,397,193
Due to other funds	-	-	-	-	7,400,000	546,700	7,946,700
Due to other governments	84,826	-	-	-	-	-	84,826
Unearned revenue	145,267	215,387	-	-	397	248,469	609,520
Total Liabilities	<u>3,182,655</u>	<u>2,703,894</u>	<u>910,548</u>	<u>139,175</u>	<u>7,801,699</u>	<u>1,362,298</u>	<u>16,100,269</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	1,301,956	-	-	-	-	-	1,301,956
Fund balances:							
Non spendable							
Prepays	377,152	-	9,583	-	-	-	386,735
Restricted for:							
Housing	-	-	-	-	-	510,840	510,840
Law enforcement	-	-	-	-	-	1,742,162	1,742,162
Transportation	-	-	17,186,811	-	-	-	17,186,811
Parks & recreation	-	340,256	-	-	-	3,279,598	3,619,854
General administration	-	-	-	-	-	148,307	148,307
Public services	-	-	-	-	-	123,323	123,323
City Hall project	-	1,009,766	-	-	-	-	1,009,766
Debt service	-	-	-	146,715	-	-	146,715
General Obligation Bond project	-	41,039,784	-	-	-	-	41,039,784
Community development	-	-	-	-	-	486,637	486,637
Committed for:							
Debt service	-	-	-	8,497,665	-	-	8,497,665
Assigned:							
Disaster recovery	323,723	-	-	-	-	-	323,723
Parks maintenance	3,242,541	-	-	-	-	9,677,672	12,920,213
Subsequent year's budget	431,551	-	-	-	-	-	431,551
Unassigned	31,950,716	-	-	-	-	-	31,950,716
Total fund balances	<u>36,325,683</u>	<u>42,389,806</u>	<u>17,196,394</u>	<u>8,644,380</u>	<u>-</u>	<u>15,968,539</u>	<u>120,524,802</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 40,810,294</u>	<u>\$ 45,093,700</u>	<u>\$ 18,106,942</u>	<u>\$ 8,783,555</u>	<u>\$ 7,801,699</u>	<u>\$ 17,330,837</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	298,141,298
OPEB liabilities used in governmental activities are not reported in the governmental funds.	(6,943,812)
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	27,473,969
Deferred inflows of resources	(6,179,379)
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds:	
Bond and capital lease payable	(117,274,725)
Matured interest payable	(1,274,024)
Compensated absences	(11,482,035)
Net pension liability	(86,156,403)
Net position of governmental activities	<u>\$ 216,829,691</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Major Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service	Grants		
Revenues:							
Property taxes	\$ 32,823,228	\$ -	\$ -	\$ 4,234,009	\$ -	\$ -	\$ 37,057,237
Utility taxes	11,267,300	-	-	-	-	-	11,267,300
Intergovernmental	11,007,902	-	7,012,979	-	-	-	18,020,881
Charges for services	5,613,247	-	313,550	-	-	1,343,374	7,270,171
Licenses and permits	1,716,124	-	-	-	-	4,817,159	6,533,283
Impact fees	-	-	-	-	-	1,028,326	1,028,326
Fines and forfeitures	5,358,999	-	-	-	-	336,770	5,695,769
Franchise fees	2,469,387	-	-	-	-	-	2,469,387
Grant revenue	3,286,885	174,295	470,587	-	2,241,672	3,645,076	9,818,515
Other income	1,433,179	16,162,590	1,245	300,000	-	16,875	17,913,889
Interest	323,042	547,677	143,117	-	-	62,018	1,075,854
Total revenues	<u>75,299,293</u>	<u>16,884,562</u>	<u>7,941,478</u>	<u>4,534,009</u>	<u>2,241,672</u>	<u>11,249,598</u>	<u>118,150,612</u>
Expenditures:							
Current:							
General government	16,335,248	663,597	-	-	-	-	16,998,845
Human services	-	-	-	-	713,606	-	713,606
Public safety	41,848,218	-	-	-	-	2,474,308	44,322,526
Public works	-	-	4,264,616	-	192,713	469,300	4,926,629
Culture and recreation	6,075,109	-	-	-	212,540	-	6,287,649
Economic and physical development	-	-	-	-	69,347	1,498,810	1,568,157
Non-departmental	4,119,430	-	-	-	-	-	4,119,430
Capital outlay:							
General government	82,353	354,911	-	-	-	-	437,264
Public safety	169,359	124,250	-	-	113,383	195,020	602,012
Public works	-	-	3,631,097	-	940,083	-	4,571,180
Parks and recreation	5,994	7,238,809	-	-	-	-	7,244,803
Economic and physical development	-	-	-	-	-	1,874,050	1,874,050
Debt service:							
Principal	-	-	-	10,270,306	-	-	10,270,306
Interest and fiscal charges	-	-	-	6,600,939	-	-	6,600,939
Bond issuance costs	-	-	-	535,088	-	-	535,088
Total expenditures	<u>68,635,711</u>	<u>8,381,567</u>	<u>7,895,713</u>	<u>17,406,333</u>	<u>2,241,672</u>	<u>6,511,488</u>	<u>111,072,484</u>
Excess (deficiency) of revenues over expenditures	<u>6,663,582</u>	<u>8,502,995</u>	<u>45,765</u>	<u>(12,872,324)</u>	<u>-</u>	<u>4,738,110</u>	<u>7,078,128</u>
Other financing sources (uses):							
Transfers in	12,083,450	5,577,299	209,012	12,362,689	-	-	30,232,450
Transfers out	(6,560,693)	(21,320,112)	(817,431)	-	-	(1,037,284)	(29,735,520)
Proceeds received from refunding	-	-	-	50,405,000	-	-	50,405,000
Payment to escrow agent for refunding	-	-	-	(41,780,000)	-	-	(41,780,000)
Total other financing sources (uses)	<u>5,522,757</u>	<u>(15,742,813)</u>	<u>(608,419)</u>	<u>20,987,689</u>	<u>-</u>	<u>(1,037,284)</u>	<u>9,121,930</u>
Net change in fund balances	12,186,339	(7,239,818)	(562,654)	8,115,365	-	3,700,826	16,200,058
Fund balances, beginning	<u>24,139,344</u>	<u>49,629,624</u>	<u>17,759,048</u>	<u>529,015</u>	<u>-</u>	<u>12,267,713</u>	<u>104,324,744</u>
Fund balances, ending	<u>\$ 36,325,683</u>	<u>\$ 42,389,806</u>	<u>\$ 17,196,394</u>	<u>\$ 8,644,380</u>	<u>\$ -</u>	<u>\$ 15,968,539</u>	<u>\$ 120,524,802</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 21 \$ 16,200,058

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. 14,729,579

Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net position. (17,173,736)

In the statement of activities, only gain on the sale of assets is reported, whereas, in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from change in fund balance by cost of assets sold, less accumulated depreciation. (8,938,919)

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. (556,392)

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. 10,270,306

Interest is accrued in the statement of activities where in the governmental funds expenditures is reported when due. 634,990

Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net position. (9,930,743)

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 (141,780)

Change in long-term compensated absences (2,110,340)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 19 \$ (2,983,023)

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION PROPRIETARY FUND

SEPTEMBER 30, 2020

	<u>Stormwater Enterprise Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash and equity in pooled cash and investments	\$ 7,767,773
Accounts receivable - net	139,887
Due from other governments	78,348
Prepaid items	<u>21,561</u>
Total current assets	<u>8,007,569</u>
Non-current assets:	
Capital assets being depreciated, net	<u>17,454,111</u>
Total assets	<u>25,461,680</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Refunding loss	126,094
OPEB (see Note 10)	4,865
Pension (see Note 9)	<u>171,119</u>
Total deferred outflow of resources	<u>302,078</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	294,336
Accrued liabilities	370,000
Current portion of compensated absences	13,461
Current portion of notes payable	<u>465,774</u>
Total current liabilities	<u>1,143,571</u>
Non-current liabilities:	
Notes payable	4,354,063
Net OPEB obligations	76,188
Compensated absences	53,844
Net pension liability (see Note 10)	<u>669,342</u>
Total noncurrent liabilities	<u>5,153,437</u>
Total liabilities	<u>6,297,008</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
OPEB (see Notes 10)	30,150
Pension (see Note 9)	<u>17,807</u>
Total deferred inflow of resources	<u>47,957</u>
<u>NET POSITION</u>	
Net investment in capital assets	12,760,368
Unrestricted	<u>6,658,425</u>
Total net position	<u>\$ 19,418,793</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Stormwater</u>
Operating revenues:	
Charges for services	\$ 4,934,886
Grant revenue	<u>476,175</u>
Total operating revenues	<u>5,411,061</u>
Operating expenses:	
Administrative costs	1,013,067
Operations and maintenance	1,006,587
Depreciation	<u>745,887</u>
Total operating expenses	<u>2,765,541</u>
Operating income	<u>2,645,520</u>
Non-operating revenues (expenses):	
Interest income	59,632
Interest expense	<u>(196,353)</u>
Total non-operating revenues (expenses)	<u>(136,721)</u>
Income before contributions & transfers	2,508,799
Transfer out	<u>(496,930)</u>
Change in net position	2,011,869
Net position, beginning	<u>17,406,924</u>
Net position, ending	<u>\$ 19,418,793</u>

See notes to basic financial statements.

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds <u>Stormwater</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers, governments, and other funds	\$ 5,287,536
Cash paid to suppliers	(1,389,791)
Cash paid to employees	(666,107)
Net cash provided by operating activities	<u>3,231,638</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers to other funds	(496,930)
Net cash used in noncapital financing activities	<u>(496,930)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(1,620,459)
Proceeds from assumption of long-term debt	14,010
Principal retirements of capital debt	(450,136)
Interest paid on capital debt	(196,353)
Net cash used in capital and related financing activities	<u>(2,252,938)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and other income	59,632
Net cash provided by investing activities	<u>59,632</u>
NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS	541,402
POOLED CASH AND CASH EQUIVALENTS, beginning	<u>7,226,371</u>
POOLED CASH AND CASH EQUIVALENTS, ending	<u>\$ 7,767,773</u>
POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	
Unrestricted	<u>\$ 7,767,773</u>
TOTAL, SEPTEMBER 30	<u>\$ 7,767,773</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 2,645,520
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	745,887
Decrease in accounts receivable	(147,615)
Increase in prepaid items	21,562
Increase in accounts payable	(159,459)
Decrease in OPEB liabilities	10,356
Increase in pension liabilities	102,169
Increase in compensated absences	7,870
Increase in accrued liabilities	5,348
Total adjustments	<u>586,118</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,231,638</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, 2020

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, 2020.

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, 2020

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, 2020

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, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. New Pronouncements – Adopted and Unadopted

The GASB issued Statement No 87, Leases in June 2017. The objective of this Statement is 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. In May 2020, the GASB issued Statement No 95 that postponed the implementation of GASB 87 by 18 months.

The GASB issued Statement No 89, Accounting for Interest Cost Incurred before the End of a Construction Period, in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. In May 2020, the GASB issued Statement No 95 that postponed the implementation of GASB 89 by one year.

The GASB issued Statement No 91, Conduit Debt Obligations in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. In May 2020, the GASB issued Statement No. 95 that postponed the implementation of GASB 91 by one year.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. New Pronouncements – Adopted and Unadopted (continued)

The GASB issued Statement No. 92, *Omnibus 2020* in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

This statement covers a variety of topics and includes specific provisions about the following:

- o The effective date of Statement 87 *Leases* and Implementation Guide 2019-3, *Leases for interim financial reports and is effective upon issuance*.
- o Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan and is effective for fiscal years beginning after June 15, 2020.
- o The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits and is effective for fiscal years beginning after June 15, 2020.
- o The applicability of certain requirements of Statement No 84, fiduciary activities, to post employment and is effective for reporting periods beginning after June 15, 2020.
- o Measurement of liabilities (and assets, if any) associated with AROs in a government acquisition and is effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.
- o Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- o Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- o Terminology used to refer to derivative instruments.

In May 2020, the GASB issued Statement No. 95 that postponed the implementation of GASB 92 by one year.

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, 2020

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 \$6.00 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.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Prepaid Items

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

4. Capital Assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. No such costs were capitalized during fiscal year 2020.

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2020. The General Fund and Enterprise Fund has been used to liquidate the liability for compensated absences.

6. Deferred Outflows/Inflows

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

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

7. Unearned Revenues

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

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 the 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.

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, 2020 the General Fund reports a positive unassigned fund balance. It represents 39.93% of the General Fund Budget.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2020, the City complied, in all material respects, with these 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, 2020

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 \$58,457,293 are recorded at amortized cost.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

As of September 30, 2020, 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*	\$ 58,457,293			60 days
Money Market**	7,905,050			
Tax Certificates**	5,620			
Certificate of Deposit**	<u>13,602,563</u>			
Total deposits and investments	<u>\$ 79,970,526</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, 2020, \$43,575,422 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 \$74,970,526 at September 30, 2020, related to the Governmental Funds and \$5,000,000 related to the Stormwater Fund.

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

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.

Investment Type	Rating	Percentage of Investment	Amount
State Board of Administration*	AAAm	73.10%	\$ 58,457,293
Tax Certificates	Not Rated	0.01%	\$ 5,620
Money Market	Not Rated	9.88%	\$ 7,905,050
Certificate of Deposit	Not Rated	17.01%	\$ 13,602,563

*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, 2020.

