

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015



City of Miami Gardens, Florida

**CITY OF MIAMI GARDENS, FLORIDA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2015

Prepared by:

THE FINANCE DEPARTMENT

# CITY OF MIAMI GARDENS, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2015

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# CITY OF MIAMI GARDENS, FLORIDA

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## **INTRODUCTORY SECTION**

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# City of Miami Gardens

May 2, 2016

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

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Miami Gardens, Florida, for the fiscal year ended September 30, 2015, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the City Charter. The financial statements included in this report conform to Generally Accepted Accounting Principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

The financial statements have been audited by Anthony Brunson, P.A. Certified Public Accountants. The independent auditor has issued an unqualified 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 and GASB 71, Accounting and Financial Reporting of Pension, 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 largest municipality behind the Cities of Miami and Hialeah. The City operates under a Mayor-Council-Manager form of government. The City Council is comprised of the Mayor and six (6) other Council Members who are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of the various advisory boards. Additionally, Council appoints the City Manager, the City Attorney and the City Clerk upon the recommendation of the Mayor. As Chief Administrative Officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the Department Directors of the City.

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

The annual budget serves as the foundation for the City's financial planning and control. All Departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Council for their review, a budget estimate of the expenditures and revenues of all the City's Departments and Divisions. Two (2) public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1<sup>st</sup> by the passage of an Ordinance. Section 4.5 of the City Charter provides the Council must adopt the budget by Ordinance. The City's budget is approved at the fund level. The City Manager may adjust the adopted budget for adjustments within a fund. The City Council must approve all other budget amendments as well as supplemental appropriations with the exception of grant revenues and debt proceeds, which can be amended by the City Manager. Budget to actual comparisons are provided in this report for the City's General Fund (page 63), Transportation Fund (page 64), Capital Projects Fund (page 70), Debt Service Fund (page 71), Impact Fee Fund (page 74), Community Development Block Grant Fund (CDBG) (page 75) and Development Service Fund (page 76).

## **Financial Information**

### **Accounting Control**

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

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

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

### **Budgetary Controls**

The budgetary control adopted by the City of Miami Gardens includes a legally adopted budget by the Council for the General Fund, Capital Projects Fund, Development Services Fund, CDBG Fund, Transportation Fund, Stormwater Fund 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 that 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 2016 increased by 4.1% over the FY 2015 preliminary taxable value. The Council adopted the same millage rate as FY 2015 at 6.9363 mills generating additional revenue of \$931,351.

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

In FY 2015, the City continued to experience substantial commercial and residential growth culminating with occupancy of its Police building completing the City of Miami Gardens Municipal Complex. Various other private development projects have had significant progress. A new 5,928 sq. ft. Racetrack Gas Station has opened on S.R. 441. In addition, a 5,482 sq. ft. retail building was completed. Pelican Cove is a new construction of 112 multi-family units behind City Hall. New construction of an 11,900 sq. ft. retail building adjacent to the Walmart Neighborhood Market. Florida Memorial University began construction of a 50,000 sq. ft. wellness center. D. R. Horton began construction of the Walden Townhomes consisting of 74 townhomes. During FY 2015, major economic development was realized as evidenced with the demolition of over 1,000 stables at the Calder Casino releasing over 60 acres to be rezoned and redeveloped for commercial uses.

The City is strategically located between the Miami and Fort Lauderdale markets and is at the crossroads of the areas 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). Now in its 10th year, the City has received over \$12.3 million in Community Development Block Grant (CDBG) funds. The sole purpose of the CDBG Program is to create decent housing, a suitable living environment, and economic opportunities for the City's low-income residents, neighborhoods, and businesses. To date, 211 homes have been rehabilitated, 27 first-time homeowners received down payment assistance, 3 neighborhood drainage and 5 park improvement projects have been completed, 16 non-profit organizations have been funded to provide public service programs to residents and 3 full-time and 5 part-time jobs have been created from financial assistance to 6 businesses. The City was also awarded \$6.8 million from the Neighborhood Stabilization Program in 2009 to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods. To date, the City has purchased 74 homes; 69 of these homes have been completely renovated and sold to first-time homeowners. The sale of the 69 homes has generated over \$5.3 million in program income that is being reinvested back into the community for the continuation of the program.

Personnel Costs. The cost of attracting and keeping experienced and competent personnel in South Florida has dramatically increased over the last two decades. The City has to compete with the roughly 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 currently has two (2) labor unions certified and the Federation of Public Employees (FPE) has ratified their contract. However, the Police Benevolent Association (PBA) is expected to ratify in FY 2016. For FY 2015, no Cost of Living increase was provided to employees, however, employees under the FPE contract received merit bonus, while general employees receive merit days off. The City's last monetary increase for merit performance for general employees was in 2010.

### **Long Term Financial Planning**

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

Strategic goals and objectives are constantly being reviewed by the City in light of the various economic challenges that arise. As the City grows and develops, the long term strategic focus has to be targeted 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. These plans will help guide future budget decisions and ensure we stay focused on our priorities.

Over the last few years, the City has developed the budget in such a way as to eventually reach an unassigned general fund balance of 25% of annual general fund expenditures. This ensures the City will have sufficient funds for future unexpected events. Several current and past events will assist the City in reaching its goal. In FY 2012 the City after many years of negotiations was able to settle its lawsuit against Miami-Dade County for the Citizens Independent Transportation Trust (CITT) share of revenue and the City was awarded approximately \$10.1 million. Of this amount, City Council placed \$3.2 million into the General Fund reserve. For fiscal year ended September 30, 2015, the General Fund unrestricted fund balance is \$13,056,234 which is 19.78% of FY 2016 operating expenses. The unassigned fund balance that can be used at City's discretion is \$11,945,942 which is 18.1% of FY 2016 operating expenses.

In 2009, the City purchased two economic development properties, one property is 15 acres and the other is 40 acres. Currently, the City has an executed contract for the sale of the 15 acres and is in negotiation for the sale of the other property for 35 acres. The City will keep 5 acres for its own usage. Once those sales is finalized, it is the intent of the City to pay off the loan and the gain on the sale of the properties will be deposited to the fund balance.

## Major Initiatives

In FY 2015, the Police Building was in its final phase of construction. It was completed by the Fall 2015 and the Department moved into the new building in late October 2015.

The City continues to improve the roads, sidewalks, and stormwater drainage with funding provided from the CITT proceeds, the Stormwater Fund as well as grants. In FY 2015, the City completed the planning stage for the Vista Verde Livable Neighborhood drainage project and construction will begin in FY 2016. Other projects to begin in fiscal year 2016 include: the Bunche Park milling and resurfacing from NW 39 Court to 46 Avenue; a road improvement project from 200 Street to 207 Street; drainage projects at NW 13 Avenue; drainage projects at NW 25 Court and NW 38 Court and various sidewalk stand alone projects.

Construction will begin for numerous park improvements, purchase of showmobiles, purchase of police technology equipment, and the implementation of the Real Time Crime Center from the General Obligation Bonds approved by the voters in 2014.

## Awards and Acknowledgements

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami Gardens for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the City's seventh year of receiving this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City received for the seventh straight year, the Distinguished Budget Presentation Award for its FY 2015 budget. In addition, the City received the Outstanding Achievement in Popular Annual Financial Report for its FY 2014 report. The City is only one of eight (8) municipalities in the State of Florida to receive all three 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



Patricia Varney, CGFO  
Finance Director

**CITY OF MIAMI GARDENS, FLORIDA**



Government Finance Officers Association

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

Presented to

**City of Miami Gardens  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

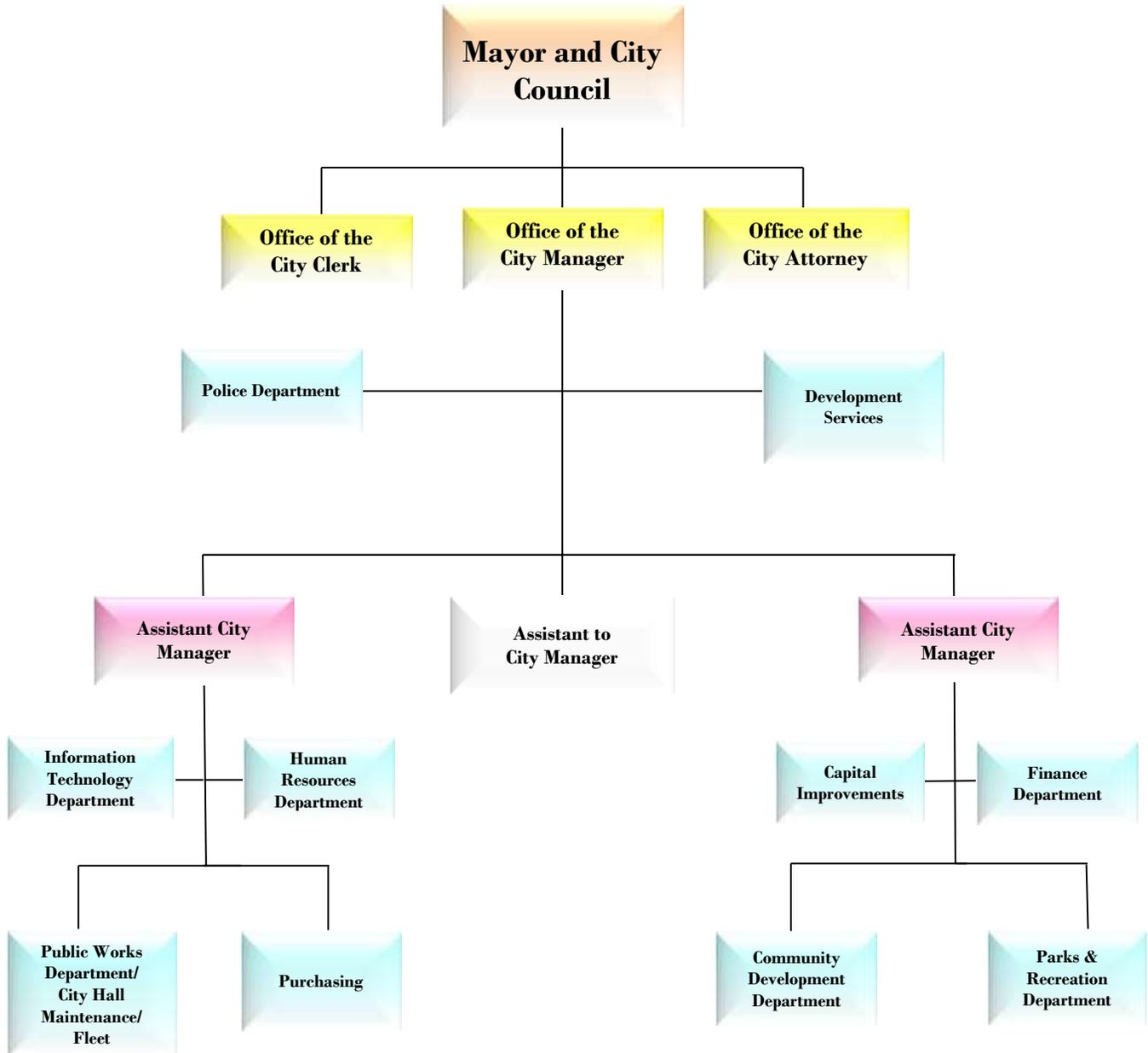
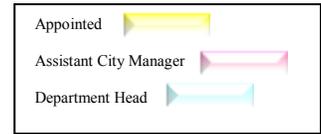
**September 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO

# CITY OF MIAMI GARDENS, FLORIDA

## ORGANIZATIONAL CHART



**CITY OF MIAMI GARDENS, FLORIDA**

**CITY OFFICIALS**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2015**

**CITY COUNCIL**

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

**CITY MANAGER**

**Cameron D. Benson**

**CITY CLERK**

**Ronetta Taylor, MMC**

**CITY ATTORNEY**

**Sonja Knighton Dickens, Esq.**

**FINANCE DIRECTOR**

**Patricia Varney, CGFO**

**CITY AUDITORS**

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

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## **FINANCIAL SECTION**

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**REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

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**ANTHONY BRUNSON P.A.**

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

## INDEPENDENT AUDITORS' REPORT

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

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, 2015, 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.

#### Ft. Lauderdale Office

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#### Miami Office

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, 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.

## Emphasis of Matter

As discussed in Note 10 to the accompanying financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statements No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*, effective July 1, 2014. The net position balance of the governmental activities and business-type activities as of October 1, 2014 have been restated. Our opinion is not modified with respect to this matter.

## 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 4-17, budgetary comparison information, schedules of the proportionate share of net pension liability, schedules of employer contributions on pages 63-69 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 non-major 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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the budgetary comparison schedules on pages 70-71 and 74-76 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



May 2, 2016

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

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# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Miami Gardens, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended September 30, 2015. 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 2015 by \$231,946,991 (Net Position).

Over the last year the total Net Position decreased by \$39.1 million. This is attributed to a \$1.3 million decrease resulting from current year operations and a \$37.8 million decrease due to the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement 68 and 71. Additional information of this impact is discussed below and also can be found in financial statement Note 13-Restatement of Prior Year Net Position on page 61.

The City's net position in the governmental-type activities is \$220.2 million, of which \$250 million is net investment in capital assets, \$9.75 million in restricted and a negative of \$39.69 million in unrestricted net position attributed to the required implementation of GASB Statement 68 and 71.

At the close of fiscal year 2015, the City's governmental funds reported a combined ending fund balance of \$86,560,458; an increase of \$528,206 in comparison with the prior year. This increase was attributed to the net results of increase in fund balance of \$2.5 million in the General Fund, \$2 million in the Transportation Fund and a decrease of \$4.3 million in the Capital Projects Fund. Approximately \$9.879 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 \$7,929,561 for fiscal year 2015, before transfers and other financing sources, \$2,716,274 more than budgeted in the General Fund. After inter-fund transfers, the General Fund generated a net increase of \$2,504,214 which was mainly attributable to the Telecommunication Taxes, personnel savings due to vacancies and lower fuel costs for vehicles and small equipment. In FY 2015, the State performed an audit on Telecommunication Taxes and the City received a one-time \$1.1 million payment in retroactive taxes. There were also numerous vacancies in the Police and Parks and Recreation Departments which attributed to lower expenditures than originally budgeted. The General Fund unassigned fund balance is \$11.9 million, represents 18.1% of General Fund expenditures.

For the City's business-type activities, the City experienced an operating income of \$1.26 million. After non-operating revenues and expenses, inter-fund transfers and capital contributions and the implementation of GASB 68 and 71 with restatement of prior year balance, this fund generated an increase in Net Position of \$297,630.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's total debt decrease by \$5,632,287 or 3.5%. City-wide depreciation expenses recorded during the year amounted to \$17,310,891. Total net investment in capital assets was \$259,514,247 at year end.

In fiscal year 2015, the City was required to adopt GASB Statement 68 "Accounting and Financial Reporting for Pensions" and Statement 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date" under GASB. These new accounting standard requires governments that provide defined benefit pension plans to recognize the long-term obligation for pension benefits as a liability. The City now reports a net pension liability on its financial statements, as well as deferred outflows and deferred inflows of resources for pension related items in accordance with the new standards. The impact of these new accounting standards resulted in restatement of the beginning net position of governmental activities and business type activities to adjust for the net pension liability that would have been reported in prior years. This resulted in a decrease of \$37.8 million in the beginning total net position for the City.

### **CITY ACHIEVEMENTS**

FY2015 marked the completion of several infrastructure improvement projects that include NW 9 Ave road improvements, Norland Area sidewalks and NW 17 Ave construction project. The Rolling Oaks walking trail and the Lester Brown Park Outdoor Fitness Center were also completed during fiscal year 2015.

The City has implemented two (2) transit circulators into the community which began service to the citizens in June 2015.

The Miami Gardens Parks and Recreation Department continued its efforts with finalizing over 30 community partnerships in fiscal 2015. These partnerships played an enormous role in program development in the department. The department offered over 12 new athletic programs, finalized a partnership with Nike, Inc. to furnish youth football uniforms, finalized an extensive partnership with Vanderbilt University of Nashville, TN to offer the City's 1st Adapt health and wellness program for ages 3-5 and offered Science, Technology, Engineering and Math (STEM) camps and reading initiatives in various parks.

The department is also proud of offering the 1st Annual 4th of July Celebration with over 3,000 people in attendance.

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 10th year, the City has received over \$12.3 million in Community Development Block Grant (CDBG) funds. To date, 211 homes have been rehabilitated, 27 first-time homeowners received down payment assistance, 3 neighborhood drainage and 5 park improvement projects have been completed, 16 non-profit organizations have been funded to provide public service programs to residents, and 3 full-time and 5 part-time jobs have been created from financial assistance to 6 businesses. Furthermore, in 2009 the City was awarded \$6.8 million from the Neighborhood Stabilization Program to purchase abandoned and foreclosed homes in an effort to stabilize neighborhoods that were on the decline due to the foreclosure crisis. To date, the City has purchased 74 homes; 69 of these homes have been completely renovated and 69 have been sold. The sale of the 69 homes has generated over \$5.3 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 in the amount of \$1,940,337, which has helped to purchase 5 homes, rehabilitate 3 and reconstruct 2.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Additionally 24 units of elderly rental housing are being developed in 2016 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 \$28 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.

The Police headquarters was completed in Fall 2015 and the department moved into the new building in October 2015.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The government-wide financial statements can be found on pages 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 government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Miami Gardens maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Transportation Fund and the Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for the General Fund and all other major and non-major special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18 to 25 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.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Notes to the financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 to 62 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 63 to 69 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on pages 72 to 73 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

### Changes in Net Position

The following schedule is a summary of the fiscal year 2015 Statement of Net Position with comparative information for fiscal year 2014. This schedule, which presents Net Position, is one way to measure the City's financial health or position:

	<b>City of Miami Garden's Net Position</b>					
	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 94,743,358	\$ 95,151,436	\$ 3,039,534	\$ 2,521,677	\$ 97,782,892	\$ 97,673,113
Capital assets, net	<u>338,339,398</u>	<u>348,559,233</u>	<u>16,271,084</u>	<u>16,246,961</u>	<u>354,610,482</u>	<u>364,806,194</u>
Total assets	<u>433,082,756</u>	<u>443,710,669</u>	<u>19,310,618</u>	<u>18,768,638</u>	<u>452,393,374</u>	<u>462,479,307</u>
Deferred Outflow of Resources	<u>5,746,008</u>	-	<u>247,216</u>	<u>515,420</u>	<u>5,993,224</u>	<u>515,420</u>

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### City of Miami Garden's Net Position (cont'd)

	Governmental Activities		Business-type Activities		Total	
Long-term liabilities	179,687,523	152,648,381	6,639,159	7,014,902	186,326,681	159,663,283
Other liabilities	<u>29,045,973</u>	<u>30,111,309</u>	<u>1,135,369</u>	<u>857,879</u>	<u>30,181,342</u>	<u>30,969,188</u>
Total liabilities	<u>208,733,496</u>	<u>182,759,690</u>	<u>7,774,528</u>	<u>7,872,781</u>	<u>216,508,024</u>	<u>190,632,471</u>
Deferred Inflow of Resources	<u>9,857,184</u>	<u>1,271,952</u>	<u>74,399</u>	<u>-</u>	<u>9,931,583</u>	<u>1,271,952</u>
Net position:						
Net investment in capital assets	250,167,614	255,314,939	9,346,633	9,702,322	259,514,247	265,017,261
Restricted	9,757,585	6,796,767	-	-	9,757,585	6,796,767
Unrestricted	<u>(39,687,115)</u>	<u>(2,432,679)</u>	<u>2,362,274</u>	<u>1,708,955</u>	<u>(37,324,841)</u>	<u>(723,724)</u>
Total net position	<u>\$ 220,238,084</u>	<u>\$ 259,679,027</u>	<u>\$ 11,708,907</u>	<u>\$ 11,411,277</u>	<u>\$ 231,946,991</u>	<u>\$ 271,090,304</u>

At the end of the current fiscal year, the City of Miami Gardens has a positive balance in restricted net position and a negative balance in unrestricted Net Position. The largest portion of the City's Net Position reflect its investment in capital assets (such as land, road, buildings, machinery & equipment) less any related outstanding debt used to acquire those assets. The deficit in the unrestricted net position and the increase in long-term liabilities are mainly attributed to the impact of the City's implementation of GASB 68 and 71 in fiscal 2015.

