



City of Miami Gardens, Florida

Comprehensive Annual Financial Report



☀ FOR THE YEAR ENDED SEPTEMBER 30, 2013 ☀

COVER: 2013 marks the City's 10th anniversary.

CITY OF MIAMI GARDENS, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2013

Prepared by:

THE FINANCE DEPARTMENT

CITY OF MIAMI GARDENS, FLORIDA

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CITY OF MIAMI GARDENS, FLORIDA

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INTRODUCTORY SECTION



City of Miami Gardens

January 24, 2014

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, 2013, 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 Sharpton, Brunson & Company, PA. Certified Public Accountants. The independent auditor has issued an unqualified opinion that 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 Statement 34 that required the preparation of new 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, Vice-Mayor, and five 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, leisure, and public work services, the City also provides recreation facilities and housing assistance 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 public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 4.5 of the City Charter provides the Council must adopt the budget by Ordinance. The City's budget is approved at the fund level. The City Manager may adjust the adopted budget for adjustments within a fund. The City Council must approve all other budget amendments as well as supplemental appropriations with the exception of grant revenues and debt proceeds, which can be amended by the City Manager. Budget to actual comparisons are provided in this report for the City's General Fund (page 50), Transportation Fund (page 51), Capital Projects Fund (page 53), Debt Service Fund (page 54), Impact Fee Fund (page 57), CDBG Fund (page 58) and Development Service Fund (page 59).

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 that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring 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, Impact Fee Fund, Development Services Fund, CDBG Fund, Transportation Fund, Enterprise 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 that was 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, or \$1 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.

Over the past several years, the City of Miami Gardens suffered a decline in property value. The FY 2013 estimated value provided by the Miami Dade County Property Appraiser Office compared to the final taxable value fell 2.24%. This decrease is the lowest among the past four years.

Economic Conditions. Prior to the national recession, demand for residential and commercial property in Miami Gardens had been very strong for several years. However, as has happened nationwide, for the past few years sales of new homes and existing homes drastically fell, affecting both the employment figures and tax base in the short term. In FY-13, however, the City began to experience some new growth. New construction of a 6,900 sq. ft. Sonic Burger was completed. Plans were approved and permit issued for a 16,929 sq. ft. ALDI grocery store. Plans were approved for the new constructions of a 12,340 sq. ft. retail building and also a 8,249 sq. ft. retail building. In addition plans were also approved and permit issued for a 5,499 sq. ft. Family Dollar. The City itself began construction of its new L.E.E.D. Platinum, 300,000 sq. ft. City Hall complex, scheduled to be completed by Spring of 2014.

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 2009, the City was awarded \$6.8 million from Neighborhood Stabilization Program Funds to purchase abandoned and foreclosed homes. At the end of FY 2013, the City had purchased 74 homes; 58 of these homes have been completely renovated and 55 had been sold. Additionally, 13 homes were determined to be vacant, blighted and unsafe structures were demolished. The sale of the 55 homes generated \$4.5 million in program income to be reinvested into the program for rehabilitation of the remaining units. This should assist in increasing the City's property value. In February 2013, the City received a grant from the Dade County Federal Credit Union to expand its housing rehab program. The City was able to leverage \$60,000 of Credit Union funds with \$86,000 of Community Development Block Grant funds to complete rehabilitation on an additional 7 owner-occupied homes, bringing the total of owner-occupied rehabs to 14 for the year.

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 had 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 Florida Retirement System (FRS). The City currently has two labor unions recently certified but no contracts as of this date. For FY 2013, the Council continues to freeze all salary increases and eliminate City's match of up to 3% of employee's 457 deferred contributions. Employees have not been had any salary adjustments since September 30, 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 three strategic plans. A fourth revision was completed in April of 2013. These plans have helped guided future budget decisions and ensure that 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 that the City will have sufficient funds for future unexpected events. Due to downturn of the housing market and subsequent reduction of the City's taxable value, the City's has unrestricted fund balance which started out in FY 2008 at \$9.2 million dropped to \$5.3 million in FY 2011 or 9.9% of general fund expenditures. In FY 2012, the Council raised its millage rate from 5.7141 to 6.5616 using these extra funds to re-build the reserve. This added \$1.5 million to the fund balance. In addition, in FY 2012 the City after many years of negotiations was able to settle its lawsuit against Miami Dade County for the 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. With the above, the City's unassigned fund balance for FY 2012 stands at 18.23% of the FY 2013 general fund expenditures. For FY 2013, the Council reduced the mileage rate to 6.3620 instead of 6.5616 for FY 2012 and utilize close to \$1 million in fund balance. For fiscal year ended September 30, 2013, the General Fund fund balance is \$11,240,358 which is 17.14% of FY 2014 operating expenses.

Major Initiatives

In FY 2013, the City Hall complex is under construction and is projected to be completed by spring of FY 2014. When completed, it is anticipated it will be the largest municipal complex in the world designated as L.E.E.D Platinum.

With the on-going funding provided by the CITT proceeds, FY 2013 has been a busy year for the Public Works Department for projects such as road resurfacing, installation and repairs of sidewalks, drainage projects and new transit circulator. These projects include road and sidewalk improvements in the Rainbow Park Community, road rejuvenation in the area of NW 27-34 Avenues and from NW 151 Street to NW 155 Terrace, NW 25 Avenue Paving, Drainage and Sidewalks Project, and NW 175 Street/NW 42 Avenue Pedestrian Bridge and Sidewalk Improvement Project. The Department will also be maintaining the bus shelters throughout the City. Other capital projects will include North Dade Optimist Park (estimated at \$1.8 million) and the Rolling Oaks Walking Trail (\$700K).

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, 2012. This was the City's sixth 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 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-13 budget. In addition, the City received the Outstanding Achievement in Popular Annual Financial Report for its FY-12 report. These awards are given by the Governmental Finance Officers Association of the United States and Canada (GFOA). The City is only one of seven 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 also 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 Benson
City Manager



Patricia Varney, CGFO
Finance Director



Government Finance Officers Association

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

Presented to

**City of Miami Gardens
Florida**

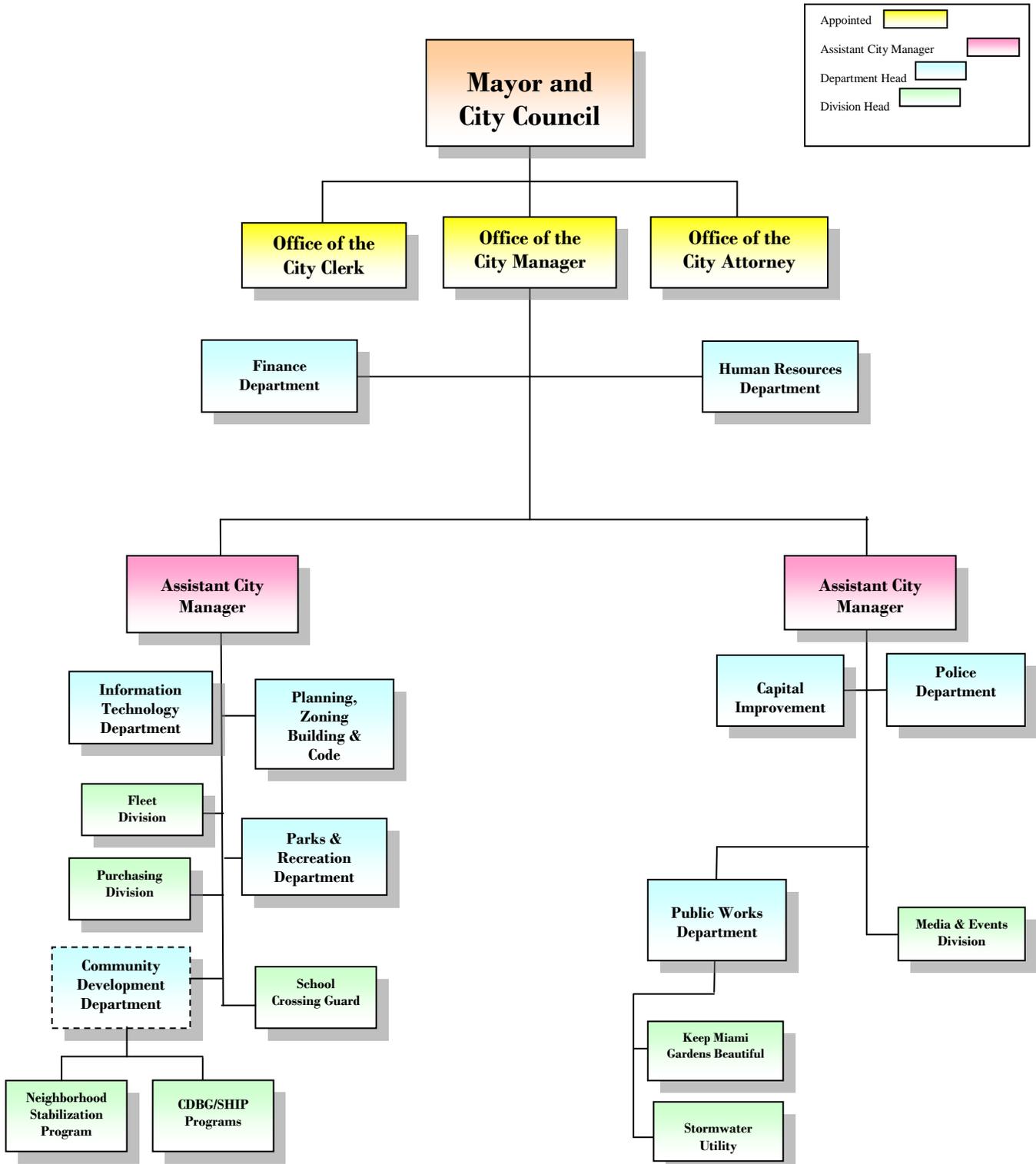
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

CITY OF MIAMI GARDENS, FLORIDA

ORGANIZATIONAL CHART



CITY OF MIAMI GARDENS, FLORIDA

CITY OFFICIALS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2013

CITY COUNCIL

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

CITY MANAGER

Cameron Benson

CITY CLERK

Ronetta Taylor, MMC

CITY ATTORNEY

Sonja Knighton Dickens, Esq.

FINANCE DIRECTOR

Patricia Varney, CGFO

CITY AUDITORS

**Sharpton, Brunson & Company, P.A.
Certified Public Accountants and Consultants**

FINANCIAL SECTION

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Gardens, Florida (the "City") as of and for the year ended September 30, 2013, 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.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-14 and 50-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

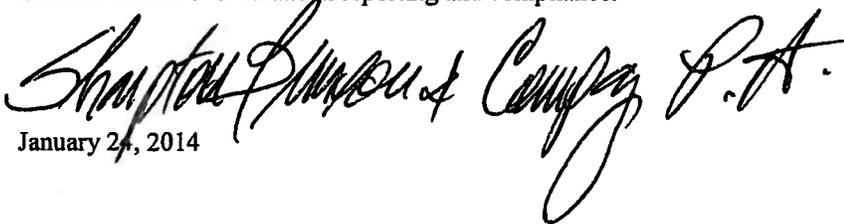
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 nonmajor fund financial statements, the budgetary comparison schedules on pages 53-54 and 57-59 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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 January 24, 2014, 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.


January 27, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

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, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information that is 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 of the City exceeded its liabilities at the close of fiscal year 2013 by \$280,639,197 (Net Position). Of this amount approximately \$3.6 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.

Over the last year the total Net Position after prior year adjustments decreased by \$6.36 million. Of this amount, approximately \$6.59 million of the decrease took place in the governmental activities. There was an increase of \$188,406 from business-type activities.

At the close of fiscal year 2013, the City's governmental funds reported a combined ending fund balance of \$31,996,815 a decrease of \$31,070,532 in comparison with the prior year. This decrease is attributed to the expenses for the construction of the new City Hall and the Council adoption to utilize \$1.9 million in the FY 2013 budget. Approximately \$10.78 million of the total fund balance is unassigned fund balance available for spending at the City's discretion. This represents 18.63% of the General Fund expenditures.

The General Fund reported an operating surplus of \$2,305,144 for fiscal year 2013, before transfers and other financing sources \$815,568 less than budgeted in the General Fund. After inter-fund transfers, the General Fund generated a net decrease of \$1,038,155 which is partly attributed Council adopting a roll-back rate for FY 2013 budget utilizing nearly \$1 million to balance the budget. Furthermore, during the year, Council has adopted a transfer of \$400,000 for the City Hall Project and other unforeseen expenditures.

For the City's business-type activities, the City experienced an operating income of \$978,314 which after non-operating revenues and expenses, inter-fund transfers and capital contributions generated an increase in Net Position of \$188,406

The City's total debt decreased by \$1,868,088 or 1.61%. City-wide depreciation expenses recorded during the year amounted to \$15,522,113. Total net investment in capital assets was \$270,916,259 at year end.

CITY ACHIEVEMENTS

FY-2013 marked the completion of several public works projects such as the NW 42nd Avenue vehicle street bridge construction, Phase I drainage project at Vista Verde, the N.W. 7th Avenue reconstruction street project, and various drainage projects within the City limits.

FY2013 was a very successful year for the Parks and Recreation Department. Programming returned to several parks that had been closed due to budgetary constraints. The City held three different Youth Camps; spring, summer and winter. Attendance increased by approximately 50% due to an updated program curriculum that included culinary, musical and art modules and the staff's establishment of relationships with local school administrators. Athletics was also very successful, implementing the City's

first Senior Olympics and Sports Summer Camp, in addition to the 4 existing sports programs. In addition to these programs, the Department held various special events such as the Recreation Expo, the Youth Basketball Invitational Tournament, the Water Safety Splash Campaign and the Black History Showcase.

At the close of fiscal year 2013, the Community Development Department had been operational for seven (7) years. Noteworthy of mentioning is the fact that the Neighborhood Stabilization Program 1 Grant (awarded in 2009) has to date generated over \$3.95 million dollars in Program Income from the sale of renovated homes. The Department also received an additional grant for Neighborhood Stabilization Program Grant (NSP3) in the amount of \$1,940,337. The NSP3 grant funds must be expended by March 2014.

As a result of being a primarily grant-funded operation, the Community Development Department continues to pursue increased funding for the City from a variety of sources (Miami Dade County, State, Federal and private funds). In 2013, the Department partnered with Dade County Federal Credit Union (DCFCU) to leverage funds from the Federal Home Loan Bank of Atlanta to perform rehabilitation and energy efficient upgrades to homes in Miami Gardens. Seven (7) additional homes were completed as a result of this funding. The Department continued financial assistance to low-moderate income households under the City's Housing Rehabilitation Program. To date, 174 households have been rehabilitated utilizing a combination of CDBG, SHIP, Disaster Recovery and DCFCU funds.

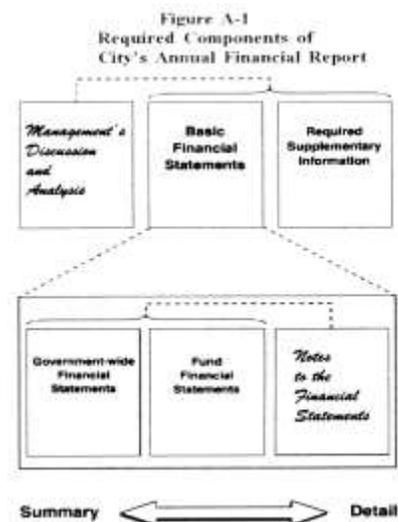
Since its inception in 2006, the City's Community Development Department has received \$10.3M in CDBG funds, and has leveraged close to \$24 million from other funding sources (other grants) into the community, serving more than 2,500 people, nearly 10,000 households, and 61 businesses, for an overall community benefit that is immeasurable.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



In addition to these required elements, we have included a section with combining statements that provide details about our 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).