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, 2020, for the City's governmental funds, including the allowance for uncollectible accounts are as follows:

Ad valorem, utility & franchise fees	\$ 1,909,522
Intergovernmental	2,106,973
Grants	226,125
Other receivables	<u>14,584,877</u>
Net Receivable	<u>\$ 18,827,497</u>
Stormwater accounts receivables	\$ 174,727
Less: allowance for uncollectibles	(34,841)
Intergovernmental	78,348
Grants	<u>-</u>
Net Receivable	<u>\$ 218,234</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 4. CAPITAL ASSETS

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

	<u>Balance</u> <u>October 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2020</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 31,464,806	\$ -	\$ (8,938,919)	\$ 22,525,887
Art in Public Places	232,472	-	-	232,472
Construction in progress	<u>35,472,430</u>	<u>10,493,946</u>	<u>-</u>	<u>45,966,376</u>
Total capital assets not being depreciated	<u>67,169,708</u>	<u>10,493,946</u>	<u>(8,938,919)</u>	<u>68,724,735</u>
Capital assets being depreciated:				
Building	79,465,426	363,381	-	79,828,807
Infrastructure	365,621,212	3,121,034	-	368,742,246
Improvements other than buildings	8,763,725	124,119	-	8,887,844
Machinery and equipment	24,040,507	198,212	(814,285)	23,424,434
Other fixed assets	<u>2,507,950</u>	<u>434,176</u>	<u>-</u>	<u>2,942,126</u>
Total capital assets being depreciated	<u>480,398,820</u>	<u>4,240,922</u>	<u>(814,285)</u>	<u>483,825,457</u>
Less accumulated depreciation for:				
Building	(17,470,003)	(2,717,544)	-	(20,187,547)
Infrastructure	(195,254,966)	(12,722,326)	-	(207,977,292)
Improvements other than buildings	(2,696,886)	(461,618)	-	(3,158,504)
Machinery and equipment	(20,552,784)	(1,052,994)	808,996	(20,796,782)
Other assets	<u>(2,069,515)</u>	<u>(219,254)</u>	<u>-</u>	<u>(2,288,769)</u>
Total accumulated depreciation	<u>(238,044,154)</u>	<u>(17,173,736)</u>	<u>808,996</u>	<u>(254,408,894)</u>
Total capital assets being depreciated, net	<u>242,354,666</u>	<u>(12,932,814)</u>	<u>(5,289)</u>	<u>229,416,563</u>
Governmental activities capital assets, net	<u>\$ 309,524,374</u>	<u>\$ (2,438,868)</u>	<u>\$ (8,944,208)</u>	<u>\$ 298,141,298</u>
Business-type activities				
Capital assets not being depreciated:				
Construction in progress	<u>\$ 691,532</u>	<u>\$ 833,880</u>	<u>\$ -</u>	<u>\$ 1,525,412</u>
Total capital assets not being depreciated	<u>691,532</u>	<u>833,880</u>	<u>-</u>	<u>1,525,412</u>
Capital assets being depreciated:				
Infrastructure	21,289,986	386,070	-	21,676,056
Machinery and equipment	<u>2,126,414</u>	<u>376,418</u>	<u>-</u>	<u>2,502,832</u>
Total capital assets being depreciated	<u>23,416,400</u>	<u>762,488</u>	<u>-</u>	<u>24,178,888</u>
Less accumulated depreciation for:				
Infrastructure	(6,401,254)	(462,787)	-	(6,864,041)
Machinery and equipment	<u>(1,103,048)</u>	<u>(283,100)</u>	<u>-</u>	<u>(1,386,148)</u>
Total accumulated depreciation	<u>(7,504,302)</u>	<u>(745,887)</u>	<u>-</u>	<u>(8,250,189)</u>
Total capital assets being depreciated, net	<u>15,912,098</u>	<u>16,601</u>	<u>-</u>	<u>15,928,699</u>
Business activities capital assets, net	<u>\$ 16,603,630</u>	<u>\$ 850,481</u>	<u>\$ -</u>	<u>\$ 17,454,111</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 4. CAPITAL ASSETS (Continued)

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

Governmental Activities

General government	\$ 2,020,145
Public safety	1,180,994
Public works	12,784,864
Recreation & social services	<u>1,187,733</u>
Total depreciation expense - governmental activities	<u>\$ 17,173,736</u>

Business-type Activities

Stormwater	<u>\$ 745,887</u>
Total depreciation expense - business-type activities	<u>\$ 745,887</u>

Construction Commitments

The City of Miami Gardens has active construction projects as of September 30, 2020. The projects include final completion of the Bunche Park, Norwood Park/Pool, Betty T. Ferguson, Buccaneer Park and various capital improvements at the parks. Senior Center and North Dade Optimist are projected to be completed in fiscal year 2021. The amount remaining on these incomplete projects as of September 30, 2020 totaled \$12,661,854.

NOTE 5. ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2020 are as follows:

Major Funds:

General Fund	\$ 431,551
Transportation Fund	1,979,172
Capital Projects Fund	<u>12,661,854</u>
Total Major Funds	15,072,577
Non-Major Governmental Funds	<u>430,006</u>
Total Encumbrances	<u>\$ 15,502,583</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

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, 2020:

	<u>October 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2020</u>	<u>Due within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General Obligation Bonds:					
General Obligation Bond, Series 2014	\$ 52,665,000	\$ -	\$ 43,400,000	\$ 9,265,000	\$ 1,705,000
Taxable General Obligation Refunding Bond, Series 2020	-	50,405,000	-	50,405,000	865,000
Special Obligation and Revenue Bonds, Loans and Leases:					
NIP due to Miami-Dade County	2,972,775	-	425,750	2,547,025	442,650
Land Acquisition Revenue Bonds, Series 2005	3,856,355	-	358,803	3,497,552	372,185
Land Acquisition Revenue Bonds, Series 2009	2,454,953	-	197,599	2,257,354	207,089
Taxable Land Acquisition Revenue Bond, Series 2009B	5,180,440	-	5,180,440	-	-
Certificates of Participation Series 2010 A-1 & A-2	46,660,000	-	1,380,000	45,280,000	1,430,000
Capital Improvement Revenue Bonds, Series 2016	1,925,299	-	257,715	1,667,584	263,286
Less: bond discounts	(545,236)	25,861	-	(519,375)	(25,861)
Add: bond premiums	4,885,411	-	4,885,411	-	-
Less: Deferred charge-refunding	-	(3,180,417)	-	(3,180,417)	(167,390)
Notes from Direct Borrowing and Direct Placements:					
Taxable Refunding Revenue Bond Series 2019 (Refunding \$14.4 MM)	<u>6,905,000</u>	<u>-</u>	<u>850,000</u>	<u>6,055,000</u>	<u>855,000</u>
Total bonds and notes payable	<u>126,959,997</u>	<u>47,250,444</u>	<u>56,935,718</u>	<u>117,274,723</u>	<u>5,946,959</u>
Other liabilities:					
Net pension liability	70,704,196	15,452,208	-	86,156,404	-
Net OPEB liabilities	5,735,795	1,208,017	-	6,943,812	-
Compensated absences	<u>9,371,695</u>	<u>2,110,340</u>	<u>-</u>	<u>11,482,035</u>	<u>1,722,305</u>
Total other liabilities	<u>85,811,686</u>	<u>18,770,565</u>	<u>-</u>	<u>104,582,251</u>	<u>1,722,305</u>
Governmental activity long-term liabilities	<u>\$ 212,771,683</u>	<u>\$ 66,021,009</u>	<u>\$ 56,935,718</u>	<u>\$ 221,856,974</u>	<u>\$ 7,669,264</u>
Business-type Activities					
Bonds and notes payable:					
Special Obligation and Revenue Bonds, Loans and Leases:					
Miami-Dade County Stormwater Utility Bond	<u>\$ 5,269,973</u>	<u>\$ 2</u>	<u>\$ 450,138</u>	<u>\$ 4,819,837</u>	<u>\$ 465,774</u>
Total bonds and notes payable	<u>5,269,973</u>	<u>-</u>	<u>450,138</u>	<u>4,819,837</u>	<u>465,774</u>
Other liabilities:					
Compensated absences	54,087	13,218	-	67,305	13,461
Net pension liability	567,172	102,169	-	669,342	-
Net OPEB liabilities	<u>65,832</u>	<u>10,356</u>	<u>-</u>	<u>76,188</u>	<u>-</u>
Total other liabilities	<u>687,091</u>	<u>125,743</u>	<u>-</u>	<u>812,835</u>	<u>13,461</u>
Business-type activities long-term liabilities	<u>\$ 5,957,064</u>	<u>\$ 125,743</u>	<u>\$ 450,138</u>	<u>\$ 5,632,672</u>	<u>\$ 479,235</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

Long Term Debt – Governmental Activities

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

At September 30, 2020, the annual debt service requirements are as follows:

Year Ending September 30,	Governmental Activities					
	Notes from Direct Borrowings and Direct Placements		Special Obligation, Revenue Bonds, Loans, and Leases		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 855,000	\$ 190,430	\$ 5,285,210	\$ 4,943,802	\$ 6,140,210	\$ 5,134,232
2022	880,000	162,411	5,333,128	4,855,986	6,213,128	5,018,397
2023	905,000	133,497	5,547,479	4,604,760	6,452,479	4,738,257
2024	940,000	103,767	5,768,762	4,341,284	6,708,762	4,445,051
2025	970,000	72,898	5,696,893	4,068,227	6,666,893	4,141,125
2026-2030	1,505,000	49,359	28,263,221	16,694,487	29,768,221	16,743,846
2031-2035	-	-	28,890,000	11,215,170	28,890,000	11,215,170
2036-2040	-	-	30,135,000	4,361,704	30,135,000	4,361,704
Total	<u>\$ 6,055,000</u>	<u>\$ 712,362</u>	<u>\$114,919,693</u>	<u>\$ 55,085,420</u>	<u>\$ 120,974,693</u>	<u>\$ 55,797,782</u>

Year Ending September 30,	Stormwater					
	Notes from Direct Borrowings and Direct Placements		Special Obligation, Revenue Bonds, Loans, and Leases		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ -	\$ 465,774	\$ 166,763	\$ 465,774	\$ 166,763
2022	-	-	481,684	150,647	481,684	150,647
2023	-	-	498,469	133,981	498,469	133,981
2024	-	-	515,603	116,733	515,603	116,733
2025	-	-	533,437	98,894	533,437	98,894
2026-2029	-	-	2,324,870	204,506	2,324,870	204,506
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,819,837</u>	<u>\$ 871,524</u>	<u>\$ 4,819,837</u>	<u>\$ 871,524</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

Public Service Tax Revenue Bonds, Series 1999 and Series 2002

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Governmental Activities Special Obligation Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 442,650	\$ 105,177	\$ 547,827
2022	461,175	87,250	548,425
2023	480,025	68,582	548,607
2024	499,850	49,140	548,990
2025	209,950	33,166	243,116
2026-2027	<u>453,375</u>	<u>34,288</u>	<u>487,663</u>
	<u>\$ 2,547,025</u>	<u>\$ 377,603</u>	<u>\$ 2,924,628</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.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

The Promissory Note agreement also includes the following additional information:

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Governmental Activities Special Obligation Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 372,185	\$ 123,518	\$ 495,703
2022	386,067	109,376	495,443
2023	400,468	94,707	495,175
2024	415,405	79,490	494,895
2025	430,900	63,707	494,607
2026	1,492,529	27,835	1,520,364
	<u>\$ 3,497,554</u>	<u>\$ 498,633</u>	<u>\$ 3,996,187</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

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

The Promissory Note agreement also includes the following additional information:

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

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Governmental Activities Special Obligation Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 207,089	\$ 101,709	\$ 308,798
2022	216,909	91,889	308,798
2023	227,195	81,603	308,798
2024	237,776	71,022	308,798
2025	249,244	59,554	308,798
2026-2029	<u>1,119,319</u>	<u>114,343</u>	<u>1,233,662</u>
	<u>\$ 2,257,532</u>	<u>\$ 520,120</u>	<u>\$ 2,777,652</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

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

The Promissory Note agreement also includes the following additional information:

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Governmental Activities		
	Special Obligation		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,430,000	\$ 3,185,980	\$ 4,615,980
2022	1,495,000	3,083,448	4,578,448
2023	1,565,000	2,976,257	4,541,257
2024	1,635,000	2,864,046	4,499,046
2025	1,715,000	2,746,817	4,461,817
2026-2030	9,825,000	11,792,801	21,617,801
2031-2035	12,280,000	8,023,050	20,303,050
2036-2040	<u>15,335,000</u>	<u>3,315,550</u>	<u>18,650,550</u>
	<u>\$ 45,280,000</u>	<u>\$ 37,987,949</u>	<u>\$ 83,267,949</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

Series 2014 General Obligation Bond

On July 16, 2014, the City issued \$60 million General Obligation Bonds that was approved by the voters in April 2014 for improvements including expansion to parks and recreation facilities and to purchase and install crime prevention equipment. The original 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. In August 2020, the City issued Taxable General Obligation Refunding Bond, Series 2020, refunding \$41.8 million of the Series 2014 General Obligation Bond, leaving \$9,265,000 with a new maturity date of September 2025.