The following schedule is the summary of fiscal year 2015 Statement of Activities with comparative information for fiscal year 2014:

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 17,660,801	\$15,442,731	\$ 3,464,069	\$ 3,804,604	\$ 21,124,870	\$ 19,247,335
Operating grants	2,437,804	3,296,282	-	-	2,437,804	3,296,282
Capital grants contributions	236,335	1,983,665	34,000	38,650	270,335	2,022,315
General revenues:						
Property taxes	26,268,558	21,757,058	-	-	26,268,558	21,757,058
Utility taxes	11,361,010	10,411,425	-	-	11,361,010	10,411,425
Franchise fees	3,398,916	3,477,303	-	-	3,398,916	3,477,303
Intergovernmental	18,811,366	17,762,556	-	-	18,811,366	17,762,556
Miscellaneous	3,179,810	3,122,865	-	-	3,179,810	3,122,865
Investment earnings	823,177	250,571	5,469	3,421	828,646	253,992
Total revenues	<u>84,177,777</u>	<u>77,504,456</u>	<u>3,503,538</u>	<u>3,846,675</u>	<u>87,681,315</u>	<u>81,351,131</u>
Expenses:						
General Government	17,423,449	20,174,685	-	-	17,423,449	20,174,685
Public Safety	37,250,605	37,768,451	-	-	37,250,605	37,768,451
Public Works	16,053,184	15,564,664	-	-	16,053,184	15,564,664
Parks & Recreation	6,514,054	7,065,966	-	-	6,514,054	7,065,966
Economic Environment	1,546,074	1,725,248	-	-	1,546,074	1,725,248
Human Services	176,605	28,555	-	-	-	28,555
Interest expense	7,603,784	6,013,090	-	-	7,603,784	6,013,090
Stormwater	-	-	2,437,432	2,559,364	2,437,432	2,559,364
Total expenses	<u>86,567,755</u>	<u>88,340,659</u>	<u>2,437,432</u>	<u>2,559,364</u>	<u>88,828,582</u>	<u>90,900,023</u>

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

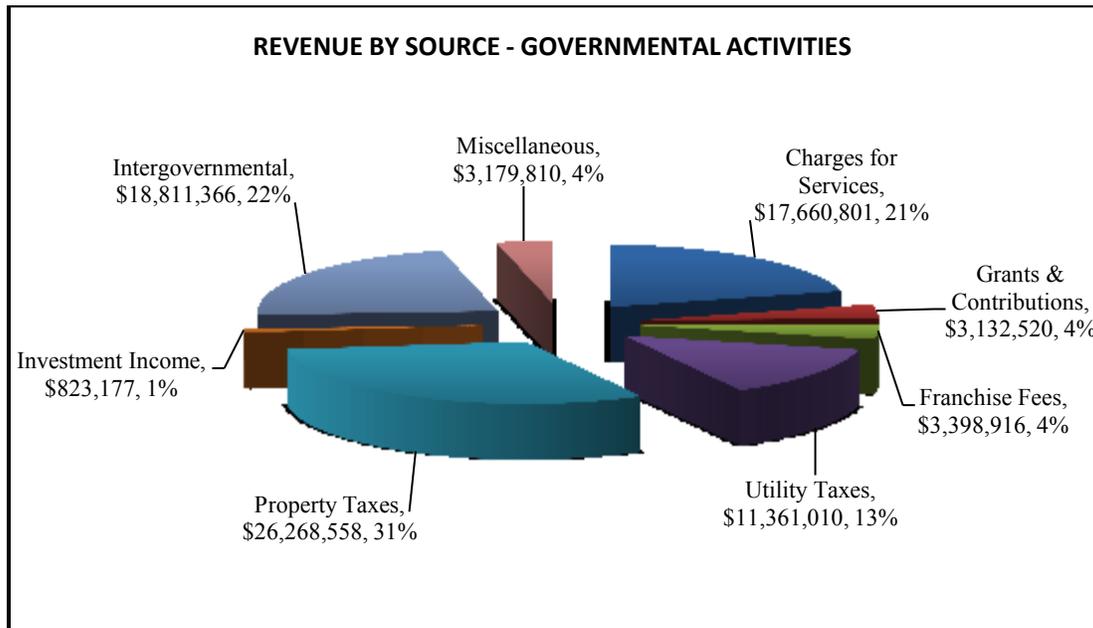
	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Increase/(Decrease) in net positions before transfers	(2,389,978)	(10,836,203)	1,066,106	1,287,311	(1,323,872)	(9,548,892)
Transfers	435,314	431,004	(435,314)	(431,004)	-	-
Increase/(Decrease) in net positions	(1,954,665)	(10,405,199)	630,792	856,307	(1,323,873)	(9,548,892)
Net position beginning, as previously stated	259,679,027	270,084,226	11,411,277	10,554,970	271,090,304	280,639,196
Reinstatement of net position	(37,486,278)	-	(333,162)	-	(37,819,440)	-
Net position, beginning of year	222,192,749	270,084,226	11,078,115	10,554,970	233,270,864	280,639,196
Net position, ending of year	<u>\$ 220,238,084</u>	<u>\$ 259,679,027</u>	<u>\$ 11,708,907</u>	<u>\$ 11,411,277</u>	<u>\$ 231,946,991</u>	<u>\$ 271,090,304</u>

### Governmental Activities

The City's total Net Position decreased by \$1,954,665 from the prior year restated net position of \$222.2 Million to \$220.2 million. This decrease was attributable to the following:

- Increase of compensated absences in the amount of \$6,015
- Implementation of Statement 45, Governmental Accounting Standards Board (GASB) for Other Post Employment Benefits (OPEB) liabilities. The OPEB liability for fiscal year ended 9/30/15 is \$5,285,758, an increase of \$631,000
- Increase in accrued interest payable by \$15,115

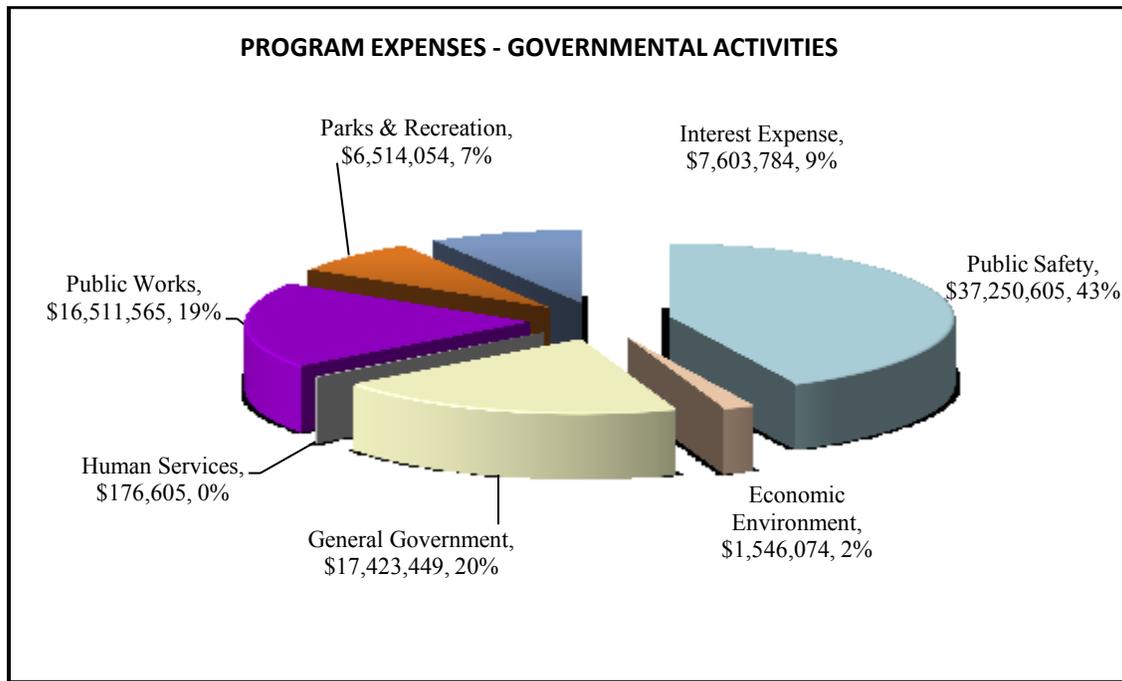
The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2015:



# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The chart below illustrates the program expenses for governmental activities for fiscal year 2015:



### Business-type Activities

The Stormwater Fund after GASB 68 and 71 implementations ended the fiscal year with unrestricted Net Position of \$2.3 million, an increase of \$297,630 from fiscal year 2014 restatement of balance.

### **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, 2015, the City's governmental funds reported combined ending fund balances of \$86,032,252 an increase of \$528,206 in comparison with the prior year. Approximately 87%, which amounts to \$75,508,046 of the ending balance, constitutes restricted fund balance. Of this amount approximately \$65.78 million is unspent bond proceeds from the General Obligation Bond (GOB) for the parks and recreation facility improvements and the purchase of crime prevention equipment. Approximately \$9.88 million of the fund balance is available for spending at the City's discretion.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Below is the analysis of the fund balances for fiscal year 2015:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Transportation Fund</u>	<u>Debt Service Fund</u>	<u>Other</u>	<u>Total</u>
Fund balances, September 30, 2014	\$ 10,552,020	\$ 68,225,811	\$ 5,259,665	\$ 1,051,162	\$ 943,594	\$ 86,032,252
Revenues	64,531,832	2,075,356	7,475,993	4,370,807	5,447,784	83,901,772
Expenditures	(56,602,271)	(5,677,210)	(4,812,605)	(12,817,615)	(3,899,179)	(83,808,880)
Other financing sources (uses)	<u>(5,425,347)</u>	<u>(706,760)</u>	<u>(627,494)</u>	<u>7,612,215</u>	<u>(417,300)</u>	<u>435,314</u>
Fund Balance as of September 30, 2015	13,056,234	63,917,197	7,295,559	216,569	2,074,899	86,560,458
Assigned/Non Spendable Fund Balance	(1,110,292)				(833)	(1,111,125)
Restricted/Committed Fund Balance	<u>-</u>	<u>(65,872,806)</u>	<u>(7,295,559)</u>	<u>(216,569)</u>	<u>(2,184,599)</u>	<u>(75,569,533)</u>
Unassigned balances, September 30, 2015	<u>\$ 11,945,942</u>	<u>\$ (1,955,609)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (110,533)</u>	<u>\$ 9,879,800</u>

### *General Fund*

The General Fund is the chief operating fund of the City. As of September 30, 2015, the unassigned fund balance of the City's General Fund increased by \$1,393,922. Total General Fund revenues increased by \$2,757,199 (4.3%) while expenditures decreased by \$978,942 (2%) when compared to fiscal year 2014.

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:

### **General Fund Revenues by Types**

Revenues for the City's General Fund increased by 4.3% (from \$61.75 million to \$64.53 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	\$ 22,067,751	\$ 21,757,058	\$ 310,693	1%
Franchise fees	3,398,916	3,477,303	(78,387)	-2%
Utility taxes	11,361,010	10,411,425	949,585	9%
Licenses and permits	1,881,174	1,909,371	(28,197)	-1%
Intergovernmental	11,170,996	10,674,482	496,514	5%
Charges for services	8,390,362	6,927,367	1,462,995	21%
Fines and forfeitures	4,568,870	4,138,357	430,513	10%
Interest	44,953	7,723	37,230	482%
Grants	28,858	905,841	(876,983)	-97%
Other Income	1,618,942	1,565,706	53,236	3%

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

- Utility Taxes increase is attributed to the State performing a revenue audit for Telecommunication Tax. The City received approximately \$1.11 million retroactive revenue.
- Increase in Intergovernmental revenue is attributed to a higher distribution from State Revenue Sharing and Half Cents Sales Tax.
- With the 10<sup>th</sup> Year Anniversary celebration of the Jazz in the Gardens music festival, attendance of the event increased dramatically and ticket/sponsorship revenues increased by nearly \$800,000. There were also increased demands for Off Duty Police Officer services providing approximately an additional \$600,000 in revenue for FY 2015. The above addressed the increase in the Charges for Services category.
- Increase in Fine and Forfeitures is attributed to additional Red Light Camera and Code Enforcement Fines.
- Increase in interest earnings is attributed to Florida State Board of Administration (SBA) closing out Fund B and distributing interest earnings that are due to the City. This Fund was created in 2007 attributed to address distressed securities from credit crisis. This fund was frozen and did not allow any withdrawals. SBA ultimately winds down the investments through maturity and liquidated the fund and returned of principal and interests to participants in 2015.
- Decrease in grants is attributed to the depletion of the grant funding for the 2012 Community Oriented Policing Grant as well as the City being required to reimburse FEMA in the amount of \$474,447 for some ineligible expenses under Hurricane Wilma.

### 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	\$ 16,902,601	\$ 17,349,626	\$ (447,025)	-3%
Public safety	33,878,090	34,058,815	(180,725)	-1%
Culture & recreation	4,866,583	5,217,775	(351,192)	-7%

The General Fund’s operating expenses decreased 2% percent (\$56.6 million to \$55.6 million). Key elements of the expenditure decrease are as follows:

- The reduction in General Government was primarily due to departmental as well as the lower costs for fuel.
- Decrease in Public Safety is attributed to vacancies and a reduction in operating expenses such as purchase of police uniforms, bullet proof vests, laptops and equipment.
- Decrease in Parks and Recreation is attributed to vacancies in the Department.

# 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 \$11,708,907. Of this amount, \$9,346,633 is invested in capital assets, \$2,362,274 is unrestricted. The unrestricted net position increased by \$653,319. This increase is attributed to the change of method of billing for stormwater assessments. Previously stormwater assessments were issued on utility bills. In FY 2014, the City utilized the uniform method of collection allowed under the Florida Statutes which is billed on the ad valorem tax bill and therefore resulted in better collection.

### **BUDGET INFORMATION**

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

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

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

- The increase in City Manager's Office is attributed to labor attorney costs for two union negotiations.
- Increase in Community Outreach is attributed to higher patronage for the Jazz-in-the-Gardens event resulting in additional security costs and costs of performers.
- Increase in Planning and Zoning Division is attributed to more activities and the requirement of more outside professional services to perform planning reviews.
- Decrease in Fleet is attributed to lower gasoline costs.
- Increase in Police is partly attributed to the encumbrance brought forward from FY 2014 for high density shelving in the new Police Station. The remaining adjustments are attributed to donations received for police canine units and other public safety events to be held as well as costs incurred for additional police motorcycling units.

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

- The positive variance for Human Resources Department is attributed to a full year of vacancy for the Benefits Coordinator position
- The positive variance for the Police Department is attributed to new hires with lower salaries and cost savings derived from Pension as well as health insurance benefits.
- The positive variance in City Hall facilities is attributable to lower utility and repairs and maintenance costs.
- Recreation surplus is attributed to vacancies for salaries and fringe savings at the Recreation Administrative division as well as the Betty T. Ferguson Community Center.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### 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 2015, the Fund reported revenues and transfers in the amount of \$7.2 million, and expenditures which included transfers out totaling approximately \$11.5 million. The fund had a negative unassigned fund balance of approximately \$1.96 million. This is attributed to cost overruns of the City Hall and Police Complex and the City is expected to issue a financing in FY 2016 for the overrun once the project is completed.

**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, 2015, the Fund reported revenues and transfers in totaling \$7.65 million. The expenditures and transfers out amount to \$5.62 million. The fund balance increased by \$2,035,894 from \$5,259,665 in FY 2014 to \$7,295,559 in FY 2015.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** - The City of Miami Gardens’ investment in capital assets for its governmental activities as of September 30, 2015 decreased by \$10.2 million from the prior year. The decrease is attributed to the depreciation expenses. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements and park facilities. The business-type activities reflected a decrease of \$217,749 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 38,764,806	\$ 38,764,806	\$ -	\$ -	\$ 38,764,806	\$ 38,764,806
Art	232,472	232,472	-	-	232,472	232,472
Buildings	55,665,704	57,621,595	-	-	55,665,704	57,621,595
Equipment	5,122,516	7,031,550	100,440	144,178	5,222,956	7,175,728
Other Assets	59,418	83,965	-	-	59,418	83,965
Infrastructure	214,351,474	226,057,615	15,895,668	16,102,785	230,247,142	242,160,400
Improvement other than building	6,730,110	6,138,096	-	-	6,730,110	6,138,096
Construction-in-progress	17,412,898	12,629,133	274,977	241,871	17,687,875	12,871,004
	<u>\$ 338,339,398</u>	<u>\$ 348,559,232</u>	<u>\$ 16,271,085</u>	<u>\$ 16,488,834</u>	<u>\$ 354,610,483</u>	<u>\$ 365,048,066</u>

Additional Information can be found in Note 4 Capital Assets, on page 36.

**Long-term debt.** At year-end the City had debt outstanding (bonds, capital leases, etc.) in the amount of \$153.89 million, a decrease of \$5.5 million over last year, attributed to payment of debt service during the year and with no new issuance. The debt position of the City is summarized below and is more fully explained in Note 6 Long-Term Debt beginning on page 38.

# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### City of Miami Garden’s Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue Bonds	\$ 31,520,784	\$ 33,212,579	\$ -	\$ -	\$ 31,520,784	\$ 33,212,579
Certificate of Participation	51,700,000	52,850,000	-	-	51,700,000	52,850,000
General Obligation Bonds	58,670,000	60,000,000	-	-	58,670,000	60,000,000
Capital Leases	2,248,592	2,978,980	-	-	2,248,592	2,978,980
Due to Dade County	4,524,650	4,877,275	6,924,451	7,301,930	11,449,101	12,179,205
Deferred amounts - premium/discounts	5,226,182	5,447,683	-	-	5,226,182	5,447,683
	<u>\$ 153,890,208</u>	<u>\$ 159,366,517</u>	<u>\$ 6,924,451</u>	<u>\$ 7,301,930</u>	<u>\$ 160,814,659</u>	<u>\$ 166,668,447</u>

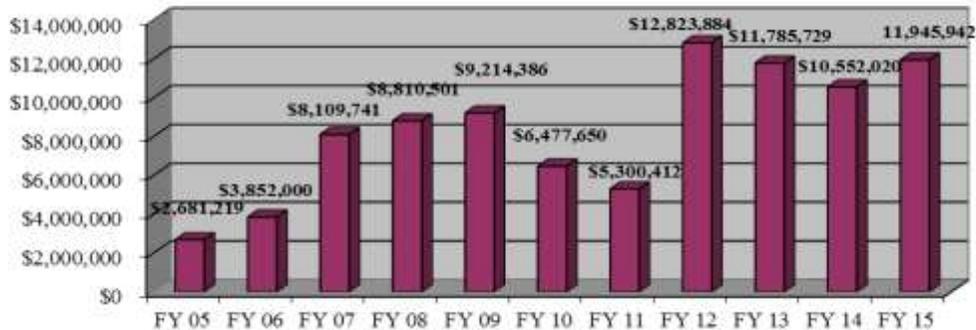
### Economic Factors and Next Year’s Budgets and Ratios

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. In FY 2009, the City purchased two economic development properties; one is 15 acres and the other is 40 acres. A sale contract has been executed for the 15 acres and the City is in negotiation for the sale of the other 35 acres out of the other 40 acres.

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 4.1% for FY 2016. Revenues for the Fiscal Year 2016 adopted General Fund budget are \$65.75 million, which is slightly higher than FY 2015 revenue of \$64.22 million attributed to the increase in property value and the Council adopting the same millage rate of 6.9363 as FY 2015 which is 9.69% over the roll-back rate.

For fiscal year 2015, the unassigned fund balance in the General Fund was \$11.95 million compared to \$10.5 million in FY-14. This \$11.95 million is approximately equal to 2.17 months of budgeted General Fund operating expenditures for FY2016. The graph below reflects the history of the City’s unassigned fund balance

**General Fund Unassigned Fund Balance**

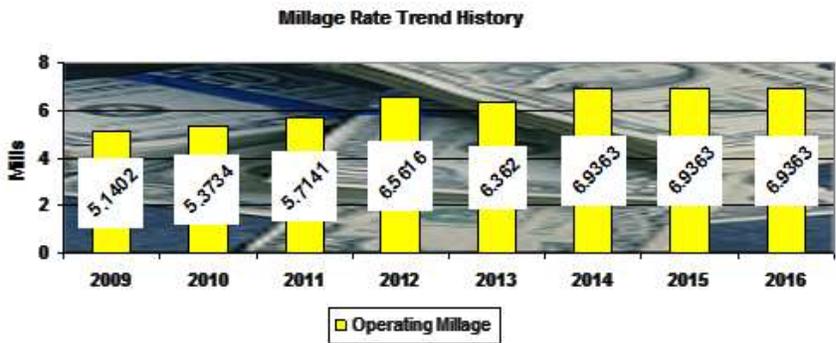


# CITY OF MIAMI GARDENS, FLORIDA

## MANAGEMENT’S DISCUSSION AND ANALYSIS

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

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



### **Requests for Information**

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

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# **BASIC FINANCIAL STATEMENTS**

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# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 8,847,172	\$ 2,435,213	\$ 11,282,385
Investments	13,229,410	-	13,229,410
Restricted cash & investment	66,295,283	-	66,295,283
Receivables, net	1,457,133	592,997	2,050,130
Due from other governments	4,667,689	-	4,667,689
Prepaid expenses	246,671	11,324	257,995
Capital assets not being depreciated	56,410,176	274,977	56,685,153
Capital assets being depreciated, net	<u>281,929,222</u>	<u>15,996,107</u>	<u>297,925,329</u>
<b>Total assets</b>	<b><u>433,082,756</u></b>	<b><u>19,310,618</u></b>	<b><u>452,393,374</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>			
Deferred loss on refunding	-	196,145	196,145
Pensions (Note 10)	<u>5,746,008</u>	<u>51,071</u>	<u>5,797,079</u>
<b>Total deferred outflows of resources</b>	<b><u>5,746,008</u></b>	<b><u>247,216</u></b>	<b><u>5,993,224</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	4,520,338	451,982	4,972,320
Retainage payable	1,867,088	-	1,867,088
Matured interest payable	2,078,630	-	2,078,630
Unearned revenue	624,346	-	624,346
<b>Noncurrent liabilities:</b>			
Due within one year			
Compensated absences	1,589,027	6,584	1,595,611
Bonds, loans & capital leases	18,366,544	392,603	18,759,147
Due in more than one year			
Compensated absences	6,900,937	37,311	6,938,248
Bonds, loans & capital leases	135,523,666	6,531,848	142,055,514
Net OPEB obligations	5,285,758	70,000	5,355,758
Net pension liability (Note 10)	<u>31,977,162</u>	<u>284,200</u>	<u>32,261,362</u>
<b>Total liabilities</b>	<b><u>208,733,496</u></b>	<b><u>7,774,528</u></b>	<b><u>216,508,024</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>			
Revenue received in advance	1,171,128	-	1,171,128
Deferred gain on refunding	315,076	-	315,076
Deferred inflows of pensions (Note 10)	<u>8,370,980</u>	<u>74,399</u>	<u>8,445,379</u>
<b>Total deferred inflows of resources</b>	<b><u>9,857,184</u></b>	<b><u>74,399</u></b>	<b><u>9,931,583</u></b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	250,167,614	9,346,633	259,514,247
Restricted for:			
Housing	119,059	-	119,059
Law Enforcement	266,608	-	266,608
Transportation	7,335,122	-	7,335,122
Parks & Recreation	1,395,418	-	1,395,418
Community Development	486,296	-	486,296
Debt Service	155,082	-	155,082
Unrestricted	<u>(39,687,115)</u>	<u>2,362,274</u>	<u>(37,324,841)</u>
<b>Total Net Position</b>	<b><u>\$ 220,238,084</u></b>	<b><u>\$ 11,708,907</u></b>	<b><u>\$ 231,946,991</u></b>

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</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>	<u>Total</u>
<b>Governmental activities:</b>							
General government	\$ 17,423,449	\$ 9,614,573	\$ -	\$ -	\$ 7,808,876	\$ -	\$ 7,808,876
Public safety	37,250,605	6,813,911	707,050	-	29,729,644	-	29,729,644
Public works	16,511,565	110,435	-	30,700	16,370,430	-	16,370,430
Parks and recreation	6,514,054	1,121,882	436,649	205,635	4,749,888	-	4,749,888
Economic environment	1,546,074	-	1,605,618	-	(59,544)	-	(59,544)
Human Services	176,605	-	146,868	-	29,737	-	29,737
Interest on long-term debt	<u>7,603,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,603,784</u>	<u>-</u>	<u>7,603,784</u>
Total governmental activities	<u>87,026,136</u>	<u>17,660,801</u>	<u>2,896,185</u>	<u>236,335</u>	<u>66,232,815</u>	<u>-</u>	<u>66,232,815</u>
<b>Business-type activities:</b>							
Stormwater	<u>2,437,432</u>	<u>3,464,069</u>	<u>-</u>	<u>34,000</u>	<u>-</u>	<u>(1,060,637)</u>	<u>(1,060,637)</u>
Total business activities	<u>2,437,432</u>	<u>3,464,069</u>	<u>-</u>	<u>34,000</u>	<u>-</u>	<u>(1,060,637)</u>	<u>(1,060,637)</u>
Total	<u>\$ 89,463,568</u>	<u>\$ 21,124,870</u>	<u>\$ 2,896,185</u>	<u>\$ 270,335</u>	<u>66,232,815</u>	<u>(1,060,637)</u>	<u>65,172,178</u>
<b>General revenues:</b>							
Property taxes					26,268,558	-	26,268,558
Franchise fees					3,398,916	-	3,398,916
Utility taxes					11,361,010	-	11,361,010
Intergovernmental revenue (unrestricted)					18,811,366	-	18,811,366
Miscellaneous					3,179,810	-	3,179,810
Investment earnings					823,177	5,469	828,646
Transfers					<u>435,314</u>	<u>(435,314)</u>	<u>-</u>
Total general revenues and Transfers					<u>64,278,151</u>	<u>(429,845)</u>	<u>63,848,306</u>
Change in net position					(1,954,665)	630,792	(1,323,873)
Net position, beginning (as restated)					<u>222,192,749</u>	<u>11,078,115</u>	<u>233,270,864</u>
Net position, ending					<u>\$ 220,238,084</u>	<u>\$ 11,708,907</u>	<u>\$ 231,946,991</u>

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 129,716	\$ -	\$ 6,147,268	\$ 417,689	\$ 2,152,499	\$ 8,847,172
Investments	13,229,410	-	-	-	-	13,229,410
Restricted cash & investments	-	66,295,283	-	-	-	66,295,283
Due from other funds	-	-	445,655	-	-	445,655
Due from other governmental agencies	2,915,725	453,370	1,298,279	315	-	4,667,689
Accounts receivables, net	981,679	-	-	-	474,695	1,456,374
Accrued interest receivable	-	-	-	-	759	759
Prepaid	246,671	-	-	-	-	246,671
Total assets	<u>\$ 17,503,201</u>	<u>\$ 66,748,653</u>	<u>\$ 7,891,202</u>	<u>\$ 418,004</u>	<u>\$ 2,627,953</u>	<u>\$ 95,189,013</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 2,934,370	\$ 756,717	\$ 494,740	\$ 201,435	\$ 105,000	\$ 4,492,262
Due to Transportation Fund	206,550	92,882	-	-	146,223	445,655
Retainage payable	-	1,766,201	98,467	-	2,420	1,867,088
Unearned revenue	109,279	215,656	-	-	299,411	624,346
Other liabilities	25,640	-	2,436	-	-	28,076
Total liabilities	<u>3,275,839</u>	<u>2,831,456</u>	<u>595,643</u>	<u>201,435</u>	<u>553,054</u>	<u>7,457,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	1,171,128	-	-	-	-	1,171,128
<b>Fund balances:</b>						
Non spendable						
Prepays	246,671	-	-	-	-	246,671
<b>Restricted for:</b>						
Housing	-	-	-	-	119,059	119,059
Law enforcement	-	-	-	-	266,608	266,608
Transportation	-	39,563	7,295,559	-	-	7,335,122
Parks & recreation	-	114,817	-	-	1,280,601	1,395,418
City Hall Project	-	-	-	-	32,035	32,035
Debt service	-	-	-	155,082	-	155,082
General Obligation Bond project	-	65,718,426	-	-	-	65,718,426
Community development	-	-	-	-	486,296	486,296
<b>Committed for:</b>						
Debt service	-	-	-	61,487	-	61,487
<b>Assigned:</b>						
Parks maintenance	500,000	-	-	-	-	500,000
Subsequent year's budget	363,621	-	-	-	833	364,454
Unassigned	11,945,942	(1,955,609)	-	-	(110,533)	9,879,800
Total fund balances	13,056,234	63,917,197	7,295,559	216,569	2,074,899	86,560,458
Total liabilities and fund balances	<u>\$ 17,503,201</u>	<u>\$ 66,748,653</u>	<u>\$ 7,891,202</u>	<u>\$ 418,004</u>	<u>\$ 2,627,953</u>	<u>\$ 95,189,013</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	338,339,398
OPEB liabilities used in governmental activities are not reported in the governmental funds	(5,285,757)
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds	
Bond and capital lease payable	(154,205,286)
Matured interest payable	(2,078,630)
Compensated absences	(8,489,964)
Pension expense	(34,602,134)
Net position of governmental activities	<u>\$ 220,238,084</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, 2015

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
<b>Revenues:</b>						
Property taxes	\$ 22,067,751	\$ -	\$ -	\$ -	\$ -	\$ 22,067,751
Utility taxes	11,361,010	-	-	-	-	11,361,010
Intergovernmental	11,170,996	-	7,351,106	4,200,807	-	22,722,909
Charges for services	8,390,362	-	110,435	-	323,702	8,824,499
Licenses and permits	1,881,174	-	-	-	1,953,734	3,834,908
Impact fees	-	-	-	-	386,406	386,406
Fines and forfeitures	4,568,870	-	-	-	43,299	4,612,169
Franchise fees	3,398,916	-	-	-	-	3,398,916
Grant revenue	28,858	236,335	-	-	2,698,210	2,963,403
Other income	1,618,942	1,352,833	3,547	170,000	37,307	3,182,629
Interest	44,953	486,188	10,905	-	5,126	547,172
Total revenues	64,531,832	2,075,356	7,475,993	4,370,807	5,447,784	83,901,772
<b>Expenditures:</b>						
<b>Current:</b>						
General government	14,163,500	570,006	-	-	-	14,733,506
Human Services	-	-	-	-	176,605	176,605
Public safety	33,878,090	-	-	-	1,678,190	35,556,280
Public works	-	-	3,386,583	-	16,067	3,402,650
Parks and recreation	4,858,890	18,322	-	-	436,649	5,313,861
Economic and physical development	-	-	-	-	1,546,074	1,546,074
Non-departmental	3,620,615	-	-	-	-	3,620,615
<b>Capital outlay:</b>						
General government	73,483	4,606,068	-	-	-	4,679,551
Public safety	-	-	-	-	45,594	45,594
Public works	-	38,755	1,426,022	-	-	1,464,777
Parks and recreation	7,693	444,059	-	-	-	451,752
<b>Debt service:</b>						
Principal	-	-	-	5,251,807	-	5,251,807
Interest and fiscal charges	-	-	-	7,565,808	-	7,565,808
Bond issuance costs	-	-	-	-	-	-
Total expenditures	56,602,271	5,677,210	4,812,605	12,817,615	3,899,179	83,808,880
Excess (deficiency) of revenues over expenditures	7,929,561	(3,601,854)	2,663,388	(8,446,808)	1,548,605	92,892
Other financing sources (uses):						
Transfers in	1,019,630	5,123,069	182,061	7,612,215	-	13,936,975
Transfers out	(6,444,977)	(5,829,829)	(809,555)	-	(417,300)	(13,501,661)
Issuance of debt	-	-	-	-	-	-
Premiums on bond issuance	-	-	-	-	-	-
Total other financing sources (uses)	(5,425,347)	(706,760)	(627,494)	7,612,215	(417,300)	435,314
Net change in fund balances	2,504,214	(4,308,614)	2,035,894	(834,593)	1,131,305	528,206
Fund balances, beginning	10,552,020	68,225,811	5,259,665	1,051,162	943,594	86,032,252
Fund balances, ending	\$ 13,056,234	\$63,917,197	\$ 7,295,559	\$ 216,569	\$ 2,074,899	\$ 86,560,458

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 21	\$ 528,206
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.	6,641,674
Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net position.	(16,829,345)
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 balances by cost of assets sold, less accumulated depreciation	(32,163)
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	250,144
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.	5,254,807
Interest is accrued in the statement of activities where in the governmental funds expenditures is reported when due	(15,115)
Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net position	2,884,143
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	(631,000)
Change in long-term compensated absences	<u>(6,015)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 19	<u>\$ (1,954,665)</u>

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

SEPTEMBER 30, 2015

<b><u>ASSETS</u></b>	<b><u>Stormwater Enterprise Fund</u></b>
<b>Current assets:</b>	
Cash and equity in pooled cash and investments	\$ 2,435,213
Accounts receivable - net	592,997
Prepaid items	<u>11,324</u>
Total current assets	<u>3,039,534</u>
<b>Non-current assets:</b>	
Capital assets being depreciated, net	<u>16,271,084</u>
Total assets	<u>19,310,618</u>
 <b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>	
Refunding loss	196,145
Pension (see Note 10)	<u>51,071</u>
Total deferred outflow of resources	<u>247,216</u>
 <b><u>LIABILITIES</u></b>	
<b>Current liabilities:</b>	
Accounts payable	35,132
Accrued liabilities	416,850
Current portion of compensated absences	6,584
Current portion of notes payable	<u>392,603</u>
Total current liabilities	<u>851,169</u>
<b>Non-current liabilities:</b>	
Notes payable	6,531,848
Net OPEB obligations	70,000
Compensated absences	37,311
Net pension liability (see Note 10)	<u>284,200</u>
Total noncurrent liabilities	<u>6,923,359</u>
Total liabilities	<u>7,774,528</u>
 <b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Pension (see Note 10)	<u>74,399</u>
Total deferred inflow of resources	<u>74,399</u>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	9,346,633
Unrestricted	<u>2,362,274</u>
Total net position	<u>\$ 11,708,907</u>

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION PROPRIETARY FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b><u>Stormwater Enterprise Fund</u></b>
<b>Operating revenues:</b>	
Charges for services	\$ 3,464,069
Grant revenue	<u>10,000</u>
Total operating revenues	<u>3,474,069</u>
<b>Operating expenses:</b>	
Administrative costs	757,678
Operations and maintenance	972,494
Depreciation	<u>481,546</u>
Total operating expenses	<u>2,211,718</u>
Operating income	<u>1,262,351</u>
<b>Non-operating revenues (expenses):</b>	
Interest income	5,469
Interest expense	<u>(225,714)</u>
Total non-operating revenues (expenses)	<u>(220,245)</u>
Income before contributions & transfers	1,042,106
Transfer out	(435,314)
Capital contributions	<u>24,000</u>
Change in net position	630,792
NET POSITION, beginning of year (as restated)	<u>11,078,115</u>
NET POSITION, end of year	<u>\$ 11,708,907</u>

See notes to basic financial statements.

# CITY OF MIAMI GARDENS, FLORIDA

## STATEMENT OF CASH FLOWS PROPRIETARY FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b>Business-type Activities – Enterprise Funds</b>
	<b>Stormwater</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers, governments and other funds	\$ 3,140,579
Cash paid to suppliers	(999,559)
Cash paid to employees	<u>(567,250)</u>
Net cash provided by operating activities	<u>1,573,770</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers to other funds	<u>(435,314)</u>
Net cash used in noncapital financing activities	<u>(435,314)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets	(263,798)
Principal retirements of capital debt	(377,479)
Interest paid on capital debt	<u>(225,714)</u>
Net cash used in capital and related financing activities	<u>(378,642)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and other income	<u>5,469</u>
Net cash provided by investing activities	<u>5,469</u>
<b>NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS</b>	765,283
<b>POOLED CASH AND CASH EQUIVALENTS, beginning</b>	<u>1,840,638</u>
<b>POOLED CASH AND CASH EQUIVALENTS, ending</b>	<u>\$ 2,605,921</u>
<b>POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION</b>	
Unrestricted	<u>\$ 2,435,213</u>
TOTAL, SEPTEMBER 30	<u>\$ 2,435,213</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	<u>\$ 1,262,351</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>	
Depreciation and amortization	481,546
<b>Change in assets and liabilities:</b>	
Increase in accounts receivable	(333,490)
Decrease in prepaid items	168,337
Increase in accounts payable	2,670
Increase in OPEB liabilities	5,000
Increase in compensated absences	11,859
Decrease in accrued liabilities	<u>(24,503)</u>
Total adjustments	<u>311,419</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 1,573,770</u>

See notes to basic financial statements

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**NOTES TO FINANCIAL STATEMENTS**

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# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### 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, 2015.