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 15 and 16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Miami 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 that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 17 to 19 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its 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 20 to 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 to 49 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 50 to 52 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 55 to 56 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 2013 Statement of Net Position with comparative information for fiscal year 2012. This schedule which presents Net Position is one way to measure the City's financial health or position:

City of Miami Garden's Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 44,614,247	\$ 73,550,877	\$ 2,311,759	\$ 2,164,202	\$ 46,926,006	\$ 75,715,079
Capital assets	350,190,451	325,623,527	16,214,128	16,542,142	366,404,579	342,165,669
Total assets	<u>394,804,698</u>	<u>399,174,404</u>	<u>18,525,887</u>	<u>18,706,344</u>	<u>413,330,585</u>	<u>417,880,748</u>
Long-term liabilities	90,670,527	105,007,579	7,089,233	7,477,887	97,759,760	112,485,466
Other liabilities	31,835,618	15,886,655	881,684	861,893	32,717,302	16,748,548
Total liabilities	<u>122,506,145</u>	<u>120,894,234</u>	<u>7,970,917</u>	<u>8,339,780</u>	<u>130,477,062</u>	<u>129,234,014</u>
Deferred Inflow of Resources	<u>2,214,326</u>	<u>1,647,418</u>	-	-	<u>2,214,326</u>	<u>1,647,418</u>
Net position:						
Net investment in capital assets,	261,783,392	265,675,780	9,132,867	8,158,392	270,916,259	273,834,172
Restricted	6,121,430	6,111,104	-	-	6,121,430	6,111,104
Unrestricted	2,179,405	4,845,868	1,422,103	1,250,982	3,601,508	6,096,850
Total net position	<u>\$ 270,084,227</u>	<u>\$ 276,632,752</u>	<u>\$ 10,554,970</u>	<u>\$ 10,366,564</u>	<u>\$ 280,639,197</u>	<u>\$ 286,999,316</u>

At the end of the current fiscal year, the City of Miami Gardens is able to report positive balances in restricted and unrestricted Net Position. The largest portion of the City's Net Position (96.40%) reflect its investment in capital assets (such as land, road, parks buildings, machinery & equipment) less any related outstanding debt used to acquire those assets.

The following schedule is the summary of fiscal year 2013 Statement of Activities with comparative information for fiscal year 2012:

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 15,581,409	\$ 14,040,441	\$ 3,498,210	\$ 3,714,835	\$ 19,079,619	\$ 17,755,276
Operating grants	4,116,594	7,047,517	-	-	4,116,594	7,047,517
Capital grants contributions	2,521,564	2,780,862	-	701,670	2,521,564	3,482,532
General revenues:						
Property taxes	19,653,871	21,340,234	-	-	19,653,871	21,340,234
Utility taxes	10,525,589	10,467,536	-	-	10,525,589	10,467,536
Franchise fees	4,239,521	4,504,778	-	-	4,239,521	4,504,778
Intergovernmental	17,360,797	23,346,113	-	-	17,360,797	23,346,113
Miscellaneous	3,426,225	2,852,207	4,135	41,506	3,430,360	2,893,713
Investment earnings	84,489	118,307	3,401	3,226	87,890	121,533
Total revenues	<u>77,510,059</u>	<u>86,497,995</u>	<u>3,505,746</u>	<u>4,461,237</u>	<u>81,015,805</u>	<u>90,959,232</u>
Expenses:						
General Government	16,525,346	16,076,548	-	-	16,525,346	16,076,548
Public Safety	37,298,100	34,564,704	-	-	37,298,100	34,564,704
Public Works	15,161,302	14,477,703	-	-	15,161,302	14,477,703
Parks & Recreation	6,801,697	6,964,532	-	-	6,801,697	6,964,532
Economic Environment	2,341,655	5,038,712	-	-	2,341,655	5,038,712
Interest expense	5,543,197	5,674,415	-	-	5,543,197	5,674,415
Stormwater	-	-	2,894,787	3,122,946	2,894,787	3,122,946
Total expenses	<u>83,671,297</u>	<u>82,796,614</u>	<u>2,894,787</u>	<u>3,122,946</u>	<u>86,566,084</u>	<u>85,919,560</u>

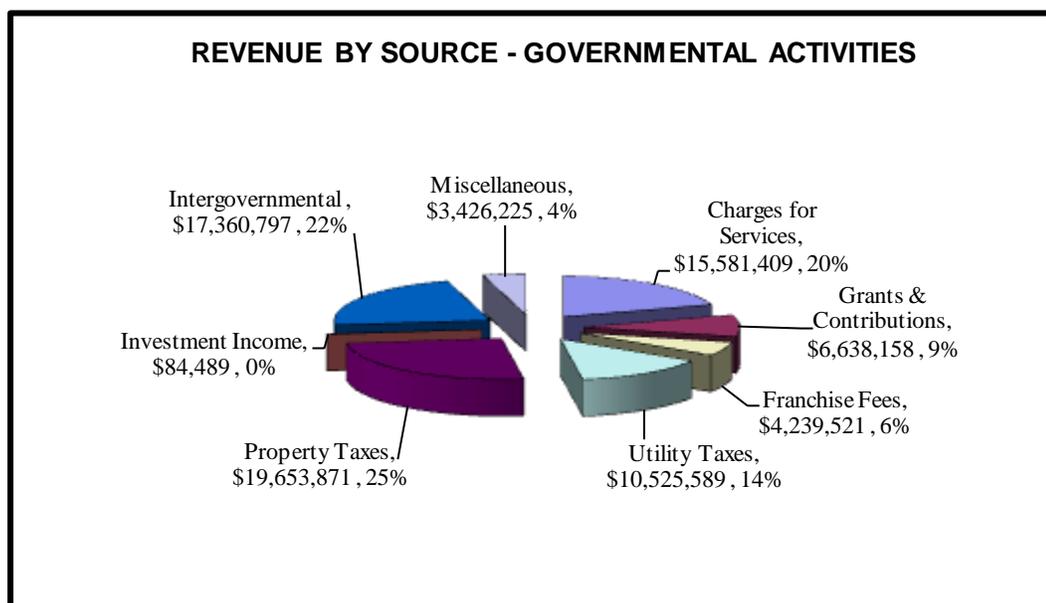
Increase/(Decrease) in net assets						
before transfers	(6,161,238)	3,701,381	610,959	1,338,291	(5,550,279)	5,039,672
Transfers	422,553	381,101	(422,553)	(381,101)	-	-
Increase/(Decrease) in net assets	(5,738,685)	4,082,482	188,406	957,190	(5,550,279)	5,039,672
Net assets, beginning of year, as previously stated	276,632,752	272,750,270	10,366,564	9,409,374	286,999,316	282,159,644
Prior period Adjustment	(809,840)	(200,000)	-	-	(809,840)	(200,000)
Net position, beginning - as restated	275,822,912	272,550,270	10,366,564	9,409,374	286,189,476	281,959,644
Net position, ending of year	\$ 270,084,227	\$ 276,632,752	\$ 10,554,970	\$ 10,366,564	\$ 280,639,197	\$ 286,999,316

Governmental Activities

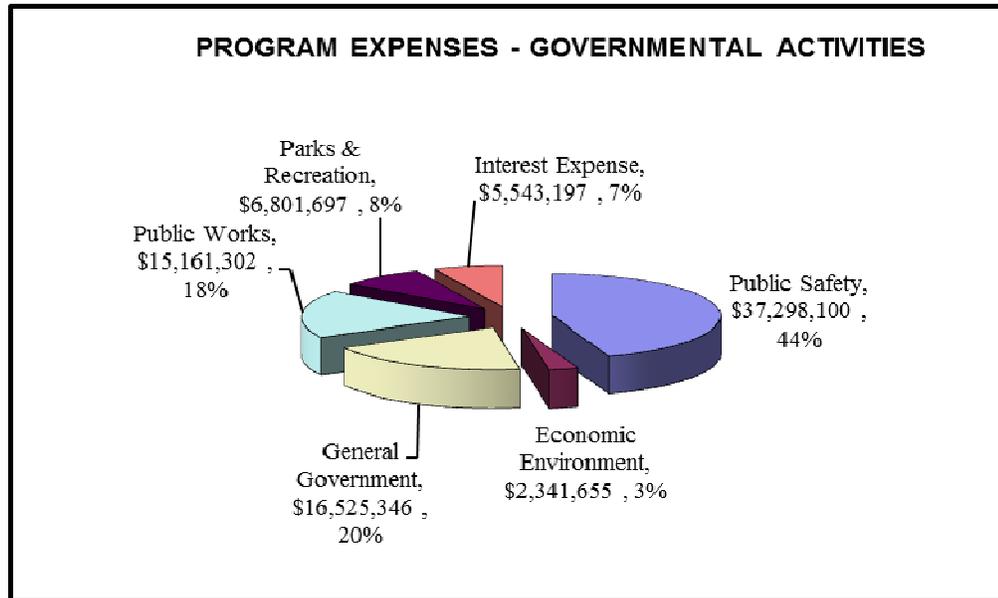
The City's total Net Position decreased by \$6,548,525 from \$276,63,752 in FY-12 to \$270,084,227 in FY-13. This decrease was attributable to the followings:

- Decrease of compensated absences in the amount of \$306,912.
- Implementation of Statement 45, Governmental Accounting Standard Board (GASB) for Other Post Employment Benefits (OPEB) liabilities. The City did not fund this liability and according to the calculation by the actuary, the OPEB liability for fiscal year ended 9/30/13 is \$3,895,757, an increase of \$779,899
- Net reduction on additions, deletions and depreciation expenses of capital assets for approximately \$3 million.
- Decrease of General Fund fund balance by approximately \$1.03 million
- Decrease in Development Services Fund fund balance in the amount of \$141,355
- Decrease in Debt Service fund fund balance by \$1.8 million.
- Increase in Transportation Fund balance in the amount of \$892,932
- Decrease in CDBG & Impact Fee fund balance totaling \$928,391
- Reduction in loan payment current and long term: \$1,571,764

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2013:



The pie chart below illustrates the program expenses for governmental activities for fiscal year 2013:



Business-type Activities

The Stormwater Fund ended the fiscal year with unrestricted Net Position of \$1,422,103, an increase of \$171,121 from fiscal year 2012.

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 17 through 19. 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, 2013, the City's governmental funds reported combined ending fund balances of \$31,996,815, a decrease of \$31,070,532 in comparison with the prior year. Approximately 53%, which amounts to \$17,055,347 of the ending balance, constitutes as restricted fund balance, of this amount approximately \$10.5 million is unspent bond proceeds for the City Hall project. Approximately \$12.1 million or 38% of the fund balance is available for spending at the City's discretion.

Below is the analysis of the fund balances for fiscal year 2013:

	General	Capital Projects	Transportation	Debt Service	Other	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Fund balances, September 30, 2012	\$ 12,823,884	\$ 40,519,798	\$ 3,672,421	\$ 4,083,426	\$ 1,967,818	\$ 63,067,347
Revenues	60,175,213	3,438,717	7,905,835	-	5,990,294	77,510,059
Expenditures	(57,870,069)	(31,776,335)	(6,363,995)	(10,506,967)	(6,185,778)	(112,703,144)
Other financing sources (uses)	<u>(3,343,299)</u>	<u>307,364</u>	<u>(648,908)</u>	<u>8,641,617</u>	<u>(834,221)</u>	<u>4,122,553</u>
Fund Balance as of September 30, 2013	11,785,729	12,489,544	4,565,353	2,218,076	938,113	31,996,815
Restricted fund balances, September 30, 2013	-	<u>(11,092,848)</u>	<u>(4,565,353)</u>	-	<u>(1,397,596)</u>	<u>(17,055,797)</u>
Unrestricted balances, September 30, 2013	<u>\$ 11,785,729</u>	<u>\$ 1,396,696</u>	<u>\$ -</u>	<u>\$ 2,218,076</u>	<u>\$ (459,483)</u>	<u>\$ 14,941,018</u>

General Fund

The General Fund is the chief operating fund of the City. As of September 30, 2013, the unassigned fund balance of the City's General Fund decreased by \$1,038,155. Total General Fund revenues decreased by \$2,708,040 (4.5%) while expenditures increased by \$7,356,476 (15%) when compared to fiscal year 2012.

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

General Fund Revenues by Types

Revenues for the City's governmental decreased 4.5 percent (from \$62.88 million to \$60.18 million). Key elements of the revenue decreases are as follows:

	Current Year <u>Actual</u>	Prior Year <u>Actual</u>	Variance <u>Amount</u>	Variance <u>Percent</u>
Ad valorem taxes	\$ 19,653,871	\$ 21,340,234	\$(1,686,363)	-8%
Franchise fees	4,239,521	4,504,778	(265,257)	-6%
Utility taxes	10,525,589	10,467,536	58,053	1%
Licenses and permits	1,886,006	1,857,005	29,001	2%
Intergovernmental	10,290,165	13,119,426	(2,829,261)	-22%
Charges for services	6,402,173	5,168,166	1,234,007	24%
Fines and forfeitures	4,652,485	3,812,479	840,006	22%
Interest	10,339	19,472	(9,133)	-47%
Grants	888,989	1,178,257	(289,268)	-25%
Other Income	1,626,075	1,415,900	210,175	15%

- Property tax revenues decreased by \$1.68 million. This is attributed to Council adopting a lower millage rate and utilized close to \$1 million to balance the FY 2013 budget. For FY 2013, the City also experienced a decrease of 2% in value attributed to property foreclosure.
- Decrease in franchise fees is associated with Florida Power and Light FY 2013 franchise fees which was \$334,980 less than FY 2012. The reason provided by FPL for lower revenue is attributed to fuel costs.
- Intergovernmental revenue decreases is mainly attributed to the settlement with Miami Dade County for the CITT (Citizen Independent Transportation Trust) share of revenue that was received in FY 2012.
- Increase in charges of service is attributed to higher number of patrons in the Jazz-in-the-Gardens event and off duty police services.

- Increase in fines is partly attributed to the fines received for Red Light Camera and partly attributed to code enforcement fines.

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	\$ 18,816,457	\$ 14,550,308	\$ 4,266,149	29%
Public safety	33,441,866	30,469,585	2,972,281	10%
Culture & recreation	5,611,746	5,493,700	118,046	2%

The General Fund’s operating expenses increased 15% percent (\$50.5 million to \$57.8 million). Key element of the expenditure decrease is as follows:

- Increase in General Government is partly attributed to the purchase of replacement vehicles by the Fleet division in the amount of \$2.65 million. Due to additional tickets being sold for Jazz in the Gardens, additional expenses of \$466,540 had been incurred. Also the Information Technology Department purchased over \$600,000 of equipment and software in preparation for the move to the new City Hall.
- Increase in the Police Department is attributed to the hiring and equip of 10 new police officers including the purchase of 10 additional vehicles.

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 \$10,554,970. Of this amount, \$9,132,867 is invested in capital assets, \$1,422,103 is unrestricted.

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 the attorney costs for two unions’ negotiations.
- Increase in Community Outreach is attributed to higher patronage for the Jazz-in-the-Gardens event and costs of performers.
- Increase in Non-departmental is attributed to two additional months of rent the City has to pay due to the delay in the completion of the new City Hall and the funding of the celebrations for the City’s ten year’s anniversary.

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

- With the exception of the City Manager’s Office, Police department and the Fleet division, all other departments recognized a surplus which can be attributed to vacancies not being filled immediately when the position became vacant.
- The overage for the Office of the City Manager is attributed to the pay out of the pay time off accruals for the City Manager who departed at the end of the fiscal year.
- The overage of the Police Department is attributed to additional over time and equipment purchased in preparing for the verdict on Trayvon Martin’s case whose parents resided in the City of Miami Gardens.
- The overage of the Fleet division is attributed to repair costs of vehicles.

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 improvements projects. For Fiscal Year 2013, the fund reported revenues and transfers in the amount of \$8.4 million, and expenditures which included transfers out totaling approximately \$36.4 million. The fund had an ending assigned fund balance of approximately \$1.4 million and \$11.1 million as restricted fund balance.