The Promissory Note agreement also includes the following additional information:

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

Debt service requirements are as follows:

Governmental Activities General Obligation Bond			
<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,705,000	\$ 429,150	\$ 2,134,150
2022	1,755,000	378,000	2,133,000
2023	1,840,000	290,250	2,130,250
2024	1,935,000	198,250	2,133,250
2025	<u>2,030,000</u>	<u>101,500</u>	<u>2,131,500</u>
	<u>\$ 9,265,000</u>	<u>\$ 1,397,150</u>	<u>\$ 10,662,150</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

Taxable General Obligation Refunding Bond, Series 2020

On August 11, 2020, the City issued \$50 million General Obligation Taxable Refunding Bonds that was approved by the City Council to partially refund the Series 2014 General Obligation Bond. The maturity date of the bond is July 2039 just like the original issue. The True Interest Costs is 2.39%. General obligation bonds are direct obligations and pledge by full faith and credit. In each year that the debt is outstanding, an ad valorem tax is levied equal to principal and interest due.

The Promissory Note agreement also includes the following additional information:

- An “Event of Default” shall be deemed to have occurred if - the City fails to make any payment of principal or interest when the same become due and payable; default in the performance of any part of the agreement; any petition to declare bankruptcy.
- An “Event of Default” will immediately result in the bank declaring all obligations of the City to be immediately due and payable without further action of any kind. The bank may also seek enforcement of, and exercise all, remedies available under any applicable law.

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Governmental Activities General Obligation Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 865,000	\$ 963,823	\$ 1,828,823
2022	750,000	1,077,268	1,827,268
2023	760,000	1,070,421	1,830,421
2024	765,000	1,062,334	1,827,334
2025	775,000	1,052,550	1,827,550
2026-2030	15,080,000	4,720,486	19,800,486
2031-2035	16,610,000	3,192,120	19,802,120
2036-2039	<u>14,800,000</u>	<u>1,046,154</u>	<u>15,846,154</u>
	<u>\$ 50,405,000</u>	<u>\$ 14,185,156</u>	<u>\$ 64,590,156</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

Series 2016 Capital Improvement Revenue Bond

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

The Promissory Note agreement also includes the following additional information:

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	<u>Governmental Activities Special Obligation Bond</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 263,287	\$ 34,445	\$ 297,732
2022	268,977	28,755	297,732
2023	274,791	22,941	297,732
2024	280,731	17,001	297,732
2025	286,799	10,933	297,732
2026	<u>292,998</u>	<u>4,734</u>	<u>297,732</u>
	<u>\$ 1,667,583</u>	<u>\$ 118,809</u>	<u>\$ 1,786,392</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

Series 2019 Taxable Refunding Revenue Bond

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

The Promissory Note agreement also includes the following additional information:

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Governmental Activities Special Obligation Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 855,000	\$ 190,430	\$ 1,045,430
2022	880,000	162,411	1,042,411
2023	905,000	133,497	1,038,497
2024	940,000	103,767	1,043,767
2025	970,000	72,898	1,042,898
2026-2027	<u>1,505,000</u>	<u>49,359</u>	<u>1,554,359</u>
	<u>\$ 6,055,000</u>	<u>\$ 712,362</u>	<u>\$ 6,767,362</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 6. LONG-TERM LIABILITIES (Continued)

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

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

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

Debt service requirements are as follows:

<u>Fiscal year ending September 30,</u>	Business-type Activities Special Obligation Bond		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 465,774	\$ 166,763	\$ 632,537
2022	481,684	150,647	632,331
2023	498,469	133,981	632,450
2024	515,603	116,733	632,336
2025	533,437	98,894	632,331
2026-2029	<u>2,324,870</u>	<u>204,506</u>	<u>2,529,376</u>
	<u>\$ 4,819,837</u>	<u>\$ 871,524</u>	<u>\$ 5,691,361</u>

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

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

Receivable and payables for the fiscal year ended September 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grant Fund	\$ 7,400,000
General Fund	Community Development Block Grant	510,000
General Fund	Law Enforcement Training Trust	5,400
General Fund	Special Taxing District Fund	<u>31,300</u>
		<u>\$ 7,946,700</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 7. INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund activity for the fiscal year ended September 30, 2020 is as follows:

	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund	\$ 12,083,450	\$ 6,560,693
Transportation Fund	209,012	817,431
Development Services Fund	-	1,037,284
Impact Fee	-	-
Debt Service Fund	12,362,689	-
Capital Projects Fund	5,577,299	21,320,112
Special Revenue Fund - Impact Fees	-	-
Stormwater Fund	-	496,930
	<u>\$ 30,232,450</u>	<u>\$ 30,232,450</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. In FY 2020, proceeds from the sale of the 35 acres were transferred to debt service to pay off the debt balance and the remainder was transferred to the general fund.

NOTE 8. PROPERTY TAXES

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

In November 1992, a Florida constitutional amendment was approved by the voters, which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Council and the Miami-Dade County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2020 was 6.9363 mills (\$6.9363 per \$1,000 of taxable assessed valuation) which has remained unchanged over the past 6 years.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS

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

The plan administrator for FRS prepares and publishes its own stand-alone Annual Comprehensive 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).

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%.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

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

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.

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. 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 2019-2020 are as follows:

<u>Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>	<u>Total Contribution Rate</u>
Regular	3.00%	8.47%	11.47%
Senior Management	3.00%	25.41%	28.41%
Special Risk	3.00%	25.48%	28.48%
DROP	N/A	14.60%	14.60%

*From contribution rates effective July 1, 2019.

*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, 2020, contributions, including employee contributions, to the Pension Plan for the City totaled \$7,138,189.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2020, the City reported a liability of \$73,170,751 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on its share of the City's 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members.

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. The 6.80 percent return assumption used in the June 30, 2020 calculations were determined by Plan's consulting actuary to be reasonable and appropriate per Actuarial Standards of Practice.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

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

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$15,250,659. 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	\$ 2,800,394	\$ -
Change of Assumptions	13,246,234	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,356,657	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	2,085,063	(1,408,790)
Pension Plan Contributions Subsequent to the Measurement Date	<u>1,528,920</u>	<u>-</u>
Total	<u>\$ 24,017,268</u>	<u>\$ (1,408,790)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$1,528,920 for the City, resulting from contributions made after the measurement date of the net pension but before the end of the City's report period September 30, 2020 will be recognized as a reduction of the net pension or collective net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Deferred Outflows</u>
2021	\$ 4,173,453
2022	6,456,841
2023	5,474,548
2024	4,392,195
2025	664,970
Thereafter	<u>(82,449)</u>
Total	<u>\$ 21,079,558</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

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

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

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on PUB-2010 base table varies by member category and sex, projected generationally with scale MP-2018.

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

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	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			

Assumed Inflation – Mean	2.4%	1.7%
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*As outlined in the FRS Pension Plan's investment policy.

Discount Rate – The discount rate used to measure the total pension liability was 6.80%. 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, 2020

NOTE 9. 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 6.80%, 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 (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportional Share of the Net Pension Liability	\$116,841,393	\$73,170,751	\$36,696,841

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2020, the City outstanding payables to the Pension Plan for contributions required for the fiscal year ended September 30, 2020 totaled \$256,452.

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, 2020, 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, 2020, the HIS contribution rate for the period October 1, 2019 through September 30, 2020, was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the fiscal year ending September 30, 2020, contributions to the HIS Plan for the City totaled \$817,395.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2020, the City reported a liability of \$13,654,995 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on its share of the City's 2019-2020 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$1,126,148. 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	\$ 558,572	\$ (10,534)
Change of Assumptions	1,468,301	(793,985)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,902	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	849,651	(357,867)
Pension Plan Contributions Subsequent to the Measurement Date	<u>172,936</u>	<u>-</u>
Total	<u>\$ 3,060,362</u>	<u>\$ (1,162,386)</u>

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

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

The deferred outflows of resources related to the HIS Plan, totaling \$172,936 for the City, resulting from contributions made after the measurement date of the net pension liability but before the end of the City's report period September 30, 2020 will be recognized as a reduction of the net pension liability or collective net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Deferred Outflows/(Inflows) Net</u>
2021	\$ 356,314
2022	268,180
2023	84,184
2024	175,647
2025	433,750
Thereafter	<u>406,965</u>
Total	<u>\$ 1,725,040</u>

Actuarial Assumptions – Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2019 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2020.

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, 2020 was determined using the following actuarial assumptions:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	2.21%, net of pension plan investment expense, including inflation

The mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions that determine the total pension liability as of June 30, 2020 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. 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, 2020 was 2.21%. 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 municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%,

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 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Proportional Share of the Net Pension Liability	\$15,784,566	\$13,654,995	\$11,911,950

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 Annual Comprehensive 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	\$ 73,170,751	\$ 13,654,995	\$ 86,825,746
Pension Expense	15,250,659	1,126,148	16,376,807
Deferred Outflows of Resources	24,017,268	3,060,361	27,077,629
Deferred Inflows of Resources	(1,408,790)	(1,162,384)	(2,571,174)

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 Annual Comprehensive Financial Report.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

C. Investment Plan (continued)

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 2019-20 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.

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 \$1,126,148 for the fiscal year ended September 30, 2020.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 9. RETIREMENT PLANS (Continued)

C. Investment Plan (continued)

At September 30, 2020, the City has no outstanding contributions to the Investment Plan required for the fiscal year.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

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

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

Benefits Provided

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

Funding Policy

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

Plan Membership

At September 30, 2020, the date of the latest actuarial valuation, plan participation consisted of the following:

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The City's total net OPEB liability of \$7,020,000 was measured as of September 30, 2019, and was determined by an actuarial valuation as of September 30, 2020.

Actuarial Assumptions and Other Inputs

Valuation Date:	January 31, 2020
Measurement Date:	September 30, 2019
Roll-forward Disclosure	The Total OPEB Liability was rolled-forward from the valuation date to the measurement date using standard actuarial techniques.

Methods and Assumptions Used to Determine Total OPEB Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.4%
Discount Rate	2.75%
Salary Increases	2.4% per annum
Retirement Age	Retirement rate assumptions are based on the Florida Retirement System, retirement rates based on those used in the July 1, 2014 actuarial valuation of Florida Retirement System.

Mortality	Healthy <i>Special Risk, male:</i> RP 2000 10% white collar, 90% blue collar; fully generational with Scale BB. <i>Special Risk, female:</i> RP 2000 100% white collar; fully generational with Scale BB.
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Retirees Share of Benefit - Related Costs	Premium contributions are required from retirees.
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Medical Trend	Based on the Society of Actuaries Long Term Medical Trend Model, with 1.5% GDP; 1.3% Extra Trend due to Technology and other factors .25% Health Share of GDP Resistance Point and year 2075 for Limiting Cost Growth to GDP. The pre 65 medical trend was increased to reflect the impact of Cadillac Tax. For this purpose, the Affordable Care Act (ACA) threshold of \$10,200 was assumed to grow like general inflation at 2.4 percent per annum.
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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.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (continued)

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 2.75% as of September 30, 2020.

Changes in the OPEB liability for the fiscal year ended September 30, 2020, were as follow:

Balance at September 30, 2019	<u>\$ 5,801,628</u>
<i>Changes for the year</i>	
Service cost	\$ 437,114
Interest	220,609
Changes in assumptions	<u>643,864</u>
Total change in OPEB liability for 9/30/20	1,301,587
Estimated employer contributions/ benefits payments	<u>(83,215)</u>
Net changes	<u>1,218,372</u>
Total OPEB Liability - September 30, 2020	<u><u>\$ 7,020,000</u></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 2.75%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Discount Rate	1% Decrease 1.75%	Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	\$ 7,632,433	\$ 7,020,000	\$ 6,423,942
Net OPEB Liability	\$ 7,632,433	\$ 7,020,000	\$ 6,423,942

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, 2020.

Ultimate Trend	1% Decrease 3.10%	Medical Trend 4.10%	1% Increase 5.10%
Total OPEB Liability	\$ 6,113,257	\$ 7,020,000	\$ 8,126,815
Net OPEB Liability	\$ 6,113,257	\$ 7,020,000	\$ 8,126,815

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$226,210. At September 30, 2020, 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	\$ -	\$ 2,901,868
Changes of assumptions	572,324	582,438
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	-	-
Total	<u>\$ 572,324</u>	<u>\$ 3,484,306</u>

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>	<u>Deferred Outflow/ (Inflows), Net</u>
2021	\$ (431,513)
2022	(431,513)
2023	(431,513)
2024	(431,513)
2025	(431,513)
Thereafter	(754,417)

NOTE 11. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES

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

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

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

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

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

Risk Management

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

Litigation

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

Compliance Audits

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

NOTE 12. COVID - 19 PANDEMIC

On March 9, 2020, the Governor of Florida, Ron DeSantis issued Executive Order Number 20-52, declaring a state of emergency for the entire state due to the outbreak of the Novel Coronavirus (COVID-19), soon thereafter identified as a global pandemic.

As the State of Florida struggled with the devastating impact of the COVID-19 pandemic, the City moved expeditiously to ensure continued uninterrupted essential services to residents in order to ensure the safety and well-being of employees and the public.

As a result of the Administrative Order, the City restricted in-person services and moved towards providing a virtual environment to facilitate employees and continue to serve residents.

CITY OF MIAMI GARDENS, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 12. COVID - 19 PANDEMIC (Continued)

To date some services have fully reopened to residents while the City continues to evaluate other services.

The pandemic has reduced state and local revenues. The outbreak of COVID-19 continues to be monitored at local, state, national, and worldwide levels.

NOTE 13. SUBSEQUENT EVENT

Management has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended September 30, 2020 through April 7, 2021, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.



