



City of Miami Gardens, Florida Comprehensive Annual Financial Report



FOR THE YEAR ENDED SEPTEMBER 30, 2014

CITY OF MIAMI GARDENS, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

Prepared by:

THE FINANCE DEPARTMENT

CITY OF MIAMI GARDENS, FLORIDA

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	i-v
GFOA Certificate of Achievement	vi
Organizational Chart	vii
City Officials	viii
II. FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)	3-14
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position-Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	21
Statement of Cash Flows-Proprietary Funds	22
Notes to Basic Financial Statements	23-47
REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A):	
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual:	
General Fund	48
Transportation Fund	49
Note to Budgetary Comparison Schedule	50
OTHER SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule (Major Fund)	
Capital Projects Fund & Debt Service Fund	51-52
Combining Balance Sheet - Non-major Governmental Funds	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Fund	54
Budgetary Comparison Schedule (Non-Major Fund)	55-57

CITY OF MIAMI GARDENS, FLORIDA

TABLE OF CONTENTS

	<u>PAGE</u>
III. STATISTICAL SECTION	
Net Position by Component	58
Changes in Net Position	59
General Governmental Tax Revenues by Source	60
Fund Balances of Governmental Funds	61
Changes in Fund balance of Governmental Funds	62
Assessed Value and Estimated Actual Value of Taxable Property	63
Property Tax Rates-Direct and Overlapping Governments	64
Principal Property Taxpayers	65
Property Tax Levies and Collections	66
Ratios of Outstanding Debt by Type	67
Direct and Overlapping Governmental Activities Debt	68
Outstanding Debt, Legal Debt Limits and Covenants	69
Pledged Revenue Bond Coverage	70
Demographic and Economic Statistics	71
Principal Employers	72
Full Time Equivalent City Government Employees by Function	73
Operating Indicators by Function	74
Capital Asset Statistics by Function/Program	75
IV. COMPLIANCE SECTION	
Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	76-77
Report of Independent Certified Public Accountants on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	78-79
Schedule of Findings and Questioned Costs	80
Summary Schedule of Prior Audit Findings	81
Schedule of Expenditures of Federal Awards	82
Notes to the Schedule of Expenditures of Federal Awards	83
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	84-85
Independent Auditors' Report on Compliance with the Requirement of Section 218.415 Florida Statutes	86

INTRODUCTORY SECTION



City of Miami Gardens

February 6, 2015

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, 2014, 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 The Sharpton Group, P.A. Certified Public Accountants. The independent auditor has issued an unqualified opinion 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 requiring 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 and six 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 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 48), Transportation Fund (page 49), Capital Projects Fund (page 51), Debt Service Fund (page 52), Impact Fee Fund (page 55), Community Development Block Grant Fund (CDBG) (page 56) and Development Service Fund (page 57).

Financial Information

Accounting Control

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

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

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

Budgetary Controls

The budgetary control adopted by the City of Miami Gardens includes a legally adopted budget by the Council for the General Fund, Capital Projects Fund, Development Services Fund, CDBG Fund, Impact Fees 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 approved by the Council.

Economic Condition and Outlook

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

For the first time since FY 2009, the City's property value in FY 2015 increased by 3.6% over the FY 2014 preliminary taxable value. The Council adopted the same millage rate as FY 2014 at 6.9363 mill generating additional revenue of \$794,000.

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

In FY-14, the City experienced significant commercial and residential growth beginning with completion of its City Hall/Council Chamber, Garage, and Mechanical buildings. Various other private development projects have had significant progress. A new 16,929 sq. ft. ALDI grocery store has opened northwest of City Hall. In addition, an 8,249 sq. ft. retail building was completed. The City's largest development, Coconut Cay, completed the build-out of 246 residential units concluding Phase 2. An existing storage facility added a 22,290 sq. ft. single story addition. The construction of a new 5,482 sq. ft. day care center has commenced with an expected completion of early 2016. A newly constructed 41,180 sq. ft. Walmart Neighborhood Market was opened along the Palmetto Expressway. New construction of an 18,080 sq. ft. YWCA Learning Center has begun with an expected completion date of 2016.

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 2014, the City had purchased 74 homes; 68 of these homes have been completely renovated and 66 had been sold. Additionally, 13 homes were determined to be vacant, blighted and unsafe structures; therefore, they were demolished. The sale of the 66 homes assists in increasing the City's property value.

Personnel Costs. The cost of attracting and keeping experienced and competent personnel in South Florida has dramatically increased over the last two decades. The City has to compete with the roughly 90 other municipalities existing in Miami-Dade, Broward and Palm Beach Counties. The level and amount of benefits offered to employees in this market is substantial and the employer contributions for these benefits are typically very high. As the City expands its services, it faces continual pressure in maintaining these costs. Costs for insurance and retirement are expected to continue to climb. The City is a member of the State Florida Retirement System (FRS). The City currently has two labor unions recently certified but no contracts have been rectified as of this date. For FY 2014, the Council approved a 2% Cost of Living increase but continues to eliminate the City's match of up to 3% of employee's 457 deferred contributions and merit increase adjustments. The City's last monetary increase for merit performance was in 2010. Since then, employees have been given personal days off instead.

Long Term Financial Planning

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

Strategic goals and objectives are constantly being reviewed by the City in light of the various economic challenges that arise. As the City grows and develops, the long term strategic focus has to be targeted on the health, welfare, safety and quality of life for our residents, as well as the fiscal health of the City government. Since its incorporation in 2003, the City Council has developed and adopted four strategic plans. The fourth revision was completed in April of 2013. Currently, staff is preparing a revision to the strategic plan to present to Council to approval. These plans will help guide future budget decisions and ensure that we stay focus on our priorities.

Over the last few years, the City has developed the budget in such a way as to eventually reach an unassigned general fund balance of 25% of annual general fund expenditures. This ensures the City will have sufficient funds for future unexpected events. Several current and past events will assist the City in reaching its goal. In FY 2012 the City after many years of negotiations was able to settle its lawsuit against Miami Dade County for the Citizens Independent Transportation Trust (CITT) share of revenue and the City was awarded approximately \$10.1 million. Of this amount, City Council placed \$3.2 million into the General Fund reserve. For fiscal year ended September 30, 2014, the General Fund fund balance is \$10,552,020 which is 16.43% of FY 2015 operating expenses.

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

Major Initiatives

In FY 2014, the City Hall Building was completed and began occupancy in May 2014. The Police Building is still under construction scheduled to be completed by Fall 2015.

The City continues to improve the roads, sidewalks, and Stormwater drainage with funding provided from the CITT proceeds, Stormwater Fund as well as grants. FY 2014 has been a busy year for Public Works projects. These projects include road and sidewalk improvements in the Bunche Park and Norland Community, to include adding a new lane and drainage on NW 9 Avenue. In Late March, the City will be rolling out the two (2) transit circulators into the community. The Department will continue to maintain the bus shelters to include disability improvements to the bus stops throughout the City.

North Dade Optimist Park was completed in FY 2014 and opened to the public for usage on August 29, 2014.

Awards and Acknowledgements

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami Gardens for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the City's seventh year of receiving this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial

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-14 budget. In addition, the City received the Outstanding Achievement in Popular Annual Financial Report for its FY-13 report. The City is only one of eight (8) municipalities in the State of Florida to receive all three awards.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department; we wish to express our appreciation to them. Finally, we would like to thank the various operating Departments for their timely contributions in the writing of this report.

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



Cameron D. Benson
City Manager



Patricia Varney, CGFO
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Miami Gardens
Florida**

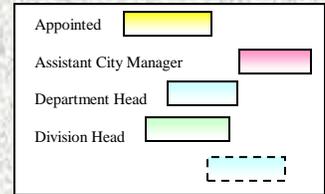
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

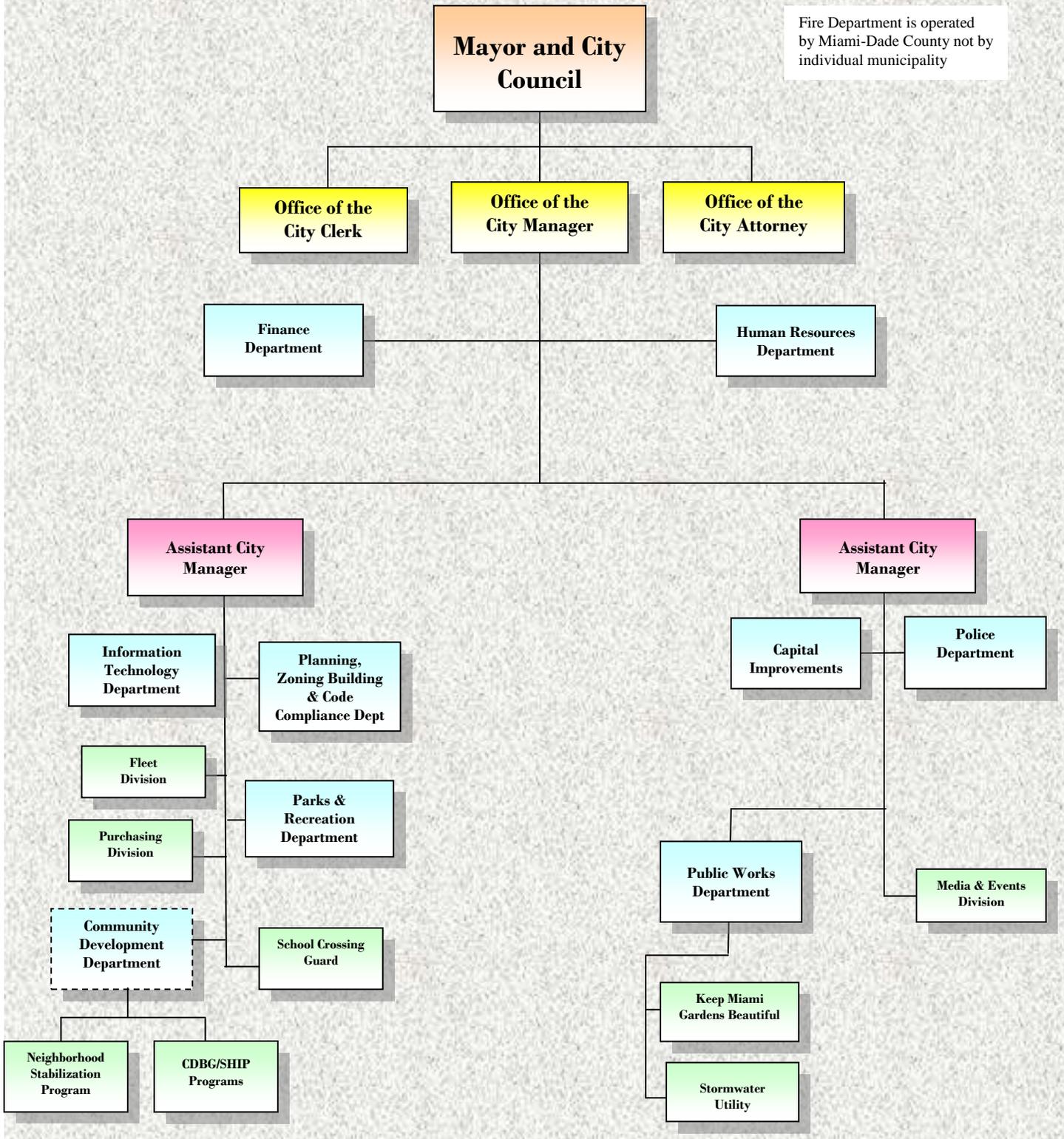
Executive Director/CEO

CITY OF MIAMI GARDENS, FLORIDA

ORGANIZATIONAL CHART



Fire Department is operated by Miami-Dade County not by individual municipality



CITY OF MIAMI GARDENS, FLORIDA

CITY OFFICIALS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

CITY COUNCIL

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

CITY MANAGER

Cameron Benson

CITY CLERK

Ronetta Taylor, MMC

CITY ATTORNEY

Sonja Knighton Dickens, Esq.

FINANCE DIRECTOR

Patricia Varney, CGFO

CITY AUDITORS

**The Sharpton Group, P.A.
Certified Public Accountants and Consultants**

FINANCIAL SECTION

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



One S.E. Third Avenue
Suite 2100
Miami, FL 33131
T: 305-374-1574
F: 305-372-8161

110 East Broward Boulevard
17th Floor
Ft. Lauderdale, FL 33301
T: 954-467-5490
F: 954-467-6184

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, 2014, 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, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, 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 48-50 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 51-52 and 55-57 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 February 6, 2015, 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.

The Shroyer Group, P. A.

February 6, 2015

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, 2014. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, the City's financial statements and the other required supplemental information.

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

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities at the close of fiscal year 2014 by \$271,090,304 (Net Position). Of this amount the City has a negative unrestricted net position of approximately \$723,000.

Over the last year the total Net Position after prior year adjustments decreased by \$9.55 million. Of this amount, approximately \$10.4 million of the decrease took place in the governmental activities. There was an increase of \$856,307 from business-type activities.

At the close of fiscal year 2014, the City's governmental funds reported a combined ending fund balance of \$86,032,252; an increase of \$54,035,437 in comparison with the prior year. This increase was attributed to the unspent bond proceeds of the \$60 million general obligation bonds and the expenditures incurred for the completion of the City Hall Building. Approximately \$10.2 million of the total fund balance is unassigned fund balance available for spending at the City's discretion. This represents 16% of the General Fund expenditures.

The General Fund reported an operating surplus of \$5,148,417 for fiscal year 2014, before transfers and other financing sources, \$269,200 less than budgeted in the General Fund. After inter-fund transfers, the General Fund generated a net decrease of \$1,233,709 which was mainly attributed to the shortfall of electric franchise fees. In FY 2014, Florida Power and Light Turkey Point nuclear reactors went into operation which increases its ad valorem tax to Miami-Dade County. The Franchise Agreement allows Florida Power and Light to reduce their franchise fee payments for the additional taxes paid. Since the City of Miami Gardens is a newly incorporated City, the interlocal agreement between the City and the County on the share of the distribution of the franchise fees was affected by this tax increase, although the City did not receive any additional ad valorem tax. The City electric franchise fees in FY 2014 was \$2,182,228 compared to FY 2013 the City received \$3,023,802, a decrease of \$841,574.