Transportation Fund – This fund is used to account for all street and road repairs as well as the Keep Miami Gardens Beautiful program. For the year ended September 30, 2013, the fund reported revenues and transfers in totaling \$8.08 million. The expenditures and transfers out amount to \$7.19 million. The fund balance increased by \$892,932 from \$3,672,421 in FY 2012 to \$4,565,353 in FY 2013.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The City of Miami Gardens’ investment in capital assets for its governmental activities as of September 30, 2013 increased by \$24.4 million from the prior year. The increase is attributed to the construction of the City Hall. 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 \$323,478 in capital assets which is attributed to depreciation of the projects.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 38,764,806	\$ 38,764,806	\$ -	\$ -	\$ 38,764,806	\$ 38,764,806
Art	232,472	188,172	-	-	232,472	188,172
Buildings	23,402,224	24,307,156	-	-	23,402,224	24,307,156
Equipment	6,419,029	4,629,472	142,988	237,256	6,562,017	4,866,728
Infrastructure	234,149,506	239,541,870	16,071,142	16,304,888	250,220,648	255,846,758
Improvement other than building	3,882,286	4,083,475	-	-	3,882,286	4,083,475
Construction-in-progress	43,205,126	14,108,575	184,082	179,546	43,389,208	14,288,121
	<u>\$ 350,055,449</u>	<u>\$ 325,623,526</u>	<u>\$ 16,398,212</u>	<u>\$ 16,721,690</u>	<u>\$ 366,453,661</u>	<u>\$ 342,345,216</u>

Additional Information can be found in Note 4 Capital Assets, on page 31.

Long-term debt. At year-end the City had \$114.03 million in debt outstanding – a decrease of \$1.87 million over last year, attributed to the annual debt service payments. The debt position of the City is summarized below and is more fully explained in Note 6 Long-Term Debt beginning on page 33.

	City of Miami Garden’s Debt					
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue Bonds	\$ 88,756,368	\$ 93,008,880	\$ 19,882	\$ 39,217	\$ 88,776,250	\$ 93,048,097
Capital Leases	3,700,000	-	-	-	3,700,000	-
Due to Dade County	5,565,805	6,241,335	7,245,461	7,541,746	12,811,266	13,783,081
Compensated absences	8,627,978	8,934,890	117,993	135,507	8,745,971	9,070,397
	<u>\$ 106,650,151</u>	<u>\$ 108,185,105</u>	<u>\$ 7,383,336</u>	<u>\$ 7,716,470</u>	<u>\$ 114,033,487</u>	<u>\$ 115,901,575</u>

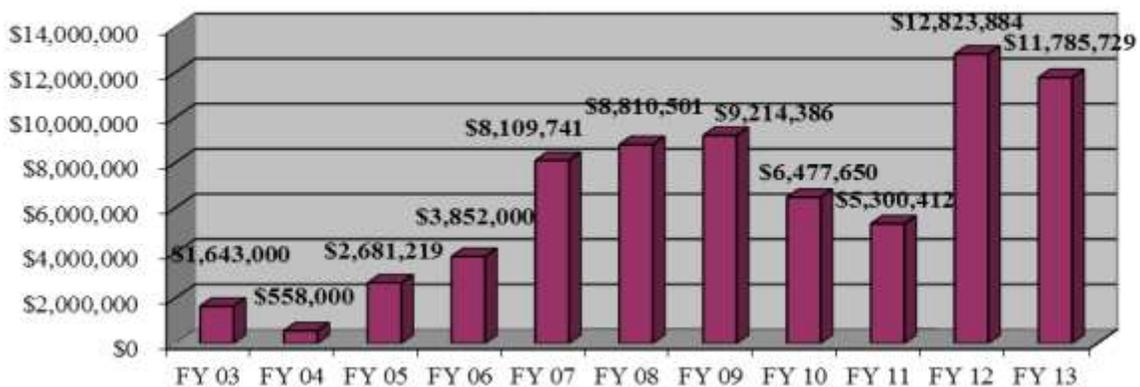
Economic Factors and Next Year’s Budgets and Ratios

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. Further, the City is actively seeking developers to purchase the two taxable properties that the City purchased in FY 2009.

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. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. Revenues for the Fiscal Year 2014 adopted General Fund budget are \$64.97 million, which is approximately the same as FY 2013 revenue for a total amount of \$64.17 million.

For fiscal year 2013, the unassigned fund balance in the General Fund was \$11.8 million compared to \$12.8 million in FY-12. This \$11.8 million is approximately equal to 2.19 months of budgeted General Fund operating expenditures for FY2014. The graph below indicated the City’s unrestricted fund balance since inception in 2003. As part of the FY-14 budget adoption, Council adopted the millage rate 6.9363 which is 12.02% above the roll-back rate. This is to cover the costs of an additional 10 more officers in FY 2014.

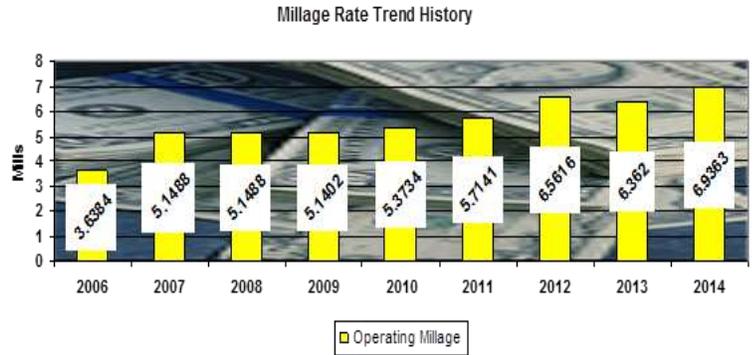
General Fund Unassigned Fund Balance



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 cost of living, 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:

The operating millage rate for the year 2013 - collected in fiscal year 2014 is 6.9363 mills per thousand dollars of taxable value. This represents a 12.02% increase over the roll-back rate.



Requests for Information

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. The financial statements are available on the City's website at www.miamigardens-fl.gov. If you have questions about the report or need additional financial information, contact Patricia Varney, CGFO, Finance Director, City of Miami Gardens, 1515 NW 167th Street Building 5 #200, Miami Gardens, Florida, 33169.

BASIC FINANCIAL STATEMENTS

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 9,613,407	\$ 1,528,450	\$ 11,141,857
Investments	25,639,161	-	25,639,161
Receivables, net	1,994,944	594,745	2,589,689
Due from other governments	6,820,914	-	6,820,914
Prepaid expenses	545,821	4,482	550,303
Capital assets not being depreciated	82,337,403	184,082	82,521,485
Capital assets being depreciated, net	<u>267,853,048</u>	<u>16,214,128</u>	<u>284,067,176</u>
Total assets	<u>394,804,698</u>	<u>18,525,887</u>	<u>413,330,585</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	7,894,431	535,581	8,430,012
Retainage payable	2,881,040	-	2,881,040
Matured interest payable	1,528,490	-	1,528,490
Noncurrent liabilities:			
Due within one year			
Compensated absences	1,294,197	17,699	1,311,896
Bonds, loans & capital leases	18,237,460	328,404	18,565,864
Due in more than one year			
Compensated absences	7,333,781	100,294	7,434,075
Bonds, loans & capital leases	79,440,989	6,936,939	86,377,928
Net OPEB obligations	<u>3,895,757</u>	<u>52,000</u>	<u>3,947,757</u>
Total liabilities	<u>122,506,145</u>	<u>7,970,917</u>	<u>130,477,061</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Unearned Revenue	1,841,962	-	1,841,962
Deferred Gain on Refunding	<u>372,364</u>	<u>-</u>	<u>372,364</u>
	<u>2,214,326</u>	<u>-</u>	<u>2,214,326</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	261,783,392	9,132,867	270,916,259
Restricted for:			
Housing	121,916	-	121,916
Law Enforcement	141,200	-	141,200
Transportation	4,604,466	-	4,604,466
Parks & Recreation	1,205,129	-	1,205,129
Community Development	48,719	-	48,719
Unrestricted	<u>2,179,405</u>	<u>1,422,103</u>	<u>3,601,508</u>
Total Net Position	<u>\$ 270,084,227</u>	<u>\$ 10,554,970</u>	<u>\$ 280,639,197</u>

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Governmental activities:							
General government	\$ 16,525,346	\$ 8,370,005	\$ -	\$ -	\$ 8,155,341	\$ -	\$ 8,155,341
Public safety	37,298,100	5,963,644	1,058,828	715,102	29,560,526	-	29,560,526
Public works	15,161,302	89,437	3,449	1,988,993	13,079,423	-	13,079,423
Parks and recreation	6,801,697	1,158,323	54,756	774,588	4,814,030	-	4,814,030
Economic environment	2,341,655	-	2,042,442	-	299,213	-	299,213
Interest on long-term debt	5,543,197	-	-	-	5,543,197	-	5,543,197
Total governmental activities	<u>83,671,297</u>	<u>15,581,409</u>	<u>3,159,475</u>	<u>3,478,683</u>	<u>61,451,730</u>	<u>-</u>	<u>61,451,730</u>
Business-type activities:							
Stormwater	<u>2,894,787</u>	<u>3,498,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603,423)</u>	<u>(603,423)</u>
Total business activities	<u>2,894,787</u>	<u>3,498,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603,423)</u>	<u>(603,423)</u>
Total	<u>\$ 86,566,084</u>	<u>\$ 19,079,619</u>	<u>\$ 3,159,475</u>	<u>\$ 3,478,683</u>	<u>\$ 61,451,730</u>	<u>\$ (603,423)</u>	<u>\$ 60,848,307</u>
General revenues:							
Property taxes					19,653,871	-	19,653,871
Franchise fees					4,239,521	-	4,239,521
Utility taxes					10,525,589	-	10,525,589
Intergovernmental revenue (unrestricted)					17,360,797	-	17,360,797
Miscellaneous					3,426,225	4,135	3,430,360
Investment earnings					84,489	3,401	87,890
Transfers					<u>422,553</u>	<u>(422,553)</u>	<u>-</u>
Total general revenues and Transfers					<u>55,713,045</u>	<u>(415,017)</u>	<u>55,298,028</u>
Change in net position					(5,738,685)	188,406	(5,550,279)
Net assets, beginning as previously stated					276,632,752	10,366,564	286,999,316
Reinstatement of net position due to implementation of GASB 63 & 65					<u>(809,840)</u>	<u>-</u>	<u>(809,840)</u>
Net position, beginning - as restated					<u>275,822,912</u>	<u>10,366,564</u>	<u>286,189,476</u>
Net position, ending					<u>\$ 270,084,227</u>	<u>\$ 10,554,970</u>	<u>\$ 280,639,197</u>

See notes to the financial statements

CITY OF MIAMI GARDENS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	Major Funds				Non-Major	Total
	General	Capital Projects	Transportation	Debt Service	Funds	Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,864,209	\$ 272,793	\$ 3,609,186	\$ 2,435,702	\$ 1,431,517	\$ 9,613,407
Investments	8,147,778	17,491,383	-	-	-	25,639,161
Due from other Funds	767,483	-	-	-	-	767,483
Due from other governmental agencies	3,819,395	1,834,067	1,167,452	-	-	6,820,914
Accounts receivables, net	808,975	275	348,189	-	837,357	1,994,796
Accrued interest receivable	-	148	-	-	-	148
Prepaid	545,371	-	450	-	-	545,821
Total assets	\$ 15,953,211	\$ 19,598,666	\$ 5,125,277	\$ 2,435,702	\$ 2,268,874	\$ 45,381,730
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 3,047,119	\$ 3,936,580	\$ 270,847	\$ 217,626	\$ 302,858	\$ 7,775,030
Due to General Fund	-	-	-	-	767,483	767,483
Due to Fiscal Agent	-	-	-	-	-	-
Retainage payable	-	2,694,779	109,797	-	76,464	2,881,040
Other liabilities	36,950	16	82,434	-	-	119,400
Total liabilities	3,084,069	6,631,375	463,078	217,626	1,146,805	11,542,953
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable Revenue	1,083,413	477,747	96,846	-	183,956	1,841,962
Fund balances:						
Non Spendable						
Prepays	545,371	-	450	-	-	545,821
Restricted for:						
Housing	-	-	-	-	121,916	121,916
Law Enforcement	-	-	-	-	141,200	141,200
Transportation	-	39,563	4,564,903	-	-	4,604,466
Parks & Recreation	-	126,494	-	-	1,078,635	1,205,129
City Hall Project	-	10,926,791	-	-	7,126	10,933,917
Community Development	-	-	-	-	48,719	48,719
Committed for:						
Debt Service	-	-	-	2,218,076	-	2,218,076
Assigned						
Capital Projects	-	1,396,696	-	-	-	1,396,696
Unassigned						
General Fund	11,240,358	-	-	-	-	11,240,358
Development Services Fund	-	-	-	-	(459,483)	(459,483)
Total fund balances	11,785,729	12,489,544	4,565,353	2,218,076	938,113	31,996,815
Total liabilities and fund balances	\$ 15,953,211	\$ 19,598,666	\$ 5,125,277	\$ 2,435,702	\$ 2,268,874	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						350,190,451
OPEB liabilities used in governmental activities are not reported in the governmental funds.						(3,895,757)
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds, including matured interest payable (see Note 5)						(108,207,282)
Net position of governmental activities						\$ 270,084,227

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, 2013

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
Revenues:						
Property taxes	\$ 19,653,871	\$ -	\$ -	\$ -	\$ -	\$ 19,653,871
Utility taxes	10,525,589	-	-	-	-	10,525,589
Intergovernmental	10,290,165	-	6,896,152	-	-	17,186,317
Charges for services	6,402,173	-	89,437	-	678,428	7,170,038
Licenses and permits	1,886,006	-	-	-	1,620,123	3,506,129
Impact fees	-	-	-	-	152,592	152,592
Fines and forfeitures	4,652,485	-	-	-	100,165	4,752,650
Franchise fees	4,239,521	-	-	-	-	4,239,521
Grant revenue	888,989	1,611,944	909,620	-	3,402,085	6,812,638
Other income	1,626,075	1,764,927	2,305	-	32,918	3,426,225
Interest	10,339	61,846	8,321	-	3,983	84,489
Total revenues	<u>60,175,213</u>	<u>3,438,717</u>	<u>7,905,835</u>	<u>-</u>	<u>5,990,294</u>	<u>77,510,059</u>
Expenditures:						
Current:						
General government	11,787,107	699,738	-	-	-	12,486,845
Public safety	32,788,496	-	-	-	2,204,760	34,993,256
Public works	-	-	3,135,660	-	3,449	3,139,109
Parks and recreation	5,531,546	-	-	-	54,755	5,586,301
Economic and physical development	-	-	-	-	2,341,655	2,341,655
Non-departmental	4,102,095	-	-	-	-	4,102,095
Capital outlay						
General government	2,927,255	30,241,673	-	-	-	33,168,928
Public safety	653,370	-	-	-	-	653,370
Public works	-	122,254	3,228,335	-	-	3,350,589
Parks and recreation	80,200	712,670	-	-	1,581,159	2,374,029
Debt service:						
Principal	-	-	-	4,925,259	-	4,925,259
Interest and fiscal charges	-	-	-	5,581,708	-	5,581,708
Total expenditures	<u>57,870,069</u>	<u>31,776,335</u>	<u>6,363,995</u>	<u>10,506,967</u>	<u>6,185,778</u>	<u>112,703,144</u>
Excess (deficiency) of revenues over expenditures	<u>2,305,144</u>	<u>(28,337,618)</u>	<u>1,541,840</u>	<u>(10,506,967)</u>	<u>(195,484)</u>	<u>(35,193,085)</u>
Other financing sources (uses):						
Transfers in	1,085,745	4,918,298	176,724	8,641,617	-	14,822,384
Transfers out	(8,129,044)	(4,610,934)	(825,632)	-	(834,221)	(14,399,831)
Issuance of debt	3,700,000	-	-	-	-	3,700,000
Total other financing sources (uses)	<u>(3,343,299)</u>	<u>307,364</u>	<u>(648,908)</u>	<u>8,641,617</u>	<u>(834,221)</u>	<u>4,122,553</u>
Net change in fund balances	(1,038,155)	(28,030,254)	892,932	(1,865,350)	(1,029,705)	(31,070,532)
Fund balances, beginning	<u>12,823,884</u>	<u>40,519,798</u>	<u>3,672,421</u>	<u>4,083,426</u>	<u>1,967,818</u>	<u>63,067,347</u>
Fund balances, ending	<u>\$ 11,785,729</u>	<u>\$ 12,489,544</u>	<u>\$ 4,565,353</u>	<u>\$ 2,218,076</u>	<u>\$ 938,113</u>	<u>\$ 31,996,815</u>

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, (31,070,532)
PAGE 18

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

Capital outlays, reported as expenditures in governmental funds, are shown 39,546,918
as capital assets in the statement of net assets.