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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
Revenues:				
Property taxes	\$ 33,405,118	\$ 33,405,118	\$ 32,823,228	\$ (581,890)
Utility taxes	11,077,733	11,077,733	11,267,300	189,567
Intergovernmental	12,483,501	12,483,501	11,007,902	(1,475,599)
Charges for services	7,728,147	7,258,147	5,613,247	(1,644,900)
Licenses and permits	2,230,500	2,635,500	1,716,124	(919,376)
Fines and forfeitures	5,284,000	5,284,000	5,358,999	74,999
Franchise fees	3,250,000	3,250,000	2,469,387	(780,613)
Grants and donations	540,248	646,392	3,286,885	2,640,493
Other income	2,448,150	2,530,641	1,433,179	(1,097,462)
Interest	<u>300,000</u>	<u>300,000</u>	<u>323,042</u>	<u>23,042</u>
Total revenues	<u>78,747,397</u>	<u>78,871,032</u>	<u>75,299,293</u>	<u>(3,571,739)</u>
Expenditures:				
Current:				
General government:				
Legislative	1,578,672	1,578,672	1,442,360	136,312
City Manager	1,587,934	1,600,564	1,502,518	98,046
Public Affairs	5,156,815	5,236,217	3,130,374	2,105,843
City Clerk	609,847	609,847	585,970	23,877
Finance	1,245,458	1,245,458	1,112,118	133,340
Human Resources	1,143,871	1,165,792	1,160,719	5,073
Purchasing	508,220	486,299	453,543	32,756
City Attorney	817,663	817,663	677,615	140,048
Planning & Zoning	773,115	793,115	754,272	38,843
Information Technology	2,735,943	2,735,943	2,476,781	259,162
Non-departmental	3,789,158	14,517,235	4,119,430	10,397,805
Fleet	2,862,216	2,397,051	2,176,696	220,355
City Hall facilities	783,527	865,816	862,282	3,534
Public safety:				
Police	40,337,988	40,595,813	40,314,060	281,753
Code enforcement	1,649,512	1,649,512	1,534,158	115,354
Culture and recreation	8,621,369	8,535,705	6,075,109	2,460,596
Capital outlay				
General government	205,831	221,197	82,353	138,844
Public safety	275,678	175,678	169,359	6,319
Parks and recreation	<u>10,000</u>	<u>16,000</u>	<u>5,994</u>	<u>10,006</u>
Total expenditures	<u>74,692,817</u>	<u>85,243,577</u>	<u>68,635,711</u>	<u>16,607,866</u>
Excess(deficiency) of revenues over expenditures	<u>4,054,580</u>	<u>(6,372,545)</u>	<u>6,663,582</u>	<u>13,036,127</u>
Other financing sources (uses):				
Transfers in	1,751,703	12,083,450	12,083,450	-
Transfers out	<u>(6,556,283)</u>	<u>(6,560,693)</u>	<u>(6,560,693)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,804,580)</u>	<u>5,522,757</u>	<u>5,522,757</u>	<u>-</u>
Net change in fund balances	<u>\$ (750,000)</u>	<u>\$ (849,788)</u>	<u>\$ 12,186,339</u>	<u>\$ 13,036,127</u>

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE TRANSPORTATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 7,293,025	\$ 7,261,667	\$ 7,012,979	\$ (248,688)
Charges for services	127,000	127,000	313,550	186,550
Grant revenue	-	31,358	470,587	439,229
Other income	42,700	42,700	1,245	(41,455)
Interest income	40,000	40,000	143,117	103,117
Total revenues	<u>7,502,725</u>	<u>7,502,725</u>	<u>7,941,478</u>	<u>438,753</u>
Expenditures:				
Public works:				
Administration	642,889	642,309	648,054	(5,745)
Keep Miami Gardens Beautiful	191,382	219,995	207,944	12,051
Streets	2,071,193	2,138,408	1,897,444	240,964
CITT	247,101	247,101	234,283	12,818
CITT - Transit	1,436,201	1,610,851	1,276,891	333,960
Capital outlay	<u>4,933,723</u>	<u>10,026,323</u>	<u>3,631,097</u>	<u>6,395,226</u>
Total expenditures	<u>9,522,489</u>	<u>14,884,987</u>	<u>7,895,713</u>	<u>6,989,274</u>
Excess (deficiency) of revenues over expenditures	<u>(2,019,764)</u>	<u>(7,382,262)</u>	<u>45,765</u>	<u>7,428,027</u>
Other financing sources (uses):				
Transfers in	209,012	209,012	209,012	-
Transfers out	<u>(817,766)</u>	<u>(817,431)</u>	<u>(817,431)</u>	<u>-</u>
Total other financing sources (uses)	<u>(608,754)</u>	<u>(608,419)</u>	<u>(608,419)</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,628,518)</u>	<u>\$ (7,990,681)</u>	<u>\$ (562,654)</u>	<u>\$ 7,428,027</u>

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020 no supplemental appropriation was required for Council approval.
- (f) The City manager is authorized to make revisions to the adopted budget when new debt is issued, or grants received that were not included in the originally adopted budget.
- (g) Formal budgetary integration is employed as a management control device for the general fund.
- (h) The budgets for the general fund, debt service fund and transportation fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (i) Unencumbered appropriations lapse at fiscal year-end. Unencumbered amounts are re-appropriated in the following year's budget.



CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u> **	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Miami Gardens' proportion of the net pension liability (asset)	0.1688%	0.1709%	0.1572%	0.1623%	0.1698%	0.1640%	0.1695%
City of Miami Gardens' proportionate share of the net pension liability (asset)	\$ 73,170,751	\$ 58,871,224	\$ 47,345,265	\$ 48,013,365	\$ 42,874,705	\$ 21,180,496	\$ 10,341,056
City of Miami Gardens' covered payroll	\$ 38,899,785	\$ 37,213,517	\$ 33,000,456 [†]	\$ 33,379,228 [†]	\$ 32,306,357 [†]	\$ 32,628,587 [†]	\$ 33,543,247 [†]
City of Miami Gardens' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	188.10%	158.20%	141.57%	148.26%	132.89%	65.54%	31.03%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

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

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

[†] Covered payroll adjusted to reflect the period of June 30th

CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,138,189	\$ 6,734,870	\$ 5,817,934	\$ 5,431,024	\$ 5,253,880	\$ 5,096,818	\$ 4,626,412
Contributions in relation to the contractually required contribution	<u>(7,138,189)</u>	<u>(6,734,870)</u>	<u>(5,817,934)</u>	<u>(5,431,024)</u>	<u>(5,253,880)</u>	<u>(5,096,818)</u>	<u>(4,626,412)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Miami Gardens' covered payroll	\$ 39,383,771	\$ 37,669,300	\$ 33,443,863	\$ 32,373,547	\$ 32,263,403	\$ 32,315,181	\$ 33,328,131
Contributions as a percentage of covered payroll	18.12%	17.88%	17.40%	16.78%	16.28%	15.77%	13.88%

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

CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Miami Garden's proportion of the HIS net pension liability (asset)	0.1118%	0.1108%	0.1007%	0.1009%	0.1045%	0.1087%	0.1134%
City of Miami Garden's proportionate share of the net HIS pension liability (asset)	\$ 13,654,996	\$ 12,400,144	\$ 10,663,122	\$ 10,788,375	\$ 12,184,848	\$ 11,080,866	\$ 10,603,683
City of Miami Gardens' covered payroll	\$ 38,899,785	\$ 37,213,517	\$ 33,000,456 †	\$ 33,379,228 †	\$ 32,306,357 †	\$ 32,625,587 †	\$ 33,543,247 †
City of Miami Gardens' proportionate share of the HIS net pension liability (asset) as a percentage of its covered- payroll	35.10%	33.32%	32.31%	32.32%	37.72%	33.96%	31.61%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* Schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of June 30^l and presents only those years for which information is available.

† Covered payroll adjusted to reflect the period of June 30^h.

CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required HIS contribution	\$ 817,395	\$ 779,420	\$ 700,368	\$ 679,018	\$ 677,068	\$ 556,562	\$ 484,176
HIS contributions in relation to the contractually required contribution	<u>(817,395)</u>	<u>(779,420)</u>	<u>(700,368)</u>	<u>(679,018)</u>	<u>(677,068)</u>	<u>(556,562)</u>	<u>(484,176)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Miami Gardens' covered-payroll	\$ 39,383,771	\$ 37,669,300	\$ 33,443,863	\$ 32,373,547	\$ 32,263,403	\$ 32,315,181	\$ 33,328,131
HIS contributions as a percentage of covered- payroll	2.08%	2.07%	2.09%	2.10%	2.10%	1.72%	1.45%

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

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

CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost:	\$ 437,114	\$ 645,798	\$ 659,445
Interest	220,609	316,404	268,218
Changes in assumptions	643,864	(462,900)	(333,608)
Differences between expected & actual experience	-	(3,730,972)	-
Benefit payments	<u>(83,215)</u>	<u>(143,806)</u>	<u>(138,274)</u>
Net change in total OPEB liability	1,218,372	(3,375,476)	455,781
Total OPEB Liability - Beginning	<u>5,801,628</u>	<u>9,177,104</u>	<u>8,721,323</u>
Total OPEB Liability - Ending	<u><u>\$ 7,020,000</u></u>	<u><u>\$ 5,801,628</u></u>	<u><u>\$ 9,177,104</u></u>
 Covered payroll	 \$ 39,383,771	 \$ 37,669,300	 \$ 33,443,863
 Total OPEB Liability as a % of covered payroll	 18%	 15%	 27%

Notes to schedule:

Changes of assumption - discount rate was changed as follows:

09/30/18 3.83%

09/30/19 2.75%

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

CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS *

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contributions - Employer	\$ 83,215	\$ 143,806	\$ 138,274
Net investment income	-	-	-
Benefit payments – net of retiree contributions	(83,215)	(143,806)	(138,274)
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB Liability	\$ 7,020,000	\$ 5,801,628	\$ 9,177,103
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 39,383,771	\$ 37,669,300	\$ 33,443,863
Total OPEB Liability as a % of covered payroll	0%	0%	0%

Notes to schedule:

Changes of assumption - discount rate was changed as follows:

09/30/18 3.83%

09/30/19 2.75%

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

CITY OF MIAMI GARDENS, FLORIDA

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

LAST 10 YEARS*

GENERAL

	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of the Net OPEB Liability	24.94%	24.94%	24.76%
City's Proportionate Share of the Net OPEB Liability	\$ 1,750,788	\$ 1,446,689	\$ 2,272,251
City's Covered Payroll	\$ 39,383,771	\$ 37,699,300	\$ 33,443,863
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	4%	7%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%	0%

SPECIAL RISK

	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of the Net OPEB Liability	74.21%	74.21%	74.21%
City's Proportionate Share of the Net OPEB Liability	\$ 5,209,542	\$ 4,305,388	\$ 6,810,328
City's Covered Payroll	\$ 39,383,771	\$ 37,699,300	\$ 33,443,863
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	13%	11%	20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%	0%

STORMWATER

	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of the Net OPEB Liability	0.85%	0.85%	1.03%
City's Proportionate Share of the Net OPEB Liability	\$ 59,670	\$ 49,314	\$ 94,524
City's Covered Payroll	\$ 39,383,771	\$ 37,669,300	\$ 33,443,863
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.15%	0.13%	0.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%	0% [†]

[†] Plan is unfunded as such there are no Plan assets.

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



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.

Grants Fund

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



CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
Revenues:				
Grant revenue	\$ -	\$ 2,850,280	\$ 174,295	\$ (2,675,985)
Other income	978,563	16,659,041	16,162,590	(496,451)
Interest	<u>-</u>	<u>-</u>	<u>547,677</u>	<u>547,677</u>
Total revenues	<u>978,563</u>	<u>19,509,321</u>	<u>16,884,562</u>	<u>(2,624,759)</u>
Expenditures:				
Administration	800,588	1,173,944	663,597	510,347
Capital outlay	<u>-</u>	<u>50,933,310</u>	<u>7,717,970</u>	<u>43,215,340</u>
Total expenditures	<u>800,588</u>	<u>52,107,254</u>	<u>8,381,567</u>	<u>43,725,687</u>
Excess of revenues over expenditures	<u>177,975</u>	<u>(32,597,933)</u>	<u>8,502,995</u>	<u>41,100,928</u>
Other financing sources (uses):				
Transfers in	5,572,554	5,577,299	5,577,299	-
Transfers out	<u>(6,009,490)</u>	<u>(21,320,112)</u>	<u>(21,320,112)</u>	<u>-</u>
Total other financing sources (uses)	<u>(436,936)</u>	<u>(15,742,813)</u>	<u>(15,742,813)</u>	<u>-</u>
Net change in fund balances	<u>\$ (258,961)</u>	<u>\$ (48,340,746)</u>	<u>\$ (7,239,818)</u>	<u>\$ 41,100,928</u>

CITY OF MIAMI GARDENS, FLORIDA

MAJOR GOVERNMENTAL FUND BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 4,219,183	\$ 4,219,183	\$ 4,234,009	\$ 14,826
Miscellaneous revenues	-	300,000	300,000	-
Interest	-	-	-	-
Total revenues	<u>4,219,183</u>	<u>4,519,183</u>	<u>4,534,009</u>	<u>14,826</u>
Expenditures:				
Principal	5,089,690	10,270,130	10,270,306	(176)
Professional service	-	-	535,088	(535,088)
Interests	<u>6,513,307</u>	<u>6,611,742</u>	<u>6,600,939</u>	<u>10,803</u>
Total expenditures	<u>11,602,997</u>	<u>16,881,872</u>	<u>17,406,333</u>	<u>(524,461)</u>
Excess of revenues over expenditures	<u>(7,383,814)</u>	<u>(12,362,689)</u>	<u>(12,872,324)</u>	<u>(509,635)</u>
Other financing sources (uses):				
Payment to escrow agent for refunding	-	-	(41,780,000)	(41,780,000)
Proceeds received from refunding	-	-	50,405,000	50,405,000
Transfers in	<u>7,383,814</u>	<u>12,362,689</u>	<u>12,362,689</u>	<u>-</u>
Total other financing sources (uses)	<u>7,383,814</u>	<u>12,362,689</u>	<u>20,987,689</u>	<u>8,625,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,115,365</u>	<u>\$ 8,115,365</u>

CITY OF MIAMI GARDENS, FLORIDA

MAJOR GOVERNMENTAL FUND BUDGETARY COMPARISON SCHEDULE GRANTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
Revenues:				
Byrne Grant	\$ -	\$ -	\$ 186	\$ 186
FDOT- Stadium Pedestrian Bridge/Tunnels	-	2,911,604	1,132,796	(1,778,808)
FDOT - Roadway Assessment Study Grant	-	61,301	69,347	8,046
Children Trust	538,305	538,305	212,540	(325,765)
Urban Area Security Initiative (UASI)	-	113,197	113,197	-
Health Community Partnership	-	-	118,764	118,764
Health Procurement Ordinance Grant	-	-	2,000	2,000
CDC - Reach Rise Project	<u>692,588</u>	<u>840,919</u>	<u>592,842</u>	<u>(248,077)</u>
Total revenues	<u>1,230,893</u>	<u>4,465,326</u>	<u>2,241,672</u>	<u>(2,223,654)</u>
Expenditures:				
Economic and physical development	-	61,301	69,347	(8,046)
Public Works	-	212,216	192,713	19,503
Human Services	692,588	840,919	713,606	127,313
Recreation/culture	538,305	538,305	212,540	325,765
Capital outlay	<u>-</u>	<u>2,812,585</u>	<u>1,053,466</u>	<u>1,759,119</u>
Total expenditures	<u>1,230,893</u>	<u>4,465,326</u>	<u>2,241,672</u>	<u>2,223,654</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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.