For the City's business-type activities, the City experienced operating income of \$1,248,661 which after non-operating revenues and expenses, inter-fund transfers and capital contributions generated an increase in Net Position of \$856,307.

The City's total debt increase by \$61,521,214 or 54%. City-wide depreciation expenses recorded during the year amounted to \$16,386,166. Total net investment in capital assets was \$265,017,261 at year end.

CITY ACHIEVEMENTS

FY-2014 marked the completion of several public works projects such as the resurfacing project at Venetian Gardens, 202 Terrace, sidewalk improvements and various drainage projects within the City limits.

In FY 2014, the Shining Stars afterschool program reached capacity with 100% of the available slots filled. The Recreation Department continued to partner with various non-profit agencies to provide intervention and prevention programs for youth and teens. The Betty T. Ferguson Recreation Complex continues to offer a variety of fitness and wellness programs, athletics programs and serves as the home for the senior citizen programs mentioned above. The Athletic Division had a brilliant year providing tutoring for all of the athletic program participants and increasing participation in the sports programs by 10%.

At the close of fiscal year 2014, the Community Development Department had been operational for eight (8) years. Noteworthy of mentioning, the City was awarded \$6.8 million from Neighborhood Stabilization Program Funds in 2009 to purchase abandoned and foreclosed homes. To date, the City has purchased 74 homes; 68 of these homes have been completely renovated and 66 have been sold. The sale of the 66 homes has generated over \$5 million in program income that is being reinvested into the program for rehabilitation of the remaining units. The Department also received an additional grant for Neighborhood Stabilization Program Grant (NSP3) in 2011 in the amount of \$1,940,337.

As a result of being a completely 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). The Department continued its programs to low and moderate income households through its various housing, public services, economic development and infrastructure programs. To date, 188 households have been rehabilitated utilizing a combination of CDBG, SHIP, Disaster Recovery and Dade County Federal Credit Union funds.

Since its inception in 2006, the City’s Community Development Department has received \$11.3M in CDBG funds, and has leveraged close to \$24 million from other funding sources (other grants) into the community, serving more than 3,000 people, nearly 10,000 households, 62 businesses for an overall community benefit that is immeasurable.

The construction of the City Hall building was completed in May 2014 and all city operations, excluding the Police Department and the Public Works Department were moved to the new building. The Police headquarters is projected to be completed in Fall 2015 at the City Hall complex.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

The *statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City of Miami Gardens is improving or deteriorating.

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

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

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

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

The City of Miami Gardens maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Transportation Fund and the Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for

each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for the General Fund and all other major and non-major special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 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 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 47 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 48 to 50 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 53 to 54 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 2014 Statement of Net Position with comparative information for fiscal year 2013. 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 95,151,436	\$ 44,614,247	\$ 2,521,677	\$ 2,311,759	\$ 97,673,113	\$ 46,926,006
Capital assets	348,559,233	350,190,451	16,246,961	16,214,128	364,806,194	366,404,579
Total assets	<u>443,710,669</u>	<u>394,804,698</u>	<u>18,768,638</u>	<u>18,525,887</u>	<u>462,479,307</u>	<u>413,330,585</u>
Deferred Outflow of Resources	-	-	515,420	-	515,420	-
Long-term liabilities	152,648,381	90,670,527	7,014,902	7,089,233	159,663,283	97,759,760
Other liabilities	30,111,309	31,835,618	857,879	881,684	30,969,188	32,717,302
Total liabilities	<u>182,759,690</u>	<u>122,506,145</u>	<u>7,872,781</u>	<u>7,970,917</u>	<u>190,632,471</u>	<u>130,477,062</u>
Deferred Inflow of Resources	<u>1,271,952</u>	<u>2,214,326</u>	-	-	<u>1,271,952</u>	<u>2,214,326</u>
Net position:						
Net investment in capital assets,	255,314,939	261,783,392	9,702,322	9,132,867	265,017,261	270,916,259
Restricted	6,796,767	6,121,430	-	-	6,796,767	6,121,430
Unrestricted	(2,432,679)	2,179,405	1,708,955	1,422,103	(723,724)	3,601,508
Total net position	<u>\$ 259,679,027</u>	<u>\$ 270,084,227</u>	<u>\$11,411,277</u>	<u>\$10,554,970</u>	<u>\$ 271,090,304</u>	<u>\$ 280,639,197</u>

At the end of the current fiscal year, the City of Miami Gardens has a positive balance in restricted net position and a negative balance in unrestricted Net Position. The largest portion of the City's Net Position (98.32%) reflect its investment in capital assets (such as land, road, buildings, machinery & equipment) less any related outstanding debt used to acquire those assets.

The following schedule is the summary of fiscal year 2014 Statement of Activities with comparative information for fiscal year 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 15,442,731	\$ 15,581,409	\$ 3,804,604	\$ 3,498,210	\$ 19,247,335	\$ 19,079,619
Operating grants	3,296,282	4,116,594	-	-	3,296,282	4,116,594
Capital grants contributions	1,983,665	2,521,564	38,650	-	2,022,315	2,521,564
General revenues:						
Property taxes	21,757,058	19,653,871	-	-	21,757,058	19,653,871
Utility taxes	10,411,425	10,525,589	-	-	10,411,425	10,525,589
Franchise fees	3,477,303	4,239,521	-	-	3,477,303	4,239,521
Intergovernmental	17,762,556	17,360,797	-	-	17,762,556	17,360,797
Miscellaneous	3,122,865	3,426,255	-	4,135	3,122,865	3,430,390
Investment earnings	250,571	84,489	3,421	3,401	253,992	87,890
Total revenues	<u>77,504,456</u>	<u>77,510,089</u>	<u>3,846,675</u>	<u>3,505,746</u>	<u>81,351,131</u>	<u>81,015,835</u>
Expenses:						
General Government	20,174,685	16,525,346	-	-	20,174,685	16,525,346
Public Safety	37,768,451	37,298,100	-	-	37,768,451	37,298,100
Public Works	15,564,664	15,161,302	-	-	15,564,664	15,161,302
Parks & Recreation	7,065,966	6,801,697	-	-	7,065,966	6,801,697
Economic Environment	1,725,248	2,341,655	-	-	1,725,248	2,341,655
Human Services	28,555	-	-	-	-	-
Interest expense	6,013,090	5,543,197	-	-	6,013,090	5,543,197
Stormwater	-	-	2,559,364	2,894,787	2,559,364	2,894,787
Total expenses	<u>88,340,659</u>	<u>83,671,297</u>	<u>2,559,364</u>	<u>2,894,787</u>	<u>90,871,468</u>	<u>86,566,084</u>

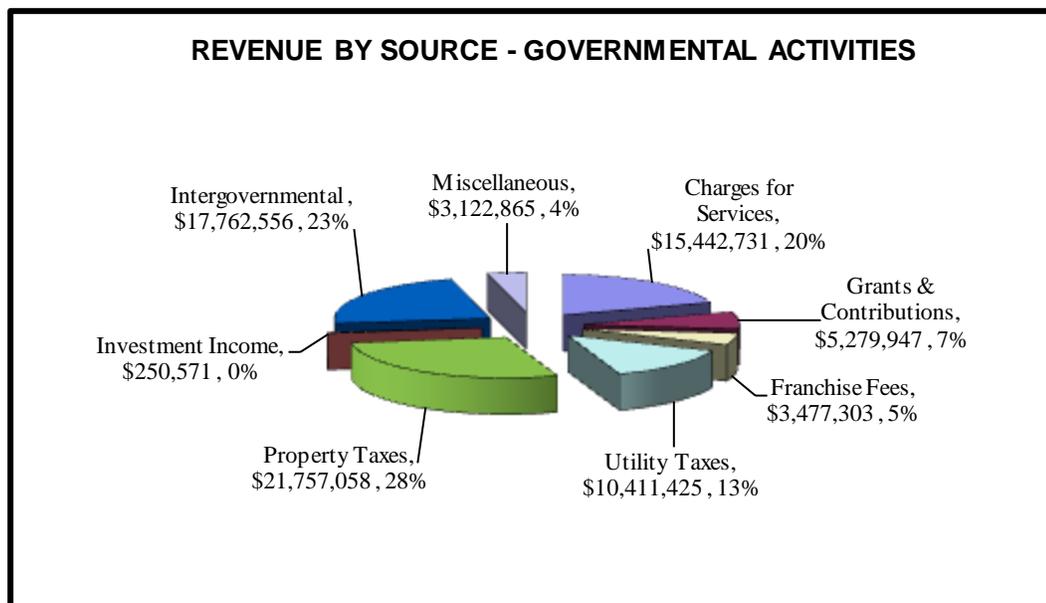
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Increase/(Decrease) in net positions before transfers	(10,836,203)	(6,161,238)	1,287,311	610,959	(9,548,892)	(5,550,279)
Transfers	431,004	422,553	(431,004)	(422,553)	-	-
Increase/(Decrease) in net positions	(10,405,200)	(5,738,685)	856,307	188,406	(9,548,893)	(5,550,279)
Net position, beginning of year	270,084,227	275,822,912	10,554,970	10,366,564	280,639,197	286,189,476
Net position, ending of year	\$ 259,679,027	\$ 270,084,227	\$ 11,411,277	\$ 10,554,970	\$ 271,090,304	\$ 280,639,197

Governmental Activities

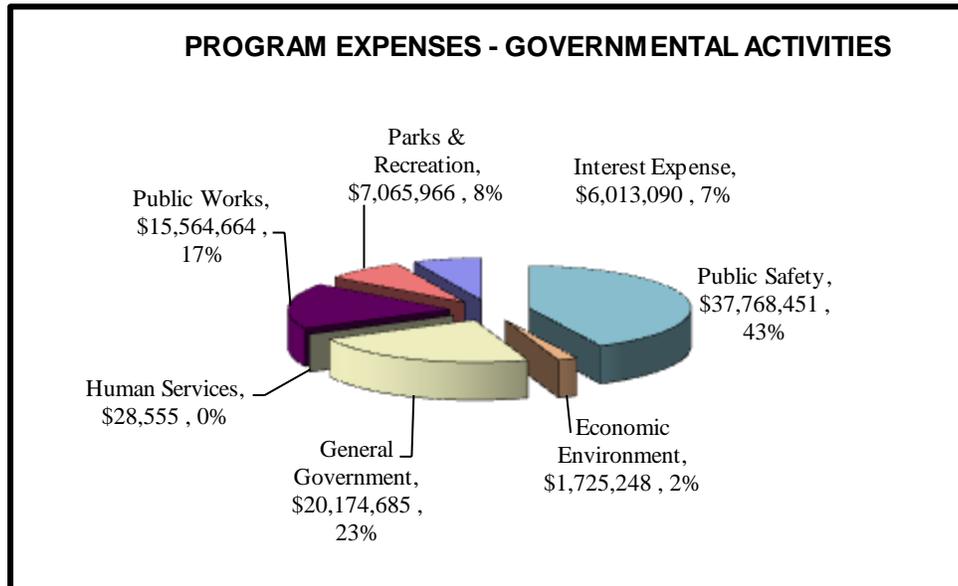
The City's total Net Position decreased by \$10,405,200 from \$270,084,227 in FY-13 to \$259,679,027 in FY-14. This decrease was attributable to the following:

- Decrease of compensated absences in the amount of \$144,031.
- Implementation of Statement 45, Governmental Accounting Standards Board (GASB) for Other Post Employment Benefits (OPEB) liabilities. The OPEB liability for fiscal year ended 9/30/14 is \$4,654,757, an increase of \$759,000
- Net reduction on additions, deletions and depreciation expenses of capital assets for approximately \$6.4 million.
- Decrease of General Fund fund balance by approximately \$1.23 million
- Decrease in Debt Service Fund fund balance by \$1.16 million.
- Decrease in Capital Projects Fund assigned fund balance by \$686,956
- Increase in Transportation Fund balance in the amount of \$694,312
- Increase in accrued interest payable by \$535,025

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2014:



The chart below illustrates the program expenses for governmental activities for fiscal year 2014:



Business-type Activities

The Stormwater Fund ended the fiscal year with unrestricted Net Position of \$1,708,955, an increase of \$286,852 from fiscal year 2013.

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, 2014, the City’s governmental funds reported combined ending fund balances of \$86,032,252 an increase of \$54,035,437 in comparison with the prior year. Approximately 85%, which amounts to \$72,930,926 of the ending balance, constitutes as restricted fund balance, of this amount approximately \$66.12 million is unspent bond proceeds from the General Obligation Bond (GOB) for the parks and recreation facility improvements and the purchase of crime prevention equipment. Approximately \$10.2 million or 13% of the fund balance is available for spending at the City’s discretion.

Below is the analysis of the fund balances for fiscal year 2014:

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Transportation <u>Fund</u>	Debt Service <u>Fund</u>	<u>Other</u>	<u>Total</u>
Fund balances, September 30, 2013	\$ 11,785,729	\$ 12,489,544	\$ 4,565,353	\$ 2,218,076	\$ 938,113	\$ 31,996,815
Revenues	61,774,633	3,560,117	7,248,232	-	4,830,990	77,413,972
Expenditures	(56,626,216)	(13,141,139)	(5,973,795)	(9,912,221)	(4,340,233)	(89,993,604)
Other financing sources (uses)	(6,382,126)	65,317,289	(580,125)	8,745,307	(485,276)	66,615,069
Fund Balance as of September 30, 2014	10,552,020	68,225,811	5,259,665	1,051,162	943,594	86,032,252
Restricted fund balances, September 30, 2014	-	(66,276,604)	(5,259,665)	-	(1,395,047)	(72,931,316)
Unrestricted balances, September 30, 2014	<u>\$ 10,552,020</u>	<u>\$ 1,949,207</u>	<u>\$ -</u>	<u>\$ 1,051,162</u>	<u>\$ (451,453)</u>	<u>\$ 13,100,936</u>

General Fund

The General Fund is the chief operating fund of the City. As of September 30, 2014, the unassigned fund balance of the City's General Fund decreased by \$1,233,709. Total General Fund revenues increased by \$1,599,420 (2.6%) while expenditures decreased by 1,243,853 (2%) when compared to fiscal year 2013.