Provision for depreciation expense on governmental capital assets is included (14,932,115)
in the governmental activities in the statement of net assets.

In the statement of activities, only gain on the sale of assets is reported, whereas, (47,878)
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

The issuance of long-term debt provides current financial resources to (3,725,861)
governmental funds; however has no effect on net assets. Also,
governmental funds report the effect of issuance costs, discounts, 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

Principal payments on long-term debt are reported as expenditures in 4,925,260
governmental funds, but as a reduction of long-term liabilities in the
statement of net assets.

Interest is accrued in the statement of activities where in the governmental 38,511
Funds expenditures is reported when due

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 (779,899)

Change in long-term compensated absences 306,912

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 16 (5,738,685)

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2013

<u>ASSETS</u>	<u>Stormwater</u>	<u>Total</u>
Current assets:		
Cash and equity in pooled cash and investments	\$ 1,528,450	\$ 1,528,450
Accounts receivable - net	594,745	594,745
Prepaid items	4,482	4,482
Total current assets	2,127,677	2,127,677
Non-current assets:		
Capital assets being depreciated, net	16,398,210	16,398,210
Total assets	18,525,887	18,525,887
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	93,758	93,758
Accrued liabilities	441,823	441,823
Current portion of compensated absences	17,699	17,699
Current portion of notes payable	328,404	328,404
Total current liabilities	881,684	881,684
Non-current liabilities:		
Notes payable	6,936,939	6,936,939
Net OPEB Obligations	52,000	52,000
Compensated absences	100,294	100,294
Total noncurrent liabilities	7,089,233	7,089,233
Total liabilities	7,970,917	7,970,917
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	9,132,867	9,132,867
Unrestricted	1,422,103	1,422,103
Total net position	\$ 10,554,970	\$ 10,554,970

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-type Activities - <u>Enterprise Funds</u>	
	<u>Stormwater</u>	<u>Total</u>
Operating revenues:		
Charges for services	\$ 3,498,210	\$ 3,498,210
Miscellaneous	4,135	4,135
Total operating revenues	<u>3,502,345</u>	<u>3,502,345</u>
Operating expenses:		
Administrative costs	736,846	736,846
Operations and maintenance	1,197,187	1,197,187
Depreciation	589,998	589,998
Total operating expenses	<u>2,524,031</u>	<u>2,524,031</u>
Operating income	<u>978,314</u>	<u>978,314</u>
Non-operating revenues (expenses):		
Interest income	3,401	3,401
Interest expense	<u>(370,756)</u>	<u>(370,756)</u>
Total non-operating revenues (expenses)	<u>(367,355)</u>	<u>(367,355)</u>
Income before contributions & transfers	610,959	610,959
Transfer out	(422,553)	(422,553)
Capital Contributions	<u>-</u>	<u>-</u>
Change in net position	188,406	188,406
NET POSITION, beginning of year	<u>10,366,564</u>	<u>10,366,564</u>
NET POSITION, end of year	<u>\$ 10,554,970</u>	<u>\$ 10,554,970</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, 2013

	Business-type Activities - Enterprise Funds	
	<u>Stormwater</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers, governments and other funds	\$ 3,729,506	\$ 3,729,506
Cash paid to suppliers	(1,403,800)	(1,403,800)
Cash paid to employees	(587,957)	(587,957)
Net cash provided by operating activities	<u>1,737,749</u>	<u>1,737,749</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	<u>(422,553)</u>	<u>(422,553)</u>
Net cash used in noncapital financing activities	(422,553)	(422,553)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(266,520)	(266,520)
Principal retirements of capital debt	(315,621)	(315,621)
Interest paid on capital debt	<u>(370,756)</u>	<u>(370,756)</u>
Net cash used in capital and related financing activities	<u>(952,897)</u>	<u>(952,897)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and other income	<u>3,401</u>	<u>3,401</u>
Net cash provided by investing activities	<u>3,401</u>	<u>3,401</u>
NET DECREASE IN POOLED CASH AND CASH EQUIVALENTS	365,700	365,700
POOLED CASH AND CASH EQUIVALENTS, beginning	<u>1,162,750</u>	<u>1,162,750</u>
POOLED CASH AND CASH EQUIVALENTS, ending	<u>\$ 1,528,450</u>	<u>\$ 1,528,450</u>
POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET ASSETS		
Unrestricted	<u>1,528,450</u>	<u>1,528,450</u>
TOTAL, SEPTEMBER 30	<u>\$ 1,528,450</u>	<u>\$ 1,528,450</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	<u>\$ 978,314</u>	<u>\$ 978,314</u>
Adjustments to reconcile operating income (loss) to net cash provided by(used in) operating activities:		
Depreciation and amortization	589,998	589,998
Change in assets and liabilities:		
Decrease in accounts receivable	227,161	227,161
Decrease in prepaid items	(4,482)	(4,482)
Decrease in accounts payable	(2,289)	(2,289)
Decrease in OPEB liabilities	(33,899)	(33,899)
Decrease in compensated absences	(14,887)	(14,887)
Decrease in accrued liabilities	<u>(2,167)</u>	<u>(2,167)</u>
Total adjustments	<u>759,435</u>	<u>759,435</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,737,749</u>	<u>\$ 1,737,749</u>

See notes to basic financial statements

NOTES TO FINANCIAL STATEMENTS

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

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, 2013.

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, 2013

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, 2013

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, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Implementation of Governmental Accounting Standards Board Statements

The City implemented GASB Statement 63 and early implementation of GASB Statement 65 during the fiscal year ended September 30, 2013.

1. GASB Statement No. 63 *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.”*

This Statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and also requires related disclosures.

2. GASB Statement No. 65 *“Items Previously Reported as Assets and Liabilities.”*

This Statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources. This Statement specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt. This Statement requires that debt issuance costs be expensed in the period in which that debt was issued. This Statement also requires that unearned revenue reported in the governmental funds balance sheet be recognized as deferred inflow of resources.

E. Assets, Liabilities, 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. The SBA previously reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructure the State into two separate pools (Florida PRIME and Fund B).

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

1. Deposits and Investments (continued)

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The City's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

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 billings are rendered quarterly. 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.

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.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets (continued)

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 2013.

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 vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. In the governmental funds, a liability is recorded only for vacation and sick leave payouts for employee separations that occurred prior to September 30, 2013 and were subsequently paid with current available financial resources. The General fund and Enterprise Fund has been used in prior years to liquidate the liability for compensated absences.

6. Deferred Outflows/Inflows

The Statement of Net Position includes a separate section for Deferred Outflows and Deferred Inflows of Resources. Currently, the City has no deferred outflow as this represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. The City currently has two items in the Deferred Inflows of Resources. One of this is unavailable revenue which is reported in the Governmental Fund balance sheet using the modified accrual basis of accounting. The source of the unavailable revenue is local business license tax and contributions from developers for specific capital projects. The other Deferred Inflows is reported at the government-wide statement of net position. This amount is the deferred gain in the refunding of the QNIP bond by Miami-Dade County.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Unearned Revenues

Deferred revenues (a deferred inflow of resources) include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The deferred items consist primarily of business license tax.

8. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council which is highest level of decision-making authority through resolution are classified as committed fund balances. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken which is an adoption of another resolution to remove or revise the limitation. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by 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 fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council adopted a goal to maintain and unassigned fund balance equal to 16% to 25% during the annual budget process.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Restricted Fund Balance

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

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

For the year ended September 30, 2013, the City complied, in all material respects, with these revenue restrictions.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

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

Investments:

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

	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
Florida PRIME	\$ 8,071,624	\$ 8,071,624	\$ -
Fund B	14,623	-	14,623
Certificate of deposit	47,091	47,091	-
Tax Certificates	14,440	-	14,440
Money Market Fund	<u>17,491,383</u>	<u>17,491,383</u>	<u>-</u>
	<u>\$ 25,639,161</u>	<u>\$ 25,610,098</u>	<u>\$ 29,063</u>

The City's investments in the State pool expose it to credit risk and, for Fund B, interest rate risk. The City does not have a formal investment policy relating to these risks, which are hereafter described.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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

The Florida PRIME is rated by Standard and Poor's and has a rating at September 30, 2013 of AAAM.

The Fund B is not rated by any nationally recognized statistical rating agency.

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

The weighted average life (based on expected future cash flows) of Fund B at September 30, 2013, is estimated at 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

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 another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

NOTE 3. RECEIVABLES

Receivables as of September 30, 2013, for the City's governmental funds, including the allowance for uncollectible accounts are as follows:

Ad valorem, utility & franchise fees	\$ 2,934,424
Intergovernmental	2,166,670
Grants	2,885,534
Accrued interest receivable	148
Miscellaneous receivable	829,082
Net Receivable	<u>\$ 8,815,858</u>

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

Stormwater Accounts	\$ 629,693
Less: Allowance for Uncollectibles	(34,948)
Net Receivable	<u>\$ 594,745</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 4. CAPITAL ASSETS (continued)

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balance October 1, 2012	Additons	Deletions	Transfers	Balance September 30, 2013
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 38,764,806	\$ -	\$ -	\$ -	\$ 38,764,806
Art in Public Places	188,172	44,300	-	-	232,472
Construction in progress	14,108,575	32,672,200	(135,000)	(3,440,649)	43,205,126
Total capital assets not being depreciated	<u>53,061,553</u>	<u>32,716,500</u>	<u>(135,000)</u>	<u>(3,440,649)</u>	<u>82,202,404</u>
Capital assets being depreciated:					
Building	27,141,672	-	-	-	27,141,672
Infrastructure	348,157,247	3,028,257	-	3,440,649	354,626,152
Improvements other than buildings	4,682,959	36,566	-	-	4,719,525
Machinery and equipment	17,675,433	3,765,595	(1,487,150)	-	19,953,878
Total capital assets being depreciated	<u>397,657,311</u>	<u>6,830,416</u>	<u>(1,487,150)</u>	<u>3,440,649</u>	<u>406,441,226</u>
Less accumulated depreciation for:					
Building	(2,834,516)	(904,932)	-	-	(3,739,448)
Infrastructre	(108,615,377)	(11,861,269)	-	-	(120,476,646)
Improvements other than buildings	(599,484)	(237,755)	-	-	(837,239)
Machinery and equipment	(13,045,961)	(1,928,160)	1,439,272	-	(13,534,849)
Total accumulated depreciation	<u>(125,095,338)</u>	<u>(14,932,115)</u>	<u>1,439,272</u>	<u>-</u>	<u>(138,588,181)</u>
Total capital assets being depreciated, net	<u>272,561,973</u>	<u>(8,101,699)</u>	<u>(47,878)</u>	<u>3,440,649</u>	<u>267,853,045</u>
Governmental activities capital assets, net	<u>\$ 325,623,526</u>	<u>\$ 24,614,801</u>	<u>\$ (182,878)</u>	<u>\$ -</u>	<u>\$ 350,055,449</u>
	Balance October 1, 2012	Additons	Deletions	Transfers	Balance September 30, 2013
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	\$ 179,546	\$ 184,081	\$ -	\$ (179,545)	\$ 184,082
Total capital assets not being depreciated	<u>179,546</u>	<u>184,081</u>	<u>-</u>	<u>(179,545)</u>	<u>184,082</u>
Capital assests being depreciated:					
Infrastructure	19,598,970	11,032	-	179,545	19,789,547
Machinery and Equipment	905,012	71,407	-	-	976,419
Total capital assets being depreciated	<u>20,503,982</u>	<u>82,439</u>	<u>-</u>	<u>179,545</u>	<u>20,765,966</u>
Less accumulated depreciation for:					
Infrastructure	(3,294,082)	(424,323)	-	-	(3,718,405)
Machinery and equipment	(667,756)	(165,675)	-	-	(833,431)
Total accumulated depreciation	<u>(3,961,838)</u>	<u>(589,998)</u>	<u>-</u>	<u>-</u>	<u>(4,551,836)</u>
Total capital assets being depreciated, net	<u>16,542,144</u>	<u>(507,559)</u>	<u>-</u>	<u>179,545</u>	<u>16,214,130</u>
Business activities capital assets, net	<u>\$ 16,721,690</u>	<u>\$ (323,478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,398,212</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 4. CAPITAL ASSETS (continued)

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

Governmental Activities	
General Government	\$ 277,916
Public Safety	1,352,552
Public Works	12,034,611
Recreation & Social Services	1,267,036
Total depreciation expense - governmental activities	\$ 14,932,115
Business-type Activities	
Stormwater	\$ 589,998
Total depreciation expense - business-type activities	\$ 589,998

Construction Commitments

The City of Miami Gardens has active construction projects as of September 30, 2013. The projects include City Hall, road and drainage improvements projects, and Parks Improvements. The amount remaining on these uncompleted projects as of September 30, 2013 was \$12,234,577.

NOTE 5. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2013 are as follows:

Major Funds:	
General Fund	\$ 289,508
Transportation Fund	1,060,183
Capital Projects Fund	10,303,930
Total Major Funds	11,653,621
Non-Major Governmental Funds	870,444
Total Encumbrances	\$ 12,524,065

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, 2013:

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES (continued)

	October 1, 2012	Additions	Reductions	Septemebr 30 2013	Due within One Year
Governmental Activities					
Bonds & Notes payable					
Due to Miami-Dade County	\$ 703,660	\$ -	\$ 351,830	\$ 351,830	\$ 351,830
QNIP due to Miami Dade County	5,537,675	-	323,700	5,213,975	336,700
Land Acquistion Revenue Bonds, Series 2005	6,031,554	-	277,667	5,753,887	288,023
Capital Improvement Revenue Bonds, Series 2005	575,488	-	136,174	439,314	141,100
Land Acquisition Revenue Bonds, Series 2007	11,559,291	-	589,942	10,969,349	615,447
Equipment Acquisition Bond, Series 2008	1,006,018	-	1,006,018	-	-
Land Acquisition Revenue Bonds, Series 2009	3,610,001	-	143,121	3,466,880	149,721
Equipment Revenue Bond Series 2009	988,907	-	487,541	501,366	501,366
Taxable Land Acquisition Revenue Bond, Series 2009	6,572,403	-	260,403	6,312,000	6,312,000
Taxable Land Acquisition Revenue Bond, Series 2009B	7,990,474	-	293,864	7,696,610	7,696,610
Certificates of Participation Series 2010 A-1 & A-2	55,000,000	-	1,055,000	53,945,000	1,095,000
Master Lease Series 2013	-	3,700,000	-	3,700,000	721,020
Less deferred amount: Bond Discounts	(726,263)	-	25,861	(700,402)	25,861
Deferred gain on refund Bond	401,007	-	28,643	372,364	28,643
Total bonds and notes payable	<u>99,250,215</u>	<u>3,700,000</u>	<u>5,344,992</u>	<u>98,022,173</u>	<u>18,263,321</u>
Other Liabilities					
Compensated absences	<u>8,934,890</u>	<u>4,573,516</u>	<u>4,880,428</u>	<u>8,627,978</u>	<u>1,294,197</u>
Governmental activity long-term liabilities	<u>\$ 108,185,105</u>	<u>\$ 8,273,516</u>	<u>\$ 10,225,420</u>	<u>\$ 106,650,151</u>	<u>\$ 19,557,518</u>
Business-type Activities					
Bonds and Notes Payable:					
Miami-Dade County Stormwater Utility Bond	\$ 7,541,746	\$ -	\$ 296,285	\$ 7,245,461	\$ 308,522
Equipment Revenue Bond Series 2009	39,217	-	19,335	19,882	19,882
Total bonds and notes payable	<u>7,580,963</u>	<u>-</u>	<u>315,620</u>	<u>7,265,343</u>	<u>328,404</u>
Other liabilities:					
Compensated absences	<u>135,507</u>	<u>108,999</u>	<u>126,513</u>	<u>117,993</u>	<u>17,699</u>
Business-type activites long-term liabilities	<u>\$ 7,716,470</u>	<u>\$ 108,999</u>	<u>\$ 442,133</u>	<u>\$ 7,383,336</u>	<u>\$ 346,103</u>

Miami-Dade County Obligations

Interlocal agreement

In September 2004, the City entered into the *Interlocal Agreement with Miami-Dade County for Municipal Services and Establishment of Costs of Those Services, R-2004-68-119*. As part of that interlocal agreement, the City agreed to repay to Miami-Dade County the sum of \$3,518,300, payable in 10 equal annual installments of \$351,830, due each September 1st.