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

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

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

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



CITY OF MIAMI GARDENS, FLORIDA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Brick Paver</u>	<u>Impact Fees</u>	<u>Special Taxing Districts</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>								
Cash	\$ 562,561	\$ 13,275	\$ 6,920,429	\$ 487,800	\$ 933	\$ 2,492,458	\$ 168,927	\$ 10,646,383
Investments	-	-	3,000,000	-	-	2,200,000	-	5,200,000
Accounts receivables, net	153,588	1,308,660	5,420	12,783	-	-	-	1,480,451
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	926	3,077	4,003
Total assets	<u>\$ 716,149</u>	<u>\$ 1,321,935</u>	<u>\$ 9,925,849</u>	<u>\$ 500,583</u>	<u>\$ 933</u>	<u>\$ 4,693,384</u>	<u>\$ 172,004</u>	<u>\$ 17,330,837</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts payable and accrued expenses	\$ 47,776	\$ 228,147	\$ 249,110	\$ 18,500	\$ -	\$ -	\$ 17,381	\$ 560,914
Due to other funds	-	510,000	-	-	-	5,400	31,300	546,700
Due to other governments	-	-	-	-	-	-	-	-
Retainage payable	3,945	2,270	-	-	-	-	-	6,215
Unearned revenue/escrow	<u>153,588</u>	<u>94,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,469</u>
Total liabilities	<u>205,309</u>	<u>835,298</u>	<u>249,110</u>	<u>18,500</u>	<u>-</u>	<u>5,400</u>	<u>48,681</u>	<u>1,362,298</u>
Fund balances:								
Restricted for:								
Housing	510,840	-	-	-	-	-	-	510,840
Law enforcement	-	-	-	482,083	-	1,260,079	-	1,742,162
Parks & recreation	-	-	-	-	-	3,279,598	-	3,279,598
Public services	-	-	-	-	-	-	123,323	123,323
General administration	-	-	-	-	-	148,307	-	148,307
Community development	-	486,637	-	-	-	-	-	486,637
Assigned	<u>-</u>	<u>-</u>	<u>9,676,739</u>	<u>-</u>	<u>933</u>	<u>-</u>	<u>-</u>	<u>9,677,672</u>
Total fund balances	<u>510,840</u>	<u>486,637</u>	<u>9,676,739</u>	<u>482,083</u>	<u>933</u>	<u>4,687,984</u>	<u>123,323</u>	<u>15,968,539</u>
Total liabilities and fund balances	<u>\$ 716,149</u>	<u>\$ 1,321,935</u>	<u>\$ 9,925,849</u>	<u>\$ 500,583</u>	<u>\$ 933</u>	<u>\$ 4,693,384</u>	<u>\$ 172,004</u>	<u>\$ 17,330,837</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, 2020

	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Brick Paver</u>	<u>Impact Fees</u>	<u>Special Taxing Districts</u>	<u>Non-Major Governmental Funds</u>
Revenues:								
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,028,326	\$ -	\$ 1,028,326
Forfeiture funds	-	-	-	327,313	-	9,457	-	336,770
Licenses & permits	-	-	4,817,159	-	-	-	-	4,817,159
Charges for services	-	-	839,450	-	-	-	503,924	1,343,374
Grant revenue	307,500	3,337,576	-	-	-	-	-	3,645,076
Other income	5,633	11,242	-	-	-	-	-	16,875
Interest	-	-	35,779	-	-	26,239	-	62,018
Total revenues	<u>313,133</u>	<u>3,348,818</u>	<u>5,692,388</u>	<u>327,313</u>	<u>-</u>	<u>1,064,022</u>	<u>503,924</u>	<u>11,249,598</u>
Expenditures:								
Economic and physical development	250,452	1,248,358	-	-	-	-	-	1,498,810
Public safety	-	-	2,473,623	685	-	-	-	2,474,308
Public services	-	-	-	-	-	-	469,300	469,300
Capital outlay:								
Public safety	-	-	195,020	-	-	-	-	195,020
Economic and physical development	-	1,874,050	-	-	-	-	-	1,874,050
Total expenditures	<u>250,452</u>	<u>3,122,408</u>	<u>2,668,643</u>	<u>685</u>	<u>-</u>	<u>-</u>	<u>469,300</u>	<u>6,511,488</u>
Excess (deficiency) of revenues over expenditures	<u>62,681</u>	<u>226,410</u>	<u>3,023,745</u>	<u>326,628</u>	<u>-</u>	<u>1,064,022</u>	<u>34,624</u>	<u>4,738,110</u>
Other financing sources (uses):								
Transfers out	-	-	(1,037,284)	-	-	-	-	(1,037,284)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,037,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,037,284)</u>
Net change in fund balances	62,681	226,410	1,986,461	326,628	-	1,064,022	34,624	3,700,826
Fund balances, beginning	<u>448,159</u>	<u>260,227</u>	<u>7,690,278</u>	<u>155,455</u>	<u>933</u>	<u>3,623,962</u>	<u>88,699</u>	<u>12,267,713</u>
Fund balance, ending	<u>\$ 510,840</u>	<u>\$ 486,637</u>	<u>\$ 9,676,739</u>	<u>\$ 482,083</u>	<u>\$ 933</u>	<u>\$ 4,687,984</u>	<u>\$ 123,323</u>	<u>\$ 15,968,539</u>

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<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	\$ 1,097,670	\$ 3,112,886	\$ 3,337,576	\$ 224,690
Other income	<u>-</u>	<u>-</u>	<u>11,242</u>	<u>11,242</u>
Total revenues	<u>1,097,670</u>	<u>3,112,886</u>	<u>3,348,818</u>	<u>235,932</u>
Expenditures:				
Operating	966,473	1,238,565	1,248,358	(9,793)
Capital outlay	<u>131,197</u>	<u>1,874,321</u>	<u>1,874,050</u>	<u>271</u>
Total expenditures	<u>1,097,670</u>	<u>3,112,886</u>	<u>3,122,408</u>	<u>(9,522)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>226,410</u>	<u>226,410</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,410</u>	<u>\$ 226,410</u>

CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE DEVELOPMENT SERVICES FUND NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
Revenues:				
Licenses & permits	\$ 2,553,899	\$ 2,553,899	\$ 4,817,158	\$ 2,263,259
Charges for services	339,414	340,614	839,450	498,836
Other income	<u>12,578</u>	<u>11,378</u>	<u>35,779</u>	<u>24,401</u>
Total revenues	<u>2,905,891</u>	<u>2,905,891</u>	<u>5,692,387</u>	<u>2,786,496</u>
Expenditures:				
Development services:				
Building services	2,211,116	2,333,516	2,473,623	(140,107)
Capital outlay	<u>317,448</u>	<u>195,048</u>	<u>195,020</u>	<u>28</u>
Total expenditures	<u>2,528,564</u>	<u>2,528,564</u>	<u>2,668,643</u>	<u>(140,079)</u>
Excess of revenues over expenditures	<u>377,327</u>	<u>377,327</u>	<u>3,023,744</u>	<u>2,646,417</u>
Other financing sources (uses):				
Transfers out	<u>(1,037,284)</u>	<u>(1,037,284)</u>	<u>(1,037,284)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,037,284)</u>	<u>(1,037,284)</u>	<u>(1,037,284)</u>	<u>-</u>
Net change in fund balances	<u>\$ (659,957)</u>	<u>\$ (659,957)</u>	<u>\$ 1,986,460</u>	<u>\$ 2,646,417</u>

CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE IMPACT FEES NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Original</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
Revenues:				
Impact fees	\$ -	\$ -	\$ 1,037,783	\$ 1,037,783
Interest	-	-	26,239	26,239
Total revenues	-	-	1,064,022	1,064,022
Expenditures:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	1,064,022	1,064,022
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 1,064,022	\$ 1,064,022

CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE SPECIAL TAXING DISTRICT NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Original</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
Revenues:				
Special assessment -charges for public service	\$ 522,353	\$ 522,353	\$ 503,924	\$ (18,429)
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>522,353</u>	<u>522,353</u>	<u>503,924</u>	<u>(18,429)</u>
Expenditures:				
Electricity	522,353	522,353	460,194	62,159
Financial & administrative services	<u>-</u>	<u>-</u>	<u>9,106</u>	<u>(9,106)</u>
Total expenditures	<u>522,353</u>	<u>522,353</u>	<u>469,300</u>	<u>53,053</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>34,624</u>	<u>34,624</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,624</u>	<u>\$ 34,624</u>

STATISTICAL SECTION

CITY OF MIAMI GARDENS, FLORIDA

STATISTICAL SECTION

This part of the City of Miami Garden's Annual Comprehensive 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	88-92
<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.....	93-96
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	97-101
<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	102-103
<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	104-106
<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 Annual Comprehensive 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Invested in capital assets	\$ 227,616,716	\$ 265,675,780	\$ 261,783,392	\$ 255,314,939	\$ 250,167,614	\$ 237,824,806	\$ 225,805,423	\$ 224,300,737	\$ 231,676,291	\$ 222,916,123
Restricted	49,292,687	6,111,104	6,121,430	6,796,767	9,757,585	12,535,914	15,398,419	18,814,666	22,548,555	32,462,314
Unrestricted	<u>(4,159,133)</u>	<u>4,845,868</u>	<u>2,179,405</u>	<u>(2,432,679)</u>	<u>(39,687,115)</u>	<u>(34,858,744)</u>	<u>(34,554,179)</u>	<u>(36,351,017)</u>	<u>(40,378,178)</u>	<u>(38,548,746)</u>
Total governmental activities net position	<u>\$ 272,750,270</u>	<u>\$ 276,632,752</u>	<u>\$ 270,084,227</u>	<u>\$ 259,679,027</u>	<u>\$ 220,238,084</u>	<u>\$ 215,501,976</u>	<u>\$ 206,649,663</u>	<u>\$ 206,764,386</u>	<u>\$ 213,846,668</u>	<u>\$ 216,829,691</u>
Business-type activities										
Invested in capital assets	\$ 8,158,392	\$ 9,140,724	\$ 9,132,867	\$ 9,702,322	\$ 9,346,633	\$ 9,720,254	\$ 9,755,595	\$ 9,965,166	\$ 11,473,761	\$ 12,760,368
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>1,250,982</u>	<u>1,225,840</u>	<u>1,422,103</u>	<u>1,708,955</u>	<u>2,362,274</u>	<u>2,691,155</u>	<u>3,494,631</u>	<u>5,569,255</u>	<u>5,933,163</u>	<u>6,658,425</u>
Total business-type activities net position	<u>\$ 9,409,374</u>	<u>\$ 10,366,564</u>	<u>\$ 10,554,970</u>	<u>\$ 11,411,277</u>	<u>\$ 11,708,907</u>	<u>\$ 12,411,409</u>	<u>\$ 13,250,226</u>	<u>\$ 15,534,421</u>	<u>\$ 17,406,924</u>	<u>\$ 19,418,793</u>
Primary government										
Invested in capital assets	\$ 235,775,108	\$ 274,816,504	\$ 270,916,259	\$ 265,017,261	\$ 259,514,247	\$ 247,545,060	\$ 235,561,018	\$ 234,265,903	\$ 243,150,052	\$ 235,676,491
Restricted	49,292,687	6,111,104	6,121,430	6,796,767	9,757,585	12,535,914	15,398,419	18,814,666	22,548,555	32,462,314
Unrestricted	<u>(2,908,151)</u>	<u>6,071,708</u>	<u>3,601,508</u>	<u>(723,724)</u>	<u>(37,324,841)</u>	<u>(32,167,589)</u>	<u>(31,059,548)</u>	<u>(30,781,762)</u>	<u>(34,445,015)</u>	<u>(31,890,321)</u>
Total primary government net position	<u>\$ 282,159,644</u>	<u>\$ 286,999,316</u>	<u>\$ 280,639,197</u>	<u>\$ 271,090,304</u>	<u>\$ 231,946,991</u>	<u>\$ 227,913,385</u>	<u>\$ 219,899,889</u>	<u>\$ 222,298,807</u>	<u>\$ 231,253,592</u>	<u>\$ 236,248,484</u>