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

General Fund Revenues by Types

Revenues for the City's General Fund increased by 2.59% (from \$60.18 million to \$61.75 million). Key elements of the revenue changes are as follows:

	Current Year <u>Actual</u>	Prior Year <u>Actual</u>	Variance <u>Amount</u>	Variance <u>Percent</u>
Ad valorem taxes	\$ 21,757,058	\$ 19,653,871	\$ 2,103,187	11%
Franchise fees	3,477,303	4,239,521	(762,218)	-18%
Utility taxes	10,411,425	10,525,589	(114,164)	-1%
Licenses and permits	1,909,371	1,886,006	23,365	1%
Intergovernmental	10,674,482	10,290,165	384,317	4%
Charges for services	6,927,367	6,402,173	525,194	8%
Fines and forfeitures	4,138,357	4,652,485	(514,128)	-11%
Interest	7,723	10,339	(2,616)	-25%
Grants	905,841	888,989	16,852	2%
Other Income	1,565,706	1,626,075	(60,369)	-4%

- Property tax revenues increased by \$2.1 million. For FY 2014, the Council has adopted a millage rate of 6.9363 which is 12.02% over the roll-back rate.
- Decrease in franchise fees is associated with Florida Power and Light franchise fees which was \$841,574 less than FY 2013. This is attributed to the operation of the Turkey Point Reactor with additional Ad Valorem Tax paid to Miami-Dade County in FY 2014, allowing Florida Power and Light to reduce the franchise fees by such payment.
- Decrease in Utility Tax is attributed to the telecommunication taxes which are close to \$700,000 less than the year before due to legislative changes. However, electric utility taxes are higher and made up some of the loss of revenues.

- Increase in Intergovernmental revenue is attributed to higher sales tax collected in FY 2014.
- Increase in charges of service is attributed to higher number of patrons in the Jazz-in-the-Gardens event and off duty police services.
- Decrease in fines is partly attributed to the fines received for Red Light Camera and partly attributed to parking and traffic 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	\$17,349,626	\$ 18,816,457	\$ (1,466,831)	-8%
Public safety	34,058,815	33,441,866	616,949	2%
Culture & recreation	5,217,775	5,611,746	(393,971)	-7%

The General Fund’s operating expenses decreased 2% percent (\$57.8 million to \$56.6 million). Key elements of the expenditure decrease is as follows:

- Under General Government, in FY 2013, the City issued a master lease for replacement of vehicles. Approximately \$2.7 million was expensed. This expense was not repeated in FY 2014. In FY 2014, the City incurred additional expenses for leave payout for some long term employees that left employment, as well as the expenses for the general obligation bond ballot that occurred in April 2014.
- Increase in the Police Department is attributed to the hiring of ten (10) new police officers.
- Decrease in Parks and Recreation is partly attributed to vacancies in the Department as well utilizing City’s staff to operate the fitness center which in previous years was contracted out.

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 for enterprise fund.

Net Position of the Stormwater Utility at the end of the year amounted to \$11,411,277. Of this amount, \$9,702,322 is invested in capital assets, \$1,708,955 is unrestricted. The unrestricted net position increased by \$286,852. This increase is attributed to the change of method of billing for stormwater assessments. Previously stormwater assessments were issued on utility bills. In FY 2014, the City utilized the uniform method of collection allowed under the Florida Statue which is billed on the ad valorem tax bill and therefore resulted in better collection.

BUDGET INFORMATION

General Fund Budgetary Highlights

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

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

- Increase in Legislative is attributed to non-violence marketing and campaign.
- Increase in City Manager's Office is attributed to labor attorney costs for two union's negotiations.
- Increase in Community Outreach is attributed to higher patronage for the Jazz-in-the-Gardens event resulting in additional security costs and costs of performers.
- Increase in Non-departmental is partly attributed for an additional 6 months of rental (approximately \$347,000) for the old City Hall facility. It was originally projected the new City Hall building construction would be completed by November 2013; however, the completion was delayed to mid-May, 2014. The remaining variance is attributed to the cost of postage and monthly rental fee increase on the red light camera.
- Increase in Fleet is to re-appropriate the unspent bond proceeds in FY 2013 for vehicle replacement in FY 2014.

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

- The positive variance for Non-Departmental Division is attributed to lower premiums for property insurance as the City Hall building was not completed until May 2014 instead of November 2013.
- The positive variance for the Information Technology Department is attributed to vacancies in the Department and less repairs and maintenance than projected.
- The variance of the Police Department is attributed to the hiring of an additional 10 officers. These positions were budgeted for the full-year; however, officers were not hired until July 2014 providing savings.
- The variance of the Fleet Division is attributed to in the original budget the City was projected to issue a line of credit for vehicle replacement which is not required by year-end.

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 2014, the Fund reported revenues and transfers in the amount of \$8.7 million, and expenditures which included transfers out totaling approximately \$19.2 million. The Fund recognized a financing source of funds of \$66.18 million from the issuance of the General Obligation Bonds. The bond par amount is \$60 million, however, the bond was issued as a premium resulting in an additional bond proceeds of approximately \$6.18 million. The fund had an ending assigned fund balance of approximately \$709,740; \$1.23 million committed for the City Hall project and \$66.27 million as restricted fund balance.

Transportation Fund – This Fund is used to account for all street and road repairs, Keep Miami Gardens Beautiful program, capital outlay expenditures and transit expenditures related to the Citizen's Independent Transportation Trust. For the year ended September 30, 2014, the Fund reported revenues and transfers in totaling \$7.4 million. The expenditures and transfers out amount to \$6.7 million. The fund balance increased by \$694,312 from \$4,565,353 in FY 2013 to \$5,259,665 in FY 2014.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The City of Miami Gardens' investment in capital assets for its governmental activities as of September 30, 2014 decreased by \$1.63 million from the prior year. The decrease is attributed to

the depreciation expenses. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements and park facilities. The business-type activities reflected an increase of \$90,622 in capital assets which is attributed to drainage improvement projects.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 38,764,806	\$ 38,764,806	\$ -	\$ -	\$ 38,764,806	\$ 38,764,806
Art	232,472	232,472	-	-	232,472	232,472
Buildings	57,621,595	23,402,224	-	-	57,621,595	23,402,224
Equipment	7,031,550	6,419,029	144,178	142,988	7,175,728	6,562,017
Other Assets	83,965	-	-	-	83,965	-
Infrastructure	226,057,615	234,149,506	16,102,785	16,071,142	242,160,400	250,220,648
Improvement other than building	6,138,096	3,882,286	-	-	6,138,096	3,882,286
Construction-in-progress	12,629,133	43,340,126	241,871	184,082	12,871,004	43,524,208
	<u>\$ 348,559,232</u>	<u>\$ 350,190,449</u>	<u>\$ 16,488,834</u>	<u>\$ 16,398,212</u>	<u>\$ 365,048,066</u>	<u>\$ 366,588,661</u>

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

Long-term debt. At year-end the City had \$169.74 million in debt outstanding – an increase of \$55.37 million over last year, attributed to the issuance of the \$60 million general obligation bond. 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	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ 33,212,579	\$ 35,139,406	\$ -	\$ 19,882	\$ 33,212,579	\$ 35,159,288
Certificate of Participation	52,850,000	53,945,000	-	-	52,850,000	53,945,000
General Obligation Bonds	60,000,000	-	-	-	60,000,000	-
Capital Leases	2,978,980	3,700,000	-	-	2,978,980	3,700,000
Due to Dade County	4,877,275	5,565,805	7,301,930	7,245,461	12,179,205	12,811,266
Compensated absences	8,483,947	8,627,978	29,943	117,993	8,513,890	8,745,971
	<u>\$ 162,402,781</u>	<u>\$ 106,978,189</u>	<u>\$ 7,331,873</u>	<u>\$ 7,383,336</u>	<u>\$ 169,734,654</u>	<u>\$ 114,361,525</u>

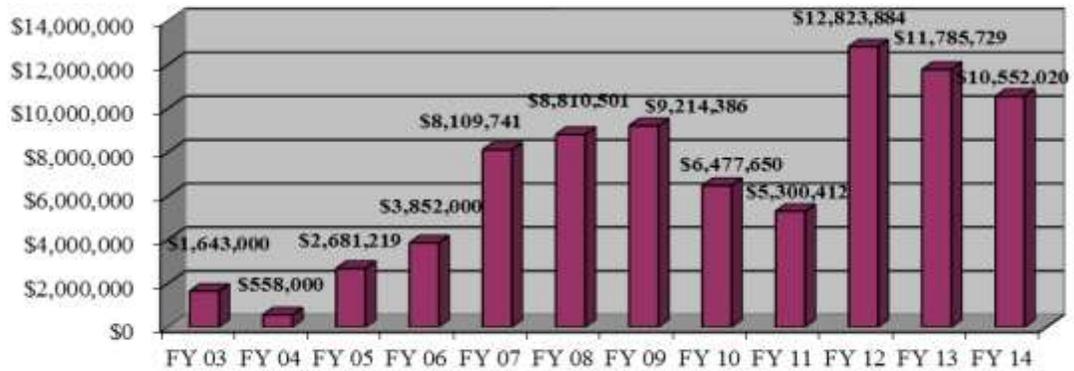
Economic Factors and Next Year's Budgets and Ratios

The City recognizes the importance of increasing its commercial tax base for future economic health and to reduce the tax burden on the residents. The City is working with the business community in order to enhance and revitalize the commercial tax base of the City. In FY 2009, the City purchased two economic development properties; one is 15 acres and the other is 40 acres. A sale contract has been executed for the 15 acres and the City is in negotiation for the sale of the other 35 acres of properties.

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on the property tax and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, business tax, etc.) for their governmental activities. The City's property values increased by 3.6% for FY 2015. Revenues for the Fiscal Year 2015 adopted General Fund budget are \$64.22 million, which is approximately the same as FY 2014 revenue in the amount of \$64.97 million.

For fiscal year 2014, the unassigned fund balance in the General Fund was \$10.5 million compared to \$11.8 million in FY-13. This \$10.5 million is approximately equal to 1.97 months of budgeted General Fund operating expenditures for FY2015. The graph below depicts the City’s unrestricted fund balance since inception in 2003. As part of the FY-15 budget adoption, Council adopted the millage rate 6.9363 which is 8.58% above the roll-back rate.

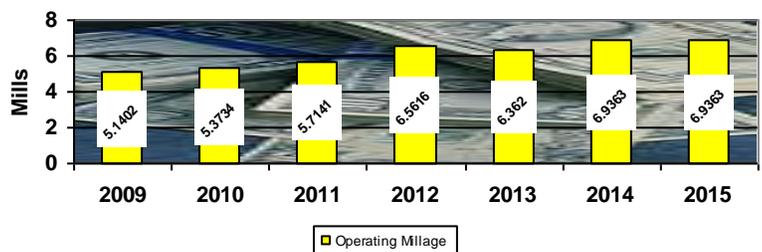
General Fund Unassigned Fund Balance



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

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

Millage Rate Trend History



Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	<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	\$ 10,314,744	\$ 1,840,638	\$ 12,155,382
Investments	8,379,554	-	8,379,554
Restricted Cash & Investment	69,349,154	-	69,349,154
Receivables, net	1,304,386	259,507	1,563,893
Due from other governments	5,494,737	-	5,494,737
Prepaid expenses	308,861	179,661	488,522
Capital assets not being depreciated	51,626,411	241,871	51,868,282
Capital assets being depreciated, net	<u>296,932,822</u>	<u>16,246,961</u>	<u>313,179,783</u>
Total assets	<u>443,710,669</u>	<u>18,768,638</u>	<u>462,479,307</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Loss on Refunding	\$ -	\$ 515,420	\$ 515,420
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	4,318,028	475,908	4,793,936
Retainage payable	3,337,979	-	3,337,979
Matured interest payable	2,063,515	-	2,063,515
Unearned Revenue	534,945	-	534,945
Noncurrent liabilities:			
Due within one year			
Compensated absences	1,272,592	4,491	1,277,083
Bonds, loans & capital leases	18,584,250	377,480	18,961,730
Due in more than one year			
Compensated absences	7,211,356	25,452	7,236,808
Bonds, loans & capital leases	140,782,268	6,924,450	147,706,718
Net OPEB obligations	<u>4,654,757</u>	<u>65,000</u>	<u>4,719,757</u>
Total liabilities	<u>182,759,690</u>	<u>7,872,781</u>	<u>190,632,471</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Unavailable Revenue	928,232	-	928,232
Deferred Gain on Refunding	<u>343,720</u>	<u>-</u>	<u>343,720</u>
	<u>1,271,952</u>	<u>-</u>	<u>1,271,952</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	255,314,939	9,702,322	265,017,261
Restricted for:			
Housing	108,908	-	108,908
Law Enforcement	152,182	-	152,182
Transportation	5,298,838	-	5,298,838
Parks & Recreation	1,126,872	-	1,126,872
Community Development	109,967	-	109,967
Unrestricted	<u>(2,432,679)</u>	<u>1,708,955</u>	<u>(723,724)</u>
Total Net Position	<u>\$ 259,679,027</u>	<u>\$ 11,411,277</u>	<u>\$ 271,090,304</u>