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

Fiscal year ending September 30, 2014	Principal <u>351,830</u> <u>\$ 351,830</u>
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CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES

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 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 refinances these bonds in 2011.

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

Fiscal year ending September 30,	Principal	Interest	Total
2014	336,700	216,570	553,270
2015	352,625	200,548	553,173
2016	366,925	185,205	552,130
2017	380,575	170,365	550,940
2018	394,550	154,973	549,523
2019-2023	2,219,425	2,741,856	4,961,281
2024-2027	1,163,175	1,279,769	2,442,944
	\$ 5,213,975	\$ 4,949,286	\$ 10,163,261

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

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

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

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

Fiscal year ending September 30,	Principal	Interest	Total
2014	288,023	209,248	497,271
2015	298,767	198,305	497,072
2016	309,911	186,953	496,864
2017	321,470	175,178	496,648
2018	333,461	162,963	496,424
2019-2023	1,863,420	615,044	2,478,464
2024-2027	2,338,835	171,032	2,509,867
	<u>\$ 5,753,887</u>	<u>\$ 1,718,723</u>	<u>\$ 7,472,610</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. As of June 2009, the City has prepaid \$1,666,666 prior to conversion to fixed rate term. The remaining of the bonds 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, 2013. 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.

Fiscal year ending September 30,	Principal	Interest	Total
2014	141,100	15,712	156,812
2015	146,154	10,658	156,812
2016	<u>152,060</u>	<u>5,423</u>	<u>157,483</u>
	<u>\$ 439,314</u>	<u>\$ 31,793</u>	<u>\$ 471,107</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

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:

Fiscal year ending September 30,	Principal	Interest	Total
2014	615,447	462,052	1,077,499
2015	642,056	435,443	1,077,499
2016	669,814	407,685	1,077,499
2017	698,773	378,726	1,077,499
2018	728,983	348,516	1,077,499
2019-2023	4,145,818	1,241,678	5,387,496
2024-2027	3,468,460	300,547	3,769,007
	<u>\$ 10,969,349</u>	<u>\$ 3,574,648</u>	<u>\$ 14,543,997</u>

Series 2009 \$2,000,000 Equipment Acquisition Revenue Bonds

On January 30, 2009, the City issued a \$2,000,000 revenue bond to finance the costs of purchasing various equipment needs for various city departments. Draws may be made up to one year from closing. The loan will mature on February 2014. During the one year draw period, the loan will bear interest at the rate of one month LIBOR plus 50 basis points adjusted monthly. Upon one year of issuance, on February 1, 2013, the conversion date, the rate is to be converted to fixed rate until the maturity of the bonds, at an interest rate equal to the 5-year U.S. Dollar Swap Offering Rate as of the conversion date plus 15 basis points. In addition this bond is secured by Local Government Half-Cent Sales Tax and Communication Services Tax.

The following table details the future debt service schedule for the bonds calculated at 2.87%:

Fiscal year ending September 30,	Principal	Interest	Total
2014	521,248	14,965	536,213
	<u>\$ 521,248</u>	<u>\$ 14,965</u>	<u>\$ 536,213</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

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 pledges the electricity utility tax to secure the principal and the interest on the bonds. Principal payment of this bond will begin on February 1, 2013. This bond is subject to prepayment in whole but not in part at any time but is subject to prepayment penalty.

Series 2009 \$7,300,000 Taxable Land Acquisition Revenue Bonds (continued)

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

	Principal	Interest	Total
Fiscal year ending September 30, 2014	<u>6,312,000</u>	<u>151,488</u>	<u>6,463,488</u>
	<u>\$ 6,312,000</u>	<u>\$ 151,488</u>	<u>\$ 6,463,488</u>

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 bond 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:

	Principal	Interest	Total
Fiscal year ending September 30,			
2014	149,757	159,041	308,798
2015	156,858	151,940	308,798
2016	163,899	144,899	308,798
2017	172,069	136,729	308,798
2018	180,228	128,570	308,798
2019-2023	1,037,390	506,600	1,543,990
2024-2028	1,307,880	236,110	1,543,990
2029	<u>298,799</u>	<u>8,809</u>	<u>307,608</u>
	<u>\$ 3,466,880</u>	<u>\$ 1,472,698</u>	<u>\$ 4,939,578</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

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 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 began on November 1, 2009 and debt service will be paid quarterly. The bonds are subject to optional prepayment in whole or in part at any time but may be subject to prepayment penalty.

	Principal	Interest	Total
Fiscal year ending September 30, 2014	7,696,610	399,074	8,095,684
	<u>\$ 7,696,610</u>	<u>\$ 399,074</u>	<u>\$ 8,095,684</u>

Series 2011A-1 \$2,150,000 tax exempt; and Series 2011A-2 \$52,850,500 (Build America Bonds), Certification of Participations

On November 20, 2011, the City issued \$55,000,000 Certificate of Participations to finance the construction and purchase of furniture and equipment of the City Hall. Series 2011A-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 2011A-2 Taxable Certificates of Participation (Build American Bonds) latest maturity date is June 1, 2040 with a True Interest Cost of 4.72%. The 2011A 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 2011A Lease.

	Principal	Interest	Total
Fiscal year ending September 30,			
2014	1,095,000	3,657,079	4,752,079
2015	1,150,000	3,602,330	4,752,330
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
2019-2023	7,200,000	15,842,594	23,042,594
2024-2028	8,980,000	13,093,764	22,073,764
2029-2033	11,230,000	9,631,300	20,861,300
2034-2038	14,035,000	5,324,900	19,359,900
2039-2040	6,545,000	692,300	7,237,300
	<u>\$ 53,945,000</u>	<u>\$ 62,262,130</u>	<u>\$ 116,207,130</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Pledged Revenues

Calculation of Maximum Annual Debt Service

	Debt Service
1 Series 2009 \$7,300,000 Taxable Land Acquisition Revenue Bonds*	\$ 569,629 *
2 Series 2009 \$4,000,000 Land Acquisition & Improvement Revenue Bonds	154,399
3 Series 2009 \$8,800,000 Taxable Land Acquisition Revenue Bonds*	354,026 *
Total Existing and Proposed Maximum Annual Debt Service	\$ 1,078,054

Coverage Calculation

	Audited FY 13	Audited FY 12
Pledged Revenues Received:		
Electric Utility Service Tax	\$5,915,587	\$5,578,789
Total Pledged Revenues	\$5,915,587	\$5,578,789
Actual Coverage	5.49	5.17
Required Coverage	2	2

Source of Pledge: Half Cents Sales Tax and Communications Service Tax

Calculation of Maximum Annual Debt Service

	Debt Service
1 Series 2005 \$2,500,000 Capital Improvement Bonds:	\$ 157,437
2 Series 2005 \$7,500,000 Land Acquisition Revenue Bonds:	497,271
3 Series 2007 \$14,400,000 Land Acquisition & Improvement Revenue Bonds	1,077,499
4 Series 2009 \$2,000,000 Equipment Acquisition Revenue Bonds	536,218
5 Series 2009 \$4,000,000 Land Acquisition & Improvement Revenue Bonds	154,399
6 Series 2009 \$8,800,000 Taxable Land Acquisition Revenue Bonds*	354,026
Total Existing Maximum Annual Debt Service	\$ 2,776,848

Coverage Calculation

	Audited FY 13	Audited FY 12
Pledged Revenues Received:		
1/2¢ Sales Tax	\$7,337,557	\$6,955,225
Communications Services Tax	\$3,438,720	\$3,669,763
Total Pledged Revenues	\$10,776,277	\$10,624,988
Actual Coverage	3.88	3.83
Required Coverage	1.5	1.5

* Debt service does not include balloon payment as the City will either refinance or sale of properties before the final payment comes due.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Stormwater Utility Revenue Bond – Enterprise Fund

The County issued two Utility Revenue Bonds, Series 1999 and 2004. The City is responsible for 8.74% of the debt services of these two bonds. The City’s Stormwater Assessments will continue to be paid directly to the County until the County’s *Stormwater Utility Revenue Bonds, Series 1999 and 2004* mature.

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

Fiscal year ending September 30,	Principal	Interest	Total
2014	308,522	357,694	666,216
2015	322,069	343,865	665,934
2016	337,364	328,357	665,721
2017	354,407	311,489	665,896
2018	372,324	293,769	666,093
2019-2023	2,159,217	1,170,374	3,329,591
2024-2028	2,755,285	573,869	3,329,154
2029	636,273	29,427	665,700
	<u>\$ 7,245,461</u>	<u>\$ 3,408,844</u>	<u>\$ 10,654,305</u>

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, 2013 were as follows:

	<u>Total</u>
Fiscal year ending September 30, 2013	766,608
Total minimum lease payments	<u>766,608</u>
Less amount representing interest:	
Interest (1.299% APR)	<u>(45,588)</u>
Present value of minimum lease payments	<u>\$ 721,020</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 7. LEASES (continued)

Operating Leases

The City leases office space under non-cancelable operating leases and is scheduled to be expired on September 31, 2014. The City has amended to extend the contract through September 30, 2014 and reserve the right to terminate the lease during FY 2014 with four months prior written notice to the Landlord when the City Hall construction completed. Total costs for such leases were \$700,668 for the fiscal year ended September 30, 2013.

2014	\$ 700,668
	\$ 700,668

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grant Fund	\$ 196,292
General Fund	CDBG Fund	229,821
General Fund	Development Services Fund	341,370
		\$ 767,483

The advance from the General Fund to the Transportation Fund and the Development Services Fund represents a borrowing for operating incurred.

Interfund activity for the fiscal year ended September 30, 2013 is as follows:

	Transfers In	Transfer Out
General Fund	\$ 1,085,745	\$ 8,129,044
Transportation Fund	176,724	825,632
Development Services Fund	-	475,761
Debt Service Fund	8,641,617	-
Capital Projects Fund	4,918,298	4,610,934
Special Revenue Fund - Impact Fees	-	358,460
Stormwater Fund	-	422,553
	\$ 14,822,384	\$ 14,822,384

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 8. INTERFUND 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 General Fund revenues to finance various programs that government must account for in other funds in accordance with budgetary authorizations, 3) move unrestricted revenues from other funds to the General Fund to pay for overhead costs such as for services provided by the Human Resource Department, Finance Department, Information Services etc.

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, 2013 was 6.362 mills (\$6.362 per \$1,000 of taxable assessed valuation).

NOTE 10. EMPLOYMENT RETIREMENT PLANS

Defined Benefit Pension Plan

The City participates in the State of Florida Retirement System (the "FRS"), a cost-sharing multiple-employer defined benefit plan or defined contribution retirement plan which covers substantially all of the City's employees. The FRS was established in 1970, by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the FRS. As of September 30, 2013, the FRS is an open plan.

Benefit provisions and all other requirements are established by Chapter 121, Florida Statutes and any amendments thereto can be made only by an act of the Florida Legislature, employees of the FRS may participate in either the Public Employer Optional Retirement Program (the "Investment Plan"), a defined contribution retirement program or in the defined benefit retirement plan (the "Pension Plan").

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 10. EMPLOYMENT RETIREMENT PLANS (continued)

Eligible members of the Investment Plan are vested after one year of service and are directed to choose their investment product with a third party administrator selected by the State Board of Administration.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentage of annual covered payroll, as adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contribution rates are established by state law as a percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by Florida Legislature.

Employees participating in the Pension Plan have their benefits computed on the basis of age, average final compensation and service credit. Benefits under the Pension Plan vest after six years of service. Employees who retire at or after age 62, with ten years of credited service, are entitled to an annual retirement benefit, payable monthly for life. A post-retirement health insurance subsidy is also provided to eligible retirees employees through the FRS defined benefit retirement plan.

Summary of Florida Retirement System Contributions
Covered Payroll and Percentage of Covered Payroll

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Covered Payroll	\$33,343,895	\$32,252,209	\$33,144,097	\$34,351,639	\$31,837,099	\$24,440,206
Contributions	3,654,622	3,110,397	5,344,605	5,528,904	4,941,330	3,803,467
% of Covered Payroll	10.96%	9.64%	16.13%	16.10%	15.52%	15.56%

The City is required to contribute amounts necessary to pay benefits when due as defined by State Statute. During the fiscal year ended September 30, 2013, the City contributed 19.06% on behalf of Police Officers, 6.95% for General Employees, and 18.31% for Department Heads.

A copy of the FRS's annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the "Plan"), which is administered by the International City Management Association Retirement Corporation ("ICMA") and was created in accordance with Internal Revenue Code Section 457 (a qualified plan). The plan is available to all City employees and permits them to defer a portion of their salary until future years. Participation in this plan is optional; however the City will match employee contributions to this plan up to a maximum amount of 3% of the employees' annual salary. Due to budget deficit the City's match ended in April 2011. The only contributions the City made to this plan are those employees who are not eligible for the FRS retirement plan. For the year ended September 30, 2013, the City contributed \$63,476 into this plan.

All assets and income of the Plan are held in trust for the exclusive benefits of the participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan; therefore, the assets and liabilities of the Plan are not included in the City's financial statements as of September 30, 2013.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 10. EMPLOYMENT RETIREMENT PLANS (continued)

Retirees of the city are eligible to receive a monthly stipend to be used towards the cost of health insurance. The dollar amount of the stipend is based on a formula and years of service with the city. The City does not offer any other post employment benefits.

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, 2012, 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	472	3

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, 2013

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (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:	October 1, 2012
Actuarial Cost Method:	Projected Unit Credit
Amortiation Period & Method:	28 years as of October 1, 2012
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate:	4%
Payroll Increase:	3% per annum
Medical Trend:	Based on the 2012 Society of Actuaries Long Term Medical Trend Mode, with 1.7% GDP. The rate is 8.0% in 2012, decreasing gradually. The rate in 2050 is 5.0%. The ultimate rate is 4.2% and is attained in 2099. Also used is the pre-65 medical care trend due to the projected impact of the "Cadillac Tax".