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, 2015

### 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, 2015

### 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, 2015

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

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

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27) in June 2012. This Statement is effective for fiscal years beginning after June 15, 2014. The City adopted GASB 68 in the current fiscal year financial statements. The adoption of GASB 68 is reflected in the government-wide financial statements, in Note 10, to the Financial Statements, as well as in the Required Supplementary Information Section.

The GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations in January 2013. The City adopted GASB 69 in the current fiscal year financial statements. The adoption of GASB 69 did not impact the City's financial position or results of operations.

The GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68 in November 2013. The City adopted GASB 71 in the current fiscal year financial statements. The adoption of GASB 71 is reflected in the government-wide financial statements, in Note 10, to the Financial Statements, as well as in the Required Supplementary Information Section.

The GASB issued Statement No. 72, Fair Value Measurement and Application in February 2015. This statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 72 did not impact the City's financial position or results of operations.

The GASB issued Statement 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 in June 2015. This Statement is effective for fiscal years beginning after June 15, 2015 except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

The GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans in June 2015. This statement is effective for financial statements for fiscal years beginning after June 15, 2016.

The GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions in June 2015. This statement is effective for fiscal years beginning after June 15, 2017.

The GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments in June 2015. The requirements of this statement are effective for reporting periods beginning after June 15, 2015.

The GASB issued Statement No. 77, Tax Abatement Disclosures in August 2015. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

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, 2015

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

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

##### 1. Deposits and Investments

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

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

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

##### 2. Receivables and Payables

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

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

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

##### 3. Prepaid Items

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

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

##### 4. Capital Assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. No such costs were capitalized in 2015.

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

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

##### 5. Compensated Absences

It is the City's policy to permit employees to accumulate within certain limits, earned but unused personal-time-off, which will be paid to employees upon separation from City service. All personal-time-off is accrued when incurred in the government-wide financial statements. In the governmental funds, a liability is recorded only for pay time off payouts for employee separations that occurred within 60 days after the fiscal year ended September 30, 2015. The General Fund and Enterprise Fund has been used in prior years to liquidate the liability for compensated absences.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

##### **6. Deferred Outflows/Inflows**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until that time. The City currently reports, the net deferred loss on refunding of the Stormwater bond by Miami-Dade County, and deferred outflows related to pensions in this category.

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 and deferred gain on refunding of the QNIP bonds by Miami-Dade County in the government-wide statements and unavailable revenue related to local business license tax and rental income taxes in the governmental funds.

##### **7. Unearned Revenues**

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

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

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

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### 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 (continued)

Assignments are made by City 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.

##### 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, 2015 the General Fund is the only fund that reports a positive unassigned fund balance. It represents 18.1% of the General Fund Budget.

##### 11. Restricted Fund Balance

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

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

For the year ended September 30, 2015, the City complied, in all material respects, with these revenue restrictions.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

#### F. Significant Accounting Policies

##### **Pensions**

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

### NOTE 2. DEPOSITS AND INVESTMENTS

#### **Deposits**

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

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

#### Investments

At year-end the City of Miami Gardens had the following investments and maturities:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Percent Distribution</u>	<u>Credit * Quality Rating</u>
Florida PRIME	\$ 20,936,955	39.3 days	26.33%	
Certificate of Deposit	47,092	1 year	0.06%	
Tax Certificates	10,286		0.01%	
US Government Sponsored				
Fannie Mae	13,142,231	1.64 year	16.53%	Aaa
Federal Home Loan Bank	21,669,828	0.78 year	27.25%	Aaa
Federal Credit Bank	3,003,658	0.13 year	3.78%	Aa1
Freddie Mac	12,983,362	1.62 year	16.33%	Aaa
Money Market Fund	<u>7,731,281</u>		9.72%	
	<u>\$ 79,524,693</u>			

\* Moody's rating

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

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

*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, 2015.

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

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 3. RECEIVABLES

Receivables as of September 30, 2015, for the City's governmental funds, including the allowance for uncollectible accounts are as follows:

Ad valorem, utility & franchise fees	\$ 1,494,303
Intergovernmental	2,551,808
Grants	120,711
Accrued interest receivable	759
Miscellaneous receivable	<u>1,957,241</u>
Net Receivable	<u>\$ 6,124,822</u>

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

Stormwater Accounts	\$ 255,356
Less: Allowance for Uncollectibles	(34,841)
Intergovernmental	<u>372,482</u>
Net Receivable	<u>\$ 592,997</u>

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance</b>
	<b>October 1, 2014</b>				<b>September 30, 2015</b>
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 38,764,806	\$ -	\$ -	\$ -	\$ 38,764,806
Art in Public Places	232,472	-	-	-	232,472
Construction in progress	<u>12,629,133</u>	<u>5,832,878</u>	<u>-</u>	<u>(1,049,113)</u>	<u>17,412,898</u>
Total capital assets not being depreciated	<u>51,626,411</u>	<u>5,832,878</u>	<u>-</u>	<u>(1,049,113)</u>	<u>56,410,176</u>
Capital assets being depreciated:					
Building	62,710,595	-	-	137,373	62,847,968
Infrastructure	358,762,310	555,566	-	108,580	359,426,456
Improvements other than buildings	7,145,707	126,460	-	803,160	8,075,327
Machinery and equipment	20,570,334	126,770	(226,156)	-	20,470,948
Other assets	<u>1,702,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,702,909</u>
Total capital assets being depreciated	<u>450,891,855</u>	<u>808,796</u>	<u>(226,156)</u>	<u>1,049,113</u>	<u>452,523,608</u>
Less accumulated depreciation for:					
Building	(5,089,000)	(2,093,264)	-	-	(7,182,264)
Infrastructure	(132,704,695)	(12,370,287)	-	-	(145,074,982)
Improvements other than buildings	(1,007,611)	(337,606)	-	-	(1,345,217)
Machinery and equipment	(13,538,784)	(2,003,641)	193,993	-	(15,348,432)
Other assets	<u>(1,618,944)</u>	<u>(24,547)</u>	<u>-</u>	<u>-</u>	<u>(1,643,491)</u>
Total accumulated depreciation	<u>(153,959,034)</u>	<u>(16,829,345)</u>	<u>193,993</u>	<u>-</u>	<u>(170,594,386)</u>
Total capital assets being depreciated, net	<u>296,932,821</u>	<u>(16,020,549)</u>	<u>(32,163)</u>	<u>1,049,113</u>	<u>281,929,222</u>
Governmental activities capital assets, net	<u>\$ 348,559,232</u>	<u>\$ (10,187,671)</u>	<u>\$ (32,163)</u>	<u>\$ -</u>	<u>\$ 338,339,398</u>

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 4. CAPITAL ASSETS (continued)

	<u>Balance</u> <u>October 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>September 30, 2015</u>
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 241,871	\$ 71,681	\$ (17,085)	\$ (21,490)	\$ 274,977
Total capital assets not being depreciated	<u>241,871</u>	<u>71,681</u>	<u>(17,085)</u>	<u>(21,490)</u>	<u>274,977</u>
Capital assets being depreciated:					
Infrastructure	20,252,357	209,201	-	21,490	20,483,048
Machinery and equipment	<u>1,021,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,021,926</u>
Total capital assets being depreciated	<u>21,274,283</u>	<u>209,201</u>	<u>-</u>	<u>21,490</u>	<u>21,504,974</u>
Less accumulated depreciation for:					
Infrastructure	(4,149,572)	(437,808)	-	-	(4,587,380)
Machinery and equipment	<u>(877,748)</u>	<u>(43,738)</u>	<u>-</u>	<u>-</u>	<u>(921,486)</u>
Total accumulated depreciation	<u>(5,027,320)</u>	<u>(481,546)</u>	<u>-</u>	<u>-</u>	<u>(5,508,866)</u>
Total capital assets being depreciated, net	<u>16,246,963</u>	<u>(272,345)</u>	<u>-</u>	<u>21,490</u>	<u>15,996,108</u>
Business activities capital assets, net	<u>\$ 16,488,834</u>	<u>\$ (200,664)</u>	<u>\$ (17,085)</u>	<u>\$ -</u>	<u>\$ 16,271,085</u>

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

#### **Governmental Activities**

General Government	\$ 1,880,201
Public Safety	1,131,723
Public Works	12,516,227
Recreation & Social Services	<u>1,301,194</u>
Total depreciation expense - governmental activities	<u>\$ 16,829,345</u>

#### **Business-type Activities**

Stormwater	\$ 481,546
Total depreciation expense - business-type activities	<u>\$ 481,546</u>

#### **Construction Commitments**

The City of Miami Gardens has active construction projects as of September 30, 2015. The projects include Public Safety Headquarter, road and drainage improvements projects, and parks improvements. The amount remaining on these uncompleted projects as of September 30, 2015 was \$1,846,216.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 5. ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2015 are as follows:

Major Funds:	
General Fund	\$ 123,621
Transportation Fund	617,121
Capital Projects Fund	<u>2,892,915</u>
Total Major Funds	3,633,657
Non-Major Governmental Funds	<u>37,918</u>
Total Encumbrances	<u>\$ 3,671,575</u>

### NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the City for governmental and business-type activities for the year ended September 30, 2015:

	October 1, 2014 <u>(*restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2015</u>	<u>Due within One Year</u>
<b>Governmental Activities</b>					
<b>Bonds and notes payable:</b>					
QNIP due to Miami-Dade County	\$ 4,877,275	\$ -	\$ 352,625	\$ 4,524,650	\$ 366,925
Land Acquisition Revenue Bonds, Series 2005	5,465,864	-	298,767	5,167,097	309,911
Capital Improvement Revenue Bonds, Series 2005	298,236	-	146,130	152,106	152,106
Land Acquisition Revenue Bonds, Series 2007	10,353,901	-	642,056	9,711,845	669,814
Land Acquisition Revenue Bonds, Series 2009	3,317,138	-	156,842	3,160,296	163,859
Taxable Land Acquisition Revenue Bond, Series 2009	6,312,000	-	-	6,312,000	6,312,000
Taxable Land Acquisition Revenue Bond, Series 2009B	7,465,440	-	448,000	7,017,440	7,017,440
Certificates of Participation Series 2010 A-1 & A-2	52,850,000	-	1,150,000	51,700,000	1,195,000
Master Lease Series 2013	2,978,980	-	730,388	2,248,592	749,489
General Obligation Bond, Series 2014	60,000,000	-	1,330,000	58,670,000	1,430,000
Less: Bond discounts	(674,541)	-	25,861	(648,680)	(25,861)
Add: Bond premiums	6,122,224	-	247,362	5,874,862	247,362
Total bonds and notes payable	<u>159,366,517</u>	<u>-</u>	<u>5,528,031</u>	<u>153,890,208</u>	<u>18,588,045</u>
<b>Other liabilities:</b>					
Pension liability	37,486,278	4,602,803	10,111,919	31,977,162	-
Compensated absences	<u>8,483,947</u>	<u>3,512,841</u>	<u>3,506,826</u>	<u>8,489,962</u>	<u>1,589,027</u>
Total other liabilities	<u>45,970,225</u>	<u>8,115,644</u>	<u>13,618,745</u>	<u>40,467,124</u>	<u>1,589,027</u>
Governmental activity long-term liabilities	<u>\$ 205,336,742</u>	<u>\$ 8,115,644</u>	<u>\$ 19,146,776</u>	<u>\$ 194,357,332</u>	<u>\$ 20,177,072</u>
<b>Business-type Activities</b>					
<b>Bonds and notes payable:</b>					
Miami-Dade County Stormwater Utility Bond	\$ 7,301,930	\$ -	\$ 377,479	\$ 6,924,451	\$ 392,603
Total bonds and notes payable	<u>7,301,930</u>	<u>-</u>	<u>377,479</u>	<u>6,924,451</u>	<u>392,603</u>
<b>Other liabilities:</b>					
Compensated absences	29,943	66,591	52,639	43,895	6,584
Net pension liability	<u>333,162</u>	<u>40,910</u>	<u>89,872</u>	<u>284,200</u>	<u>-</u>
Total other liabilities	<u>363,105</u>	<u>107,501</u>	<u>142,511</u>	<u>328,095</u>	<u>6,584</u>
Business-type activities long-term liabilities	<u>\$ 7,331,873</u>	<u>\$ 66,591</u>	<u>\$ 430,118</u>	<u>\$ 7,252,546</u>	<u>\$ 399,187</u>

\*The beginning net pension liability balance was restated with the implementation of GASB Statements No. 68 and 71 as further discussed in Note 13.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 366,925	\$ 185,205	\$ 552,130
2017	380,575	170,365	550,940
2018	394,550	154,973	549,523
2019	409,825	139,009	548,834
2020	425,750	122,415	548,165
2021-2025	2,093,650	343,314	2,436,964
2026-2027	<u>453,375</u>	<u>34,288</u>	<u>487,663</u>
	<u>\$ 4,524,650</u>	<u>\$ 1,149,567</u>	<u>\$ 5,674,217</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 1<sup>st</sup> and April 1<sup>st</sup>, with the final payment due October 1, 2025. The following table details the future debt service schedule for the bonds:

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 309,911	\$ 186,953	\$ 496,864
2017	321,470	175,178	496,648
2018	333,461	162,963	496,424
2019	345,899	150,293	496,192
2020	358,801	137,150	495,951
2021-2025	2,005,025	470,798	2,475,823
2026	<u>1,492,530</u>	<u>27,835</u>	<u>1,520,365</u>
	<u>\$ 5,167,097</u>	<u>\$ 1,311,170</u>	<u>\$ 6,478,267</u>

***Series 2005 \$2,500,000 Capital Improvement Revenue Bonds***

On July 15, 2005, the City issued \$2.5 million in special revenue debt. The debt is being used to finance vehicles, equipment, and machinery needs of the City over the next 5 years. The bonds bear a variable rate determined by using the one-month LIBOR (London Interbank Offer Rate) minus 55 basis points (.55%) for the first 5 years. The bonds then may convert to a fixed rate term after the last advance of the bond proceeds. The City can prepay the bonds during the variable rate period without any penalty. In June 2009, the City prepaid \$1,666,666 prior to conversion to fixed rate term. The remaining balance was converted to a fixed rate of 3.582% per annum on June 10, 2009 for six years with mandatory principal payments beginning on June 1, 2010. Prepayments of principal during the fixed rate term may be subject to a prepayment penalty.

The bonds are secured by a pledge on the City's Communications Services Tax and Half-Cent Sales Tax.

The following table details the future debt service schedule for the bonds, and provides for the full payment of the bonds within the variable rate term.

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 152,082	\$ 5,423	\$ 157,505
	<u>\$ 152,082</u>	<u>\$ 5,423</u>	<u>\$ 157,505</u>

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 669,814	\$ 407,685	\$ 1,077,499
2017	698,773	378,726	1,077,499
2018	728,984	348,516	1,077,500
2019	760,500	316,999	1,077,499
2020	793,379	284,120	1,077,499
2021-2025	4,512,045	875,450	5,387,495
2026	<u>1,548,351</u>	<u>65,656</u>	<u>1,614,007</u>
	<u>\$ 9,711,847</u>	<u>\$ 2,677,152</u>	<u>\$ 12,388,997</u>

#### *Series 2009 \$7,300,000 Taxable Land Acquisition Revenue Bonds*

On February 18, 2009, the City issued a taxable revenue bond to finance the costs of acquisition of land to foster economic growth in the enterprise zone as part of economic development activities. The bonds have a fixed rate of 4.8% with a balloon payment on the maturity date of February 3, 2014. The City requested extension for the balloon payment attributed to potential buyer for the property. The bank has extended the maturity date to February 1, 2016 at a variable rate by using one-month LIBOR (London Interbank Offer Rate) plus 175 basis point. The City pledges the electricity utility tax to secure the principal and the interest on the bonds.

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 6,312,000</u>	<u>\$ 43,464</u>	<u>\$ 6,355,464</u>
	<u>\$ 6,312,000</u>	<u>\$ 43,464</u>	<u>\$ 6,355,464</u>

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 163,899	\$ 144,899	\$ 308,798
2017	172,069	136,729	308,798
2018	180,228	128,570	308,798
2019	188,775	120,023	308,798
2020	197,422	111,376	308,798
2021-2025	1,138,213	405,777	1,543,990
2026-2029	<u>1,119,690</u>	<u>114,343</u>	<u>1,234,033</u>
	<u>\$ 3,160,296</u>	<u>\$ 1,161,717</u>	<u>\$ 4,322,013</u>

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

On August 14, 2009, the City issued taxable revenue bonds to finance the costs of acquisition of land to foster economic growth in the enterprise zone as part of economic development activities. The bonds have a fixed rate of 5.26 % with a balloon payment on the maturity date of August 1, 2014. The City requested an extension for the balloon payment attributed to potential buyer for the property. The bank extended the maturity date to February 1, 2016 with a variable rate utilizing 30 day LIBOR rate plus 1%. The City pledges the half-cent sales tax, the communication services tax and the utility tax revenue to secure the principal and the interest on the bonds. Principal payment of these bonds are to be paid quarterly, and there is no prepayment penalty under the current extension period.

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 7,017,440	\$ 43,464	\$ 7,060,904
	<u>\$ 7,017,440</u>	<u>\$ 43,464</u>	<u>\$ 7,060,904</u>

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,195,000	\$ 3,539,079	\$ 4,734,079
2017	1,235,000	3,473,355	4,708,355
2018	1,280,000	3,405,429	4,685,429
2019	1,330,000	3,335,030	4,665,030
2020	1,380,000	3,261,879	4,641,879
2021-2025	7,840,000	14,856,548	22,696,548
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>\$ 51,700,000</u>	<u>\$ 55,002,721</u>	<u>\$ 106,702,721</u>

#### *Series 2014 General Obligation Bond*

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

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

*Series 2014 General Obligation Bond* (continued)

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,430,000	\$ 2,793,900	\$ 4,223,900
2017	1,485,000	2,736,700	4,221,700
2018	1,530,000	2,692,150	4,222,150
2019	1,560,000	2,661,550	4,221,550
2020	1,620,000	2,599,150	4,219,150
2021-2025	9,265,000	11,842,150	21,107,150
2026-2030	11,780,000	9,324,500	21,104,500
2031-2035	15,030,000	6,070,250	21,100,250
2036-2040	<u>14,970,000</u>	<u>1,916,750</u>	<u>16,886,750</u>
	<u>\$ 58,670,000</u>	<u>\$ 42,637,100</u>	<u>\$ 101,307,100</u>

*Stormwater Utility Revenue Bond – Enterprise Fund*

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

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

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 392,603	\$ 239,586	\$ 632,189
2017	406,416	226,002	632,418
2018	420,665	211,940	632,605
2019	434,915	197,385	632,300
2020	450,126	182,337	632,463
2021-2025	2,494,967	667,018	3,161,985
2026-2029	<u>2,324,759</u>	<u>204,506</u>	<u>2,529,265</u>
	<u>\$ 6,924,451</u>	<u>\$ 1,928,774</u>	<u>\$ 8,853,225</u>

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 7. LEASES**

*Capital Leases*

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

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 were as follows:

Fiscal year ending September 30, 2016	\$ <u>766,608</u>
Total minimum lease payments	766,608
Less amount representing interest:	
Interest (1.299% APR)	<u>(26,731)</u>
Present value of minimum lease payments	<u>\$ 739,877</u>

**NOTE 8. INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS**

Transactions between funds of the City can result in receivables and payables at year-end when there is reasonable expectation of repayment. The advance from the General Fund to the Grant Fund and the Development Services Fund represent short-term loans to cover temporary negative balances in each fund's equity in pool cash at fiscal year-end.