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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	\$ 20,174,685	\$ 8,678,486	\$ -	\$ -	\$ 11,496,199	\$ -	\$ 11,496,199
Public safety	37,768,451	5,680,283	1,021,109	-	31,067,059	-	31,067,059
Public works	15,564,664	83,287	-	681,271	14,800,106	-	14,800,106
Parks and recreation	7,065,966	1,000,675	528,189	1,302,394	4,234,708	-	4,234,708
Economic environment	1,725,248	-	1,718,429	-	6,819	-	6,819
Human Services	28,555	-	28,555	-	-	-	-
Interest on long-term debt	6,013,090	-	-	-	6,013,090	-	6,013,090
Total governmental activities	88,340,659	15,442,731	3,296,282	1,983,665	67,617,981	-	67,617,981
Business-type activities:							
Stormwater	2,559,364	3,804,604	-	38,650	-	(1,283,890)	(1,283,890)
Total business activities	2,559,364	3,804,604	-	38,650	-	(1,283,890)	(1,283,890)
Total	\$ 90,900,023	\$ 19,247,335	\$ 3,296,282	\$ 2,022,315	\$ 67,617,981	\$ (1,283,890)	\$ 66,334,091
General revenues:							
Property taxes					21,757,058	-	21,757,058
Franchise fees					3,477,303	-	3,477,303
Utility taxes					10,411,425	-	10,411,425
Intergovernmental revenue (unrestricted)					17,762,556	-	17,762,556
Miscellaneous					3,122,865	-	3,122,865
Investment earnings					250,571	3,421	253,992
Transfers					431,004	(431,004)	-
Total general revenues and Transfers					57,212,782	(427,583)	56,785,199
Change in net position					(10,405,200)	856,307	(9,548,893)
Net position, beginning					270,084,227	10,554,970	280,639,197
Net position, ending					\$ 259,679,027	\$ 11,411,277	\$ 271,090,304

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
<u>ASSETS</u>						
Cash and cash equivalents	\$ 2,280,941	\$ 988,963	\$ 4,355,190	\$ 1,261,885	\$ 1,427,765	\$ 10,314,744
Investments	8,155,055	224,499	-	-	-	8,379,554
Restricted Cash & Investments	-	69,349,154	-	-	-	69,349,154
Due from other Funds	416,574	-	-	-	-	416,574
Due from other governmental agencies	2,839,705	1,444,084	1,210,948	-	-	5,494,737
Accounts receivables, net	753,227	-	-	-	524,591	1,277,818
Accrued interest receivable	-	26,250	-	-	318	26,568
Prepaid	308,471	-	390	-	-	308,861
Total assets	<u>\$ 14,753,973</u>	<u>\$ 72,032,950</u>	<u>\$ 5,566,528</u>	<u>\$ 1,261,885</u>	<u>\$ 1,952,674</u>	<u>\$ 95,568,010</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 3,175,995	\$ 387,465	\$ 177,328	\$ 210,723	\$ 257,627	\$ 4,209,138
Due to General Fund	-	-	-	-	416,574	416,574
Retainage payable	-	3,219,618	46,601	-	71,760	3,337,979
Unearned Revenue	71,770	200,056	-	-	263,119	534,945
Other liabilities	25,956	-	82,934	-	-	108,890
Total liabilities	<u>3,273,721</u>	<u>3,807,139</u>	<u>306,863</u>	<u>210,723</u>	<u>1,009,080</u>	<u>8,607,526</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable Revenue	928,232	-	-	-	-	928,232
Fund balances:						
Non Spendable						
Prepays	308,471	-	390	-	-	308,861
Restricted for:						
Housing	-	-	-	-	108,908	108,908
Law Enforcement	-	-	-	-	152,182	152,182
Transportation	-	39,563	5,259,275	-	-	5,298,838
Parks & Recreation	-	114,817	-	-	1,012,055	1,126,872
City Hall Project	-	-	-	-	11,935	11,935
General Obligation Bond project	-	66,122,224	-	-	-	66,122,224
Community Development	-	-	-	-	109,967	109,967
Committed for:						
Debt Service	-	-	-	1,051,162	-	1,051,162
City Hall Project	-	1,239,467	-	-	-	1,239,467
Assigned						
Capital Projects	2,455	709,740	-	-	-	712,195
Unassigned						
General Fund	10,241,094	-	-	-	-	10,241,094
Development Services Fund	-	-	-	-	(451,453)	(451,453)
Total fund balances	<u>10,552,020</u>	<u>68,225,811</u>	<u>5,259,665</u>	<u>1,051,162</u>	<u>943,594</u>	<u>86,032,252</u>
Total liabilities and fund balances	<u>\$ 14,753,973</u>	<u>\$ 72,032,950</u>	<u>\$ 5,566,528</u>	<u>\$ 1,261,885</u>	<u>\$ 1,952,674</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	348,559,233
OPEB liabilities used in governmental activities are not reported in the governmental funds.	(4,654,757)
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 6)	(170,257,701)
Net position of governmental activities	<u>\$ 259,679,027</u>

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Projects	Transportation	Debt Service		
Revenues:						
Property taxes	\$ 21,757,058	\$ -	\$ -	\$ -	\$ -	\$ 21,757,058
Utility taxes	10,411,425	-	-	-	-	10,411,425
Intergovernmental	10,674,482	-	7,047,307	-	-	17,721,789
Charges for services	6,927,367	-	83,287	-	591,700	7,602,354
Licenses and permits	1,909,371	-	-	-	1,686,241	3,595,612
Impact fees	-	-	-	-	87,470	87,470
Fines and forfeitures	4,138,357	-	-	-	18,938	4,157,295
Franchise fees	3,477,303	-	-	-	-	3,477,303
Grant revenue	905,841	1,981,943	1,722	-	2,431,208	5,320,714
Other income	1,565,706	1,431,289	111,702	-	14,168	3,122,865
Interest	7,723	146,885	4,214	-	1,265	160,087
Total revenues	<u>61,774,633</u>	<u>3,560,117</u>	<u>7,248,232</u>	<u>-</u>	<u>4,830,990</u>	<u>77,413,972</u>
Expenditures:						
Current:						
General government	12,766,519	751,074	-	-	-	13,517,593
Human Services	-	-	-	-	28,555	28,555
Public safety	34,028,810	-	-	-	1,917,146	35,945,956
Public works	-	16,439	3,066,496	-	-	3,082,935
Parks and recreation	5,210,767	145,411	-	-	523,318	5,879,496
Economic and physical development	-	-	-	-	1,725,248	1,725,248
Non-departmental	4,259,919	-	-	-	-	4,259,919
Capital outlay						
General government	323,188	9,687,324	-	-	-	10,010,512
Public safety	30,005	-	-	-	30,000	60,005
Public works	-	71,136	2,907,299	-	-	2,978,435
Parks and recreation	7,008	2,010,208	-	-	115,966	2,133,182
Debt service:						
Principal	-	-	-	4,431,378	-	4,431,378
Interest and fiscal charges	-	-	-	5,480,843	-	5,480,843
Bond issuance costs	-	459,547	-	-	-	459,547
Total expenditures	<u>56,626,216</u>	<u>13,141,139</u>	<u>5,973,795</u>	<u>9,912,221</u>	<u>4,340,233</u>	<u>89,993,604</u>
Excess (deficiency) of revenues over expenditures	<u>5,148,417</u>	<u>(9,581,022)</u>	<u>1,274,437</u>	<u>(9,912,221)</u>	<u>490,757</u>	<u>(12,579,632)</u>
Other financing sources (uses):						
Transfers in	1,349,358	5,204,701	180,258	8,745,307	-	15,479,624
Transfers out	(7,731,484)	(6,071,477)	(760,383)	-	(485,276)	(15,048,620)
Issuance of debt	-	60,000,000	-	-	-	60,000,000
Premiums on bond issuance	-	6,184,065	-	-	-	6,184,065
Total other financing sources (uses)	<u>(6,382,126)</u>	<u>65,317,289</u>	<u>(580,125)</u>	<u>8,745,307</u>	<u>(485,276)</u>	<u>66,615,069</u>
Net change in fund balances	<u>(1,233,709)</u>	<u>55,736,267</u>	<u>694,312</u>	<u>(1,166,914)</u>	<u>5,481</u>	<u>54,035,437</u>
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 10,552,020</u>	<u>\$ 68,225,811</u>	<u>\$ 5,259,665</u>	<u>\$ 1,051,162</u>	<u>\$ 943,594</u>	<u>\$ 86,032,252</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, 2014

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS, PAGE 18	54,035,437
---	------------

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

Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net assets.	15,182,134
--	------------

Provision for depreciation expense on governmental capital assets is included in the governmental activities in the statement of net assets.	(15,910,682)
--	--------------

In the statement of activities, only gain on the sale of assets is reported, whereas, in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from change in fund balances by cost of assets sold, less accumulated depreciation	(902,669)
--	-----------

The issuance of long-term debt provides current financial resources to governmental funds; however has no effect on net assets. Also, governmental funds report the effect of issuance costs, discounts, premiums and similar items when is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items	(66,090,802)
---	--------------

Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net assets.	4,431,377
--	-----------

Interest is accrued in the statement of activities where in the governmental Funds expenditures is reported when due	(535,025)
--	-----------

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	(759,000)
Change in long-term compensated absences	144,031

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 16	<u><u>(10,405,200)</u></u>
---	----------------------------

See notes to basic financial statements

CITY OF MIAMI GARDENS, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2014

<u>ASSETS</u>	<u>Stormwater</u>	<u>Total</u>
Current assets:		
Cash and equity in pooled cash and investments	\$ 1,840,638	\$ 1,840,638
Accounts receivable - net	259,507	259,507
Prepaid items	179,661	179,661
Total current assets	<u>2,279,806</u>	<u>2,279,806</u>
Non-current assets:		
Capital assets being depreciated, net	<u>16,488,832</u>	<u>16,488,832</u>
Total assets	<u>18,768,638</u>	<u>18,768,638</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Refunding Loss	<u>515,420</u>	<u>515,420</u>
Total deferred outflow of Resources	<u>515,420</u>	<u>515,420</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	32,462	32,462
Accrued liabilities	443,446	443,446
Current portion of compensated absences	4,491	4,491
Current portion of notes payable	<u>377,480</u>	<u>377,480</u>
Total current liabilities	<u>857,879</u>	<u>857,879</u>
Non-current liabilities:		
Notes payable	6,924,450	6,924,450
Net OPEB Obligations	65,000	65,000
Compensated absences	<u>25,452</u>	<u>25,452</u>
Total noncurrent liabilities	<u>7,014,902</u>	<u>7,014,902</u>
Total liabilities	<u>7,872,781</u>	<u>7,872,781</u>
 <u>NET POSITION</u>		
Net investment in capital assets	9,702,322	9,702,322
Unrestricted	<u>1,708,955</u>	<u>1,708,955</u>
Total net position	<u>\$ 11,411,277</u>	<u>\$ 11,411,277</u>

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, 2014

Business-type Activities -
Enterprise Funds

	<u>Stormwater</u>	<u>Total</u>
Operating revenues:		
Charges for services	\$ 3,804,604	\$ 3,804,604
Total operating revenues	<u>3,804,604</u>	<u>3,804,604</u>
Operating expenses:		
Administrative costs	865,859	865,859
Operations and maintenance	1,028,249	1,028,249
Depreciation	<u>475,484</u>	<u>475,484</u>
Total operating expenses	<u>2,369,592</u>	<u>2,369,592</u>
Operating income	<u>1,435,012</u>	<u>1,435,012</u>
Non-operating revenues (expenses):		
Interest income	3,421	3,421
Interest expense	<u>(189,772)</u>	<u>(189,772)</u>
Total non-operating revenues (expenses)	<u>(186,351)</u>	<u>(186,351)</u>
Income before contributions & transfers	1,248,661	1,248,661
Transfer out	(431,004)	(431,004)
Capital Contributions	<u>38,650</u>	<u>38,650</u>
Change in net position	856,307	856,307
NET POSITION, beginning of year	<u>10,554,970</u>	<u>10,554,970</u>
NET POSITION, end of year	<u>\$ 11,411,277</u>	<u>\$ 11,411,277</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, 2014

	Business-type Activities - Enterprise Funds	
	<u>Stormwater</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers, governments and other funds	\$ 4,139,842	\$ 4,139,842
Cash paid to suppliers	(1,479,583)	(1,479,583)
Cash paid to employees	(724,427)	(724,427)
Net cash provided by operating activities	<u>1,935,832</u>	<u>1,935,832</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(431,004)	(431,004)
Net cash used in noncapital financing activities	<u>(431,004)</u>	<u>(431,004)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(566,106)	(566,106)
Principal retirements of capital debt	36,587	36,587
Interest paid on capital debt	(189,772)	(189,772)
Net cash used in capital and related financing activities	<u>(1,196,061)</u>	<u>(1,196,061)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and other income	3,421	3,421
Net cash provided by investing activities	<u>3,421</u>	<u>3,421</u>
NET INCREASE IN POOLED CASH AND CASH EQUIVALENTS	312,188	312,188
POOLED CASH AND CASH EQUIVALENTS, beginning	<u>1,528,450</u>	<u>1,528,450</u>
POOLED CASH AND CASH EQUIVALENTS, ending	<u>\$ 1,840,638</u>	<u>\$ 1,840,638</u>
POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITIONS		
Unrestricted	<u>1,840,638</u>	<u>1,840,638</u>
TOTAL, SEPTEMBER 30	<u>\$ 1,840,638</u>	<u>\$ 1,840,638</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,435,012	\$ 1,435,012
Adjustments to reconcile operating income (loss) to net cash provided by(used in) operating activities:		
Depreciation and amortization	475,484	475,484
Change in assets and liabilities:		
Decrease in accounts receivable	335,238	335,238
Decrease in prepaid items	(175,179)	(175,179)
Decrease in accounts payable	(61,296)	(61,296)
Decrease in OPEB liabilities	13,000	13,000
Decrease in compensated absences	(74,842)	(74,842)
Decrease in accrued liabilities	(11,585)	(11,585)
Total adjustments	<u>500,820</u>	<u>500,820</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,935,832</u>	<u>\$ 1,935,832</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, 2014

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, 2014.