CITY OF MIAMI GARDENS, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental activities:										
General government	\$ 19,540,594	\$ 16,076,550	\$ 16,525,346	\$ 20,174,685	\$ 17,423,449	\$ 24,890,226	\$ 22,342,383	\$ 22,811,697	\$ 25,470,459	\$ 35,809,577
Public safety	36,652,536	34,564,704	37,298,100	37,768,451	37,250,605	37,327,259	40,627,044	41,203,580	51,502,510	53,753,151
Public works	14,461,666	14,477,703	15,161,302	15,564,664	16,511,565	16,246,746	16,225,866	16,656,467	18,494,408	18,011,618
Parks and recreation	7,576,867	6,964,532	6,801,697	7,065,966	6,514,054	6,864,744	6,786,784	6,149,189	7,727,705	7,936,930
Economic environment	5,009,478	5,038,712	2,341,655	1,725,248	1,546,074	1,460,882	1,133,556	843,430	1,221,889	1,568,157
Human Services	-	-	-	28,555	176,605	396,981	136,161	148,373	699,832	713,606
Interest on long-term debt	5,835,054	5,674,415	5,543,197	6,013,090	7,603,784	7,460,875	7,435,209	6,940,156	6,685,444	5,963,167
Total governmental activities:	89,076,195	82,796,616	83,671,297	88,340,659	87,026,136	94,647,713	94,687,003	94,752,892	111,802,247	123,756,206
Business-type activities:										
Stormwater	2,875,119	3,122,946	2,894,787	2,559,364	2,437,432	2,389,114	2,305,965	2,533,311	2,878,155	2,961,894
Total business-type activities	2,875,119	3,122,946	2,894,787	2,559,364	2,437,432	2,389,114	2,305,965	2,533,311	2,878,155	2,961,894
Total primary government expenses	91,951,314	85,919,562	86,566,084	90,900,023	89,463,568	97,036,827	96,992,968	97,286,203	114,680,402	126,718,100
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	6,441,291	7,618,723	8,370,005	8,678,486	9,614,573	7,286,561	8,384,564	12,167,217	11,611,956	9,202,668
Public safety	4,647,205	5,143,350	5,963,644	5,680,283	6,813,911	9,016,281	9,009,862	8,019,450	10,019,622	9,230,487
Public works	58,163	60,829	89,437	83,287	110,435	203,383	239,869	547,857	1,152,121	817,474
Parks & Recreation	1,084,193	1,217,539	1,158,323	1,000,675	1,121,882	1,202,311	656,725	628,293	1,222,047	902,678
Operating grants and contributions	6,668,214	7,047,517	3,159,475	3,296,282	2,896,185	2,639,895	2,923,990	2,158,862	18,792,772	9,906,507
Capital grants and contributions	5,269,558	2,780,862	3,478,683	1,983,665	236,335	1,500,167	223,711	182,134	113,200	287,492
Total governmental activities program revenues	24,168,624	23,868,820	22,219,567	20,722,678	20,793,321	21,848,598	21,438,721	23,703,813	42,911,718	30,347,306
Business-type activities:										
Charges for services:										
Stormwater	3,408,106	3,714,835	3,498,210	3,804,604	3,464,069	3,395,975	3,474,179	5,094,141	4,886,154	4,934,886
Capital grants and contributions	147,301	701,670	-	38,650	34,000	129,887	87,640	-	214,632	476,175
Total business-type activities program revenues	3,555,407	4,416,505	3,498,210	3,843,254	3,498,069	3,525,862	3,561,819	5,094,141	5,100,786	5,411,061
Total primary government revenues	27,724,031	28,285,325	25,717,777	24,565,932	24,291,390	25,374,460	25,000,540	28,797,954	48,012,504	35,758,367
Net (expense)/revenue										
Governmental activities	(64,907,571)	(58,927,796)	(61,451,730)	(67,617,981)	(66,232,815)	(72,799,115)	(73,248,282)	(71,049,079)	(68,890,529)	(93,408,900)
Business-type activities	680,288	1,293,559	603,423	1,283,890	1,060,637	1,136,748	1,255,854	2,560,830	2,222,631	2,449,167
Total primary government net expenses	(64,227,283)	(57,634,237)	(60,848,307)	(66,334,091)	(65,172,178)	(71,662,367)	(71,992,428)	(68,488,249)	(66,667,898)	(90,959,733)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	19,616,970	21,340,234	19,653,871	21,757,058	26,268,558	27,332,192	29,299,174	32,504,999	34,759,128	37,057,237
Utility taxes	11,135,661	10,467,536	10,525,589	10,411,425	11,361,010	10,395,944	10,489,627	10,750,222	10,830,781	11,267,300
Franchise fees on gross receipts	3,987,008	4,504,778	4,239,521	3,477,303	3,398,916	3,537,910	3,076,242	3,801,953	3,682,186	2,469,387
Intergovernmental (unrestricted)	12,706,449	23,346,113	17,360,797	17,762,556	18,811,366	19,202,180	19,819,628	20,364,978	20,471,779	18,020,881
Investment income (unrestricted)	49,541	118,307	84,489	225,284	464,725	272,071	521,128	657,553	1,040,949	554,597
Investment income (restricted)	178,208	-	-	25,287	358,452	285,002	540,853	851,259	1,095,953	547,118
Miscellaneous	2,303,934	2,852,207	3,426,225	3,122,865	3,179,810	6,593,687	3,267,134	3,599,172	3,609,580	25,978,473
Loss on sale of capital assets	-	-	-	-	-	-	(3,072,575)	-	-	-
Transfers	309,061	381,101	422,553	431,004	435,314	444,022	454,759	468,403	482,455	496,930
Total governmental activities	50,286,832	63,010,276	55,713,045	57,212,782	64,278,151	68,063,008	64,395,970	72,998,539	75,972,811	96,391,923
Business-type activities:										
Investment income	6,261	3,226	3,401	3,421	5,469	9,776	37,722	91,798	131,721	59,632
Miscellaneous	11,970	41,506	4,135	-	-	-	-	105,799	606	-
Transfers	(309,061)	(381,101)	(422,553)	(431,004)	(435,314)	(444,022)	(454,759)	(468,403)	(482,455)	(496,930)
Total business-type activities	(290,830)	(336,369)	(415,017)	(427,583)	(429,845)	(434,246)	(417,037)	(270,806)	(350,128)	(437,298)
Total primary government	49,996,002	62,673,907	55,298,028	56,785,199	63,848,306	67,628,762	63,978,933	72,727,733	75,622,683	95,954,625
Change in Net Position										
Governmental activities	(14,620,739)	4,082,480	(5,738,685)	(10,405,200)	(1,954,665)	(4,736,108)	(8,852,313)	1,949,460	7,082,282	2,983,023
Business-type activities	389,458	957,190	188,406	856,307	630,792	702,502	838,817	2,290,024	1,872,503	2,011,869
Total primary government	<u>\$(14,231,281)</u>	<u>\$ 5,039,670</u>	<u>\$(5,550,279)</u>	<u>\$(9,548,893)</u>	<u>\$(1,323,873)</u>	<u>\$(4,033,606)</u>	<u>\$(8,013,496)</u>	<u>\$ 4,239,484</u>	<u>\$ 8,954,785</u>	<u>\$ 4,994,892</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>
2011	\$ 19,617	\$ 2,224	\$ 3,255	\$ 16	\$ 6,735	\$ 11,136	\$ 3,987	\$ 46,970
2012	19,979	2,142	3,442	14	6,955	10,468	4,505	47,505
2013	17,943	2,101	3,487	21	7,338	10,526	4,240	45,656
2014	21,063	2,133	3,554	25	7,657	10,411	3,525	48,368
2015	21,655	2,219	3,657	22	8,031	11,362	3,399	50,345
2016	22,854	2,199	3,625	19	8,298	10,395	3,538	50,928
2017	24,222	2,283	3,787	25	8,425	10,490	3,076	52,308
2018	27,090	2,253	3,776	23	8,837	10,750	3,802	56,531
2019	29,376	2,301	3,769	21	8,993	10,831	3,595	58,886
2020	31,489	2,003	3,612	21	7,750	11,268	2,469	58,612