Inter-fund balances as of September 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transportation Fund	General Fund	\$ 206,550
Transportation Fund	Grant Fund	78,540
Transportation Fund	Capital Projects Fund	92,882
Transportation Fund	Development Services Fund	<u>67,683</u>
		<u>\$ 445,655</u>

Interfund activity for the fiscal year ended September 30, 2015 is as follows:

	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund	\$ 1,019,630	\$ 6,444,977
Transportation Fund	182,061	809,555
Development Services Fund	-	417,300
Debt Service Fund	7,612,215	-
Capital Projects Fund	5,123,069	5,829,829
Stormwater Fund	<u>-</u>	<u>435,314</u>
	<u>\$ 13,936,975</u>	<u>\$ 13,936,975</u>

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### **NOTE 8. INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

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, (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### **NOTE 9. PROPERTY TAXES**

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

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

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Council and the Miami-Dade County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2015 was 6.9363 mills (\$6.9363 per \$1,000 of taxable assessed valuation).

### **NOTE 10. RETIREMENT PLANS**

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

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

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 10. RETIREMENT PLANS (continued)

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

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

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

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

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

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

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

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 10. RETIREMENT PLANS** (continued)

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

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

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July. If the member was initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before that time, the annual COLA is 3.0% per year. If the member was initially enrolled on or after July 1, 2011, there is an individually calculated COLA. The annual COLA is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014, through June 30, 2015, and from July 1, 2015, through September 30, 2015, respectively, were as follows: Regular 7.37% and 7.26%; Senior Management Service 21.14% and 21.43%; DROP participants 12.28% and 18.75 and 75 and Special Risk 19.82% and 22.04%. These employer contribution rates include a 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014, through June 30, 2015, and from July 1, 2015, through September 30, 2015, respectively.

For the fiscal year ending September 30, 2015, contributions, including employee contributions, to the Pension Plan for the City totaled \$5,096,818.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 10. RETIREMENT PLANS** (continued)

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

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At September 30, 2015, the City reported a liability of \$21,180,496 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on its share of the City's 2014-2015 fiscal year contributions relative to the 2013-2014 fiscal year contributions of all participating members.

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$960,709. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences Between Expected and Actual Experience	\$ 2,236,033	\$ 502,337
Change of Assumptions	1,405,821	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	5,057,548
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	-	2,516,625
Pension Plan Contributions Subsequent to the Measurement Date	<u>1,098,794</u>	<u>-</u>
Total	<u>\$ 4,740,648</u>	<u>\$ 8,076,510</u>

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 10. RETIREMENT PLANS** (continued)

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

The deferred outflows of resources related to the Pension Plan, totaling \$1,098,794 for the City, resulting from contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Years Ending September 30</u>	<u>Deferred Outflows/(Inflows) Net</u>
2016	\$ (831,498)
2017	(831,498)
2018	(831,498)
2019	(831,498)
2020	(831,498)
Thereafter	<u>(277,166)</u>
<b>Total</b>	<b><u>\$ (4,434,656)</u></b>

*Actuarial Assumptions* – The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.65%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 10. RETIREMENT PLANS (continued)**

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

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.2%	3.1%	1.7%
Fixed Income	18.00%	4.8%	4.7%	7.0%
Global Equity	53.00%	8.5%	7.2%	17.7%
Real Estate (Property)	10.00%	6.8%	6.2%	12.0%
Private Equity	6.00%	11.9%	8.2%	30.0%
Strategic Investments	<u>12.00%</u>	6.7%	6.1%	11.4%
Total	<u>100.00%</u>			
Assumed Inflation – Mean		2.6%		1.9%

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

Discount Rate – The discount rate used to measure the total pension liability was 7.65%. 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, 2015

### NOTE 10. RETIREMENT PLANS (continued)

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

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Proportional Share of the Net Pension Liability	\$ 54,883,455	\$ 21,180,496	\$ (6,865,902)

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

Payables to the Pension Plan - At September 30, 2015, the City had no outstanding payables of to the Pension Plan for contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

#### 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, 2015, 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, 2015, the HIS contribution rate for the period October 1, 2014, through June 30, 2015, and from July 1, 2015, through September 30, 2015, was 1.20% and 1.26%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 10. RETIREMENT PLANS** (continued)

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

For the fiscal year ending September 30, 2015, contributions to the HIS Plan for the City totaled \$556,562.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At September 30, 2015, the City reported a liability of \$11,080,866 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based its share of the City's 2014-2015 fiscal year contributions relative to the 2013-2014 fiscal year contributions of all participating members.

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$773,227. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences Between Expected and Actual Experience	\$ -	\$ -
Change of Assumptions	871,775	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,998	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	-	331,436
Pension Plan Contributions Subsequent to the Measurement Date	<u>141,224</u>	<u>-</u>
Total	<u>\$ 1,018,997</u>	<u>\$ 331,436</u>

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 10. RETIREMENT PLANS (continued)

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

The deferred outflows of resources related to the HIS Plan, totaling \$141,224 for the City, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. 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>
2016	\$ 102,438
2017	102,438
2018	102,438
2019	102,438
2020	102,438
Thereafter	<u>34,146</u>
<b>Total</b>	<u>\$ 546,336</u>

Actuarial Assumptions – Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2014 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2015. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of June 30, 2015 using a standard actuarial roll-forward technique. The total pension liability as of June 30, 2015 was determined using the following actuarial assumptions:

Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	3.80%, net of pension plan investment expense, including inflation

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

The actuarial assumptions that determine the total pension liability as of June 30, 2015 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 10. RETIREMENT PLANS (continued)

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

*Discount Rate* - The discount rate used to measure the total pension liability at June 30, 2015 was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2014 valuation was updated from 4.29% to 3.80%, reflecting the change in the Bond Buyer General Obligation 20-Bond municipal Bond Index as of June 30, 2015.

*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 4.29%, 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 (3.29%) or one percentage point higher (5.29%) than the current rate:

	<b>1% Decrease (3.29%)</b>	<b>Current Discount Rate (4.29%)</b>	<b>1% Increase (5.29%)</b>
Proportional Share of the Net Pension Liability	\$ 12,626,130	\$ 11,080,866	\$ 9,792,347

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

#### **C. Investment Plan**

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

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

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 10. RETIREMENT PLANS** (continued)

**C. Investment Plan (continued)**

Allocations to the investment member's accounts during the 2014-15 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

<b>Membership Class</b>	<b>Percentage of Gross Compensation</b>
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, 2015, 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 \$557,505, for the fiscal year ended September 30, 2015.

At September 30, 2015, the City has no outstanding contributions to the Investment Plan required for the fiscal year ended September 30, 2015.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

In June 2004, Government Accounting Standard Board issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB 45 requires employer governments to account for and report the annual cost of other postemployment benefits in the same manner as they do for pensions. The City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

#### *Plan Description*

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.

As of October 1, 2014, the date of the latest actuarial valuation, employee membership data related to the Plan was as follows:

<u>Coverage</u>	<u>Number of Subscribers</u>	
	<u>Active</u>	<u>Retired</u>
Active employees	412	14

#### *Actuarial Methods*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk and changes in marital status could result in actual costs being greater or less than estimated.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (continued)

#### *Actuarial Methods (continued)*

Projections of benefits for financial reporting purposes are based on the substantive plan and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer plan members to that point. Since the City of Miami Gardens is a newly established City and there are no retirees currently, the actuary is using the standards in the market to perform the calculation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides information concerning actuarial methods and assumptions from the latest actuarial valuation:

Actuarial Valuation Date:	May 1, 2015
Measurement Date:	October 1, 2014
Actuarial Cost Method:	Projected Unit Credit
Amortization Period & Method:	26 years as of October 1, 2014
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions:	
Discount Rate:	4%
Payroll Increase:	3% per annum
Medical Trend:	Based on the 2014 Society of Actuaries Long Term Medical Trend Mode, with 1.6% GDP The rate is 4.7% in 2015, increasing gradually. The rate in 2050 is 5.20%. The ultimate rate is 3.9%. Adjusted pre-65 medical care trend due to the projected impact of the "Cadillac Tax". The Plan has no liability for participants post Medicare.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (continued)

*Funding Policy*

The City's OPEB plan is currently unfunded; therefore, the offset to the other post-employment benefit (OPEB) cost comes from actual subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is call the actual employer contribution and equals the total actual claims and other costs incurred by the retirees and their dependents for the year.

For the year ended September 30, 2015, the City's annual other post-employment benefit (OPEB) costs and liability were as follows:

Required contribution rates:

Employer	Pay-as-you-go
FY 15 Annual Required Contribution (ARC)	\$ 757,000
Interest on Net OPEB obligation	189,000
Adjustment to ARC	<u>(212,000)</u>
Annual OPEB Costs	734,000
Employer contributions	<u>(98,000)</u>
Increase in net OPEB obligation	636,000
Net OPEB obligation - October 1, 2014	<u>4,719,757</u>
Net OPEB obligation - September 30, 2015	<u>\$ 5,355,757</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB cost</u>	<u>Annual Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2013	\$767,000	\$21,000	2.7%	\$3,947,757
9/30/2014	\$823,000	\$51,000	6.2%	\$4,719,757
9/30/2015	\$734,000	\$98,000	13.4%	\$5,355,757

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (continued)

#### *Funding Policy (continued)*

The funded status of the plan as of October 1, 2014 was as follows:

	<u>10/1/2014</u>
Actuarial value of assets	0
Actuarial accrued liability	\$5,383,000
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$5,383,000
Funded Ratio	0
Covered payroll	\$30,598,722
UAAL as percentage of covered payroll	17.59%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented indicated multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### NOTE 12. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES

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

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

*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.

# CITY OF MIAMI GARDENS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

### NOTE 12. INTERLOCAL AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

#### *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 pooled insurance provided by the Florida League of Cities, known as Florida Municipal Insurance Trust (FMIT). Each participant in the Trust, hereafter, known as member has signed an agreement with FMIT and 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. Further, any excess monies remaining after the payment of claims and claim expenses, and after provision has been made for the payment of open claims and outstanding reserves, may be distributed by the Board of Trustees to the members participating in the Trust in such manner as the Trustees shall deem to be equitable.

#### *Litigation*

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

#### *Compliance Audits*

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

### NOTE 13. RESTATEMENT

The GASB has issued Statement No. 68, Accounting and Financial Reporting for Pension, an Amendment of GASB Statement No. 27 ("GASB 68"), which was adopted by the City for the year ended September 30, 2015. GASB requires government providing defined benefit pension plan to recognize their long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits. In accordance with GASB 68, the City now reports a pension liability on its financial statements, as well as deferred outflows of resources and deferred inflows of resources. In addition, the impact of implementing this statement resulted in a restatement of the beginning net position for governmental activities to adjust for the pension benefit liability that would have been reported in previous years.

**CITY OF MIAMI GARDENS, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**NOTE 13. RESTATEMENT** (continued)

The City's net position as September 30, 2014 has been restated as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Governmental and Business- type Activities</b>
Net position, September 30, 2014	\$ 259,679,027	\$ 11,411,277	\$ 271,090,304
Restated amount related to the implementation of GASB 68:			
FRS and HIS net pension liability	(20,760,230)	(184,509)	(20,944,739)
Deferred Inflows	(19,920,178)	(177,042)	(20,097,220)
Deferred outflows	<u>3,194,130</u>	<u>28,389</u>	<u>3,222,519</u>
Net position as restated, September 30, 2014	<u>\$ 222,192,749</u>	<u>\$ 11,078,115</u>	<u>\$ 233,270,864</u>

**NOTE 14 SUBSEQUENT EVENTS**

On January 27, 2016 the City was granted a five year extension from Bank of America on Series 2009B \$8,800,000 Taxable Land Acquisition Revenue Bond from February 1, 2016 to February 1, 2021. All terms and structures of the bond remain unchanged.

On March 21, 2016 the City refinanced the outstanding amount on Series 2009 \$7,300,000 Taxable Land Acquisition Revenue Bonds with Bank United. The term of this issuance is for three years, with a variable rate equal to LIBOR plus 2.25%. The Bond matures on March 21, 2019.

**NOTE 15. MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through May 2, 2016, the date which the financial statement was available for issue.

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

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# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 23,600,098	\$ 23,600,098	\$ 22,067,751	\$ (1,532,347)
Utility taxes	10,398,000	10,398,000	11,361,010	963,010
Intergovernmental	10,834,416	10,834,416	11,170,996	336,580
Charges for services	6,627,970	7,888,474	8,390,362	501,888
Licenses and permits	1,837,500	1,837,500	1,881,174	43,674
Fines and forfeitures	3,812,751	3,812,751	4,568,870	756,119
Franchise fees	3,048,633	3,048,633	3,398,916	350,283
Grants and donations	656,660	656,660	28,858	(627,802)
Other income	1,536,950	1,527,775	1,618,942	91,167
Interest	14,000	14,000	44,953	30,953
Total revenues	62,366,978	63,618,307	64,531,832	913,525
<b>Expenditures:</b>				
<b>Current:</b>				
General government:				
Legislative	537,770	552,487	530,978	21,509
City Manager	1,139,734	1,197,276	1,194,645	2,631
Community Outreach	3,947,922	4,336,722	4,280,290	56,432
City Clerk	769,075	769,075	750,703	18,372
Finance	708,329	718,829	716,561	2,268
Human Resources	986,924	992,924	942,858	50,066
City Attorney	558,694	582,194	567,018	15,176
Planning & Zoning	118,801	342,301	347,927	(5,626)
Non-departmental	3,485,875	3,650,703	3,620,615	30,088
Purchasing	303,809	303,809	286,250	17,559
Information Technology	2,194,083	2,180,206	2,146,096	34,110
Fleet	1,949,171	1,801,942	1,793,104	8,838
City Hall facilities	798,791	697,800	607,070	90,730
Public safety:				
Police	32,281,146	33,031,123	32,571,835	459,288
Code enforcement	1,427,756	1,427,456	1,306,255	121,201
Culture and recreation	5,624,201	5,668,248	4,858,890	809,358
<b>Capital outlay</b>				
General government	103,000	137,682	73,483	64,199
Parks and recreation	6,550	14,243	7,693	6,550
Total expenditures	56,941,631	58,405,020	56,602,271	1,802,749
Excess(deficiency) of revenues over expenditures	5,425,347	5,213,287	7,929,561	2,716,274
<b>Other financing sources (uses):</b>				
Debt issuance	-	-	-	-
Transfers in	1,019,630	1,019,630	1,019,630	-
Transfers out	(6,444,977)	(6,444,977)	(6,444,977)	-
Total other financing sources (uses)	(5,425,347)	(5,425,347)	(5,425,347)	-
Net change in fund balances	\$ -	\$ (212,060)	\$ 2,504,214	\$ 2,716,274

# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE TRANSPORTATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>Revenues:</b>				
Intergovernmental	\$ 6,765,291	\$ 6,765,291	\$ 7,351,106	\$ 585,815
Charges for services	68,500	68,500	110,435	41,935
Other income	210,000	210,000	3,547	(206,453)
Interest income	<u>5,000</u>	<u>5,000</u>	<u>10,905</u>	<u>5,905</u>
Total revenues	<u>7,048,791</u>	<u>7,048,791</u>	<u>7,475,993</u>	<u>427,202</u>
<b>Expenditures:</b>				
Public works:				
Administration	726,060	727,090	498,933	228,157
Keep Miami Gardens Beautiful	167,617	166,587	153,622	12,965
Streets	2,016,312	2,016,312	1,531,738	484,574
CITT	527,547	595,562	588,941	6,621
CITT - Transit	772,866	749,266	613,349	135,917
Capital outlay	<u>2,210,895</u>	<u>2,557,047</u>	<u>1,426,022</u>	<u>1,131,025</u>
Total expenditures	<u>6,421,297</u>	<u>6,811,864</u>	<u>4,812,605</u>	<u>1,999,259</u>
Excess (deficiency) of revenues over expenditures	<u>627,494</u>	<u>236,927</u>	<u>2,663,388</u>	<u>2,426,461</u>
<b>Other financing sources (uses):</b>				
Transfers in	182,061	182,061	182,061	-
Transfers out	(809,555)	(809,555)	(809,555)	-
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(627,494)</u>	<u>(627,494)</u>	<u>(627,494)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (390,567)</u>	<u>\$ 2,035,894</u>	<u>\$ 2,426,461</u>

# CITY OF MIAMI GARDENS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

### **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, 2015 no supplemental appropriation was required for Council approval.
- (f) The City manager is authorized to make revisions to the adopted budget when new debt is issued or grants received that were not included in the originally adopted budget.
- (g) Formal budgetary integration is employed as a management control device for the general fund.
- (h) The budgets for the general fund, debt service fund and transportation fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (i) Unencumbered appropriations lapse at fiscal year-end. Unencumbered amounts are re-appropriated in the following year's budget.

**CITY OF MIAMI GARDENS, FLORIDA**

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

SEPTEMBER 30, 2015

	<u>2014</u>	<u>2015</u>
City's proportion of the FRS net pension liability	0.1695%	0.1640%
City's proportionate share of the FRS net pension liability	\$ 10,341,056	\$ 21,180,496
City's covered-employee payroll	\$ 33,328,131	\$ 32,315,181
City's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	31%	66%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	92%

Note: The amounts presented for each fiscal year were determined as of June 30<sup>th</sup>. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2014 and 2015 are available.

**CITY OF MIAMI GARDENS, FLORIDA**

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

SEPTEMBER 30, 2015

	<u>2014</u>	<u>2015</u>
Contractually required FRS contribution	\$ 4,626,412	\$ 5,096,818
FRS contributions in relation to the contractually required contribution	\$ 4,626,412	\$ 5,096,818
FRS contribution deficiency (excess)	\$ -	\$ -
City's covered-employee payroll \$	\$ 33,328,131	\$ 32,315,181
FRS contributions as a percentage of covered-employee payroll	14%	16%

Note: The amounts presented for each fiscal year were determined as of June 30<sup>th</sup>. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2014 and 2015 are available.