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, 2014

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, 2014

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, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

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

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

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Prepaid Items

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

4. Capital Assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. No such costs were capitalized in 2014.

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

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

5. Compensated Absences

It is the City's policy to permit employees to accumulate within certain limits, earned but unused personal-time-off, which will be paid to employees upon separation from City service. All personal-time-off is accrued when incurred in the government-wide financial statements. In the governmental funds, a liability is recorded only for pay time off payouts for employee separations that occurred prior to September 30, 2014 and were subsequently

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Compensated Absences (continued)

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 one Deferred Outflow of Resources at the government-wide statement of net position. This amount is the deferred loss of refunding of the Stormwater bond by Miami-Dade County. 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 rental income. 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.

7. Unearned Revenues

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

8. Nature and Purpose of Classifications of Fund Equity

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

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Nature and Purpose of Classifications of Fund Equity (continued)

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 an unassigned fund balance equal to 16% to 25% during the annual budget process. For Fiscal Year ending September 30, 2014 the General Fund is the only fund that reports a positive unassigned fund balance.

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, 2014, 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.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments:

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

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Percent Distribution</u>
Florida PRIME	\$ 15,847,170	39.3 days	20.46%
Certificate of deposit	47,092	1 year	0.06%
Tax Certificates	10,403		0.01%
US Government Sponsored			
Fannie Mae	17,171,456	2.26 year	22.17%
Federal Home Loan Bank	19,783,739	2.06 year	25.55%
Federal Farm Credit Bank	3,008,769	1.36 year	3.89%
Freddie Mac	17,841,706	2.73 year	23.04%
Money Market Fund	<u>3,729,855</u>		4.82%
	<u>\$ 77,440,190</u>		

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

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

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

The investments were purchased with the intent to be held to maturity and with a maturity of less than 5 years to manage its exposure to decline in fair values. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2014.

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

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 3. RECEIVABLES

Receivables as of September 30, 2014, for the City's governmental funds, including the allowance for uncollectible accounts are as follows:

Ad valorem, utility & franchise fees	\$	1,601,986
Intergovernmental		2,598,043
Grants		1,628,124
Accrued interest receivable		26,568
Miscellaneous receivable		944,402
Net Receivable	<u>\$</u>	<u>6,799,123</u>

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

Stormwater Accounts	\$	279,806
Less: Allowance for Uncollectibles		(34,949)
Grants		14,650
Net Receivable	<u>\$</u>	<u>259,507</u>

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Balance October 1, 2013	Additons	Deletions	Transfers	Balance September 30, 2014
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 38,764,806	\$ -	\$ -	\$ -	\$ 38,764,806
Art in Public Places	232,472				232,472
Construction in progress	43,205,126	11,079,565	(742,513)	(40,913,045)	12,629,133
Total capital assets not being depreciated	<u>82,202,404</u>	<u>11,079,565</u>	<u>(742,513)</u>	<u>(40,913,045)</u>	<u>51,626,411</u>
Capital assets being depreciated:					
Building	27,141,672	18,899	-	35,550,024	62,710,595
Infrastructure	354,626,152	2,383,389	-	1,752,769	358,762,310
Improvements other than buildings	4,719,525	1,301,427	-	1,124,755	7,145,707
Machinery and equipment	19,953,878	368,849	(564,986)	812,593	20,570,334
Other Assets	-	30,005	-	1,672,904	1,702,909
Total capital assets being depreciated	<u>406,441,227</u>	<u>4,102,569</u>	<u>(564,986)</u>	<u>40,913,045</u>	<u>450,891,855</u>
Less accumulated depreciation for:					
Building	(3,739,448)	(1,349,552)	-	-	(5,089,000)
Infrastructure	(120,476,646)	(12,228,049)	-	-	(132,704,695)
Improvements other than buildings	(837,239)	(170,372)	-	-	(1,007,611)
Machinery and equipment	(13,534,849)	(2,026,382)	539,830	1,482,617	(13,538,784)
Other Assets	-	(136,327)	-	(1,482,617)	(1,618,944)
Total accumulated depreciation	<u>(138,588,182)</u>	<u>(15,910,682)</u>	<u>539,830</u>	<u>-</u>	<u>(153,959,034)</u>
Total capital assets being depreciated, net	<u>267,853,045</u>	<u>(11,808,113)</u>	<u>(25,156)</u>	<u>40,913,045</u>	<u>296,932,821</u>
Governmental activities capital assets, net	<u>\$ 350,055,449</u>	<u>\$ (728,548)</u>	<u>\$ (767,669)</u>	<u>\$ -</u>	<u>\$ 348,559,232</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 4. CAPITAL ASSETS (continued)

	Balance October 1, 2013	Additons	Deletions	Transfers	Balance September 30, 2014
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	\$ 184,082	\$ 96,874		\$ (39,085)	\$ 241,871
Total capital assets not being depreciated	<u>184,082</u>	<u>96,874</u>	-	<u>(39,085)</u>	<u>241,871</u>
Capital assets being depreciated:					
Infrastructure	19,789,547	423,725	-	39,085	20,252,357
Machinery and Equipment	976,419	45,507	-	-	1,021,926
Total capital assets being depreciated	<u>20,765,966</u>	<u>469,232</u>	-	<u>39,085</u>	<u>21,274,283</u>
Less accumulated depreciation for:					
Infrastructure	(3,718,405)	(431,167)	-	-	(4,149,572)
Machinery and equipment	(833,431)	(44,317)	-	-	(877,748)
Total accumulated depreciation	<u>(4,551,836)</u>	<u>(475,484)</u>	-	-	<u>(5,027,320)</u>
Total capital assets being depreciated, net	16,214,130	(6,252)	-	39,085	16,246,963
Business activities capital assets, net	<u>\$ 16,398,212</u>	<u>\$ 90,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,488,834</u>

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

Governmental Activities	
General Government	\$ 1,021,830
Public Safety	1,293,871
Public Works	12,399,933
Recreation & Social Services	1,195,048
Total depreciation expense - governmental activities	<u>\$ 15,910,682</u>
Business-type Activities	
Stormwater	\$ 475,484
Total depreciation expense - business-type activities	<u>\$ 475,484</u>

Construction Commitments

The City of Miami Gardens has active construction projects as of September 30, 2014. The projects include City Hall, road and drainage improvements projects, and Parks Improvements. The amount remaining on these uncompleted projects as of September 30, 2014 was \$3,378,334.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 5. ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2014 are as follows:

Major Funds:	
General Fund	\$ 212,057
Transportation Fund	390,566
Capital Projects Fund	<u>2,987,768</u>
Total Major Funds	3,590,391
Non-Major Governmental Funds	<u>299,615</u>
Total Encumbrances	<u><u>\$ 3,890,006</u></u>

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the City for governmental and business-type activities for the year ended September 30, 2014:

	October 1, 2013	Additions	Reductions	Septemebr 30 2014	Due within One Year
Governmental Activities					
Bonds & Notes payable					
Due to Miami-Dade County	\$ 351,830	\$ -	\$ 351,830	\$ -	\$ -
QNIP due to Miami Dade County	5,213,975	-	336,700	4,877,275	352,625
Land Acquisition Revenue Bonds, Series 2005	5,753,887	-	288,023	5,465,864	298,767
Capital Improvement Revenue Bonds, Series 2005	439,314	-	141,078	298,236	146,154
Land Acquisition Revenue Bonds, Series 2007	10,969,349	-	615,448	10,353,901	642,056
Land Acquisition Revenue Bonds, Series 2009	3,466,880	-	149,742	3,317,138	156,820
Equipment Revenue Bond Series 2009	501,366	-	501,366	-	-
Taxable Land Acquisition Revenue Bond, Series 2009	6,312,000	-	-	6,312,000	6,312,000
Taxable Land Acquisition Revenue Bond, Series 2009B	7,696,610	-	231,170	7,465,440	7,465,440
Certificates of Participation Series 2010 A-1 & A-2	53,945,000	-	1,095,000	52,850,000	1,150,000
Master Lease Series 2013	3,700,000	-	721,020	2,978,980	730,388
General Obligation Bond, Series 2014	-	60,000,000	-	60,000,000	1,330,000
Less: Bond Discounts	(700,402)	-	25,861	(674,541)	(25,861)
Add: Bond Premiums	-	<u>6,184,065</u>	<u>61,841</u>	<u>6,122,224</u>	<u>61,841</u>
Total bonds and notes payable	<u>97,649,809</u>	<u>66,184,065</u>	<u>4,884,307</u>	<u>159,366,517</u>	<u>18,620,230</u>
Other Liabilities					
Compensated absences	<u>8,627,978</u>	<u>2,228,688</u>	<u>2,372,719</u>	<u>8,483,947</u>	<u>1,272,592</u>
Governmental activity long-term liabilities	<u><u>\$ 106,277,787</u></u>	<u><u>\$ 68,412,753</u></u>	<u><u>\$ 7,257,026</u></u>	<u><u>\$ 167,850,464</u></u>	<u><u>\$ 19,892,822</u></u>
Business-type Activities					
Bonds and Notes Payable:					
Miami-Dade County Stormwater Utility Bond	\$ 7,245,461	\$ 549,780	\$ 493,311	\$ 7,301,930	\$ 377,480
Equipment Revenue Bond Series 2009	19,882	-	19,882	-	-
Total bonds and notes payable	<u>7,265,343</u>	<u>549,780</u>	<u>513,193</u>	<u>7,301,930</u>	<u>377,480</u>
Other liabilities:					
Compensated absences	<u>117,993</u>	<u>73,584</u>	<u>161,634</u>	<u>29,943</u>	<u>4,491</u>
Business-type activites long-term liabilities	<u><u>\$ 7,383,336</u></u>	<u><u>\$ 623,364</u></u>	<u><u>\$ 674,827</u></u>	<u><u>\$ 7,331,873</u></u>	<u><u>\$ 381,971</u></u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6. LONG-TERM LIABILITIES (continued)

Public Service Tax Revenue Bonds, Series 1999 and Series 2002

As part of the Master Interlocal Agreement with the County, and as a condition to incorporation, the City is obliged to repay its share of certain County debt instruments that had been issued for improvements to the unincorporated areas of the County. The County had pledged certain revenues in support of those debt instruments. The restrictive covenants of those debt instruments prohibit the County from releasing the pledged revenues until the obligations have been paid in full. The City can prepay at any time its share of the outstanding debt and thus have its revenue streams released from this encumbrance. Until that time, the City is required to 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
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	409,825	139,009	548,834
2020-2024	2,309,450	432,562	2,742,012
2025-2027	663,325	67,454	730,779
	<u>\$ 4,877,275</u>	<u>\$ 1,350,116</u>	<u>\$ 6,227,391</u>

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

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

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

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

Fiscal year ending September 30,	Principal	Interest	Total
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	345,899	150,293	496,192
2020-2024	1,932,926	544,241	2,477,167
2025-2026	1,923,430	91,542	2,014,972
	<u>\$ 5,465,864</u>	<u>\$ 1,509,474</u>	<u>\$ 6,975,338</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, 2010. Prepayments of principal during the fixed rate term may be subject to a prepayment penalty.

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

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

Fiscal year ending September 30,	Principal	Interest	Total
2015	\$ 146,154	\$ 10,658	\$ 156,812
2016	152,082	5,423	157,505
	<u>\$ 298,236</u>	<u>\$ 16,081</u>	<u>\$ 314,317</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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
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	760,500	316,999	1,077,499
2020-2024	4,325,057	1,062,439	5,387,496
2025-2027	2,528,719	162,787	2,691,506
	<u>\$ 10,353,901</u>	<u>\$ 3,112,596</u>	<u>\$ 13,466,496</u>

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

On February 18, 2009, the City issued a taxable revenue bond to finance the costs of acquisition of land to foster economic growth in the enterprise zone as part of economic development activities. The bonds have a fixed rate of 4.8% with a balloon payment on the maturity date of February 3, 2014. The City requested extension for the balloon payment attributed to potential buyer for the property. The bank has extended the maturity date to February 1, 2015 at a variable rate by using one-month LIBOR (London Interbank Offer Rate) plus 175 basis point. The City pledges the electricity utility tax to secure the principal and the interest on the bonds.

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

Fiscal year ending September 30,	Principal	Interest	Total
2015	\$ 6,312,000	\$ 104,322	\$ 6,463,488
	<u>\$ 6,312,000</u>	<u>\$ 104,322</u>	<u>\$ 6,463,488</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

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

On July 30, 2009, the City issued revenue bonds to finance the costs of land acquisition and improvement. These 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:

Fiscal year ending September 30,	Principal	Interest	Total
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	188,775	120,023	308,798
2020-2024	1,086,391	457,599	1,543,990
2025-2029	1,368,918	173,897	1,542,815
	<u>\$ 3,317,138</u>	<u>\$ 1,313,657</u>	<u>\$ 4,630,780</u>

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

On August 14, 2009, the City issued taxable revenue bonds to finance the costs of acquisition of land to foster economic growth in the enterprise zone as part of economic development activities. The bonds have a fixed rate of 5.26 % with a balloon payment on the maturity date of August 1, 2014. The City requested an extension for the balloon payment for one year attributed to potential buyer for the property. The bank extended the maturity date to August 1, 2015 with a fixed rate of 1.63%. 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.