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 called 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, 2013, the City's annual other post-employment benefit (OPEB) costs and liability were as follows:

Required contribution rates:	
Employer	Pay-as-you-go
FY 13 Annual Required Contribution (ARC)	\$774,000
Interest on Net OPEB Obligation	128,000
Adjustment to ARC	<u>(135,000)</u>
Annual OPEB Costs	767,000
Employer Contributions	<u>(21,000)</u>
Increase in net OPEB obligation	746,000
Net OPEB obligation - October 1, 2012	<u>3,201,757</u>
Net OPEB obligation - September 30, 2013	<u><u>\$ 3,947,757</u></u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy (continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 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>
9/30/2011	\$629,000	\$3,655	0.6%	\$2,522,757
9/30/2012	\$679,000	\$13,976	2.1%	\$3,201,757
9/30/2013	\$767,000	\$21,000	2.7%	\$3,947,757

The City has not contributed any funding to the plan as there were no active retirees in the plan. The funded status of the plan as of October 1, 2013 was as follows:

	<u>10/1/2010</u>	<u>10/1/2013</u>
Actuarial value of assets	0	0
Actuarial accrued liability	\$2,984,000	\$4,669,000
Actuarial value of plan assets	0	0
Unfunded actuarial accrued liability (UAAL)	\$2,984,000	\$4,669,000
Funded Ratio	0	0
Covered payroll	\$31,386,060	\$34,143,875
UAAL as percentage of covered payroll	9.50%	13.67%

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

Second Interlocal Agreement With Miami-Dade County for Municipal Services and Establishment of Costs of Those Services, R-2004-68-119

In August 2004, the City and the County entered into an interlocal agreement that established the continuity of County provided principal services to the City at such a time as the City wished to assume those services. The interlocal agreement established the cost of services provided by the County and established a timetable for an orderly transition of County-provided municipal services. The interlocal agreement agreed to and clarified other issues including the payment for municipal services and the transfer of municipal revenues that had been collected by the County on behalf of the City. The agreement further provides for the following payments to the County by the City for the provision of municipal services by the County to the City for the period of May 13, 2003, to September 30, 2004:

- \$351,830 due to Miami-Dade County each September 1st for 10 years beginning September 1, 2005, and ending September 1, 2014.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

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

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

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*, mature.

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.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2013

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

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. REINSTATEMENT OF PRIOR YEAR BALANCES

The October 1, 2012 beginning net position of the following was restated due to the implementation of GASB Statements 63 & 65. GASB 65 requires the debt issuance costs be expensed in the period in which the debt was issued. In such the City has to reinstate the net position for the issuance costs of the \$55 million bond that was issued in 2010.

Net Position, October 1, 2012, previously stated	\$ 276,632,752
Restatement of net position due to the implementation of GASB 65:	<u>(809,840)</u>
Net Position, October 2012, restated	<u><u>\$ 275,822,912</u></u>

NOTE 14. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The expenditures of the following department exceeded appropriations by the amount indicated:

<i>General Fund</i>	
Office of the City Manager	\$271,815
Law Enforcement	246,255
Fleet Management	38,223
<i>Development Services Fund</i>	
Planning Division	\$14,540
<i>Capital Projects Fund:</i>	
Administration	\$28,049

NOTE 15. MANAGEMENT'S REVIEW

Management has evaluated subsequent events January 24, 2014, the date which the financial statement was available for issue.

REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Property taxes	\$ 20,718,435	\$ 20,718,435	\$ 19,653,871	\$ (1,064,564)
Utility taxes	10,968,560	10,968,560	10,525,589	(442,971)
Intergovernmental	10,236,787	10,236,787	10,290,165	53,378
Charges for services	5,173,398	5,838,611	6,402,173	563,562
Licenses and permits	1,842,500	1,842,500	1,886,006	43,506
Fines and forfeitures	3,327,810	3,327,810	4,652,485	1,324,675
Franchise fees	4,365,000	4,365,000	4,239,521	(125,479)
Grants and donations	867,051	867,051	888,989	21,938
Other income	1,665,000	1,720,098	1,626,075	(94,023)
Interest	15,000	15,000	10,339	(4,661)
Total revenues	<u>59,179,541</u>	<u>59,899,852</u>	<u>60,175,213</u>	<u>275,361</u>
Expenditures:				
Current:				
General government:				
Legislative	364,524	522,724	429,442	93,282
City Manager	755,447	896,886	1,168,701	(271,815)
Community Outreach	2,528,633	3,147,096	3,147,062	34
City Clerk	599,237	599,237	579,480	19,757
Finance	694,385	670,825	578,255	92,570
Human Resources	796,077	841,777	830,561	11,216
City Attorney	533,901	533,901	512,160	21,741
Non-departmental	4,056,093	4,248,093	4,102,095	145,998
Purchasing	312,907	313,632	313,583	49
Information Technology	2,337,611	2,308,569	2,302,878	5,691
Fleet	1,886,762	1,886,762	1,924,985	(38,223)
Public safety:				
Police	31,064,878	31,111,758	31,358,013	(246,255)
Code enforcement	1,464,208	1,465,106	1,430,483	34,623
Culture and recreation	6,123,172	6,180,694	5,531,546	649,148
Capital outlay				
Public Safety	800,000	816,470	653,370	163,100
General government	2,996,500	3,049,756	2,927,255	122,501
Parks and recreation	59,000	92,351	80,200	12,151
Total expenditures	<u>57,373,335</u>	<u>58,685,637</u>	<u>57,870,069</u>	<u>815,568</u>
Excess(deficiency) of revenues over expenditures	<u>1,806,206</u>	<u>1,214,215</u>	<u>2,305,144</u>	<u>1,090,929</u>
Other financing sources (uses):				
Debt Issuance	3,673,500	3,673,500	3,700,000	26,500
Transfers in	1,322,900	1,322,900	1,085,745	(237,155)
Transfers out	(7,729,044)	(8,129,044)	(8,129,044)	-
Total other financing sources (uses)	<u>(2,732,644)</u>	<u>(3,132,644)</u>	<u>(3,343,299)</u>	<u>(210,655)</u>
Net change in fund balances	<u>\$ (926,438)</u>	<u>\$ (1,918,429)</u>	<u>\$ (1,038,155)</u>	<u>\$ 880,274</u>

The Notes to the financial statements are an integral part of this statement.

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 6,776,179	\$ 6,776,179	\$ 6,896,152	\$ 119,973
License & permits	-	-	-	-
Charges for services	49,500	49,500	89,437	39,937
Grant revenue	-	927,788	909,620	(18,168)
Other income	9,000	9,000	2,305	(6,695)
Interest income	5,000	5,000	8,321	3,321
Total revenues	6,839,679	7,767,467	7,905,835	138,368
Expenditures:				
Public works:				
Administration	467,869	568,417	562,695	5,722
Keep Miami Gardens Beautiful	199,780	209,880	204,411	5,469
Streets	1,906,256	1,930,053	1,808,059	121,994
CITT	2,730,000	415,658	257,486	158,172
CITT - Transit	728,000	666,722	303,009	363,713
Capital outlay	-	3,606,634	3,228,335	378,299
Total expenditures	6,031,905	7,397,364	6,363,995	1,033,369
Excess (deficiency) of revenues over expenditures	807,774	370,103	1,541,840	1,171,737
Other financing sources (uses):				
Transfers in	176,724	176,724	176,724	-
Transfers out	(825,632)	(825,632)	(825,632)	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	(648,908)	(648,908)	(648,908)	-
Net change in fund balances	\$ 158,866	\$ (278,805)	\$ 892,932	\$ 1,171,737

The Notes to the financial statements are an integral part of this statement

CITY OF MIAMI GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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, 2013 one supplemental appropriation was approved by Council.
- (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.

OTHER SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

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

Debt Service Fund

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

CITY OF MIAMI GARDENS, FLORIDA

BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Grant revenue	\$ -	\$ 2,984,179	\$ 1,611,944	\$ (1,372,235)
Other income	1,523,081	1,369,013	1,764,927	395,914
Interest	-	-	61,846	61,846
Total revenues	1,523,081	4,353,192	3,438,717	(914,475)
Expenditures:				
Administration	591,484	671,689	699,738	(28,049)
Capital outlay	1,216,726	43,622,747	31,076,597	12,546,150
Total expenditures	1,808,210	44,294,436	31,776,335	12,518,101
Excess of revenues over expenditures	(285,129)	(39,941,244)	(28,337,618)	11,603,626
Other financing sources (uses):				
Transfers in	4,518,298	4,918,298	4,918,298	-
Transfers out	(4,970,816)	(4,970,816)	(4,610,934)	359,882
Total other financing sources (uses)	(452,518)	(52,518)	307,364	359,882
Net change in fund balances	\$ (737,647)	\$ (39,993,762)	\$ (28,030,254)	\$ 11,963,508

The notes to the financial statements are an integral part of this statement

CITY OF MIAMI GARDENS, FLORIDA

MAJOR GOVERNMENTAL FUND

BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Principal	5,596,018	5,596,018	4,925,259	670,759
Interests	5,708,236	5,708,236	5,581,708	126,528
Total expenditures	11,304,254	11,304,254	10,506,967	797,287
Excess of revenues over expenditures	(11,304,254)	(11,304,254)	(10,506,967)	797,287
Other financing sources (uses):				
Transfers in	8,764,344	8,764,344	8,641,617	(122,727)
Transfers out	-	-	-	-
Total other financing sources (uses)	8,764,344	8,764,344	8,641,617	(122,727)
Net change in fund balances	\$ (2,539,910)	\$ (2,539,910)	\$ (1,865,350)	\$ 674,560

The notes to the financial statements are an integral part of this statement

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

CITY OF MIAMI GARDENS, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	<u>Development Services</u>	<u>Law Enforcement</u>	<u>Impact Fees</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>							
Cash	\$ -	\$ 161,663	\$ -	\$ -	\$ 41,754	\$ 1,228,100	\$ 1,431,517
Accounts receivables, net	201,875	135,672	496,312	-	-	3,498	837,357
Total assets	<u>\$ 201,875</u>	<u>\$ 297,335</u>	<u>\$ 496,312</u>	<u>\$ -</u>	<u>\$ 41,754</u>	<u>\$ 1,231,598</u>	<u>\$ 2,268,874</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable and accrued expenses	\$ 5,583	\$ 38,397	\$ 119,626	\$ 118,113	\$ -	\$ 21,139	\$ 302,858
Due to General Fund	196,292	-	229,821	341,370	-	-	767,483
Retainage payable	-	1,350	49,862	-	-	25,252	76,464
Unearned revenue/Escrow	-	135,672	48,284	-	-	-	183,956
Total liabilities	<u>201,875</u>	<u>175,419</u>	<u>447,593</u>	<u>459,483</u>	<u>-</u>	<u>46,391</u>	<u>1,330,761</u>
 Fund balances:							
Restricted for:							
Housing		121,916	-	-	-	-	121,916
Law Enforcement	-	-	-	-	41,754	99,446	141,200
Parks & Recreation	-	-	-	-	-	1,078,635	1,078,635
General Administration	-	-	-	-	-	7,126	7,126
Community Development	-	-	48,719	-	-	-	48,719
Unassigned:	-	-	-	(459,483)	-	-	(459,483)
Total fund balances	<u>-</u>	<u>121,916</u>	<u>48,719</u>	<u>(459,483)</u>	<u>41,754</u>	<u>1,185,207</u>	<u>938,113</u>
Total liabilities and fund balances	<u>\$ 201,875</u>	<u>\$ 297,335</u>	<u>\$ 496,312</u>	<u>\$ -</u>	<u>\$ 41,754</u>	<u>\$ 1,231,598</u>	<u>\$ 2,268,874</u>

CITY OF MIAMI GARDENS, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURE, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	<u>Developmental Services</u>	<u>Law Enforcement</u>	<u>Impact Fees</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:							
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,592	\$ 152,592
Forfeiture funds	-	-	-	-	74,856	25,309	100,165
Licenses & Permits	-	-	-	1,620,123	-	-	1,620,123
Charges for services	-	-	-	678,428	-	-	678,428
Grant revenue	1,185,163	174,480	2,042,442	-	-	-	3,402,085
Other income	-	5,609	27,309	-	-	-	32,918
Interest	-	132	-	-	309	3,542	3,983
Total revenues	<u>1,185,163</u>	<u>180,221</u>	<u>2,069,751</u>	<u>2,298,551</u>	<u>75,165</u>	<u>181,443</u>	<u>5,990,294</u>
Expenditures:							
Economic and physical development	-	60,113	2,281,542	-	-	-	2,341,655
Public Services	3,449	-	-	-	-	-	3,449
Public safety	169,840	-	-	1,964,145	55,232	15,543	2,204,760
Parks & Recreation	54,755	-	-	-	-	-	54,755
Capital outlay	957,119	-	265,517	-	100,000	258,523	1,581,159
Total expenditures	<u>1,185,163</u>	<u>60,113</u>	<u>2,547,059</u>	<u>1,964,145</u>	<u>155,232</u>	<u>274,066</u>	<u>6,185,778</u>
Excess (deficiency) of revenues over expenditures	-	120,108	(477,308)	334,406	(80,067)	(92,623)	(195,484)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(475,761)	-	(358,460)	(834,221)
Total other financing sources (uses)	-	-	-	(475,761)	-	(358,460)	(834,221)
Net change in fund balances	-	120,108	(477,308)	(141,355)	(80,067)	(451,083)	(1,029,705)
Fund balances, beginning	-	1,808	526,027	(318,128)	121,821	1,636,290	1,967,818
Fund balance, ending	<u>\$ -</u>	<u>\$ 121,916</u>	<u>\$ 48,719</u>	<u>\$ (459,483)</u>	<u>\$ 41,754</u>	<u>\$ 1,185,207</u>	<u>\$ 938,113</u>

The notes to the financial statements are an integral part of this statement

CITY OF MIAMI GARDENS, FLORIDA

NON-MAJOR GOVERNMENTAL FUND

BUDGETARY COMPARISON SCHEDULE

IMPACT FEES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Impact Fees	\$ 71,200	\$ 71,200	\$ 152,592	\$ 81,392
Other income	-	-	25,309	25,309
Interest	600	600	3,542	2,942
Total revenues	71,800	71,800	181,443	109,643
Expenditures:				
Police	15,000	15,000	15,543	(543)
Capital outlay	-	612,523	258,523	354,000
Total expenditures	15,000	627,523	274,066	353,457
Excess of revenues over expenditures	56,800	(555,723)	(92,623)	463,100
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(358,460)	(358,460)	(358,460)	-
Total other financing sources (uses)	(358,460)	(358,460)	(358,460)	-
Net change in fund balances	\$ (301,660)	\$ (914,183)	\$ (451,083)	\$ 463,100

CITY OF MIAMI GARDENS, FLORIDA

NON-MAJOR GOVERNMENTAL FUND

BUDGETARY COMPARISON SCHEDULE COMMUNITY DEVELOPMENT BLOCK GRANT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u>
				<u>Final</u>
				<u>Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Grant Revenue	\$ 943,925	\$ 5,289,828	\$ 2,042,442	\$ (3,247,386)
Other income	-	484,345	27,309	(457,036)
Total revenues	943,925	5,774,173	2,069,751	(3,704,422)
Expenditures:				
Operating	943,925	5,231,792	2,281,542	2,950,250
Capital Outlay	-	542,381	265,517	276,864
Total expenditures	943,925	5,774,173	2,547,059	3,227,114
Excess of revenues over expenditures	-	-	(477,308)	(477,308)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ (477,308)	\$ (477,308)

The notes to the financial statements are an integral part of this statement

CITY OF MIAMI GARDENS, FLORIDA

NON-MAJOR GOVERNMENTAL FUND

BUDGETARY COMPARISON SCHEDULE

DEVELOPMENT SERVICES FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget - Positive (Negative)
Revenues:				
Licenses & Permits	\$ 1,760,044	\$ 1,760,044	\$ 1,620,123	\$ (139,921)
Charges for services	<u>751,078</u>	<u>751,078</u>	<u>678,428</u>	<u>(72,650)</u>
Total revenues	<u>2,511,122</u>	<u>2,511,122</u>	<u>2,298,551</u>	<u>(212,571)</u>
Expenditures:				
Development Services:				
Planning & Zoning	522,951	551,901	566,441	(14,540)
Building Services	<u>1,512,410</u>	<u>1,483,460</u>	<u>1,397,704</u>	<u>85,756</u>
Total expenditures	<u>2,035,361</u>	<u>2,035,361</u>	<u>1,964,145</u>	<u>71,216</u>
Excess of revenues over expenditures	<u>475,761</u>	<u>475,761</u>	<u>334,406</u>	<u>(141,355)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(475,761)</u>	<u>(475,761)</u>	<u>(475,761)</u>	<u>-</u>
Total other financing sources (uses)	<u>(475,761)</u>	<u>(475,761)</u>	<u>(475,761)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (141,355)</u>	<u>\$ (141,355)</u>