**CITY OF MIAMI GARDENS, FLORIDA**

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

SEPTEMBER 30, 2015

	<u>2014</u>	<u>2015</u>
City's proportion of the HIS net pension liability	0.1695%	0.1640%
City's proportionate share of the HIS net pension liability	\$ 10,603,683	\$ 11,080,866
City's covered-employee payroll	\$ 33,328,131	\$ 32,315,181
City's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	32%	34%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%

Note: The amounts presented for each fiscal year were determined as of June 30<sup>th</sup>. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2014 and 2015 are available.

**CITY OF MIAMI GARDENS, FLORIDA**

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

SEPTEMBER 30, 2015

	<u>2014</u>	<u>2015</u>
Contractually required HIS contribution	\$ 484,176	\$ 556,562
HIS contributions in relation to the contractually required HIS contribution	\$ 484,176	\$ 556,562
HIS contribution deficiency (excess)	\$ -	\$ -
City's covered-employee payroll	\$ 33,328,131	\$ 32,315,181
HIS contributions as a percentage of covered-employee payroll	1%	2%

Note: The amounts presented for each fiscal year were determined as of June 30<sup>th</sup>. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ending September 30, 2014 and 2015 are available.

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**OTHER SUPPLEMENTARY INFORMATION**

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## **MAJOR GOVERNMENTAL FUNDS**

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### **Capital Projects Fund**

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

### **Debt Service Fund**

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

# CITY OF MIAMI GARDENS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Grant revenue	\$ -	\$ 485,816	\$ 236,335	\$ (249,481)
Other income	1,162,471	1,212,471	1,352,833	140,362
Interest	-	-	486,188	486,188
Total revenues	1,162,471	1,698,287	2,075,356	377,069
<b>Expenditures:</b>				
Administration	455,711	489,322	570,006	(80,684)
Parks & Recreation	-	61,767	18,322	43,445
Capital outlay	60,000,000	61,713,516	5,088,882	56,624,634
Total expenditures	60,455,711	62,264,605	5,677,210	56,587,395
Excess of revenues over expenditures	(59,293,240)	(60,566,318)	(3,601,854)	56,964,464
<b>Other financing sources (uses):</b>				
Transfers in	5,123,069	5,123,069	5,123,069	-
Transfers out	(5,829,829)	(5,829,829)	(5,829,829)	-
Total other financing sources (uses)	(706,760)	(706,760)	(706,760)	-
Net change in fund balances	\$(60,000,000)	\$(61,273,078)	\$ (4,308,614)	\$ 56,964,464

# CITY OF MIAMI GARDENS, FLORIDA

## MAJOR GOVERNMENTAL FUND BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 4,254,449	\$ 4,254,449	\$ 4,200,807	\$ (53,642)
Miscellaneous Revenues	-	100,000	170,000	70,000
Interest	-	-	-	-
Total revenues	4,254,449	4,354,449	4,370,807	16,358
<b>Expenditures:</b>				
Principal	4,706,810	4,806,810	5,254,807	(447,997)
Interests	7,659,854	7,659,854	7,562,808	97,046
Total expenditures	12,366,664	12,466,664	12,817,615	(350,951)
Excess of revenues over expenditures	(8,112,215)	(8,112,215)	(8,446,808)	(334,593)
<b>Other financing sources (uses):</b>				
Refunding Bond	-	-	-	-
Transfers in	7,612,215	7,612,215	7,612,215	-
Transfers out	-	-	-	-
Total other financing sources (uses)	7,612,215	7,612,215	7,612,215	-
Net change in fund balances	\$ (500,000)	\$ (500,000)	\$ (834,593)	\$ (334,593)

## NON-MAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

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

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

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

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

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

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

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

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

# CITY OF MIAMI GARDENS, FLORIDA

## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Brick Paver</u>	<u>Impact Fees</u>	<u>Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>								
Cash	\$ -	\$ 120,219	\$ 454,663	\$ -	\$ 36,893	\$ 833	\$ 1,539,891	\$ 2,152,499
Accounts receivables, net	111,157	156,567	204,480	-	-	-	2,491	474,695
Prepaid	<u>70</u>	<u>-</u>	<u>-</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>329</u>	<u>759</u>
Total assets	<u>\$ 111,227</u>	<u>\$ 276,786</u>	<u>\$ 659,143</u>	<u>\$ 360</u>	<u>\$ 36,893</u>	<u>\$ 833</u>	<u>\$ 1,542,711</u>	<u>\$ 2,627,953</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>								
<b>Liabilities:</b>								
Accounts payable and accrued expenses	\$ 13,110	\$ 1,160	\$ 47,160	\$ 43,210	\$ -	\$ -	\$ 360	\$ 105,000
Due to Transportation Fund	78,540	-	-	67,683	-	-	-	146,223
Retainage payable	-	-	2,420	-	-	-	-	2,420
Unearned revenue/Escrow	<u>19,577</u>	<u>156,567</u>	<u>123,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,411</u>
Total liabilities	<u>111,227</u>	<u>157,727</u>	<u>172,847</u>	<u>110,893</u>	<u>-</u>	<u>-</u>	<u>360</u>	<u>553,054</u>
 <b>Fund balances:</b>								
<b>Restricted for:</b>								
Housing	-	119,059	-	-	-	-	-	119,059
Law Enforcement	-	-	-	-	36,893	-	229,715	266,608
Parks & Recreation	-	-	-	-	-	-	1,280,601	1,280,601
General Administration	-	-	-	-	-	-	32,035	32,035
Community Development	-	-	486,296	-	-	-	-	486,296
Assigned	-	-	-	-	-	833	-	833
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,533)</u>
Total fund balances	<u>-</u>	<u>119,059</u>	<u>486,296</u>	<u>(110,533)</u>	<u>36,893</u>	<u>833</u>	<u>1,542,351</u>	<u>2,074,899</u>
Total liabilities and fund balances	<u>\$ 111,227</u>	<u>\$ 276,786</u>	<u>\$ 659,143</u>	<u>\$ 360</u>	<u>\$ 36,893</u>	<u>\$ 833</u>	<u>\$ 1,542,711</u>	<u>\$ 2,627,953</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, 2015

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Brick Paver</u>	<u>Impact Fees</u>	<u>Non-Major Governmental Funds</u>
<b>Revenues:</b>								
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,406	\$ 386,406
Forfeiture funds	-	-	-	-	26,880	-	16,419	43,299
Licenses & Permits	-	-	-	1,953,734	-	-	-	1,953,734
Charges for services	-	-	-	322,869	-	833	-	323,702
Grant revenue	803,328	289,264	1,605,618	-	-	-	-	2,698,210
Other income	-	3,948	33,359	-	-	-	-	37,307
Interest	-	365	-	900	40	-	3,821	5,126
Total revenues	<u>803,328</u>	<u>293,577</u>	<u>1,638,977</u>	<u>2,277,503</u>	<u>26,920</u>	<u>833</u>	<u>406,646</u>	<u>5,447,784</u>
<b>Expenditures:</b>								
Economic and physical development	-	283,426	1,262,648	-	-	-	-	1,546,074
Public safety	128,413	-	-	1,519,283	808	-	29,686	1,678,190
Public Works	16,067	-	-	-	-	-	-	16,067
Human Services	176,605	-	-	-	-	-	-	176,605
Recreation/Culture	436,649	-	-	-	-	-	-	436,649
Capital outlay	45,594	-	-	-	-	-	-	45,594
Total expenditures	<u>803,328</u>	<u>283,426</u>	<u>1,262,648</u>	<u>1,519,283</u>	<u>808</u>	<u>-</u>	<u>29,686</u>	<u>3,899,179</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>10,151</u>	<u>376,329</u>	<u>758,220</u>	<u>26,112</u>	<u>833</u>	<u>376,960</u>	<u>1,548,605</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(417,300)	-	-	-	(417,300)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(417,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(417,300)</u>
Net change in fund balances	-	10,151	376,329	340,920	26,112	833	376,960	1,131,305
Fund balances, beginning	<u>-</u>	<u>108,908</u>	<u>109,967</u>	<u>(451,453)</u>	<u>10,781</u>	<u>-</u>	<u>1,165,391</u>	<u>943,594</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 119,059</u>	<u>\$ 486,296</u>	<u>\$ (110,533)</u>	<u>\$ 36,893</u>	<u>\$ 833</u>	<u>\$ 1,542,351</u>	<u>\$ 2,074,899</u>

# CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Impact Fees	\$ -	\$ -	\$ 386,406	\$ 386,406
Other income	-	16,410	16,419	9
Interest	-	-	3,821	3,821
Total revenues	-	16,410	406,646	390,236
<b>Expenditures:</b>				
Police	-	29,688	29,686	2
Capital outlay	-	-	-	-
Total expenditures	-	29,688	29,686	2
Excess of revenues over expenditures	-	(13,278)	376,960	390,238
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ (13,278)	\$ 376,960	\$ 390,238

# CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Grant Revenue	\$ 999,851	\$ 3,380,869	\$ 1,605,618	\$ (1,775,251)
Other income	-	9,312	33,359	24,047
Total revenues	999,851	3,390,181	1,638,977	(1,751,204)
<b>Expenditures:</b>				
Operating	999,851	3,438,273	1,262,648	2,175,625
Capital Outlay	-	-	-	-
Total expenditures	999,851	3,438,273	1,262,648	2,175,625
Excess of revenues over expenditures	-	(48,092)	376,329	424,421
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ (48,092)	\$ 376,329	\$ 424,421

# CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Licenses & Permits	\$ 1,593,700	\$ 1,661,848	\$ 1,953,734	\$ 291,886
Charges for services	265,775	277,475	322,869	45,394
Other income	-	-	900	900
Total revenues	1,859,475	1,939,323	2,277,503	338,180
<b>Expenditures:</b>				
Development Services:				
Building Services	1,442,175	1,939,323	1,519,283	420,040
Total expenditures	1,442,175	1,939,323	1,519,283	420,040
Excess of revenues over expenditures	417,300	-	758,220	758,220
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(417,300)	(417,300)	(417,300)	-
Total other financing sources (uses)	(417,300)	(417,300)	(417,300)	-
Net change in fund balances	\$ -	\$ (417,300)	\$ 340,920	\$ 758,220

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## **STATISTICAL SECTION**

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# CITY OF MIAMI GARDENS, FLORIDA

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> .....	<b>77-81</b>
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	<b>82-85</b>
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> .....	<b>86-90</b>
<i>These schedules contain information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in future.</i>	
<b>Demographic and Economic Information</b> .....	<b>91-92</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.</i>	
<b>Operating Information</b> .....	<b>93-95</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.</i>	

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

# CITY OF MIAMI GARDENS, FLORIDA

## NET POSITION BY COMPONENT

### LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>										
Invested in capital assets	\$ 15,623,582	\$ 288,874,382	\$ 281,988,508	\$ 289,514,837	\$ 286,317,554	\$ 227,616,716	\$ 265,675,780	\$ 261,783,392	\$ 255,314,939	\$ 250,167,614
Restricted	-	-	-	-	2,029,805	49,292,687	6,111,104	6,121,430	6,796,767	9,757,585
Unrestricted	<u>3,552,755</u>	<u>24,866,626</u>	<u>22,957,074</u>	<u>6,883,850</u>	<u>(976,348)</u>	<u>(4,159,133)</u>	<u>4,845,868</u>	<u>2,179,405</u>	<u>(2,432,679)</u>	<u>(39,687,115)</u>
Total governmental activities net position	<u>\$ 19,176,337</u>	<u>\$ 313,741,008</u>	<u>\$ 304,945,582</u>	<u>\$ 296,398,687</u>	<u>\$ 287,371,011</u>	<u>\$ 272,750,270</u>	<u>\$ 276,632,752</u>	<u>\$ 270,084,227</u>	<u>\$ 259,679,027</u>	<u>\$ 220,238,084</u>
<b>Business-type activities</b>										
Invested in capital assets	\$ -	\$ -	\$ 6,644,844	\$ 6,713,834	\$ 7,644,476	\$ 8,158,392	\$ 9,140,724	\$ 9,132,867	\$ 9,702,322	\$ 9,346,633
Restricted	-	-	-	518,057	-	-	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>479,360</u>	<u>1,159,901</u>	<u>1,375,440</u>	<u>1,250,982</u>	<u>1,225,840</u>	<u>1,422,103</u>	<u>1,708,955</u>	<u>2,362,274</u>
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,124,204</u>	<u>\$ 8,391,792</u>	<u>\$ 9,019,916</u>	<u>\$ 9,409,374</u>	<u>\$ 10,366,564</u>	<u>\$ 10,554,970</u>	<u>\$ 11,411,277</u>	<u>\$ 11,708,907</u>
<b>Primary government</b>										
Invested in capital assets	\$ 15,623,582	\$ 288,874,382	\$ 288,633,352	\$ 296,228,671	\$ 293,962,030	\$ 235,775,108	\$ 274,816,504	\$ 270,916,259	\$ 265,017,261	\$ 259,514,247
Restricted	-	-	-	518,057	-	49,292,687	6,111,104	6,121,430	6,796,767	9,757,585
Unrestricted	<u>3,552,755</u>	<u>24,866,626</u>	<u>23,436,434</u>	<u>8,043,751</u>	<u>399,092</u>	<u>(2,908,151)</u>	<u>6,071,708</u>	<u>3,601,508</u>	<u>(723,724)</u>	<u>(37,324,841)</u>
Total primary government net position	<u>\$ 19,176,337</u>	<u>\$ 313,741,008</u>	<u>\$ 312,069,786</u>	<u>\$ 304,790,479</u>	<u>\$ 294,361,122</u>	<u>\$ 282,159,644</u>	<u>\$ 286,999,316</u>	<u>\$ 280,639,197</u>	<u>\$ 271,090,304</u>	<u>\$ 231,946,991</u>

# CITY OF MIAMI GARDENS, FLORIDA

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS (accrual basis of accounting)

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
<b>Governmental activities:</b>										
General government	\$ 16,173,766	\$ 8,165,227	\$ 13,812,430	\$ 15,125,100	\$ 17,238,930	\$ 19,540,594	\$ 16,076,550	\$ 16,525,346	\$ 20,174,685	\$ 17,423,449
Public safety	28,073,386	34,328,380	36,798,937	38,234,029	40,240,521	36,652,536	34,564,704	37,298,100	37,768,451	37,250,605
Public works	139,572	14,752,564	14,312,988	16,493,776	14,475,704	14,461,666	14,477,703	15,161,302	15,564,664	16,053,184
Parks and recreation	3,840,917	5,288,604	7,584,382	7,021,628	7,403,794	7,576,867	6,964,532	6,801,697	7,065,966	6,514,054
Economic environment	-	692,650	2,108,238	4,272,833	6,011,115	5,009,478	5,038,712	2,341,655	1,725,248	1,546,074
Human Services	-	-	-	-	-	-	-	-	28,555	176,605
Interest on long-term debt	302,767	1,253,766	1,535,354	1,590,157	2,263,358	5,835,054	5,674,415	5,543,197	6,013,090	7,603,784
Total governmental activities:	<u>48,530,408</u>	<u>64,481,191</u>	<u>76,152,329</u>	<u>82,737,524</u>	<u>87,633,422</u>	<u>89,076,195</u>	<u>82,796,616</u>	<u>83,671,297</u>	<u>88,340,659</u>	<u>86,567,755</u>
<b>Business-type activities:</b>										
Stormwater	-	-	2,352,622	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787	2,559,364	2,437,432
Total business-type activities	-	-	2,352,622	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787	2,559,364	2,437,432
Total primary government expenses	<u>48,530,408</u>	<u>64,481,191</u>	<u>78,504,951</u>	<u>84,937,938</u>	<u>89,935,343</u>	<u>91,951,314</u>	<u>85,919,562</u>	<u>86,566,084</u>	<u>90,900,023</u>	<u>89,005,187</u>
<b>PROGRAM REVENUES</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	182,220	309,329	2,662,830	3,956,041	6,487,138	6,441,291	7,618,723	8,370,005	8,678,486	9,614,573
Public safety	5,737,311	4,401,836	2,874,845	4,265,862	4,587,639	4,647,205	5,143,350	5,963,644	5,680,283	6,813,911
Public works	-	1,480,871	82,193	96,171	48,239	58,163	60,829	89,437	83,287	110,435
Parks & Recreation	430,788	800,911	566,377	486,382	722,355	1,084,193	1,217,539	1,158,323	1,000,675	1,121,882
Operating grants and contributions	6,991,806	2,305,891	4,399,823	4,592,454	8,583,150	6,668,214	7,047,517	3,159,475	3,296,282	2,437,804
Capital grants and contributions	-	2,954,457	9,867,071	7,271,980	5,767,617	5,269,558	2,780,862	3,478,683	1,983,665	236,335
Total governmental activities program revenues	<u>13,342,125</u>	<u>12,253,295</u>	<u>20,453,139</u>	<u>20,668,889</u>	<u>26,196,137</u>	<u>24,168,624</u>	<u>23,868,820</u>	<u>22,219,567</u>	<u>20,722,678</u>	<u>20,334,940</u>
<b>Business-type activities:</b>										
Charges for services:										
Stormwater	-	-	3,473,634	3,381,668	3,456,364	3,408,106	3,714,835	3,498,210	3,804,604	3,464,069
Capital grants and contributions	-	-	-	645,351	88,275	147,301	701,670	-	38,650	34,000
Total business-type activities program revenues	-	-	3,473,634	4,027,019	3,544,639	3,555,407	4,416,505	3,498,210	3,843,254	3,498,069
Total primary government revenues	<u>13,342,125</u>	<u>12,253,295</u>	<u>23,926,773</u>	<u>24,695,908</u>	<u>29,740,776</u>	<u>27,724,031</u>	<u>28,285,325</u>	<u>25,717,777</u>	<u>24,565,932</u>	<u>23,833,009</u>
Net (expense)/revenue										
Governmental activities	(35,188,283)	(52,227,897)	(55,699,191)	(62,068,635)	(61,437,284)	(64,907,571)	(58,927,796)	(61,451,730)	(67,617,981)	(66,232,815)
Business-type activities	-	-	1,121,012	1,826,605	1,242,718	680,288	1,293,559	603,423	1,283,890	1,060,637
Total primary government net expenses	<u>(35,188,283)</u>	<u>(52,227,897)</u>	<u>(54,578,178)</u>	<u>(60,242,030)</u>	<u>(60,194,566)</u>	<u>(64,227,283)</u>	<u>(57,634,237)</u>	<u>(60,848,307)</u>	<u>(66,334,091)</u>	<u>(65,172,178)</u>
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes	11,635,651	19,180,662	22,871,432	23,840,155	22,493,510	19,616,970	21,340,234	19,653,871	21,757,058	26,268,558
Utility taxes	7,067,495	4,624,041	9,918,787	10,561,528	10,641,034	11,135,661	10,467,536	10,525,589	10,411,425	11,361,010
Franchise fees on gross receipts	4,069,708	8,737,149	5,185,545	5,052,006	5,092,510	3,987,008	4,504,778	4,239,521	3,477,303	3,398,916
Intergovernmental (unrestricted)	14,643,583	13,395,062	13,599,092	12,568,685	11,861,949	12,706,449	23,346,113	17,360,797	17,762,556	18,811,366
Investment income (unrestricted)	735,950	1,436,800	1,019,207	479,471	88,446	49,541	118,307	84,489	225,284	464,725
Investment income (restricted)	-	-	-	-	-	178,208	-	-	25,287	358,452
Miscellaneous	860,212	343,757	292,674	769,743	1,578,046	2,303,934	2,852,207	3,426,225	3,122,865	3,179,810
Transfers	-	-	(5,982,972)	593,983	654,111	309,061	381,101	422,553	431,004	435,314
Total governmental activities	<u>39,012,599</u>	<u>47,717,471</u>	<u>46,903,765</u>	<u>53,865,570</u>	<u>52,409,606</u>	<u>50,286,832</u>	<u>63,010,276</u>	<u>55,713,045</u>	<u>57,212,782</u>	<u>64,278,151</u>
<b>Business-type activities:</b>										
Investment income	-	-	19,901	19,712	5,105	6,261	3,226	3,401	3,421	5,469
Miscellaneous	-	-	318	15,254	34,412	11,970	41,506	4,135	-	-
Transfers	-	-	5,982,972	(593,983)	(654,111)	(309,061)	(381,101)	(422,553)	(431,004)	(435,314)
Total business-type activities	-	-	6,003,191	(559,017)	(614,594)	(290,830)	(336,369)	(415,017)	(427,583)	(429,845)
Total primary government	<u>39,012,599</u>	<u>47,717,471</u>	<u>52,906,956</u>	<u>53,306,553</u>	<u>51,795,012</u>	<u>49,996,002</u>	<u>62,673,907</u>	<u>55,298,028</u>	<u>56,785,199</u>	<u>63,848,306</u>
Change in Net Position										
Governmental activities	3,824,316	(4,510,426)	(8,795,426)	(8,203,065)	(9,027,678)	(14,620,739)	4,082,480	(5,738,685)	(10,405,200)	(1,954,665)
Business-type activities	-	-	7,124,204	1,267,588	628,124	389,458	957,190	188,406	856,307	630,792
Total primary government	<u>\$ 3,824,316</u>	<u>\$ (4,510,426)</u>	<u>\$ (1,671,222)</u>	<u>\$ (6,935,477)</u>	<u>\$ (8,399,554)</u>	<u>\$ (14,231,281)</u>	<u>\$ 5,039,670</u>	<u>\$ (5,550,279)</u>	<u>\$ (9,548,893)</u>	<u>\$ (1,323,873)</u>