Fiscal year ending September 30,	Principal	Interest	Total
2015	<u>\$ 7,465,440</u>	<u>\$ 118,955</u>	<u>\$ 7,584,395</u>
	<u>\$ 7,465,440</u>	<u>\$ 118,955</u>	<u>\$ 7,584,395</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

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

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

	Principal	Interest	Total
Fiscal year ending September 30,			
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	1,330,000	3,335,030	4,665,030
2020-2024	7,505,000	15,371,610	22,876,610
2025-2029	9,395,000	12,456,418	21,851,418
2030-2034	11,745,000	8,845,200	20,590,200
2035-2039	14,670,000	4,342,450	19,012,450
2040	3,345,000	458,150	3,803,150
	<u>\$ 52,850,000</u>	<u>\$ 58,829,051</u>	<u>\$ 111,679,051</u>

Series 2014 General Obligation Bond

On July 16, 2014, the City issued \$60 million General Obligation Bonds that was approved by the voters in April 2014 for improvements including expansion to parks and recreation facilities and to purchase and install crime prevention equipment. The last maturity date of the bond is July 2039 and the first debt payment is due on January 2015. The True Interest Costs is 4.0%. General obligation bonds are direct obligations and pledge by full faith and credit. In each year that the debt is outstanding, an ad valorem tax is levied equal to principal and interest due.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Series 2014 General Obligation Bond (cont'd)

Fiscal year ending September 30,	Principal	Interest	Total
2015	\$ 1,330,000	\$ 2,715,725	\$ 4,045,725
2016	1,430,000	2,793,900	4,223,900
2017	1,485,000	2,736,700	4,221,700
2018	1,530,000	2,692,150	4,222,150
2019	1,560,000	2,661,550	4,221,550
2020-2024	8,855,000	12,250,800	21,105,800
2025-2029	11,220,000	9,885,500	21,105,500
2030-2034	14,315,000	6,786,000	21,101,000
2035-2039	<u>18,275,000</u>	<u>2,830,500</u>	<u>21,105,500</u>
	<u>60,000,000</u>	<u>45,352,825</u>	<u>105,352,825</u>

Stormwater Utility Revenue Bond – Enterprise Fund

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

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

Fiscal year ending September 30,	Principal	Interest	Total
2015	\$ 377,480	\$ 254,921	\$ 466,302
2016	392,603	239,586	632,189
2017	406,416	226,002	632,418
2018	420,665	211,940	632,605
2019	434,915	197,385	632,299
2020-2024	2,411,656	750,460	3,162,116
2025-2029	<u>2,858,197</u>	<u>303,399</u>	<u>3,161,596</u>
	<u>\$ 7,301,930</u>	<u>\$ 2,183,692</u>	<u>\$ 9,319,525</u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, 2014 were as follows:

	<u>Total</u>
Fiscal year ending September 30, 2015	\$766,608
Total minimum lease payments	766,608
Less amount representing interest:	
Interest (1.299% APR)	(36,221)
Present value of minimum lease payments	\$ 730,387

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grant Fund	\$ 117,063
General Fund	Development Services Fund	299,511
		\$ 416,574

The advance from the General Fund to the Grant Fund and the Development Services Fund represent short-term loans to cover temporary negative balances in each fund's equity in pool cash at fiscal year end.

Interfund activity for the fiscal year ended September 30, 2014 is as follows:

	Transfers In	Transfer Out
General Fund	\$ 1,349,358	\$ 7,731,484
Transportation Fund	180,258	760,383
Development Services Fund	-	485,276
Debt Service Fund	8,745,307	-
Capital Projects Fund	5,204,701	6,071,477
Stormwater Fund	-	431,004
	\$ 15,479,624	\$ 15,479,624

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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, 2014 was 6.9363 mills (\$6.9363 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, 2014, 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, 2014

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Covered Payroll	\$33,328,131	\$33,343,895	\$32,252,209	\$33,144,097	\$34,351,639	\$31,837,099	\$24,440,206
Contributions	4,643,509	3,654,622	3,110,397	5,344,605	5,528,904	4,941,330	3,803,467
% of Covered Payroll	13.93%	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, 2014, the City contributed 19.82% on behalf of Police Officers, 7.37% for General Employees, and 21.14% 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, 2014, the City contributed \$128,205 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, 2014.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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:

Coverage	Number of Subscribers	
	Active	Retired
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, 2014

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 2010 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".
Health Cost Trend Rate:	7% initial; 5.7% pre-65 ultimate; 5.3% ultimate, post-65

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, 2014, the City's annual other post-employment benefit (OPEB) costs and liability were as follows:

Required contribution rates:	
Employer	Pay-as-you-go
FY 14 Annual Required Contribution (ARC)	\$ 837,000
Interest on Net OPEB Obligation	158,000
Adjustment to ARC	<u>(172,000)</u>
Annual OPEB Costs	823,000
Employer Contributions	<u>(51,000)</u>
Increase in net OPEB obligation	772,000
Net OPEB obligation - October 1, 2013	<u>3,947,757</u>
Net OPEB obligation - September 30, 2014	<u><u>\$ 4,719,757</u></u>

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 2014 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
9/30/2014	\$823,000	\$51,000	2.7%	\$4,719,757

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>10/1/2012</u>
Actuarial value of assets	0
Actuarial accrued liability	\$4,669,000
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$4,669,000
Funded Ratio	0
Covered payroll	\$34,143,875
UAAL as percentage of covered payroll	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

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

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

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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

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

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.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 13. MANAGEMENT'S REVIEW

Management has evaluated subsequent events till February 6, 2015, 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 22,955,298	\$ 22,955,298	\$ 21,757,058	\$ (1,198,240)
Utility taxes	10,128,037	10,128,037	10,411,425	283,388
Intergovernmental	10,703,046	10,703,046	10,674,482	(28,564)
Charges for services	6,395,111	6,623,790	6,927,367	303,577
Licenses and permits	1,950,000	1,950,000	1,909,371	(40,629)
Fines and forfeitures	4,923,871	4,923,871	4,138,357	(785,514)
Franchise fees	4,560,000	4,560,000	3,477,303	(1,082,697)
Grants and donations	699,000	699,000	905,841	206,841
Other income	1,291,000	1,362,000	1,565,706	203,706
Interest	20,000	20,000	7,723	(12,277)
Total revenues	63,625,363	63,925,042	61,774,633	(2,150,409)
Expenditures:				
Current:				
General government:				
Legislative	577,822	710,413	660,898	49,515
City Manager	1,189,770	1,262,032	1,234,942	27,090
Community Outreach	3,247,113	3,570,629	3,562,031	8,598
City Clerk	718,563	774,283	742,334	31,949
Finance	710,293	710,293	668,222	42,071
Human Resources	915,776	993,976	966,241	27,735
City Attorney	521,370	607,170	602,111	5,059
Non-departmental	3,865,560	4,465,718	4,259,919	205,799
Purchasing	322,834	333,334	321,496	11,838
Information Technology	2,359,622	2,247,119	2,090,820	156,299
Fleet	1,889,895	2,281,348	1,917,424	363,924
Public safety:				
Police	33,061,224	32,885,893	32,697,164	188,729
Code enforcement	1,459,377	1,367,682	1,331,646	36,036
Culture and recreation	5,954,018	5,895,697	5,210,767	684,930
Capital outlay				
Public Safety	450,000	45,000	30,005	14,995
General government	600,000	349,828	323,188	26,640
Parks and recreation	-	7,010	7,008	2
Total expenditures	57,843,237	58,507,425	56,626,216	1,881,209
Excess(deficiency) of revenues over expenditures	5,782,126	5,417,617	5,148,417	(269,200)
Other financing sources (uses):				
Debt Issuance	600,000	600,000	-	(600,000)
Transfers in	1,349,358	1,349,358	1,349,358	-
Transfers out	(7,731,484)	(7,731,484)	(7,731,484)	-
Total other financing sources (uses)	(5,782,126)	(5,782,126)	(6,382,126)	(600,000)
Net change in fund balances	\$ -	\$ (364,509)	\$ (1,233,709)	\$ (869,200)

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, 2014

	<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	\$ 6,812,720	\$ 6,812,720	\$ 7,047,307	\$ 234,587
Charges for services	57,290	57,290	83,287	25,997
Grant revenue	-	58,415	1,722	(56,693)
Other income	76	111,778	111,702	(76)
Interest income	5,000	5,000	4,214	(786)
Total revenues	6,875,086	7,045,203	7,248,232	203,029
Expenditures:				
Public works:				
Administration	582,528	592,678	583,867	8,811
Keep Miami Gardens Beautiful	197,895	198,094	161,315	36,779
Streets	1,894,638	1,887,566	1,536,171	351,395
CITT	359,600	402,747	308,405	94,342
CITT - Transit	717,923	793,217	476,738	316,479
Capital outlay	2,666,000	3,459,519	2,907,299	552,220
Total expenditures	6,418,584	7,333,821	5,973,795	1,360,026
Excess (deficiency) of revenues over expenditures	456,502	(288,618)	1,274,437	1,563,055
Other financing sources (uses):				
Transfers in	180,258	180,258	180,258	-
Transfers out	(760,383)	(760,383)	(760,383)	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	(580,125)	(580,125)	(580,125)	-
Net change in fund balances	\$ (123,623)	\$ (868,743)	\$ 694,312	\$ 1,563,055

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, 2014

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 Council 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 Council.
- (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, 2014 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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Grant revenue	\$ -	\$ 2,677,012	\$ 1,981,943	\$ (695,069)
Other income	1,151,124	1,412,376	1,431,289	18,913
Interest	-	-	146,885	146,885
Total revenues	1,151,124	4,089,388	3,560,117	(529,271)
Expenditures:				
Administration	587,475	761,755	751,074	10,681
Physical Environment	-	75,103	16,439	58,664
Parks & Recreation	-	271,243	145,411	
Capital outlay	-	13,673,090	11,768,668	1,904,422
Bond Issuance costs	-	459,600	459,547	53
Total expenditures	587,475	15,240,791	13,141,139	1,973,820
Excess of revenues over expenditures	563,649	(11,151,403)	(9,581,022)	1,444,549
Other financing sources (uses):				
Bond Issued	-	60,000,000	60,000,000	-
Issuance Premiums	-	-	6,184,065	6,184,065
Transfers in	5,204,701	5,204,701	5,204,701	-
Transfers out	(6,071,477)	(6,071,477)	(6,071,477)	-
Total other financing sources (uses)	(866,776)	59,133,224	65,317,289	6,184,065
Net change in fund balances	\$ (303,127)	\$ 47,981,821	\$ 55,736,267	\$ 7,628,614

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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Principal	18,290,044	18,290,044	4,431,378	13,858,666
Interests	5,570,287	5,570,287	5,480,843	89,444
Total expenditures	23,860,331	23,860,331	9,912,221	13,948,110
Excess of revenues over expenditures	(23,860,331)	(23,860,331)	(9,912,221)	13,948,110
Other financing sources (uses):				
Refunding Bond	13,770,000	13,770,000	-	(13,770,000)
Transfers in	8,745,307	8,745,307	8,745,307	-
Transfers out	-	-	-	-
Total other financing sources (uses)	22,515,307	22,515,307	8,745,307	(13,770,000)
Net change in fund balances	\$ (1,345,024)	\$ (1,345,024)	\$ (1,166,914)	\$ 178,110

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, 2014

	<u>GRANT</u>	<u>SHIP</u>	<u>CDBG</u>	Development <u>Services</u>	Law <u>Enforcement</u>	Impact <u>Fees</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>							
Cash	\$ -	\$ 111,380	\$ 104,640	\$ -	\$ 10,781	\$ 1,200,964	\$ 1,427,765
Accounts receivables, net	187,737	130,779	203,432	-	-	2,643	524,591
Prepaid	-	-	-	-	-	318	318
Total assets	<u>\$ 187,737</u>	<u>\$ 242,159</u>	<u>\$ 308,072</u>	<u>\$ -</u>	<u>\$ 10,781</u>	<u>\$ 1,203,925</u>	<u>\$ 1,952,674</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable and accrued expenses	\$ 24,229	\$ 2,472	\$ 78,345	\$ 151,942	\$ -	\$ 639	\$ 257,627
Due to General Fund	117,063	-	-	299,511	-	-	416,574
Retainage payable	-	-	33,865	-	-	37,895	71,760
Unearned revenue/Escrow	46,445	130,779	85,895	-	-	-	263,119
Total liabilities	<u>187,737</u>	<u>133,251</u>	<u>198,105</u>	<u>451,453</u>	<u>-</u>	<u>38,534</u>	<u>1,009,080</u>
Fund balances:							
Restricted for:							
Housing	-	108,908	-	-	-	-	108,908
Law Enforcement	-	-	-	-	10,781	141,401	152,182
Parks & Recreation	-	-	-	-	-	1,012,055	1,012,055
General Administration	-	-	-	-	-	11,935	11,935
Community Development	-	-	109,967	-	-	-	109,967
Unassigned:	-	-	-	(451,453)	-	-	(451,453)
Total fund balances	<u>-</u>	<u>108,908</u>	<u>109,967</u>	<u>(451,453)</u>	<u>10,781</u>	<u>1,165,391</u>	<u>943,594</u>
Total liabilities and fund balances	<u>\$ 187,737</u>	<u>\$ 242,159</u>	<u>\$ 308,072</u>	<u>\$ -</u>	<u>\$ 10,781</u>	<u>\$ 1,203,925</u>	<u>\$ 1,952,674</u>