The notes to the financial statements are an integral part of this statement

STATISTICAL SECTION

CITY OF MIAMI GARDENS, FLORIDA
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	60-64
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	65-68
Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in future.</i>	69-72
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.</i>	73-74
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.</i>	75-77

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Invested in capital assets	\$ 10,741,394	\$ 12,669,182	\$ 15,623,582	\$ 288,874,382	\$ 281,988,508	\$ 289,514,837	\$ 286,317,554	\$ 274,287,766	\$ 265,675,780	\$ 261,783,392
Restricted	-	-	-	-	-	-	2,029,805	49,292,687	6,111,104	6,121,430
Unrestricted	<u>(1,157,519)</u>	<u>2,682,839</u>	<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>(50,830,183)</u>	<u>4,845,868</u>	<u>2,179,405</u>
Total governmental activities net position	<u>\$ 9,583,875</u>	<u>\$ 15,352,021</u>	<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>
Business-type activities										
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 6,644,844	\$ 6,713,834	\$ 7,644,476	\$ 8,158,392	\$ 9,140,724	\$ 9,132,867
Restricted	-	-	-	-	-	518,057	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<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>
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<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>
Primary government										
Invested in capital assets	\$ 10,741,394	\$ 12,669,182	\$ 15,623,582	\$ 288,874,382	\$ 288,633,352	\$ 296,228,671	\$ 293,962,030	\$ 282,446,158	\$ 274,816,504	\$ 270,916,259
Restricted	-	-	-	-	-	518,057	-	49,292,687	6,111,104	6,121,430
Unrestricted	<u>(1,157,519)</u>	<u>2,682,839</u>	<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>(49,579,201)</u>	<u>6,071,708</u>	<u>3,601,508</u>
Total primary government net position	<u>\$ 9,583,875</u>	<u>\$ 15,352,021</u>	<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>

CITY OF MIAMI GARDENS, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities:										
General government	\$ 13,672,147	\$ 6,171,075	\$ 16,173,766	\$ 8,165,227	\$ 13,812,430	\$ 15,125,100	\$ 17,238,930	\$ 19,540,594	\$ 16,076,550	\$ 16,525,346
Public safety	514,648	26,110,873	28,073,386	34,328,380	36,798,937	38,234,029	40,240,521	36,652,536	34,564,704	37,298,100
Public works	51,094	2,158	139,572	14,752,564	14,312,988	16,493,776	14,475,704	14,461,666	14,477,703	15,161,302
Parks and recreation	1,534,294	3,063,044	3,840,917	5,288,604	7,584,382	7,021,628	7,403,794	7,576,867	6,964,532	6,801,697
Economic environment	-	-	-	692,650	2,108,238	4,272,833	6,011,115	5,009,478	5,038,712	2,341,655
Interest on long-term debt	-	76,154	302,767	1,253,766	1,535,354	1,590,157	2,263,358	5,835,054	5,674,415	5,543,197
Total governmental activities:	\$ 15,772,183	\$ 35,423,304	\$ 48,530,408	\$ 64,481,191	\$ 76,152,329	\$ 82,737,524	\$ 87,633,422	\$ 89,076,195	\$ 82,796,616	\$ 83,671,297
Business-type activities:										
Stormwater	-	-	-	-	2,352,622	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787
Total business-type activities	-	-	-	-	2,352,622	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787
Total primary government expenses	\$ 15,772,183	\$ 35,423,304	\$ 48,530,408	\$ 64,481,191	\$ 78,504,951	\$ 84,937,938	\$ 89,935,343	\$ 91,951,314	\$ 85,919,562	\$ 86,566,084
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	139,126	83,262	182,220	309,329	2,662,830	3,956,041	6,487,138	6,441,291	7,618,723	8,370,005
Public safety	360,971	4,674,909	5,737,311	4,401,836	2,874,845	4,265,862	4,587,639	4,647,205	5,143,350	5,963,644
Public works	-	-	-	1,480,871	82,193	96,171	48,239	58,163	60,829	89,437
Parks & Recreation	154,075	589,588	430,788	800,911	566,377	486,382	722,355	1,084,193	1,217,539	1,158,323
Operating grants and contributions	-	11,048	6,991,806	2,305,891	4,399,823	4,592,454	8,583,150	6,668,214	7,047,517	4,116,594
Capital grants and contributions	3,234,153	3,327,329	-	2,954,457	9,867,071	7,271,980	5,767,617	5,269,558	2,780,862	2,521,564
Total governmental activities program revenues	\$ 3,888,325	\$ 8,686,136	\$ 13,342,125	\$ 12,253,295	\$ 20,453,139	\$ 20,668,889	\$ 26,196,137	\$ 24,168,624	\$ 23,868,820	\$ 22,219,567
Business-type activities:										
Charges for services:										
Stormwater	-	-	-	-	3,473,634	3,381,668	3,456,364	3,408,106	3,714,835	3,498,210
Capital grants and contributions	-	-	-	-	-	645,351	88,275	147,301	701,670	-
Total business-type activities program revenues	-	-	-	-	3,473,634	4,027,019	3,544,639	3,555,407	4,416,505	3,498,210
Total primary government revenues	\$ 3,888,325	\$ 8,686,136	\$ 13,342,125	\$ 12,253,295	\$ 23,926,773	\$ 24,695,908	\$ 29,740,776	\$ 27,724,031	\$ 28,285,325	\$ 25,717,777
Net (expense)/revenue										
Governmental activities	\$ (11,883,858)	\$ (26,737,168)	\$ (35,188,283)	\$ (52,227,897)	\$ (55,699,191)	\$ (62,068,635)	\$ (61,437,284)	\$ (64,907,571)	\$ (58,927,796)	\$ (61,451,730)
Business-type activities	-	-	-	-	1,121,012	1,826,605	1,242,718	680,288	1,293,559	603,423
Total primary government net expenses	\$ (11,883,858)	\$ (26,737,168)	\$ (35,188,283)	\$ (52,227,897)	\$ (54,578,178)	\$ (60,242,030)	\$ (60,194,566)	\$ (64,227,283)	\$ (57,634,237)	\$ (60,848,307)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	54,591	9,951,395	11,635,651	19,180,662	22,871,432	23,840,155	22,493,510	19,616,970	21,340,234	19,653,871
Utility taxes	180,069	7,856,762	7,067,495	4,624,041	9,918,787	10,561,528	10,641,034	11,135,661	10,467,536	10,525,589
Franchise fees on gross receipts	316,270	3,417,357	4,069,708	8,737,149	5,185,545	5,052,006	5,092,510	3,987,008	4,504,778	4,239,521
Capital assets, transferred from other governments	10,635,959	-	-	-	-	-	-	-	-	-
Intergovernmental (unrestricted)	8,467,581	10,192,683	14,643,583	13,395,062	13,599,092	12,568,685	11,861,949	12,706,449	23,346,113	17,360,797
Investment income (unrestricted)	40,534	237,567	735,950	1,436,800	1,019,207	479,471	88,446	49,541	118,307	84,489
Investment income (restricted)	-	-	-	-	-	-	-	178,208	-	-
Miscellaneous	1,250	45,618	860,212	343,757	292,674	769,743	1,578,046	2,303,934	2,852,207	3,426,225
Transfers	-	-	-	-	(5,982,972)	593,983	654,111	309,061	381,101	422,553
Total governmental activities:	\$ 19,696,254	\$ 31,701,382	\$ 39,012,599	\$ 47,717,471	\$ 46,903,765	\$ 53,865,570	\$ 52,409,606	\$ 50,286,832	\$ 63,010,276	\$ 55,713,045
Business-type activities:										
Investment income	-	-	-	-	19,901	19,712	5,105	6,261	3,226	3,401
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)
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ 6,003,191	\$ (559,017)	\$ (614,594)	\$ (290,830)	\$ (336,369)	\$ (415,017)
Total primary government	\$ 19,696,254	\$ 31,701,382	\$ 39,012,599	\$ 47,717,471	\$ 52,906,956	\$ 53,306,553	\$ 51,795,012	\$ 49,996,002	\$ 62,673,907	\$ 55,298,028
Change in Net Position										
Governmental activities	\$ 7,812,396	\$ 4,964,214	\$ 3,824,316	\$ (4,510,426)	\$ (8,795,426)	\$ (8,203,065)	\$ (9,027,678)	(14,620,739)	4,082,480	(5,738,685)
Business-type activities	-	-	-	-	7,124,204	1,267,588	628,124	389,458	957,190	188,406
Total primary government	\$ 7,812,396	\$ 4,964,214	\$ 3,824,316	\$ (4,510,426)	\$ (1,671,222)	\$ (6,935,477)	\$ (8,399,554)	\$ (14,231,281)	\$ 5,039,670	\$ (5,550,279)

CITY OF MIAMI GARDENS, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amount expressed in thousands)

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Local Option Gas Tax</u>	<u>State Revenue Sharing Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Half Cent Sales tax</u>	<u>Utility Tax</u>	<u>Franchise tax</u>	<u>Total</u>
2004	55	2,145	3,233	-	6,267	180	316	12,196
2005	9,951	2,138	4,071	13	6,517	6,742	3,360	32,792
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	52,730
2009	23,840	2,147	3,172	19	6,223	10,561	5,052	53,023
2010	22,494	2,104	3,151	20	6,086	10,641	5,093	51,599
2011	19,617	2,224	3,255	16	6,735	11,136	3,987	48,981
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

CITY OF MIAMI GARDENS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Committed to:										
Capital Outlay	\$ -	\$ 7,500,000	\$ 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	-
Unassigned	558,105	2,681,219	3,852,028	8,109,741	8,810,501	9,214,386	6,477,650	5,300,412	11,877,447	11,240,358
Total general fund	\$ 558,105	\$ 10,181,219	\$ 11,692,700	\$ 11,244,773	\$ 10,844,070	\$ 9,588,605	\$ 7,551,866	\$ 5,328,984	\$ 12,823,884	\$ 11,240,358
All other governmental funds										
Non-Spendable										
Prepays									\$ -	\$ 545,821
Restricted for:										
Housing	\$ -	\$ -	\$ -	\$ 73,526	\$ 118,046	\$ 335,246	\$ 144,711	\$ 51,527	1,808	121,916
Law Enforcement	-	-	-	220,775	69,331	78,244	164,655	360,954	341,762	141,200
Transportation	-	2,365,320	995,259	500,211	1,012,589	518,120	2,625	7,183	3,711,984	4,604,466
Parks & Recreation	1,855,963	735,562	1,181,901	1,355,924	1,783,159	1,186,457	1,237,593	1,362,409	1,341,994	1,205,129
City Hall Project	-	-	-	-	-	-	-	46,852,312	39,489,995	10,933,917
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
Development Services Fund	-	952,040	2,095,620	682,443	27,664	18,345	3,555	-	-	-
Committed to:										
Debt Service	-	-	-	-	-	-	-	-	4,083,426	2,218,076
Stormwater Fund (1)	-	-	-	466,915	-	-	-	-	-	-
Assigned to:										
Capital Projects	-	-	-	-	5,620,003	322,914	1,322,078	3,408,613	1,064,595	1,396,696
Unassigned:										
Community Development Block Grant	-	-	-	(32,680)	-	-	-	-	-	-
Capital Projects Fund	-	-	(1,428,726)	-	-	-	-	-	-	-
Development Services Fund	-	-	-	-	-	-	-	(620,259)	(318,128)	(459,483)
Total all other governmental funds	\$ 1,855,963	\$ 4,052,922	\$ 2,844,054	\$ 16,863,090	\$ 16,505,843	\$ 4,993,267	\$ 4,213,883	\$ 52,081,041	\$ 50,243,462	\$ 20,210,636

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 (1)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES										
Taxes and franchise fees	\$ 370,861	\$ 13,368,752	\$ 15,705,359	\$ 23,804,703	\$ 28,056,977	\$ 28,892,161	\$ 27,586,020	\$ 23,603,978	\$ 25,845,012	\$ 23,893,392
Charges for services	164,850	672,850	613,632	4,719,171	3,574,081	5,220,215	4,677,906	4,985,825	5,950,208	7,170,038
Utility taxes	180,069	7,856,762	7,067,495	8,737,149	9,918,787	10,561,528	10,641,034	11,135,661	10,467,536	10,525,589
Intergovernmental	11,701,734	13,520,012	14,643,583	13,395,062	13,261,659	11,961,988	11,841,067	12,655,535	23,346,113	17,186,317
Licenses and permits	128,351	3,388,213	5,016,378	1,208,266	1,552,568	1,555,154	3,517,434	3,549,846	3,926,916	3,506,129
Fines and forfeitures	360,971	552,216	468,073	570,936	545,786	1,939,905	3,461,093	3,413,252	3,846,554	4,752,650
Impact fee	-	734,480	252,236	365,928	182,210	84,372	188,938	281,929	307,680	152,592
Grant revenue	-	11,047	6,991,806	5,270,913	14,929,049	12,449,876	14,374,711	12,007,847	9,949,640	6,812,638
Interest	40,534	237,568	735,951	1,436,801	1,019,207	479,870	88,446	227,749	118,307	84,489
Miscellaneous	1,250	45,618	860,212	461,837	299,552	795,407	1,574,983	2,284,773	3,217,257	3,426,225
Total revenues	<u>12,948,620</u>	<u>40,387,518</u>	<u>52,354,725</u>	<u>59,970,765</u>	<u>73,339,875</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>
EXPENDITURES										
General government	2,279,216	4,282,163	14,324,603	6,151,818	10,103,792	11,940,736	13,877,497	11,411,053	11,145,965	12,486,845
Public safety	514,355	26,107,395	28,058,716	33,833,934	35,090,234	35,742,819	37,878,583	34,371,296	32,530,993	34,993,256
Public works	50,602	2,158	110,756	2,840,074	2,345,471	3,380,828	2,621,846	2,619,674	2,589,782	3,139,109
Parks and recreation	1,533,929	3,058,739	3,819,835	5,113,759	5,735,997	6,526,322	6,624,882	6,236,622	5,565,777	5,586,301
Economic and physical environment	-	-	-	692,650	2,108,238	4,272,833	6,011,114	5,009,478	5,038,712	2,341,655
Non-departmental	7,785,871	1,559,023	898,984	484,940	165,666	206,848	248,292	3,591,447	3,923,874	4,102,095
Debt service:										
Principal retirement	-	351,830	351,830	1,280,229	3,657,383	4,387,593	4,315,767	5,019,979	3,889,705	4,925,259
Interest and fiscal charges	-	76,154	302,767	475,378	1,928,353	1,624,748	2,322,143	4,368,382	5,712,392	5,581,708
Bond issuance cost	-	-	-	-	-	-	-	865,111	-	-
Capital outlay:										
General government	114,111	845,437	4,184,621	11,438,202	5,461,969	23,996,255	553,212	2,982,676	7,288,312	33,168,928
Public safety	-	47,205	-	1,949,660	5,166,940	1,260,838	760,687	308,667	175,000	653,370
Public works	-	1,241,274	-	12,215,612	1,720,304	1,141,508	1,666,852	2,663,150	2,293,567	3,350,589
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
Total expenditures	<u>12,278,084</u>	<u>37,571,378</u>	<u>52,052,112</u>	<u>77,154,443</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>
Excess(deficiency) of revenues over expenditu	670,536	2,816,140	302,613	(17,183,678)	(5,998,294)	(33,976,122)	(4,879,843)	(8,888,955)	5,476,221	(35,193,085)
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
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)
Proceeds from capital lease	-	-	-	5,600,000	-	-	-	-	-	-
Proceeds from bond	-	8,200,000	-	25,154,785	4,700,000	20,614,098	1,409,612	55,000,000	-	3,700,000
Discounts on bond issuance	-	-	-	-	-	-	-	(775,830)	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,200,000</u>	<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>
Net change in fund balances	<u>\$ 670,536</u>	<u>\$ 11,016,140</u>	<u>\$ 302,613</u>	<u>\$ 13,571,107</u>	<u>\$ (757,946)</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>
Debt service as a percentage of noncapital expenditures	0.0%	1.2%	1.4%	3.4%	8.8%	8.8%	9.0%	15.3%	13.6%	14.4%

CITY OF MIAMI GARDENS, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS (2)

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Taxable Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Taxable Assessed Value as a Percentage of Estimated Actual Value (1)</u>
2004	3,177,390,096	8,133,358	3,185,523,454	817,751,554	2,367,771,900	-	-	-
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%

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.