CITY OF MIAMI GARDENS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General fund										
Non-spendable:										
Prepays	\$ 335,722	\$ 653,356	\$ 545,371	\$ 308,471	\$ 246,671	\$ 254,560	\$ 331,478	\$ 310,132	\$ 446,652	\$ 377,152
Committed to:										
Capital outlay	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Subsequent year's budget	28,572	946,437	-	2,455	363,621	35,257	4,469,702	196,994	750,000	431,551
Parks maintenance	-	-	-	-	500,000	750,000	1,000,000	1,000,000	1,000,000	3,242,541
Disaster recovery	-	-	-	-	-	-	323,723	323,723	323,723	323,723
Unassigned	4,964,690	11,224,091	11,240,358	10,241,094	11,945,942	13,154,884	14,794,245	19,787,782	21,618,969	31,950,716
Total general fund	<u>\$ 5,328,984</u>	<u>\$ 12,823,884</u>	<u>\$ 11,785,729</u>	<u>\$ 10,552,020</u>	<u>\$ 13,056,234</u>	<u>\$ 14,194,701</u>	<u>\$ 20,919,148</u>	<u>\$ 21,618,631</u>	<u>\$ 24,139,344</u>	<u>\$ 36,325,683</u>
All other governmental funds										
Non-spendable:										
Prepays	\$ -	\$ -	\$ 450	\$ 390	\$ -	\$ -	\$ 9,583	\$ 8,750	\$ 9,583	\$ 9,583
Restricted for:										
Housing	51,527	1,808	121,916	108,908	119,059	4,850	265,013	528,045	448,159	510,840
Law enforcement	360,954	341,762	141,200	152,182	266,608	363,973	305,413	586,257	1,025,821	1,742,162
Transportation	7,183	3,711,984	4,604,466	5,298,838	7,335,122	9,984,147	12,743,690	15,512,834	17,749,465	17,186,811
Parks & recreation	1,362,409	1,341,994	1,205,129	1,126,872	1,395,418	1,851,897	1,904,120	1,964,974	2,765,743	3,619,854
General Administration	-	-	-	-	-	-	-	-	102,669	148,307
Public Services	-	-	-	-	-	-	-	-	88,699	123,323
City Hall project	46,852,312	39,489,995	10,933,917	11,935	32,035	1,911,609	1,908,947	1,803,687	1,430,491	1,009,766
Debt service	-	-	-	-	155,082	73,926	8,885	8,885	107,772	146,715
General Obligation Bond projects	-	-	-	66,122,224	65,718,426	63,814,163	59,433,257	53,097,265	47,681,432	41,039,784
Capital projects	-	-	-	-	-	-	-	-	-	-
Community Development Block Grant	658,302	526,027	48,719	109,967	486,296	257,121	171,298	213,669	260,227	486,637
Development services fund	-	-	-	-	-	-	-	-	-	-
Committed to:										
Debt service	-	4,083,426	2,218,076	1,051,162	61,487	325,729	517,297	475,120	421,243	8,497,665
City Hall Project	-	-	-	1,239,467	-	-	-	-	-	-
Stormwater fund (1)	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Capital projects	3,408,613	1,064,595	1,396,696	709,740	-	-	-	-	145,169	-
Debt payment	-	-	-	-	-	3,500,000	-	-	-	-
Subsequent year's budget	-	-	-	-	-	-	-	-	257,716	-
Parks	-	-	-	-	833	933	933	933	7,691,211	9,677,672
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>\$ 52,081,041</u>	<u>\$ 50,243,463</u>	<u>\$ 20,211,086</u>	<u>\$ 75,480,232</u>	<u>\$ 73,504,224</u>	<u>\$ 82,412,608</u>	<u>\$ 78,481,373</u>	<u>\$ 78,530,233</u>	<u>\$ 80,185,400</u>	<u>\$ 84,199,119</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes and franchise fees	\$ 23,603,978	\$ 25,845,012	\$ 23,893,392	\$ 25,234,361	\$ 29,667,474	\$ 30,870,102	\$ 32,375,416	\$ 36,306,952	\$ 38,441,314	\$ 39,526,624
Charges for services	4,985,825	5,950,208	7,170,038	7,602,354	8,824,499	7,388,494	7,620,153	9,363,148	9,620,836	7,270,171
Utility taxes	11,135,661	10,467,536	10,525,589	10,411,425	11,361,010	10,395,944	10,489,627	10,750,222	10,830,781	11,267,300
Intergovernmental	12,655,535	23,346,113	17,186,317	17,721,789	18,522,102	18,868,282	19,359,532	20,022,338	20,379,746	18,020,881
Licenses and permits	3,549,846	3,926,916	3,506,129	3,595,612	3,834,908	3,645,956	4,163,151	6,801,757	7,067,560	6,533,283
Fines and forfeitures	3,413,252	3,846,554	4,752,650	4,157,295	4,612,169	6,083,000	6,327,724	5,157,762	6,527,321	5,695,769
Impact fee	281,929	307,680	152,592	87,470	386,406	586,898	179,992	333,806	1,195,610	1,028,326
Grant revenue	12,007,847	9,949,640	6,812,638	5,320,714	2,963,403	4,473,960	3,607,797	2,388,315	18,590,548	9,818,515
Interest	227,749	118,307	84,489	160,087	547,172	281,068	757,967	1,508,812	2,111,041	1,075,854
Miscellaneous	<u>2,284,773</u>	<u>3,217,257</u>	<u>3,426,225</u>	<u>3,122,865</u>	<u>3,182,629</u>	<u>6,597,875</u>	<u>3,267,134</u>	<u>3,600,837</u>	<u>3,611,459</u>	<u>17,913,889</u>
Total revenues	<u>74,146,395</u>	<u>86,975,223</u>	<u>77,510,059</u>	<u>77,413,972</u>	<u>83,901,772</u>	<u>89,191,579</u>	<u>88,148,493</u>	<u>96,233,949</u>	<u>118,376,216</u>	<u>118,150,612</u>
EXPENDITURES										
General government	11,411,053	11,145,965	12,486,845	13,517,593	14,733,506	17,032,690	16,057,625	16,642,779	18,056,832	16,998,845
Human Services	-	-	-	28,555	176,605	396,981	136,161	148,373	699,832	713,606
Public safety	34,371,296	32,530,993	34,993,256	35,945,956	35,556,280	35,631,038	35,819,337	37,080,474	42,143,433	44,322,526
Public works	2,619,674	2,589,782	3,139,109	3,082,935	3,402,650	3,657,628	3,440,243	3,917,364	5,481,879	4,926,629
Parks and recreation	6,236,622	5,565,777	5,586,301	5,879,496	5,313,861	5,621,490	5,429,777	4,845,575	6,197,961	6,287,649
Economic and physical environment	5,009,478	5,038,712	2,341,655	1,725,248	1,546,074	1,460,882	1,133,556	843,430	1,221,889	1,568,157
Non-departmental	3,591,447	3,923,874	4,102,095	4,259,919	3,620,615	3,563,202	3,509,180	3,630,786	4,086,410	4,119,430
Debt service:										
Principal retirement	5,019,979	3,889,705	4,925,259	4,431,378	5,254,807	11,796,744	9,428,384	11,929,037	12,161,038	10,270,306
Interest and fiscal charges	4,368,382	5,712,392	5,581,708	5,480,843	7,562,808	7,500,935	7,477,375	7,168,291	7,044,989	6,600,939
Bond issuance cost	865,111	-	-	459,547	-	-	-	-	49,000	535,088
Capital outlay:										
General government	2,982,676	7,288,312	33,168,928	10,010,512	4,679,551	629,244	1,122,390	570,200	720,092	437,264
Public safety	308,667	175,000	653,370	60,005	45,594	552,309	210,121	451,413	14,679,891	602,012
Public works	2,663,150	2,293,567	3,350,589	2,978,435	1,464,777	1,827,830	1,297,991	1,562,619	1,885,626	4,571,180
Economic and physical development	-	-	-	-	-	-	-	-	656,604	1,874,050
Parks and recreation	<u>3,587,815</u>	<u>1,344,923</u>	<u>2,374,029</u>	<u>2,133,182</u>	<u>451,752</u>	<u>2,283,777</u>	<u>4,975,325</u>	<u>7,163,668</u>	<u>6,502,315</u>	<u>7,244,803</u>
Total expenditures	<u>83,035,350</u>	<u>81,499,002</u>	<u>112,703,144</u>	<u>89,993,604</u>	<u>83,808,880</u>	<u>91,954,751</u>	<u>90,037,465</u>	<u>95,954,009</u>	<u>121,587,791</u>	<u>111,072,484</u>
Excess(deficiency) of revenues over expenditures	(8,888,955)	5,476,221	(35,193,085)	(12,579,632)	92,892	(2,763,172)	(1,888,972)	279,940	(3,211,575)	7,078,128
Other financing (uses) sources:										
Transfers in	11,952,349	12,029,443	14,822,384	15,479,624	13,936,975	22,336,131	19,979,850	21,511,523	15,154,678	30,232,450
Transfers out	(11,643,288)	(11,648,342)	(14,399,831)	(15,048,620)	(13,501,661)	(21,892,109)	(19,525,091)	(21,043,120)	(14,672,223)	(29,735,520)
Proceeds from capital lease	-	-	3,700,000	-	-	-	-	-	-	-
Proceeds from bond	55,000,000	-	-	60,000,000	-	12,366,000	4,227,425	-	6,905,000	8,625,000
Premiums on bond issuance	-	-	-	6,184,065	-	-	-	-	-	-
Discounts on bond issuance	<u>(775,830)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>54,533,231</u>	<u>381,101</u>	<u>4,122,553</u>	<u>66,615,069</u>	<u>435,314</u>	<u>12,810,022</u>	<u>4,682,184</u>	<u>468,403</u>	<u>7,387,455</u>	<u>9,121,930</u>
Net change in fund balances	<u>\$ 45,644,276</u>	<u>\$ 5,857,322</u>	<u>\$ (31,070,532)</u>	<u>\$ 54,035,437</u>	<u>\$ 528,206</u>	<u>\$ 10,046,850</u>	<u>\$ 2,793,212</u>	<u>\$ 748,343</u>	<u>\$ -4,175,880</u>	<u>\$ 16,200,058</u>
Debt service as a percentage of noncapital expenditures	14.0%	13.6%	14.4%	13.2%	16.6%	22.3%	20.5%	22.2%	19.8%	18.1%

CITY OF MIAMI GARDENS, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Taxable Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	Taxable Assessed Value as a Percentage of Estimated Actual Value (1)
2011	\$ 4,829,645,032	\$ 424,414,297	\$ 5,254,059,329	\$ 1,538,703,973	\$ 3,715,355,356	5.7141	\$ 3,717,102,853	99.95%
2012	4,541,068,996	430,140,872	4,971,209,868	1,504,385,885	3,466,823,983	6.5616	3,467,200,467	99.99%
2013	4,473,851,995	409,206,426	4,883,058,421	1,492,163,302	3,390,895,119	6.3620	3,381,045,528	100.29%
2014	4,389,292,826	384,000,304	4,773,404,000	1,472,932,907	3,300,471,093	6.9363	3,315,149,071	99.55%
2015	4,510,205,108	379,130,957	4,889,447,567	1,467,469,874	3,421,977,693	6.2363	3,451,480,819	99.14%
2016	4,684,612,172	392,207,255	5,076,922,932	1,487,649,804	3,589,273,128	8.1761	3,626,944,476	98.96%
2017	4,949,652,518	409,750,134	5,359,506,509	1,539,992,799	3,819,513,710	8.0934	3,822,908,533	99.91%
2018	5,437,119,005	412,243,766	5,849,461,004	1,627,169,554	4,222,291,450	7.9928	4,067,707,040	103.80%
2019	5,852,088,086	438,322,180	6,290,521,874	1,718,762,896	4,571,758,978	7.9072	4,521,533,157	101.11%
2020	6,287,354,027	437,238,843	6,724,703,922	1,779,826,215	4,944,877,707	7.8325	4,917,388,335	100.56%

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

Fiscal Year				OVERLAPPING RATES										Total Direct & Overlapping Rates
	City (2)			County			School Board			Other Authorities/Special Districts				
	City Operating	City Debt	Total City	County Operating	County Debt	Total County	School Operating	School Debt	Total School	Fire	Library	State	Children's Trust	
2011	5.7141	-	5.7141	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	2.5953	0.2840	0.6585	0.5000	23.8734
2012	6.5616	-	6.5616	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	2.4627	0.1795	0.4708	0.5000	23.2696
2013	6.3620	-	6.3620	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	2.4627	0.1725	0.4634	0.5000	22.9471
2014	6.9363	-	6.9363	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	2.4623	0.1725	0.4455	0.5000	23.6191
2015	6.9363	1.3000	8.2363	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	2.4321	0.2840	0.2610	0.5000	24.8043
2016	6.9363	1.2398	8.1761	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	2.4293	0.2840	0.2412	0.5000	24.3595
2017	6.9363	1.1571	8.0934	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	2.4282	0.2840	0.2268	0.5000	23.9213
2018	6.9363	1.0565	7.9928	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	2.4282	0.2840	0.2145	0.4673	23.4477
2019	6.9363	0.9709	7.9072	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	2.4207	0.2840	0.3256	0.4415	23.2433
2020	6.9363	0.8962	7.8325	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	2.4207	0.2840	0.3115	0.4680	23.6096

(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)

2020					2011				
<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	\$ 261,700	Sports & Entertainment	1	4.9%	SUNLIFE STADIUM	\$ 164,251	Sports & Entertainment	1	3.4%
MG EAST LLC	65,018	Sports & Entertainment	2	1.2%	CALDER RACE COURSE, INC	65,168	Sports & Entertainment	2	1.3%
CALDER RACE COURSE, INC.	58,110	Retail	3	1.1%	WALMART	38,819	Retail	3	0.8%
WALMART STORES EAST LP	50,697	Real Estate	4	1.0%	CONTINENTAL EQUITIES INC	35,705	Real Estate	4	0.7%
MDH MIAMI SSIP LLC	45,259	Real Estate	5	0.9%	CAN AM ASSOCIATES	34,282	Real Estate	5	0.7%
DORSAN DEVELOPMENT	41,496	Real Estate	6	0.8%	DORSAN DEVELOPMENT	27,042	Real Estate	6	0.6%
GARDENS AND 27 LLC	32,772	Real Estate	7	0.6%	CRYSTAL LAKES INVESTMENTS	20,567	Real Estate	7	0.4%
CEREBUS SFR HOLDINGS	31,521	Real Estate	8	0.6%	DIVINE SQUARE LW LLC	20,402	Real Estate	8	0.4%
491 UNITS MIAMI GARDENS INVESTMENTS	26,933	Real Estate	9	0.5%	BHI ELLINGTON LLC	18,967	Real Estate	9	0.4%
PARK PLAZA APARTMENT HOLDINGS LLC	<u>26,060</u>	Real Estate	10	<u>0.5%</u>	LAKES EDGE PARTNERS L.P.	<u>18,900</u>	Real Estate	10	<u>0.4%</u>
	<u>\$ 639,566</u>			<u>12.0%</u>		<u>\$ 444,103</u>			<u>9.1%</u>

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

CITY OF MIAMI GARDENS, FLORIDA

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

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>
2011	\$ 20,259	\$ 19,617	96.8%	\$ 19,617	96.8%
2012	21,510	19,979	92.9%	19,979	92.9%
2013	20,528	17,943	87.4%	17,943	87.4%
2014	22,049	21,063	95.5%	21,063	95.5%
2015	22,935	21,655	94.4%	21,655	94.4%
2016	24,453	22,854	93.5%	22,854	93.5%
2017	25,983	24,222	93.2%	24,222	93.2%
2018	29,048	27,090	93.3%	27,090	93.3%
2019	31,307	29,376	93.8%	29,376	93.8%
2020	33,786	31,489	93.2%	31,489	93.2%

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>			
2011	\$ -	\$ 96,397	\$ 7,133	\$ 365	\$ 7,827	\$ 58	\$ -	111,780	n/a	\$ 1,043.79
2012	-	93,008	6,242	-	7,542	39	-	106,831	n/a	997.05
2013	-	89,084	5,566	3,700	7,245	20	-	105,615	n/a	983.39
2014	66,122	85,388	4,877	2,979	7,302	-	-	166,668	n/a	1,540.94
2015	64,544	82,572	4,525	2,249	6,924	-	-	160,814	n/a	1,473.32
2016	62,867	85,703	4,158	1,509	6,532	-	-	160,769	n/a	1,445.79
2017	61,135	78,916	3,777	759	6,126	-	-	150,713	n/a	1,331.38
2018	59,358	69,697	3,383	-	5,705	-	-	138,143	n/a	1,215.75
2019	57,550	66,437	2,973	-	5,270	-	-	132,230	n/a	1,157.03
2020	56,490	58,239	2,547	-	4,820	-	-	122,096	n/a	1,067.62

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 102 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, 2020

(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)	\$ 935,644	1.61%	\$ 15,023
Miami-Dade County (3)	<u>2,282,020</u>	1.61%	<u>36,641</u>
Subtotal overlapping debt	3,217,664		51,664
City of Miami Gardens direct debt	<u>120,975</u>	100.0%	<u>120,975</u>
Total direct and overlapping debt	<u>\$ 3,338,639</u>		<u>\$ 172,639</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, 2020

<u>Amount of Debt Outstanding</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
Land Acquisition Revenue Bonds, Series 2005	\$ 3,497,552	\$ -
Miami Dade County Public Service Tax Revenue Bonds	2,547,025	-
Miami Dade County Stormwater Utility Bond	-	4,819,837
Land Acquisition and Improvement Revenue Bonds, Series 2007	-	-
Land Acquisition Revenue bond, Series 2009	2,257,354	-
Taxable Land Acquisition Revenue Bond, Series 2009B	-	-
Certificate of Participation Series A-1 + A-2	44,760,625	-
General Obligation Bond Series 2014	6,084,583	-
Capital Improvement Revenue Bonds, Series 2016	1,667,584	-
Taxable Refunding Revenue Bond Series 2019	6,055,000	-
General Obligation Bond Series 2020	<u>50,405,000</u>	<u>-</u>
Total outstanding debt	<u>\$ 117,274,723</u>	<u>\$ 4,819,837</u>