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

CITY OF MIAMI GARDENS, FLORIDA

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<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>
Revenues:							
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,470	\$ 87,470
Forfeiture funds	-	-	-	-	-	18,938	18,938
Licenses & Permits	-	-	-	1,686,241	-	-	1,686,241
Charges for services	-	-	-	591,700	-	-	591,700
Grant revenue	672,012	40,767	1,718,429	-	-	-	2,431,208
Other income	-	4,893	9,275	-	-	-	14,168
Interest	-	124	-	-	27	1,114	1,265
Total revenues	<u>672,012</u>	<u>45,784</u>	<u>1,727,704</u>	<u>2,277,941</u>	<u>27</u>	<u>107,522</u>	<u>4,830,990</u>
Expenditures:							
Economic and physical development	-	58,792	1,666,456	-	-	-	1,725,248
Public safety	90,139	-	-	1,784,635	31,000	11,372	1,917,146
Human Services	28,555	-	-	-	-	-	28,555
Parks & Recreation	523,318	-	-	-	-	-	523,318
Capital outlay	30,000	-	-	-	-	115,966	145,966
Total expenditures	<u>672,012</u>	<u>58,792</u>	<u>1,666,456</u>	<u>1,784,635</u>	<u>31,000</u>	<u>127,338</u>	<u>4,340,233</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(13,008)</u>	<u>61,248</u>	<u>493,306</u>	<u>(30,973)</u>	<u>(19,816)</u>	<u>490,757</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(485,276)	-	-	(485,276)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(485,276)</u>	<u>-</u>	<u>-</u>	<u>(485,276)</u>
Net change in fund balances	<u>-</u>	<u>(13,008)</u>	<u>61,248</u>	<u>8,030</u>	<u>(30,973)</u>	<u>(19,816)</u>	<u>5,481</u>
Fund balances, beginning	<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>
Fund balance, ending	<u>\$ -</u>	<u>\$ 108,908</u>	<u>\$ 109,967</u>	<u>\$ (451,453)</u>	<u>\$ 10,781</u>	<u>\$ 1,165,391</u>	<u>\$ 943,594</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget - Positive (Negative)</u>
Revenues:				
Impact Fees	\$ 37,000	\$ 37,000	\$ 87,470	\$ 50,470
Other income	28,200	28,200	18,938	(9,262)
Interest	-	-	1,114	1,114
Total revenues	65,200	65,200	107,522	42,322
Expenditures:				
Police	28,000	-	11,372	(11,372)
Capital outlay	-	380,750	115,966	264,784
Total expenditures	28,000	380,750	127,338	253,412
Excess of revenues over expenditures	37,200	(315,550)	(19,816)	295,734
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ 37,200	\$ (315,550)	\$ (19,816)	\$ 295,734

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 COMMUNITY DEVELOPMENT BLOCK GRANT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget -</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Grant Revenue	\$ 1,014,829	\$ 5,256,408	\$ 1,718,429	\$ (3,537,979)
Other income	-	9,792	9,275	(517)
Total revenues	1,014,829	5,266,200	1,727,704	(3,538,496)
Expenditures:				
Operating	1,014,829	5,266,200	1,666,456	3,599,744
Capital Outlay	-	-	-	-
Total expenditures	1,014,829	5,266,200	1,666,456	3,599,744
Excess of revenues over expenditures	-	-	61,248	61,248
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 61,248	\$ 61,248

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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget - Positive (Negative)
Revenues:				
Licenses & Permits	\$ 1,632,500	\$ 1,632,500	\$ 1,686,241	\$ 53,741
Charges for services	629,335	634,335	591,700	(42,635)
Total revenues	2,261,835	2,266,835	2,277,941	11,106
Expenditures:				
Development Services:				
Planning & Zoning	325,790	316,491	316,013	478
Building Services	1,450,769	1,465,068	1,468,622	(3,554)
Total expenditures	1,776,559	1,781,559	1,784,635	(3,076)
Excess of revenues over expenditures	485,276	485,276	493,306	8,030
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(485,276)	(485,276)	(485,276)	-
Total other financing sources (uses)	(485,276)	(485,276)	(485,276)	-
Net change in fund balances	\$ -	\$ -	\$ 8,030	\$ 8,030

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>	58-62
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	63-66
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>	67-70
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>	71-72
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>	73-75

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets	\$ 12,669,182	\$ 15,623,582	\$ 288,874,382	\$ 281,988,508	\$ 289,514,837	\$ 286,317,554	\$ 227,616,716	\$ 265,675,780	\$ 261,783,392	\$ 255,314,939
Restricted	-	-	-	-	-	2,029,805	49,292,687	6,111,104	6,121,430	6,796,767
Unrestricted	2,682,839	3,552,755	24,866,626	22,957,074	6,883,850	(976,348)	(4,159,133)	4,845,868	2,179,405	(2,432,679)
Total governmental activities net position	\$ 15,352,021	\$ 19,176,337	\$ 313,741,008	\$ 304,945,582	\$ 296,398,687	\$ 287,371,011	\$ 272,750,270	\$ 276,632,752	\$ 270,084,227	\$ 259,679,027
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	\$ 9,702,322
Restricted	-	-	-	-	518,057	-	-	-	-	-
Unrestricted	-	-	-	479,360	1,159,901	1,375,440	1,250,982	1,225,840	1,422,103	1,708,955
Total business-type activities net position	\$ -	\$ -	\$ -	\$ 7,124,204	\$ 8,391,792	\$ 9,019,916	\$ 9,409,374	\$ 10,366,564	\$ 10,554,970	\$ 11,411,277
Primary government										
Invested in capital assets	\$ 12,669,182	\$ 15,623,582	\$ 288,874,382	\$ 288,633,352	\$ 296,228,671	\$ 293,962,030	\$ 235,775,108	\$ 274,816,504	\$ 270,916,259	\$ 265,017,261
Restricted	-	-	-	-	518,057	-	49,292,687	6,111,104	6,121,430	6,796,767
Unrestricted	2,682,839	3,552,755	24,866,626	23,436,434	8,043,751	399,092	(2,908,151)	6,071,708	3,601,508	(723,724)
Total primary government net position	\$ 15,352,021	\$ 19,176,337	\$ 313,741,008	\$ 312,069,786	\$ 304,790,479	\$ 294,361,122	\$ 282,159,644	\$ 286,999,316	\$ 280,639,197	\$ 271,090,304

CITY OF MIAMI GARDENS, FLORIDA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 20,174,685
Public safety	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	37,768,451
Public works	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	15,564,664
Parks and recreation	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	7,065,966
Economic environment	-	-	692,650	2,108,238	4,272,833	6,011,115	5,009,478	5,038,712	2,341,655	1,725,248
Human Services	-	-	-	-	-	-	-	-	-	28,555
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	6,013,090
Total governmental activities:	\$ 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	\$ 88,340,659
Business-type activities:										
Stormwater	-	-	-	2,352,622	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787	2,559,364
Total business-type activities	-	-	-	2,352,622	2,200,414	2,301,921	2,875,119	3,122,946	2,894,787	2,559,364
Total primary government expenses	\$ 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	\$ 90,900,023
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	83,262	182,220	309,329	2,662,830	3,956,041	6,487,138	6,441,291	7,618,723	8,370,005	8,678,486
Public safety	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	5,680,283
Public works	-	-	1,480,871	82,193	96,171	48,239	58,163	60,829	89,437	83,287
Parks & Recreation	589,588	430,788	800,911	566,377	486,382	722,355	1,084,193	1,217,539	1,158,323	1,000,675
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	3,159,475	3,296,282
Capital grants and contributions	3,327,329	-	2,954,457	9,867,071	7,271,980	5,767,617	5,269,528	2,780,862	3,478,683	1,983,665
Total governmental activities program revenues	\$ 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	\$ 20,722,678
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	3,804,604
Capital grants and contributions	-	-	-	-	645,351	88,275	147,301	701,670	-	38,650
Total business-type activities program revenues	-	-	-	3,473,634	4,027,019	3,544,639	3,555,407	4,416,505	3,498,210	3,843,254
Total primary government revenues	\$ 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	\$ 24,565,932
Net (expense)/revenue										
Governmental activities	\$(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)	\$(67,617,981)
Business-type activities	-	-	-	1,121,012	1,826,605	1,242,718	680,288	1,293,559	603,423	1,283,890
Total primary government net expenses	\$(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)	\$(66,334,091)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	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	21,757,058
Utility taxes	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	10,411,425
Franchise fees on gross receipts	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	3,477,303
Intergovernmental (unrestricted)	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	17,762,556
Investment income (unrestricted)	237,567	735,950	1,436,800	1,019,207	479,471	88,446	49,541	118,307	84,489	250,571
Investment income (restricted)	-	-	-	-	-	-	178,208	-	-	-
Miscellaneous	45,618	860,212	343,757	292,674	769,743	1,578,046	2,303,934	2,852,207	3,426,225	3,122,865
Transfers	-	-	-	(5,982,972)	593,983	654,111	309,061	381,101	422,553	431,004
Total governmental activities:	\$ 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	\$ 57,212,782
Business-type activities:										
Investment income	-	-	-	19,901	19,712	5,105	6,261	3,226	3,401	3,421
Miscellaneous	-	-	-	318	15,254	34,412	11,970	41,506	4,135	-
Transfers	-	-	-	5,982,972	(593,983)	(654,111)	(309,061)	(381,101)	(422,553)	(431,004)
Total business-type activities	\$ -	\$ -	\$ -	\$ 6,003,191	\$ (559,017)	\$ (614,594)	\$ (290,830)	\$ (336,369)	\$ (415,017)	\$ (427,583)
Total primary government	\$ 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	\$ 56,785,199
Change in Net Position										
Governmental activities	\$ 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)	\$(10,405,200)
Business-type activities	-	-	-	7,124,204	1,267,588	628,124	389,458	957,190	188,406	856,307
Total primary government	\$ 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)	\$ (9,548,893)

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>
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
2014	21,063	2,133	3,554	25	7,657	10,411	3,525	48,368

CITY OF MIAMI GARDENS, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Non-Spendable										
Prepays							\$ 335,722	\$ 653,356	\$ 545,371	\$ 308,471
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	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	2,455
Unassigned	<u>2,681,219</u>	<u>3,852,028</u>	<u>8,109,741</u>	<u>8,810,501</u>	<u>9,214,386</u>	<u>6,477,650</u>	<u>4,964,690</u>	<u>11,224,091</u>	<u>11,240,358</u>	<u>10,241,094</u>
Total general fund	<u>\$ 10,181,219</u>	<u>\$ 11,692,700</u>	<u>\$ 11,244,773</u>	<u>\$ 10,844,070</u>	<u>\$ 9,588,605</u>	<u>\$ 7,551,866</u>	<u>\$ 5,328,984</u>	<u>\$ 12,823,884</u>	<u>\$ 11,785,729</u>	<u>\$ 10,552,020</u>
All other governmental funds										
Non-Spendable										
Prepays							\$ -	\$ -	\$ 450	\$ 390
Restricted for:										
Housing	\$ -	\$ -	\$ 73,526	\$ 118,046	\$ 335,246	\$ 144,711	51,527	1,808	121,916	108,908
Law Enforcement	-	-	220,775	69,331	78,244	164,655	360,954	341,762	141,200	152,182
Transportation	2,365,320	995,259	500,211	1,012,589	518,120	2,625	7,183	3,711,984	4,604,466	5,298,838
Parks & Recreation	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	1,126,872
City Hall Project	-	-	-	-	-	-	46,852,312	39,489,995	10,933,917	11,935
General Obligation Bond projects	-	-	-	-	-	-	-	-	-	66,122,224
Capital Projects	-	-	13,595,976	7,655,356	2,523,596	859,375	-	-	-	-
Community Development Block Grant	-	-	-	219,695	10,345	479,291	658,302	526,027	48,719	109,967
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	1,051,162
City Hall Project	-	-	-	-	-	-	-	-	-	1,239,467
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	709,740
Unassigned:										
Community Development Block Grant	-	-	(32,680)	-	-	-	-	-	-	-
Capital Projects Fund	-	(1,428,726)	-	-	-	-	-	-	-	-
Development Services Fund	-	-	-	-	-	-	(620,259)	(318,128)	(459,483)	(451,453)
Total all other governmental funds	<u>\$ 4,052,922</u>	<u>\$ 2,844,054</u>	<u>\$ 16,863,090</u>	<u>\$ 16,505,843</u>	<u>\$ 4,993,267</u>	<u>\$ 4,213,883</u>	<u>\$ 52,081,041</u>	<u>\$ 50,243,462</u>	<u>\$ 20,211,086</u>	<u>\$ 75,480,232</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in FY 2011. Fiscal years 2003-2010 amounts have been restated to conform to the new statement requirements.

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

CITY OF MIAMI GARDENS, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes and franchise fees	\$ 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	\$ 25,234,361
Charges for services	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	7,602,354
Utility taxes	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	10,411,425
Intergovernmental	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	17,721,789
Licenses and permits	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	3,595,612
Fines and forfeitures	552,216	468,073	570,936	545,786	1,939,905	3,461,093	3,413,252	3,846,554	4,752,650	4,157,295
Impact fee	734,480	252,236	365,928	182,210	84,372	188,938	281,929	307,680	152,592	87,470
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	5,320,714
Interest	237,568	735,951	1,436,801	1,019,207	479,870	88,446	227,749	118,307	84,489	160,087
Miscellaneous	45,618	860,212	461,837	299,552	795,407	1,574,983	2,284,773	3,217,257	3,426,225	3,122,865
Total revenues	40,387,518	52,354,725	59,970,765	73,339,875	73,940,476	77,951,632	74,146,395	86,975,223	77,510,059	77,413,972
EXPENDITURES										
General government	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	13,517,593
Human Services	-	-	-	-	-	-	-	-	-	28,555
Public safety	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	35,945,956
Public works	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	3,082,935
Parks and recreation	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	5,879,496
Economic and physical environment	-	-	692,650	2,108,238	4,272,833	6,011,114	5,009,478	5,038,712	2,341,655	1,725,248
Non-departmental	1,559,023	898,984	484,940	165,666	206,848	248,292	3,591,447	3,923,874	4,102,095	4,259,919
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	4,431,378
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	5,480,843
Bond issuance cost	-	-	-	-	-	-	865,111	-	-	459,547
Capital outlay:										
General government	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	10,010,512
Public safety	47,205	-	1,949,660	5,166,940	1,260,838	760,687	308,667	175,000	653,370	60,005
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	2,978,435
Economic and physical development	-	-	-	124,119	-	-	-	-	-	-
Parks and recreation	-	-	678,188	5,729,703	13,435,270	5,950,601	3,587,815	1,344,923	2,374,029	2,133,182
Total expenditures	37,571,378	52,052,112	77,154,443	79,338,169	107,916,598	82,831,475	83,035,350	81,499,002	112,703,144	89,993,604
Excess(deficiency) of revenues over expenditure	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)	(12,579,632)
Other financing (uses) sources:										
Transfers in	-	1,456,479	11,313,914	9,578,004	11,389,351	13,012,781	11,952,349	12,029,443	14,822,384	15,479,624
Transfers out	-	(1,456,479)	(11,313,914)	(9,037,656)	(10,795,368)	(12,358,671)	(11,643,288)	(11,648,342)	(14,399,831)	(15,048,620)
Proceeds from capital lease	-	-	5,600,000	-	-	-	-	-	3,700,000	-
Proceeds from bond	8,200,000	-	25,154,785	4,700,000	20,614,098	1,409,612	55,000,000	-	-	60,000,000
Premiums on bond issuance	-	-	-	-	-	-	-	-	-	6,184,065
Discounts on bond issuance	-	-	-	-	-	-	(775,830)	-	-	-
Total other financing sources (uses)	8,200,000	-	30,754,785	5,240,348	21,208,081	2,063,722	54,533,231	381,101	4,122,553	66,615,069
Net change in fund balances	\$ 11,016,140	\$ 302,613	\$ 13,571,107	\$ (757,946)	\$ (12,768,041)	\$ (2,816,121)	\$ 45,644,276	\$ 5,857,322	\$ (31,070,532)	\$ 54,035,437
Debt service as a percentage of noncapital expenditures	1.2%	1.4%	3.4%	8.8%	8.8%	9.0%	15.3%	13.6%	14.4%	13.9%