# CITY OF MIAMI GARDENS, FLORIDA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS  
(accrual basis of accounting)

<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>
2006	\$ 11,636	\$ 2,154	\$ 5,305	\$ 18	\$ 7,055	\$ 7,067	\$ 4,070	\$ 37,305
2007	19,181	2,297	3,910	14	7,003	8,737	4,624	45,766
2008	22,871	2,270	3,618	16	6,842	9,919	5,186	50,722
2009	23,840	2,147	3,172	19	6,223	10,561	5,052	51,014
2010	22,494	2,104	3,151	20	6,086	10,641	5,093	49,589
2011	19,617	2,224	3,255	16	6,735	11,136	3,987	46,970
2012	19,979	2,142	3,442	14	6,955	10,468	4,505	47,505
2013	17,943	2,101	3,487	21	7,338	10,526	4,240	45,656
2014	21,063	2,133	3,554	25	7,657	10,411	3,525	48,368
2015	21,655	2,219	3,657	22	8,031	11,362	3,399	50,345

# CITY OF MIAMI GARDENS, FLORIDA

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General fund</b>										
Non-Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,722	\$ 653,356	\$ 545,371	\$ 308,471	\$ 246,671
Committed to:										
Capital Outlay	7,706,200	-	-	-	-	-	-	-	-	-
Assigned to:										
Subsequent year's budget	134,472	3,135,031	2,033,569	374,219	1,074,216	28,572	946,437	-	-	363,621
Capital Projects	-	-	-	-	-	-	-	-	2,455	500,000
Parks Maintenance										
Unassigned	<u>3,852,028</u>	<u>8,109,741</u>	<u>8,810,501</u>	<u>9,214,386</u>	<u>6,477,650</u>	<u>4,964,690</u>	<u>11,224,091</u>	<u>11,240,358</u>	<u>10,241,094</u>	<u>11,945,942</u>
Total general fund	<u>\$ 11,692,700</u>	<u>\$ 11,244,772</u>	<u>\$ 10,844,070</u>	<u>\$ 9,588,605</u>	<u>\$ 7,551,866</u>	<u>\$ 5,328,984</u>	<u>\$ 12,823,884</u>	<u>\$ 11,785,729</u>	<u>\$ 10,552,020</u>	<u>\$ 13,056,234</u>
<b>All other governmental funds</b>										
Non-Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ 390	\$ -
Restricted for:										
Housing	-	73,526	118,046	335,246	144,711	51,527	1,808	121,916	108,908	119,059
Law Enforcement	-	220,775	69,331	78,244	164,655	360,954	341,762	141,200	152,182	266,608
Transportation	995,259	500,211	1,012,589	518,120	2,625	7,183	3,711,984	4,604,466	5,298,838	7,335,122
Parks & Recreation	1,181,901	1,355,924	1,783,159	1,186,457	1,237,593	1,362,409	1,341,994	1,205,129	1,126,872	1,395,418
City Hall Project	-	-	-	-	-	46,852,312	39,489,995	10,933,917	11,935	32,035
Debt Service	-	-	-	-	-	-	-	-	-	155,082
General Obligation Bond projects	-	-	-	-	-	-	-	-	66,122,224	65,718,426
Capital Projects	-	13,595,976	7,655,356	2,523,596	859,375	-	-	-	-	-
Community Development Block Grant	-	-	219,695	10,345	479,291	658,302	526,027	48,719	109,967	486,296
Development Services Fund	2,095,620	682,443	27,664	18,345	3,555	-	-	-	-	-
Committed to:										
Debt Service	-	-	-	-	-	-	4,083,426	2,218,076	1,051,162	61,487
City Hall Project	-	-	-	-	-	-	-	-	1,239,467	-
Stormwater Fund (1)	-	466,915	-	-	-	-	-	-	-	-
Assigned to:										
Subsequent year's budget	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	833
Capital Projects	-	-	5,620,003	322,914	1,322,078	3,408,613	1,064,595	1,396,696	709,740	-
Unassigned:										
Community Development Block Grant	-	(32,680)	-	-	-	-	-	-	-	-
Capital Projects Fund	(1,428,726)	-	-	-	-	-	-	-	-	(1,955,609)
Development Services Fund	-	-	-	-	-	(620,259)	(318,128)	(459,483)	(451,453)	(110,533)
Total all other governmental funds	<u>\$ 2,844,054</u>	<u>\$ 16,863,090</u>	<u>\$ 16,505,843</u>	<u>\$ 4,993,267</u>	<u>\$ 4,213,883</u>	<u>\$ 52,081,041</u>	<u>\$ 50,243,463</u>	<u>\$ 20,211,086</u>	<u>\$ 75,480,232</u>	<u>\$ 73,504,224</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in FY 2011. Fiscal years 2003-2010 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									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>REVENUES</b>										
Taxes and franchise fees	\$ 15,705,359	\$ 23,804,703	\$28,056,977	\$ 28,892,161	\$ 27,586,020	\$ 23,603,978	\$25,845,012	\$ 23,893,392	\$ 25,234,361	\$ 29,667,474
Charges for services	613,632	4,719,171	3,574,081	5,220,215	4,677,906	4,985,825	5,950,208	7,170,038	7,602,354	8,824,499
Utility taxes	7,067,495	8,737,149	9,918,787	10,561,528	10,641,034	11,135,661	10,467,536	10,525,589	10,411,425	11,361,010
Intergovernmental	14,643,583	13,395,062	13,261,659	11,961,988	11,841,067	12,655,535	23,346,113	17,186,317	17,721,789	18,522,102
Licenses and permits	5,016,378	1,208,266	1,552,568	1,555,154	3,517,434	3,549,846	3,926,916	3,506,129	3,595,612	3,834,908
Fines and forfeitures	468,073	570,936	545,786	1,939,905	3,461,093	3,413,252	3,846,554	4,752,650	4,157,295	4,612,169
Impact fee	252,236	365,928	182,210	84,372	188,938	281,929	307,680	152,592	87,470	386,406
Grant revenue	6,991,806	5,270,913	14,929,049	12,449,876	14,374,711	12,007,847	9,949,640	6,812,638	5,320,714	2,963,403
Interest	735,951	1,436,801	1,019,207	479,870	88,446	227,749	118,307	84,489	160,087	547,172
Miscellaneous	860,212	461,837	299,552	795,407	1,574,983	2,284,773	3,217,257	3,426,225	3,122,865	3,182,629
Total revenues	<u>52,354,725</u>	<u>59,970,766</u>	<u>73,339,877</u>	<u>73,940,476</u>	<u>77,951,632</u>	<u>74,146,395</u>	<u>86,975,223</u>	<u>77,510,059</u>	<u>77,413,972</u>	<u>83,901,772</u>
<b>EXPENDITURES</b>										
General government	14,324,603	6,151,818	10,103,792	11,940,736	13,877,497	11,411,053	11,145,965	12,486,845	13,517,593	14,733,506
Human Services	-	-	-	-	-	-	-	-	28,555	176,605
Public safety	28,058,716	33,833,934	35,090,234	35,742,819	37,878,583	34,371,296	32,530,993	34,993,256	35,945,956	35,556,280
Public works	110,756	2,840,074	2,345,471	3,380,828	2,621,846	2,619,674	2,589,782	3,139,109	3,082,935	3,402,650
Parks and recreation	3,819,835	5,113,759	5,735,997	6,526,322	6,624,882	6,236,622	5,565,777	5,586,301	5,879,496	5,313,861
Economic and physical environment	-	692,650	2,108,238	4,272,833	6,011,114	5,009,478	5,038,712	2,341,655	1,725,248	1,546,074
Non-departmental	898,984	484,940	165,666	206,848	248,292	3,591,447	3,923,874	4,102,095	4,259,919	3,620,615
Debt service:										
Principal retirement	351,830	1,280,229	3,657,383	4,387,593	4,315,767	5,019,979	3,889,705	4,925,259	4,431,378	5,254,807
Interest and fiscal charges	302,767	475,378	1,928,353	1,624,748	2,322,143	4,368,382	5,712,392	5,581,708	5,480,843	7,562,808
Bond issuance cost	-	-	-	-	-	865,111	-	-	459,547	-
Capital outlay:										
General government	4,184,621	11,438,202	5,461,969	23,996,255	553,212	2,982,676	7,288,312	33,168,928	10,010,512	4,679,551
Public safety	-	1,949,660	5,166,940	1,260,838	760,687	308,667	175,000	653,370	60,005	45,594
Public works	-	12,215,612	1,720,304	1,141,508	1,666,852	2,663,150	2,293,567	3,350,589	2,978,435	1,464,777
Economic and physical development	-	-	124,119	-	-	-	-	-	-	-
Parks and recreation	-	678,188	5,729,703	13,435,270	5,950,601	3,587,815	1,344,923	2,374,029	2,133,182	451,752
Total expenditures	<u>52,052,112</u>	<u>77,154,444</u>	<u>79,338,169</u>	<u>107,916,598</u>	<u>82,831,475</u>	<u>83,035,350</u>	<u>81,499,002</u>	<u>112,703,144</u>	<u>89,993,604</u>	<u>83,808,880</u>
Excess(deficiency) of revenues over expenditures	302,613	(17,183,678)	(5,998,292)	(33,976,122)	(4,879,843)	(8,888,955)	5,476,221	(35,193,085)	(12,579,632)	92,892
Other financing (uses) sources:										
Transfers in	1,456,479	11,313,914	9,578,004	11,389,351	13,012,781	11,952,349	12,029,443	14,822,384	15,479,624	13,936,975
Transfers out	(1,456,479)	(11,313,914)	(9,037,656)	(10,795,368)	(12,358,671)	(11,643,288)	(11,648,342)	(14,399,831)	(15,048,620)	(13,501,661)
Proceeds from capital lease	-	5,600,000	-	-	-	-	-	3,700,000	-	-
Proceeds from bond	-	25,154,785	4,700,000	20,614,098	1,409,612	55,000,000	-	-	60,000,000	-
Premiums on bond issuance	-	-	-	-	-	-	-	-	6,184,065	-
Discounts on bond issuance	-	-	-	-	-	(775,830)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>30,754,785</u>	<u>5,240,348</u>	<u>21,208,081</u>	<u>2,063,722</u>	<u>54,533,231</u>	<u>381,101</u>	<u>4,122,553</u>	<u>66,615,069</u>	<u>435,314</u>
Net change in fund balances	<u>\$ 302,613</u>	<u>\$ 13,571,107</u>	<u>\$ (757,944)</u>	<u>\$(12,768,041)</u>	<u>\$(2,816,121)</u>	<u>\$ 45,644,276</u>	<u>\$ 5,857,322</u>	<u>\$(31,070,532)</u>	<u>\$ 54,035,437</u>	<u>\$ 528,206</u>
Debt service as a percentage of noncapital expenditures	1.4%	3.4%	8.8%	8.8%	9.0%	14.0%	13.6%	14.4%	13.2%	16.6%

## CITY OF MIAMI GARDENS, FLORIDA

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

#### LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Less: Tax Exempt Property</b>	<b>Taxable Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Taxable Assessed Value as a Percentage of Estimated Actual Value (1)</b>
2005	\$ 4,132,699,175	\$ 239,501,760	\$ 4,372,200,935	\$ 1,553,289,469	\$ 2,818,911,466	\$ 3.6384	\$ 2,889,278,122	97.56%
2006	4,903,949,191	314,705,807	5,218,654,998	1,952,254,932	3,266,400,066	3.6384	3,303,262,336	98.88%
2007	5,854,097,767	364,398,106	6,218,495,873	2,393,394,680	3,825,101,193	5.1488	3,908,957,173	97.85%
2008	7,594,763,337	389,726,939	7,984,490,276	3,278,893,791	4,705,596,485	5.1488	4,841,977,368	97.18%
2009	8,031,936,238	439,098,214	8,471,034,452	3,623,777,706	4,847,256,746	5.1402	4,834,595,603	100.26%
2010	6,964,395,404	403,295,314	7,367,690,718	3,066,430,658	4,301,260,060	5.3734	4,503,604,818	95.51%
2011	4,829,645,032	424,414,297	5,254,059,329	1,538,703,973	3,715,355,356	5.7141	3,717,102,853	99.95%
2012	4,541,068,996	430,140,872	4,971,209,868	1,504,385,885	3,466,823,983	6.5616	3,467,200,467	99.99%
2013	4,473,851,995	409,206,426	4,883,058,421	1,492,163,302	3,390,895,119	6.3620	3,381,045,528	100.29%
2014	4,389,292,826	384,000,304	4,773,293,130	1,472,932,907	3,300,360,223	6.9363	3,315,149,071	99.55%
2015	4,510,205,108	379,130,957	4,889,336,065	1,467,469,874	3,421,866,191	6.9363	3,451,480,819	99.14%

*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.*

# CITY OF MIAMI GARDENS, FLORIDA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS <sup>(1)</sup>

### LAST TEN FISCAL YEARS

#### OVERLAPPING RATES

Fiscal Year	City (2)			County			School Board			Other Authorities/Special Districts				Total Direct & Overlapping Rates
	City Operating	City Debt	Total City	County Operating	County Debt	Total County	School Operating	School Debt	Total School	Fire	Library	State	Children's Trust	
2005	3.6484	-	3.6484	5.9350	0.2850	6.2200	8.0900	0.5970	8.6870	2.6610	0.4860	0.7355	0.4442	22.8821
2006	3.6384	-	3.6384	5.8350	0.2850	6.1200	7.9470	0.4910	8.4380	2.6610	0.4860	0.7355	0.4288	22.5077
2007	5.1488	-	5.1488	5.6150	0.2850	5.9000	7.6910	0.4140	8.1050	2.6510	0.4860	0.7355	0.4223	23.4486
2008	5.1488	-	5.1488	4.5796	0.2850	4.8646	7.5700	0.3780	7.9480	2.2487	0.3842	0.6585	0.4223	21.6751
2009	5.1402	-	5.1402	4.8379	0.2850	5.1229	7.5330	0.2640	7.7970	2.2271	0.3822	0.6585	0.4212	21.7491
2010	5.3734	-	5.3734	4.8379	0.2850	5.1229	7.6980	0.2970	7.9950	2.2271	0.3822	0.6585	0.5000	22.2591
2011	5.7141	-	5.7141	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	2.5953	0.2840	0.6585	0.5000	23.8734
2012	6.5616	-	6.5616	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	2.4627	0.1795	0.4708	0.5000	23.2696
2013	6.3620	-	6.3620	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	2.4627	0.1725	0.4634	0.5000	22.9471
2014	6.9363	-	6.9363	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	2.4623	0.1725	0.4455	0.5000	23.6191
2015	6.9363	1.3000	8.2363	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	2.4321	0.2840	0.2610	0.5000	24.8043

(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 2015

**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 TEN YEARS AGO

2015					2005				
<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>
SUNLIFE STADIUM	\$ 166,698	Sports & Entertainment	1	5.4%	ROBBIE STADIUM CORPORATION	\$ 107,700	Sports & Entertainment	1	3.8%
CALDER RACE COURSE, INC.	62,712	Sports & Entertainment	2	2.0%	CALDER RACE COURSE, INC	42,172	Sports & Entertainment	2	1.5%
WALMART STORES EAST LP	44,676	Retail	3	1.4%					
DORSAN DEVELOPMENT	44,587	Real Estate	4	1.4%					
CONTINENTAL EQUITIES INC	33,083	Real Estate	5	1.1%					
ADVENIR AT WALDEN LAKE	23,400	Real Estate	6	0.8%	WALDEN POND	23,408	Real Estate	3	0.8%
THE CORNERSTONE GROUP	22,430	Real Estate	7	0.7%					
WALDEN POND LTD	22,130	Real Estate	8	0.7%					
CAPO & SONS CORP	20,920	Real Estate	9	0.7%	LAKES EDGE PARTNERS L.P.	18,400	Real Estate	5	0.7%
DIVINE SQUARE LLC	15,352	Real Estate	10	0.5%					
					VILLAS DEL LAGO LTD	20,464		4	0.7%
					CEDAR GROVE APTS L.P.	14,342		6	0.5%
					CROSSINGS AT UNIVERSITY	13,530		7	0.5%
					MARBRISA ASSOC. LTD	12,350		8	0.4%
					KIMCO OF NO. MIAMI INC.	11,903		9	0.4%
					K-MART CORP	11,607	Retail	10	0.4%
	<u>\$ 455,988</u>			<u>14.8%</u>		<u>\$ 275,876</u>			<u>9.7%</u>