Legal Debt Limit

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

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

Land Acquisition Revenue Bonds, Series 2005

Land Acquisition and Improvement Revenue Bonds, Series 2007

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

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

CITY OF MIAMI GARDENS, FLORIDA

RATIOS OF GENERAL BONDED DEBT

LAST FIVE FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value</u>	<u>Per Capita</u>
2016	62,867,500	62,867,500	1.73%	565
2017	61,135,137	61,135,137	1.60%	540
2018	59,357,774	59,357,774	1.46%	522
2019	57,550,411	57,550,411	1.27%	504
2020	56,489,583	56,489,583	1.15%	494

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

CITY OF MIAMI GARDENS, FLORIDA

PLEDGED REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	<u>Net Revenues Available</u>			<u>Debt Service Requirements</u>			
	<u>Half Cent Sales Tax</u>	<u>Communications Service Tax</u>	<u>Total Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2011	\$ 6,735,084	\$ 4,426,216	\$ 11,161,300	\$ 2,520,599	\$ 1,240,515	\$ 3,761,114	2.97
2012	6,955,225	3,669,763	10,624,988	2,606,837	1,153,974	3,760,811	2.83
2013	7,337,557	3,438,720	10,776,277	2,715,833	1,060,134	3,775,967	2.85
2014	7,657,123	2,757,382	10,414,505	1,736,371	974,965	2,711,336	3.84
2015	8,030,951	3,734,526	11,765,477	1,389,374	774,275	2,163,649	5.44
2016	8,297,899	2,419,177	10,717,076	1,442,387	758,174	2,200,561	4.87
2017	8,424,917	2,239,034	10,663,951	1,336,356	816,536	2,152,892	4.95
2018	8,836,779	2,207,815	11,044,595	1,382,559	723,414	2,105,973	5.24
2019	8,992,931	2,110,164	11,103,095	8,281,970 ***	704,709	8,986,680	1.24
2020	7,750,253	2,082,686	9,832,939	3,601,679	392,284	3,993,963	2.46

Fiscal Year	<u>Electricity Utility Tax</u>	<u>Total Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2011	5,458,988	5,458,988	434,424	643,210	1,077,634	5.07
2012	5,578,789	5,578,789	455,634	622,668	1,078,302	5.17
2013	5,915,587	5,915,587	478,895	599,121	1,078,016	5.49
2014	6,444,502	6,444,502	190,456	594,042	784,497	8.21
2015	6,363,753	6,363,753	302,421	241,818	544,240	11.69
2016	6,568,238	6,568,238	6,622,555 *	207,468	6,830,024	0.96
2017	6,839,846	6,839,846	491,113	221,544	712,657	9.60
2018	7,139,948	7,139,948	6,336,115 **	193,031	6,529,146	1.09
2019	7,196,740	7,196,740	324,388	212,887	537,275	13.39
2020	7,395,375	7,395,375	3,242,877	233,726	3,476,603	2.13

Source: City of Miami Gardens Finance department.

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

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

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

CITY OF MIAMI GARDENS, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

<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>
2011	107,091	n/a	n/a	14.0
2012	107,147	n/a	n/a	12.4
2013	107,399	n/a	n/a	13.0
2014	108,160	n/a	n/a	5.5
2015	109,151	n/a	n/a	5.0
2016	111,198	n/a	n/a	4.9
2017	113,201	n/a/	n/a	4.1
2018	113,628	n/a/	n/a	6.1
2019	114,284	n/a	n/a	4.0
2020	114,363	n/a	n/a	10.2

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

CITY OF MIAMI GARDENS, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	<u>2020</u>			<u>2011</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>
HARD ROCK STADIUM	1,527	1	29.60%	1,440	2	16.83%
WALMART	923	2	17.89%	759	3	8.87%
CITY OF MIAMI GARDENS	529	3	10.25%	560	5	6.55%
UAIC	458	4	8.87%	430	6	5.03%
ST. THOMAS UNIVERSITY	326	5	6.32%	409	7	4.78%
CALDER RACE TRACK	305	6	5.91%	700	4	8.18%
US POST OFFICE	294	7	5.70%	140	13	1.64%
LEHMAN DEALERSHIPS	282	8	5.46%	355	8	4.15%
BRANDSMART USA	268	9	5.19%	270	11	3.16%
FLORIDA MEMORIAL UNIVERSITY	248	10	4.82%	278	10	3.25%
PRECISION RESPONSE CORP.	-			327	9	3.82%
MIAMI-DADE SCHOOL BOARD	-			2,697	1	31.53%
COMCAST	-		-	190	12	2.22%
	<u>5,160</u>		<u>100.00%</u>	<u>8,555</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	71.0	67.0	68.0	79.0	72.0	68.0	58.5	68.0	70.0	90.0
Public safety:										
Police	261.0	259.0	265.0	263.0	249.0	257.0	251.0	254.0	258.0	266.0
School Crossing Guard	33.0	30.5	30.5	25.5	24.5	24.5	24.5	21.5	22.0	20.0
Code enforcement	23.0	21.0	20.0	20.0	13.0	21.0	18.0	18.0	22.0	19.0
Building & Planning	22.5	22.0	20.0	20.0	26.0	16.0	20.0	20.0	26.0	24.5
Public Works	32.0	28.0	30.0	30.0	33.0	36.0	36.0	42.0	40.0	41.0
Culture and recreation	90.0	80.7	86.0	45.0	57.5	67.5	64.0	68.0	68.0	64.0
Stormwater	<u>14.0</u>	<u>14.0</u>	<u>13.0</u>	<u>10.0</u>	<u>9.0</u>	<u>9.0</u>	<u>8.0</u>	<u>7.0</u>	<u>6.0</u>	<u>5.0</u>
	<u>546.5</u>	<u>522.2</u>	<u>532.5</u>	<u>492.5</u>	<u>484.0</u>	<u>499.0</u>	<u>480.0</u>	<u>498.5</u>	<u>512.0</u>	<u>529.5</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>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police:										
Number of emergency calls for service	8,006	22,788	20,655	23,077	22,034	21,879	22,039	21,922	21,730	25,566
Number of non-emergency calls for service	106,630	115,422	102,578	94,570	47,368	89,942	86,860	97,492	92,603	90,368
Number of arrests	6,280	5,170	4,871	4,209	4,534	2,406	1,873	2,146	2,322	1,676
Number of uniformed officers	194	198	207	202	201	201	231	294	205	234
Building & Zoning:										
Number of building permits issued	5,613	5,547	4,313	5,273	4,949	5,959	6,305	7,740	9,694	7,385
Certificates of Use Permits issued	1,852	1,171	1,484	849	2,059	1,502	2,481	1,355	1,452	2,089
Occupational licenses issued	2,185	1,382	1,709	1,039	2,311	1,729	2,938	1,895	2,021	1,678
Transportation										
Sidewalks repaired (linear feet)	19,001	11,201	8,132	9,018	5,501	10,236	6,147	6,679	7,072	5,933
Roads resurfaced (miles)	1	-	7	28	50	60	11	60	65	65
Number of trees planted	1,157	98	539	12	124	236	278	619	53	282
Number of potholes repaired	123	136	132	157	92	118	113	86	119	178
Culture and recreation										
Number of sports programs	4	4	4	4	6	16	16	2	3	3

Sources: Various city departments

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

CITY OF MIAMI GARDENS, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police ⁽¹⁾ :										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	236	229	274	269	264	270	254	243	243	236
Public works										
Streets (miles-paved)	351.5	351.5	352.14	356.46	357.91	357.9	357.9	357.9	357.9	357.36
Streets (miles-unpaved)	-	-	-	-	-	-	-	-	-	-
Miles of canals	44	44	44	44	44	27	27	27	27	27
Culture and recreation										
Parks	17	17	17	19	20	20	20	18	18	18
Swimming pools	5	5	5	4	2	1	1	2	3	5
Tennis courts	14	14	14	14	14	14	14	11	10	12
Playgrounds	14	14	14	13	14	14	14	12	14	14
Basketball courts	20	20	20	21	21	21	21	17	19	19
Football/soccer fields	-	-	-	6	7	7	7	5	5	5
Baseball fields	-	-	-	6	6	6	6	5	5	5
Cricket pitches	-	-	-	3	3	3	3	3	3	3

Sources: Various city departments



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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 7, 2021.

Internal Control over Financial Reporting

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

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

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

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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
April 7, 2021



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited City of Miami Gardens, Florida's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 7, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Projects is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Miami, Florida
April 7, 2021

**CITY OF MIAMI GARDENS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

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

Federal Awards and State Financial Assistance

Internal control over major Federal programs and State projects:

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

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

Unmodified

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

___ Yes X No

Identification of Major Federal Programs and State Projects:

<u>CFDA Numbers</u>	<u>Name of Federal Programs</u>
21.019	Coronavirus Relief Fund
14.218	Community Development Block Grants
97.036	Disaster Grants -Public Assistance (Presidentially Declared Disasters)
<u>CSFA Number</u>	<u>Name of State Assistance</u>
55.039	Local Transportation Projects
40.901	State Housing Initiative Projects

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

\$750,000

Auditee qualified as a low-risk auditee?

X Yes ___ No

**CITY OF MIAMI GARDENS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

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

Section III - Financial Statement —Prior Year Findings

There were no findings during the prior year.

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

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

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

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

CITY OF MIAMI GARDENS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>CDEA</u>	<u>Contract Number/Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Passed Through to Sub-Recipients</u>
Direct Programs:				
<u>U.S. Department of Justice</u>				
COPS Hiring Program (IV)	16.710	2014-UM-WX-0037	\$ 27,118	\$ -
Edward Byrne Formula Grant Program	16.751	2017-DJ-BS-0778	186	-
<u>Total U.S. Department of Justice</u>			<u>27,304</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
CDC Reach Rise Project	93.738	18NU58DP006601	592,842	-
Indirect Programs:				
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grants	14.218	B-14-MC-12-0052	11,464	-
Community Development Block Grants	14.218	B-15-MC-12-0052	33,184	-
Community Development Block Grants	14.218	B-16-MC-12-0052	113,467	-
Community Development Block Grants	14.218	B-17-MC-12-0052	324,964	-
Community Development Block Grants	14.218	B-18-MC-12-0052	786,524	157,000
Community Development Block Grants	14.218	B-19-MC-12-0052	1,061,814	-
Community Development Block Grants	14.218	B-20-MC-12-0052	138,730	-
Community Development Block Grants	14.218	B-20-MW-12-0052	350,645	-
Community Development Block Grants /NSP	14.218	B-08-MN-12-0017	238,598	-
<u>Total U.S. Department of Housing & Urban Development</u>			<u>3,059,390</u>	<u>157,000</u>
<u>U.S. Department of Justice</u>				
Passed Through the State of Florida, Office of the Attorney General:				
Victim of Crime Act (VOCA)	16.575	VOCA-2018-CITY OF MIAMI GARDENS-00362	102,067	-
Passed Through the Florida Department of law Enforcement (FDLE):				
Stop the Pain Stop the Violence	16.609	Federal: 2018-GP-BX-0014/subgrant: 2020-PSNS-DADE-1-U5-003	96,844	-
<u>Total U.S. Department of Justice</u>			<u>198,911</u>	<u>-</u>
<u>U.S. Treasury Department</u>				
Passed Through the Miami-Dade County				
Coronavirus Relief Fund	21.019	N/A	2,120,373	-
<u>Total U.S. Treasury Department</u>			<u>2,120,373</u>	<u>-</u>
<u>U.S. Department of Homeland Security Federal Emergency Management Agency (FEMA)</u>				
Passed Through the Florida Division of Emergency Management (FDEM)				
Disaster Grants -Public Assistance (Presidentially Declared Disasters)	97.036	Z2212	704,148	-
<u>Total U.S. Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA)</u>			<u>704,148</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Urban Area Security Initiative	97.067	18-DS-X3-11-23-02-376	113,197	-
<u>Total U.S. Department of Homeland Security</u>			<u>113,197</u>	<u>-</u>
<u>Florida Department of Transportation (FDOT)</u>				
Passed Through the State of Florida, Department of Transportation				
Highway Planning and Construction	20.205	G0R36	69,347	-
<u>Total Florida Department of Transportation</u>			<u>69,347</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 6,885,512</u>	<u>\$ 157,000</u>

**CITY OF MIAMI GARDENS
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<u>State Grantor/ Pass Through Grantor Programs</u>	<u>CSFA Number</u>	<u>State Grant / Contract Number</u>	<u>Expenditures</u>	<u>Passed Through to Sub-Recipients</u>
<u>Florida Housing Finance Corporation</u>				
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	\$ 250,451	\$ 45,000
<i>Total State Housing Initiative Program</i>			<u>250,451</u>	<u>45,000</u>
<u>Florida Department Environmental Protection (DEP)</u>				
Statewide Surface Water Restoration & Wastewater Projects	37.039	Y1192	<u>50,000</u>	<u>-</u>
<i>Total State Department of Environmental Protection</i>			<u>50,000</u>	<u>-</u>
<u>Florida Department of Transportation (FDOT)</u>				
Local Transportation Projects	55.039	G0T88	<u>1,132,796</u>	<u>-</u>
<i>Total Florida Department of Transportation</i>			<u>1,132,796</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,433,247</u>	<u>\$ 45,000</u>

CITY OF MIAMI GARDENS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020. All federal awards and state projects expended from federal and state agencies are included in these Schedules.

Note 2 - Basis of Presentation

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

Note 3 - Indirect Cost Rate

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



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Miami Gardens, Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 7, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; *(if applicable)* Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; *(if applicable)* Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 7, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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
April 7, 2021



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, 2020. 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, 2019 to September 30, 2020.

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
April 7, 2021

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