(2) Information for fiscal years prior to September 30, 2004 are unavailable in this format since the City was incorporated in 2003.

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

CITY OF MIAMI GARDENS, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS(1)
LAST TEN FISCAL YEARS

Fiscal Year	OVERLAPPING RATES											Total Direct & Overlapping Rates
	City (2)	County			School Board			Other Authorities/Special Districts				
	City Operating	County Operating	County Debt	Total County	School Operating	School Debt	Total School	Fire	Library	State	Children's Trust	
2004	-	5.9690	0.2850	6.2540	8.4180	0.6820	9.1000	2.6610	0.4860	0.7355	0.5000	19.7365
2005	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	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	5.6150	0.2850	5.9000	7.6910	0.4140	8.1050	2.6510	0.4860	0.7355	0.4223	23.4486
2008	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	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	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	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	2.5953	0.2840	0.6585	0.5000	23.8734
2012	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	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	2.4627	0.1725	0.4634	0.5000	22.9471

(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. Debt millage is not applicable

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
PROPERTY TAX LEVIES AND COLLECTION
LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)

<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	19,653	95.7%	19,653	95.7%

(1) Information for fiscal years prior to September 30, 2005 are unavailable in this format since the City began assessing ad valorem taxes for FYE 9/30/05

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

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

Discounts Allowed:

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

CITY OF MIAMI GARDENS, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>Revenue Bonds</u>	<u>Interlocal Debt</u>	<u>Capital Leases</u>	<u>Interlocal Debt</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>			
2004	-	3,518	-	-	-	-	3,518	0.11%	33
2005	8,200	3,166	-	-	-	-	11,366	0.34%	108
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	566.02
2011	96,397	7,133	365	7,827	58	-	111,780	n/a	1,043.79
2012	93,008	6,242	0	7,542	39	-	106,831	n/a	997.05
2013	89,084	5,566	3,700	7,245	20	-	105,615	n/a	985.52

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 68 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, 2013
(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Amount Applicable to Miami Gardens</u>
Miami-Dade County Schools (2)	\$ 443,784	1.78%	\$ 7,888
Miami-Dade County (3)	1,023,586,000	1.78%	18,194,787
Subtotal overlapping debt	<u>1,024,029,784</u>		<u>18,202,675</u>
City of Miami Gardens direct debt	<u>98,022</u>	100.0%	<u>98,022</u>
Total direct and overlapping debt	<u><u>\$1,024,127,806</u></u>		<u><u>\$ 18,300,697</u></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 (includes General Obligation, Special Obligation Bonds)

CITY OF MIAMI GARDENS, FLORIDA
OUTSTANDING DEBT, LEGAL DEBT LIMIT AND COVENANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Amount of debt outstanding:</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
Land Acquisition Revenue Bonds, Series 2005	\$ 5,753,886	\$ -
Capital Improvement Revenue Bonds, Series 2005	439,314	-
Interlocal Agreement with Miami Dade County	351,830	-
Miami Dade County Public Service Tax Revenue Bonds	5,213,975	-
Miami Dade County Stormwater Utility Bond	-	7,245,460
Land Acquisition and Improvement Revenue Bonds, Series 2007	10,969,349	-
Equipment Acquisition Revenue Bonds, Series 2009	501,366	19,882
Taxable Land Acquisition Revenue Bond, Series 2009	6,312,000	-
Land Acquisition Revenue bond, Series 2009	3,466,880	-
Taxable Land Acquisition Revenue Bond, Series 2009b	7,696,610	-
Certificate of Participation Series A-1 + A-2	53,945,000	-
Master Lease Agreement Series 2013	3,700,000	-
Total outstanding debt	<u>\$ 98,350,211</u>	<u>\$ 7,265,343</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 currently has not issued any General Obligation Bonds which require voter approval.

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
Equipment Acquisition Revenue Bonds, Series 2008

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

PLEGDED REVENUE BOND COVERAGE

LAST TEN FISCAL YEARS (1)

Fiscal Year	Net Revenues Available			Debt Service Requirements			Coverage
	Half Cent Sales Tax	Communications Service Tax	Total Revenues	Principal	Interest	Total	
2004	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
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
Fiscal Year	Electricity Utility Tax		Total Revenues	Principal	Interest	Total	Coverage
2004	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-
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

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (Amounts Expressed in Thousands)</u>	<u>Per capita Personal Income (2)</u>	<u>Unemployment rate (3)</u>
2004	105,414	3,157,676	29,955	5.5
2005	105,457	3,305,761	31,347	4.4
2006	107,579	n/a	n/a	4.0
2007	107,579	n/a	n/a	4.1
2008	109,000	n/a	n/a	6.0
2009	109,730	n/a	n/a	11.3
2010	109,730	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	107,167	n/a	n/a	13.0

Sources:

(1) City of Miami Gardens and State of Florida

(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 September 2009

**CITY OF MIAMI GARDENS, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO**

<u>EMPLOYER</u>	<u>2013</u>			<u>2004</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>
MIAMI DADE SCHOOL BOARD	2,745	1	38.09%	800	3	10.72%
SUN LIFE STADIUM	1,156	2	16.04%	950	2	12.73%
CITY OF MIAMI GARDENS	556	3	7.71%			
CALDER RACE TRACK	450	4	6.24%	500	4	6.70%
UAIC	440	5	6.11%			
WALMART	385	6	5.34%			
ST THOMAS UNIVERSITY	381	7	5.29%	300	7	4.02%
LEHMAN DEALERSHIPS	345	8	4.79%	950	2	12.73%
FLORIDA MEMORIAL UNVIVERSITY	264	9	3.66%	310	6	4.16%
BRANDSMART USA	169	11	2.34%	250	8	3.35%
COMCAST CABLE	188	10	2.61%			
US POST OFFICE	128	12	1.78%	250	8	3.35%
TOYOTA				350	5	4.69%
PRECISION RESPONSE CORP.				2,800	1	37.53%
	<u>7,207</u>		<u>100.00%</u>	<u>7,460</u>		<u>100.00%</u>

Source: City of Miami Gardens

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

Function	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	9.0	16.5	22.0	38.5	134.0	70.0	73.0	71.0	67.0	68.0
Public safety										
Police	n/a	n/a	n/a	213.5	239.0	258.0	260.0	261.0	259.0	265.0
School Crossing Guard	-	-	-	-	-	41.0	33.0	33.0	30.5	30.5
Code enforcement	-	15.0	18.0	24.0	23.0	26.0	24.0	23.0	21.0	20.0
Building & Planning	-	13.0	16.0	32.0	36.0	25.0	25.5	22.5	22.0	20.0
Public Works	1.0	16.0	25.5	28.0	29.0	31.0	30.0	32.0	28.0	30.0
Culture and recreation	-	20.0	119.5	110.5	92.0	99.0	129.0	90.0	80.7	86.0
Stormwater	-	-	-	4.0	7.0	12.0	12.0	14.0	14.0	13.0
	<u>10.0</u>	<u>80.5</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>

Source: City of Miami Gardens Finance department

n/a - information not available for these years

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Number of emergency calls for service	5,431	3,373	3,593	3,711	7,173	5,793	7,254	8,006	22,788	20,655
Number of non-emergency calls for ser	131,340	108,128	75,017	54,767	70,461	124,909	118,957	106,630	115,422	102,578
Number of arrests	4,605	3,752	3,590	3,320	3,523	7,293	5,986	6,280	5,170	4,871
Number of uniformed officers	145	145	145	145	191	197	197	194	198	207
Building & Zoning:										
Number of building permits issued	n/a	10,500	12,547	13,223	4,675	9,738	5,900	5,613	5,547	4,313
Certificates of Use Permits Issued	n/a	n/a	1,495	1,296	1,320	1,725	1,754	1,852	1,171	1,484
Occupational licenses issued	n/a	2,338	3,063	2,507	1,686	1,910	2,018	2,185	1,382	1,709
Transportation										
Sidewalks repaired (linear Feet)	n/a	1,800	7,544	5,650	4,453	9,131	19,471	19,001	11,201	8,132
Roads resurfaced (miles)	n/a	29	20	13	4	1	1	1	0	7
Number of treest planted	n/a	2,007	931	775	450	148	1,161	1,157	98	539
Number of potholes repaired	n/a	170	237	166	261	274	153	123	136	132
Culture and recreation										
Number of sports programs	7	7	7	7	7	5	5	4	4	4

Sources: Various city departments

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

n/a - information not available for these years

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

<u>Function/Program</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police(1):										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	153	153	153	153	196	215	236	236	229	274
Public works										
Streets (Miles-paved)	277.3	277.3	277.3	277.3	277.4	277.4	350.8	351.5	351.5	352.14
Streets (Miles-unpaved)	2	2	2	2	2	2	0	0	0	0
Miles of canals	10	10	10	10	10	10	12	44	44	44
Culture and recreation										
Parks	15	15	15	16	17	17	17	17	17	17
Swimming pools	4	4	4	4	4	4	5	5	5	5
Tennis courts	14	14	14	14	14	14	14	14	14	14
Playgrounds	6	6	6	6	11	14	14	14	14	14
Basketball courts	18	18	18	18	20	22	22	20	20	20

Sources: Various city departments

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

n/a-information not available for these years

(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.

COMPLIANCE SECTION



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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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 24, 2014.

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.

We also noted other matters that we have reported to management in the accompanying schedule of findings and questioned costs.

Compliance and Other Matters

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

Purpose of this Report

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

Sharpton Brunson & Company, P.A.

Miami, Florida
January 24, 2014



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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, 2013. 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.

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, 2013.

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, 2013, and have issued our report thereon dated January 24, 2014 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
January 24, 2014

**CITY OF MIAMI GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: **Unmodified**

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

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes 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 No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Programs</u>
14.256	Neighborhood Stabilization Program
16.751	Edward Byrne Formula Grant Program
97.008	Non Profit Security Program

Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**

Auditee qualified as a low-risk auditee? Yes No

CITY OF MIAMI GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section II - Financial Statement Current Year Findings and Questioned Costs

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

Other Comments and Recommendations

2013-01 Health and Dental Insurance General Ledger Accounts Were Not Reconciled on a Monthly Basis

Condition

Even though health and dental insurance general ledger accounts were reconciled at year end for period ending September 30, 2013, our review detected that the accounts were not reconciled on a monthly basis.

Criteria

In order to ensure accurate payment of health and dental insurance, reconciliation of the accuracy of the billing and the expenses to the general ledger should be reconciled to the provider documentation on a monthly basis. The benefit of monthly reconciliation is to ensure that credits and or charges are properly reconciled and accurate payments are made by the City.

Cause of Condition

Invoices from providers are sent directly to the Human Resources department from the insurance carriers to facilitate the reconciliation of insurance coverage and then subsequently forwarded to the finance department to perform the general ledger accounts reconciliation.

Potential Effect of Condition

Lack of a timely reconciliation could result in billing errors not being detected timely which could result in overpayment or underpayment of insurance premium.

Recommendation

The City should implement procedures that will ensure that copies of health and dental insurance invoices and other pertinent documentation be provided to the Finance department on a monthly basis to facilitate reconciliation of the respective general ledger accounts

Management Response

The Human Resources Department will perform the monthly adjustments and eligibility reconciliation of all insurance billings promptly. Human Resources will then submit the monthly invoices and the reconciliations to the Finance Department no later than the 20th of the following month for Finance to reconcile against the general ledger.

**CITY OF MIAMI GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section III - Financial Statement Prior Year Findings and Questioned Costs

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

Section IV - Federal Award Current Year Findings and Questioned Costs

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

Section V - Federal Award Prior Year Findings and Questioned Costs

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

CITY OF MIAMI GARDENS, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Programs:</i>			
Public Safety Partnership and Community Policing Grants Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.710	2012-UM-WX-0057	\$ 570,548
Bulletproof Vest Partnership Program	16.804	2009-SB-B9-2371	650
	16.607	N/A	25,788
Edward Byrne Memorial Competitive Grant Program	16.751	2012-DJ-BX-0160	191,835
Edward Byrne Memorial Competitive Grant Program	16.751	2011-DJ-BX-2627	<u>3,931</u>
<i>Sub-total Edward Byrne Formula Grant Program</i>			<u>195,766</u>
<i>Sub-total Direct Programs</i>			<u>792,752</u>
<i>Passed-through the Miami-Dade County</i>			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	2010-ARRC-DADE-2-W7-118	11,364
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGC-DADE-3-D7-061	10,311
<i>Passed-through the State of Florida, Office of the Attorney General</i>			
Crime Victim Assistance	16.575	V12289	<u>21,496</u>
Total U.S. Department of Justice			<u>835,923</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed-through State of Florida Department of Community Affairs</i>			
Community Development Block Grant	14.218	B-11-MC-12-0052	1,068,202
Community Development Block Economic Development Initiative	14.246	B-06-SP-FL-0209	2,990
Neighborhood Stabilization Program	14.256	B-08-MN-12-0017	1,218,022
Neighborhood Stabilization Program	14.256	B-11-MN-12-0017	<u>257,636</u>
<i>Sub-total Neighborhood Stabilization Program</i>			<u>1,475,658</u>
Total U.S. Department of Housing & Urban Development			<u>2,546,850</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed-through the Florida Department of Agriculture and Consumer Services</i>			
Specialty Crop Block Grant	10.170	19821	3,449
<i>Passed-through the Florida Department of Health</i>			
Child and Adult Care Food Program	10.558	A-3596	<u>11,222</u>
Total U.S. Department of Agriculture			<u>14,670</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed-through the Florida Department of Education</i>			
Homeland Security Grant Program	97.067	13Y-5321A-2PE01	14,805
Homeland Security Grant Program	97.067	13Y-5321A-2PE02	<u>143,671</u>
<i>Sub-total Homeland Security Grant Program</i>			<u>158,476</u>
<i>Passed-through the Miramar Police Department</i>			
Non Profit Security Program/ Urban Area Security Initiative	97.008		176,655
<i>Passed-through the Miami-Dade County</i>			
Non Profit Security Program/ Urban Area Security Initiative	97.008		<u>539,430</u>
<i>Sub-total Non Profit Security Program/ Urban Area Security Initiative</i>			<u>716,085</u>
Total U.S. Department of Homeland Security			<u>874,561</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed-through the Miami-Dade County</i>			
Federal Transit Formula Grant	20.507		957,119
<i>Passed-through the State of Florida Department of Transportation</i>			
Highway Planning and Construction	20.205	AQF50	69,857
Highway Planning and Construction	20.205	AQ-089	<u>866,420</u>
<i>Sub-total Highway Planning and Construction</i>			<u>936,277</u>
Total U.S. Department of Transportation			<u>1,893,396</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,165,400</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 January 24, 2014, 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.



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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

We have audited the financial statements of the City of Miami Gardens (the "City") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated January 24, 2014.

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 Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 24, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- 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.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, recommendations accompany this report in the schedule of findings and questioned costs.

- Section 10.554(1)(i)4., 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.
- Section 10.554(1)(i)5., 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 the 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.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended June 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Section 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, requires that we apply 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 the representations made by management and the review of financial information provided by same.
- Section 10.554(1)(i)6.e., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity complied with State and Federal laws, rules, regulations, contracts, or grant agreements governing the receipt and expenditure of those funds. In connection with our audit, we did not have any such findings.

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

Sharpton Brunson & Company, P.A.

January 24, 2014