Sources: Miami-Dade County Tax Assessors' Office  
2014 Tax Roll

# CITY OF MIAMI GARDENS, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTION

### LAST TEN FISCAL YEARS

<u>Fiscal Year Ended September 30,</u>	<u>Total Taxes Levied for Fiscal Year</u>	<u>Collected within the Fiscal Year of Levy</u>		<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>	<u>Amount</u>	<u>Percent of Levy</u>
2005	\$ 10,314	\$ 9,952	96.5%	\$ 9,952	96.5%
2006	11,922	11,636	97.6%	11,636	97.6%
2007	19,832	19,181	96.7%	19,181	96.7%
2008	24,262	22,871	94.3%	22,871	94.3%
2009	24,136	23,840	98.8%	23,840	98.8%
2010	23,235	22,494	96.8%	22,494	96.8%
2011	20,259	19,617	96.8%	19,617	96.8%
2012	21,510	19,979	92.9%	19,979	92.9%
2013	20,528	17,943	87.4%	17,943	87.4%
2014	22,049	21,063	95.5%	21,063	95.5%
2015	22,935	21,655	94.4%	21,655	94.4%

*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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Interlocal Debt	Capital Leases	Interlocal Debt	Revenue Bonds	Capital Leases			
2006	\$ -	\$ 8,200	\$ 2,815	\$ -	\$ -	\$ -	\$ -	\$ 11,015	n/a	\$ 102
2007	-	23,861	18,152	5,496	-	-	-	47,509	n/a	442
2008	-	27,096	8,677	4,477	8,622	-	-	48,872	n/a	448
2009	-	45,258	8,405	3,158	8,365	-	-	65,186	n/a	594
2010	-	44,352	7,775	1,788	8,118	76	-	62,109	n/a	579.55
2011	-	96,397	7,133	365	7,827	58	-	111,780	n/a	1,043.79
2012	-	93,008	6,242	-	7,542	39	-	106,831	n/a	997.05
2013	-	89,084	5,566	3,700	7,245	20	-	105,615	n/a	983.39
2014	66,122	85,388	4,877	2,979	7,302	-	-	166,668	n/a	1,540.94
2015	64,544	82,572	4,525	2,249	6,924	-	-	160,814	n/a	1,473.32

*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 91 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, 2015

<u><b>Jurisdiction</b></u>	<u><b>Net Debt Outstanding</b></u>	<u><b>Estimated Percentage Applicable(1)</b></u>	<u><b>Amount Applicable to Miami Gardens</b></u>
Miami-Dade County Schools (2)	\$ 365,012	1.64%	\$ 5,972
Miami-Dade County (3)	<u>1,384,231</u>	1.64%	<u>22,649</u>
Subtotal overlapping debt	1,749,243		28,621
City of Miami Gardens direct debt	<u>153,890</u>	100.00%	<u>153,890</u>
Total direct and overlapping debt	<u>\$ 1,903,133</u>		<u>\$ 182,511</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, 2015

<u>Amount of Debt Outstanding</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
Land Acquisition Revenue Bonds, Series 2005	\$ 5,167,097	\$ -
Capital Improvement Revenue Bonds, Series 2005	152,106	-
Miami-Dade County Public Service Tax Revenue Bonds	4,524,650	-
Miami-Dade County Stormwater Utility Bond	-	6,924,451
Land Acquisition and Improvement Revenue Bonds, Series 2007	9,711,845	-
Taxable Land Acquisition Revenue Bond, Series 2009	6,312,000	-
Land Acquisition Revenue Bond, Series 2009	3,160,296	-
Taxable Land Acquisition Revenue Bond, Series 2009B	7,017,440	-
Certificate of Participation Series A-1 + A-2	51,700,000	-
Master Lease Agreement Series 2013	2,248,592	-
General Obligation Bond Series 2014	<u>58,670,000</u>	<u>-</u>
Total outstanding debt	<u>\$ 148,664,026</u>	<u>\$ 6,924,451</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*

*Capital Improvement Revenue Bonds, Series 2005*

*Land Acquisition and Improvement Revenue Bonds, Series 2007*

Additional parity bonds payable from the pledged revenues may be issued only if pledged revenues for the preceding two fiscal years equal at least 150% of the maximum debt service requirements on all existing and proposed parity bonds.

*Taxable Land Acquisition Revenue Bond, Series 2009*

*Land Acquisition Revenue bond, Series 2009*

*Taxable Land Acquisition Revenue Bond, Series 2009B*

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 TWO FISCAL YEARS**

<b><u>Fiscal Year</u></b>	<b><u>General Obligation Bonds</u></b>	<b><u>Total</u></b>	<b><u>Percentage of Estimated Actual Taxable Value</u></b>	<b><u>Per Capita</u></b>
2014	\$ 60,000,000	\$ 60,000,000	1.81%	\$555
2015	58,670,000	58,670,000	1.70%	538

*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

<b>Fiscal Year</b>	<b>Net Revenues Available</b>			<b>Debt Service Requirements</b>			<b>Coverage</b>
	<b>Half Cent Sales Tax</b>	<b>Communications Service Tax</b>	<b>Total Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2006	\$ 7,054,689	\$ 3,313,754	\$ 10,368,443	\$ 2,976,093	\$ 1,029,394	\$ 4,005,487	2.59
2007	7,002,963	2,728,564	9,731,528	2,976,093	1,029,394	4,005,487	2.43
2008	6,841,860	3,788,720	10,630,580	3,719,425	794,189	4,513,614	2.36
2009	6,222,531	4,061,914	10,284,445	4,606,642	356,718	4,963,360	2.07
2010	6,086,022	3,994,708	10,080,730	1,878,470	1,243,936	3,122,406	3.23
2011	6,735,084	4,426,216	11,161,300	2,520,599	1,240,515	3,761,114	2.97
2012	6,955,225	3,669,763	10,624,988	2,606,837	1,153,974	3,760,811	2.83
2013	7,337,557	3,438,720	10,776,277	2,715,833	1,060,134	3,775,967	2.85
2014	7,657,123	2,757,382	10,414,505	1,736,371	974,965	2,711,336	3.84
2015	8,030,951	3,734,526	11,765,477	1,389,374	774,275	2,163,649	5.44

<b>Fiscal Year</b>	<b>Electricity Utility Tax</b>	<b>Total Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage</b>
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	4,968,381	4,968,381	900,465	703,003	1,603,468	3.10
2010	5,473,141	5,473,141	437,301	656,697	1,093,998	5.00
2011	5,458,988	5,458,988	434,424	643,210	1,077,634	5.07
2012	5,578,789	5,578,789	455,634	622,668	1,078,302	5.17
2013	5,915,587	5,915,587	478,895	599,121	1,078,016	5.49
2014	6,444,502	6,444,502	190,456	594,042	784,498	8.21
2015	6,363,753	6,363,753	302,421	241,818	544,239	11.69

Source: City of Miami Gardens Finance department

# CITY OF MIAMI GARDENS, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

<b><u>Fiscal Year</u></b>	<b><u>Population (1)</u></b>	<b><u>Personal Income (Amounts Expressed in Thousands)</u></b>	<b><u>Per capita Personal Income (2)</u></b>	<b><u>Unemployment Rate (3)</u></b>
2006	107,579	n/a	n/a	4.0
2007	109,200	n/a	n/a	4.1
2008	111,171	n/a	n/a	6.0
2009	109,730	n/a	n/a	11.3
2010	107,167	n/a	n/a	17.9
2011	107,091	n/a	n/a	14.0
2012	107,147	n/a	n/a	12.4
2013	107,399	n/a	n/a	13.0
2014	108,160	n/a	n/a	5.5
2015	109,151	n/a	n/a	5.0

*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 2015*

# CITY OF MIAMI GARDENS, FLORIDA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	<u>2015</u>			<u>2006</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>
SUN LIFE STADIUM	2,000	1	35.17%	950	4	11.99%
WALMART	825	2	14.51%			
ST THOMAS UNIVERSITY	640	3	11.26%	324	8	4.09%
CITY OF MIAMI GARDENS	518	4	9.11%			
UAIC	475	5	8.35%			
CALDER RACE TRACK	350	6	6.16%	550	5	6.94%
BRANDSMART USA	250	7	4.40%	250	9	3.15%
LEHMAN DEALERSHIPS	228	8	4.01%	350	6	4.42%
FLORIDA MEMORIAL UNVIVERSITY	225	9	3.96%	325	7	4.10%
COMCAST CABLE	175	10	3.08%	2,100	2	26.50%
US POST OFFICE				277	10	3.49%
PRECISION RESPONSE CORP.				2,800	1	35.33%
	<u>5,686</u>		<u>100.00%</u>	<u>4,849</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	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	22.0	38.5	134.0	70.0	73.0	71.0	67.0	68.0	79.0	72.0
Public safety:										
Police	n/a	213.5	239.0	258.0	260.0	261.0	259.0	265.0	263.0	249.0
School Crossing Guard	-	-	-	41.0	33.0	33.0	30.5	30.5	25.5	24.5
Code enforcement	18.0	24.0	23.0	26.0	24.0	23.0	21.0	20.0	20.0	13.0
Building & Planning	16.0	32.0	36.0	25.0	25.5	22.5	22.0	20.0	20.0	26.0
Public Works	25.5	28.0	29.0	31.0	30.0	32.0	28.0	30.0	30.0	33.0
Culture and recreation	119.5	110.5	92.0	99.0	129.0	90.0	80.7	86.0	45.0	57.5
Stormwater	<u>-</u>	<u>4.0</u>	<u>7.0</u>	<u>12.0</u>	<u>12.0</u>	<u>14.0</u>	<u>14.0</u>	<u>13.0</u>	<u>10.0</u>	<u>9.0</u>
	<u>201.0</u>	<u>450.5</u>	<u>560.0</u>	<u>562.0</u>	<u>586.5</u>	<u>546.5</u>	<u>522.2</u>	<u>532.5</u>	<u>492.5</u>	<u>484.0</u>

*Source: City of Miami Gardens Finance department*

# CITY OF MIAMI GARDENS, FLORIDA

## OPERATING INDICATORS BY FUNCTION

### LAST TEN FISCAL YEARS

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Public Safety</b>										
Police:										
Number of emergency calls for service	3,593	3,711	7,173	5,793	7,254	8,006	22,788	20,655	23,077	22,034
Number of non-emergency calls for service	75,017	54,767	70,461	124,909	118,957	106,630	115,422	102,578	94,570	47,368
Number of arrests	3,590	3,320	3,523	7,293	5,986	6,280	5,170	4,871	4,209	4,534
Number of uniformed officers	145	145	191	197	197	194	198	207	202	201
Building & Zoning:										
Number of building permits issued	12,547	13,223	4,675	9,738	5,900	5,613	5,547	4,313	5,273	4,949
Certificates of Use Permits Issued	1,495	1,296	1,320	1,725	1,754	1,852	1,171	1,484	849	2,059
Occupational licenses issued	3,063	2,507	1,686	1,910	2,018	2,185	1,382	1,709	1,039	2,311
<b>Transportation</b>										
Sidewalks repaired (linear Feet)	7,544	5,650	4,453	9,131	19,471	19,001	11,201	8,132	9,018	5,501
Roads resurfaced ( miles)	20	13	4	1	1	1	-	7	28	50
Number of trees planted	931	775	450	148	1,161	1,157	98	539	12	124
Number of potholes repaired	237	166	261	274	153	123	136	132	157	92
<b>Culture and recreation</b>										
Number of sports programs	7	7	7	5	5	4	4	4	4	6

*Sources: Various city departments*

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

*n/a - information not available for these years*

# CITY OF MIAMI GARDENS, FLORIDA

## CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM

### LAST TEN FISCAL YEARS

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Public Safety</b>										
Police(1):										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	153	153	196	215	236	236	229	274	269	264
<b>Public works</b>										
Streets (Miles-paved)	277.3	277.3	277.4	277.4	350.8	351.5	351.5	352.14	356.46	357.91
Streets (Miles-unpaved)	2	2	2	2	-	-	-	-	-	-
Miles of canals	10	10	10	10	12	44	44	44	44	44
<b>Culture and recreation</b>										
Parks	15	16	17	17	17	17	17	17	19	20
Swimming pools	4	4	4	4	5	5	5	5	4	2
Tennis courts	14	14	14	14	14	14	14	14	14	14
Playgrounds	6	6	11	14	14	14	14	14	13	14
Basketball courts	18	18	20	22	22	20	20	20	21	21
Football/Soccer fields	-	-	-	-	-	-	-	-	6	7
Baseball fields	-	-	-	-	-	-	-	-	6	6
Cricket pitches	-	-	-	-	-	-	-	-	3	3

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

*Sources: Various city departments*

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

*n/a-information not available for these years*

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## **COMPLIANCE SECTION**

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**ANTHONY BRUNSON P.A.**

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Miami Gardens, Florida, (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 2, 2016.

**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*.

We did identify a certain matter in internal control, described in the accompanying schedule of findings and questioned costs as **2015-01** that we consider an other matter to improve operating efficiencies and the control environment.

### **City of Miami Gardens Response to Findings**

City of Miami Gardens response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

### **Purpose of this Report**

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



Miami, Florida  
May 2, 2016



**ANTHONY BRUNSON P.A.**

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Miami Gardens, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. However, our audit does not provide a legal determination of City's compliance.

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## Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the City as of and for the year ended September 30, 2015, and have issued our report thereon dated May 2, 2016 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 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 financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Miami, Florida  
May 2, 2016

**CITY OF MIAMI GARDENS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

***Financial Statements***

Type of auditors' report issued:

**Unmodified**

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

***Federal Awards***

Internal Control over major programs:

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

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

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_ Yes    X No

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Programs</u></b>
14.256	Neighborhood Stabilization Program

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

\$300,000

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, 2015**

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

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

**Section III – Other Matter, Current Year**

**2015-1 Information Technology Improvement**

**Condition**

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

**Criteria**

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

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

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

**Cause and Effect**

COMG IT enterprise management is fully aware of this current situation and has been advocates for moving forward with a formal Information System Security Program. However, budget constraints have hindered management from moving forward.

The effect has been far reaching. A number of symptoms are now evident including the following:

- No individual with overall responsibility for systems security such as an Information System Security Officer (ISSO) or a CISO as recommended by NIST SP-800-53 Revision 4, PM-2 Control;

**CITY OF MIAMI GARDENS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**Section III – Other Matter, Current Year (cont'd)**

**2015-1 Information Technology Improvement**

**Cause and Effect (cont'd)**

- No formalized and documented Information System Policies and Procedures such as:
  - Access Control Policy;
  - Acceptable Use Policy;
  - Data Protection Policy;
  - Electronic Messaging Policy; and
  - Information Security Policy.

This is by no means a complete list of policies that should be developed. Policies should be based on the organization business and operations model;

- Backup tapes not being stored off-site;
- No formal and independent/outside penetration testing during the last seven (7) years; and
- No formal documented procedures for granting and removing users' access to the financial management and related systems.

**Recommendation**

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

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

**Management Response**

The Information Technology Department has submitted a proposal to request funding in the fiscal year 2017 budget to engage a professional firm that will provide information security auditing, implementing, enabling processes, enabling information, assurance and risk management. The department will also begin to formalize policy and procedures and will designate a specific employee to continuous monitoring the information security.

Securing the network and training the users on security practices is one of the Information Technology Department's goals this coming fiscal year 2017. The Information Technology Department has identified many areas that need to be strengthened within our network but we require professional service help from professionals that are knowledgeable in the field of Information Security.

**CITY OF MIAMI GARDENS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**Section IV - Financial Statement Prior Year Findings and Questioned Costs**

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

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

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

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

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

**CITY OF MIAMI GARDENS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CDFA</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>
Direct Programs:			
<b><u>U.S. Department of Justice</u></b>			
Public Safety Partnership and Community Policing Grants	16.710	2013-UM-WX-0073	\$ 326,422
Edward Byrne Memorial Competitive Grant Program	16.751	2012-DJ-BX-0160	9,124
Edward Byrne Memorial Competitive Grant Program	16.751	2013-DJ-BX-0446	17,264
Edward Byrne Memorial Competitive Grant Program	16.751	2014-DJ-BX-0009	75,695
Second Chance Act Reentry Initiative	16.812	2014-CZ-BX-0009	<u>29,737</u>
<b><i>Total U.S. Department of Justice</i></b>			<u>458,242</u>
Indirect Programs:			
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed Through State of Florida Department of Community Affairs			
Community Development Block Grant	14.218	B-11-MC-12-0052	765,519
Neighborhood Stabilization Program	14.256	B-08-MN-12-0017	445,497
Neighborhood Stabilization Program	14.256	B-11-MN-12-0017	<u>50,014</u>
<b><i>Total U.S. Department of Housing &amp; Urban Development</i></b>			<u>1,261,030</u>
<b><u>U.S. Department of Agriculture</u></b>			
Passed Through the Florida Department of Health			
Child and Adult Care Food Program	10.558	A-3596	<u>6,129</u>
<b><i>Total U.S. Department of Agriculture</i></b>			<u>6,129</u>
<b><u>U.S. Department of Justice</u></b>			
Passed Through the Miami-Dade County			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JAGC-DADE-25-E5-118	12,953
Passed Through the State of Florida, Office of the Attorney General			
Crime Victim Assistance	16.575	V12289	<u>31,324</u>
<b><i>Total U.S. Department of Justice</i></b>			<u>44,277</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Passed Through the City of Miami			
Non-Profit Security Program	97.008	14-DS-L2-11-23-02-413	<u>98,313</u>
<b><i>Total U.S. Department of Homeland Security</i></b>			<u>98,313</u>
<b><u>U.S. Department of Transportation</u></b>			
Passed Through the State of Florida Department of Transportation			
Highway Planning and Construction	20.205	AQF50	<u>11,601</u>
<b><i>Total U.S. Department of Transportation</i></b>			<u>11,601</u>
Total Expenditures of Federal Awards			<u>\$ 1,879,592</u>

**CITY OF MIAMI GARDENS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**Note 1 - General**

The accompanying Schedule of Expenditures of Federal Awards included herein represents the Federal and State grant activity of the City of Miami Gardens (the "City").

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation**

The information in this schedule is presented in accordance with accounting principles generally accepted in the United States and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**Basis of Accounting**

The expenditures in the accompanying Schedule of Expenditures of Federal Awards are presented using the accrual basis of accounting. The accrual basis recognizes expenses when they are incurred.

**Note 3 - Contingencies**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. The City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of May 2, 2016, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed; however, the possible disallowance by a governmental agency of any item charged to a program or project cannot be determined at this time.



# 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 (the “City”) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 2, 2016.

### 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 2, 2016, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### 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**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

### **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, recommendation accompanies this report in the schedule of findings and questioned costs.

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

### **Purpose of this Letter**

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



May 2, 2016



# ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

## INDEPENDENT AUDITORS' 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, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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.



May 2, 2016

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