CITY OF MIAMI GARDENS, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(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>
2005	4,132,699,175	239,501,760	4,372,200,935	1,553,289,469	2,818,911,466	3.6384	2,889,278,122	97.56%
2006	4,903,949,191	314,705,807	5,218,654,998	1,952,254,932	3,266,400,066	3.6384	3,303,262,336	98.88%
2007	5,854,097,767	364,398,106	6,218,495,873	2,393,394,680	3,825,101,193	5.1488	3,908,957,173	97.85%
2008	7,594,763,337	389,726,939	7,984,490,276	3,278,893,791	4,705,596,485	5.1488	4,841,977,368	97.18%
2009	8,031,936,238	439,098,214	8,471,034,452	3,623,777,706	4,847,256,746	5.1402	4,834,595,603	100.26%
2010	6,964,395,404	403,295,314	7,367,690,718	3,066,430,658	4,301,260,060	5.3734	4,503,604,818	95.51%
2011	4,829,645,032	424,414,297	5,254,059,329	1,538,703,973	3,715,355,356	5.7141	3,717,102,853	99.95%
2012	4,541,068,996	430,140,872	4,971,209,868	1,504,385,885	3,466,823,983	6.5616	3,467,200,467	99.99%
2013	4,473,851,995	409,206,426	4,883,058,421	1,492,163,302	3,390,895,119	6.3620	3,381,045,528	100.29%
2014	4,389,292,826	384,000,304	4,773,404,000	1,472,932,907	3,300,471,093	6.9363	3,315,149,071	99.56%

Note: Property in the City is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value. The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3 percent per year or the amount of the Consumer Price index, whichever is less. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per \$1,000 of assessed value.

(1) Includes tax-exempt property.

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

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

Fiscal Year	OVERLAPPING RATES											
	City (2)	County			School Board			Other Authorities/Special Districts				Total Direct & Overlapping Rates
	City Operating	County Operating	County Debt	Total County	School Operating	School Debt	Total School	Fire	Library	State	Children's Trust	
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
2014	6.9363	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	2.4623	0.1725	0.4455	0.5000	23.6191

(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

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

(amounts expressed in thousands)

2014				2005			
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Total Assessed Valuation</u>	<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Total Assessed Valuation</u>
SUNLIFE STADIUM	195,003	1	6.6%	ROBBIE STADIUM CORPORATION	\$ 107,700	1	3.8%
CALDER RACE COURSE, INC.	89,548	2	3.0%	CALDER RACE COURSE, INC	42,172	2	1.5%
DORSAN DEVELOPMENT	58,205	3	2.0%				
WALMART STORES EAST LP	48,078	4	1.6%				
CONTINENTAL EQUITIES INC	30,981	5	1.0%				
WALDEN POND LTD	21,840	6	0.7%	WALDEN POND	23,408	3	0.8%
CRYSTAL LAKES INVEST LLC	21,756	7	0.7%				
THE CORNERSTONE GROUP	21,690	8	0.7%				
LAKES EDGE PARTNERS LP	21,400	9	0.7%	LAKES EDGE PARTNERS L.P.	18,400	5	0.7%
CAPO & SONS CORP	19,062	10	0.6%				
				VILLAS DEL LAGO LTD	20,464	4	0.7%
				CEDAR GROVE APTS L.P.	14,342	6	0.5%
				CROSSINGS AT UNIVERSITY	13,530	7	0.5%
				MARBRISA ASSOC. LTD	12,350	8	0.4%
				KIMCO OF NO. MIAMI INC.	11,903	9	0.4%
				K-MART CORP	11,607	10	0.4%
	<u>\$ 332,560</u>		<u>11.2%</u>		<u>\$ 168,176</u>		<u>9.5%</u>

Sources: Miami-Dade County Tax Assessors' Office
2013 Tax Roll

CITY OF MIAMI GARDENS, FLORIDA
PROPERTY TAX LEVIES AND COLLECTION
LAST TEN FISCAL YEARS
(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	17,943	87.4%	17,943	87.4%
2014	22,049	21,063	95.5%	21,063	95.5%

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

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

Note:

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)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Interlocal Debt	Capital Leases	Interlocal Debt	Revenue Bonds	Capital Leases			
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
2014	60,000	86,062	4,877	2,979	7,302	-	-	161,220	n/a	1,447.50

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, 2014
(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)	\$ 423,738	1.69%	\$ 7,146
Miami-Dade County (3)	1,297,416	1.69%	21,878
Subtotal overlapping debt	<u>1,721,154</u>		<u>29,024</u>
City of Miami Gardens direct debt	<u>153,919</u>	100.0%	<u>153,919</u>
Total direct and overlapping debt	<u><u>\$ 1,875,073</u></u>		<u><u>\$ 182,943</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

CITY OF MIAMI GARDENS, FLORIDA
OUTSTANDING DEBT, LEGAL DEBT LIMIT AND COVENANTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Amount of debt outstanding:</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
Land Acquisition Revenue Bonds, Series 2005	\$ 5,465,862	\$ -
Capital Improvement Revenue Bonds, Series 2005	298,236	-
Miami Dade County Public Service Tax Revenue Bonds	4,877,275	-
Miami Dade County Stormwater Utility Bond	-	7,301,930
Land Acquisition and Improvement Revenue Bonds, Series 2007	10,353,901	-
Taxable Land Acquisition Revenue Bond, Series 2009	6,312,000	-
Land Acquisition Revenue bond, Series 2009	3,317,139	-
Taxable Land Acquisition Revenue Bond, Series 2009B	7,465,440	-
Certificate of Participation Series A-1 + A-2	52,850,000	-
Master Lease Agreement Series 2013	2,978,980	-
General Obligation Bond Series 2014	60,000,000	-
Total outstanding debt	<u>\$ 153,918,833</u>	<u>\$ 7,301,930</u>

Legal Debt Limit:

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

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

Land Acquisition Revenue Bonds, Series 2005
Capital Improvement Revenue Bonds, Series 2005
Land Acquisition and Improvement Revenue Bonds, Series 2007

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

Taxable Land Acquisition Revenue Bond, Series 2009
Land Acquisition Revenue bond, Series 2009
Taxable Land Acquisition Revenue Bond, Series 2009B

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

CITY OF MIAMI GARDENS, FLORIDA
PLEGGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Net Revenues Available			Debt Service Requirements			Coverage
	Half Cent Sales Tax	Communications Service Tax	Total Revenues	Principal	Interest	Total	
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
2014	7,657,123	2,757,382	10,414,505	1,736,371	974,965	2,711,336	3.84
Fiscal Year	Electricity Utility Tax		Total Revenues	Principal	Interest	Total	Coverage
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
2014	6,444,502	-	6,444,502	190,456	594,042	784,497	8.21

Source: City of Miami Gardens Finance department

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>
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
2014	111,378	n/a	n/a	5.5

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 November 2014

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

<u>EMPLOYER</u>	<u>2014</u>			<u>2005</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>% OF TOTAL</u>
SUN LIFE STADIUM	1,486	1	29.89%	950	4	11.99%
WALMART	866	2	17.42%			
CITY OF MIAMI GARDENS	543	3	10.92%			
UAIC	460	4	9.25%			
ST THOMAS UNIVERSITY	420	5	8.45%	324	8	4.09%
CALDER RACE TRACK	300	6	6.04%	550	5	6.94%
LEHMAN DEALERSHIPS	228	7	4.59%	350	6	4.42%
FLORIDA MEMORIAL UNVIVERSITY	234	8	4.71%	325	7	4.10%
BRANDSMART USA	211	9	4.24%	250	9	3.15%
COMCAST CABLE	160	10	3.22%	2,100	2	26.50%
	<u>4,971</u>		<u>100.00%</u>	<u>7,926</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

	FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30									
Function	<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>	<u>2014</u>
General government	16.5	22.0	38.5	134.0	70.0	73.0	71.0	67.0	68.0	79.0
Public safety										
Police	n/a	n/a	213.5	239.0	258.0	260.0	261.0	259.0	265.0	263.0
School Crossing Guard	-	-	-	-	41.0	33.0	33.0	30.5	30.5	25.5
Code enforcement	15.0	18.0	24.0	23.0	26.0	24.0	23.0	21.0	20.0	20.0
Building & Planning	13.0	16.0	32.0	36.0	25.0	25.5	22.5	22.0	20.0	20.0
Public Works	16.0	25.5	28.0	29.0	31.0	30.0	32.0	28.0	30.0	30.0
Culture and recreation	20.0	119.5	110.5	92.0	99.0	129.0	90.0	80.7	86.0	45.0
Stormwater	-	-	4.0	7.0	12.0	12.0	14.0	14.0	13.0	10.0
	<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>	<u>492.5</u>

Source: City of Miami Gardens Finance department

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

<u>Function/Program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Number of emergency calls for service	3,373	3,593	3,711	7,173	5,793	7,254	8,006	22,788	20,655	23,077
Number of non-emergency calls for ser	108,128	75,017	54,767	70,461	124,909	118,957	106,630	115,422	102,578	94,570
Number of arrests	3,752	3,590	3,320	3,523	7,293	5,986	6,280	5,170	4,871	4,209
Number of uniformed officers	145	145	145	191	197	197	194	198	207	202
Building & Zoning:										
Number of building permits issued	10,500	12,547	13,223	4,675	9,738	5,900	5,613	5,547	4,313	5,273
Certificates of Use Permits Issued	n/a	1,495	1,296	1,320	1,725	1,754	1,852	1,171	1,484	849
Occupational licenses issued	2,338	3,063	2,507	1,686	1,910	2,018	2,185	1,382	1,709	1,039
Transportation										
Sidewalks repaired (linear Feet)	1,800	7,544	5,650	4,453	9,131	19,471	19,001	11,201	8,132	9,018
Roads resurfaced (miles)	29	20	13	4	1	1	1	0	7	28
Number of trees planted	2,007	931	775	450	148	1,161	1,157	98	539	12
Number of potholes repaired	170	237	166	261	274	153	123	136	132	157
Culture and recreation										
Number of sports programs	7	7	7	7	5	5	4	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>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police(1):										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	153	153	153	196	215	236	236	229	274	269
Public works										
Streets (Miles-paved)	277.3	277.3	277.3	277.4	277.4	350.8	351.5	351.5	352.14	356.46
Streets (Miles-unpaved)	2	2	2	2	2	0	0	0	0	0
Miles of canals	10	10	10	10	10	12	44	44	44	44
Culture and recreation										
Parks	15	15	16	17	17	17	17	17	17	19
Swimming pools	4	4	4	4	4	5	5	5	5	4
Tennis courts	14	14	14	14	14	14	14	14	14	14
Playgrounds	6	6	6	11	14	14	14	14	14	13
Basketball courts	18	18	18	20	22	22	20	20	20	21
Football/Soccer Fields	-	-	-	-	-	-	-	-	-	6
Baseball Fields	-	-	-	-	-	-	-	-	-	6
Crickett Pitches	-	-	-	-	-	-	-	-	-	3

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



One S.E. Third Avenue
Suite 2100
Miami, FL 33131
T: 305-374-1574
F: 305-372-8161

110 East Broward Boulevard
17th Floor
Ft. Lauderdale, FL 33301
T: 954-467-5490
F: 954-467-6184

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 6, 2015.

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.

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.

The Shroyton Group, P. A.

February 6, 2015



One S.E. Third Avenue
Suite 2100
Miami, FL 33131
T: 305-374-1574
F: 305-372-8161

110 East Broward Boulevard
17th Floor
Ft. Lauderdale, FL 33301
T: 954-467-5490
F: 954-467-6184

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, 2014. 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, 2014.

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, 2014, and have issued our report thereon dated February 6, 2015 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.

The Shoyton Group, P. A.

February 6, 2015

CITY OF MIAMI GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

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

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

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Programs</u>
14.218	Community Development Block Grants
16.710	Public Safety Partnership and Community Policing Grants

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

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

CITY OF MIAMI GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section II - Financial Statement Current Year Findings and Questioned Costs

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

Section III - Financial Statement Prior Year Findings and Questioned Costs

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.

Status

The Human Resource Department performs monthly adjustments and eligibility reconciliation of all insurance billings promptly. The Human Resource Department submits the monthly invoices and the reconciliations to the Finance Department no later than the 20th of the following month for the Finance Department to reconcile against the general ledger.

Comment has been addressed.

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, 2014

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>CFDA</u>	<u>Grant/ Contract Number</u>	<u>Federal Expenditures</u>
Direct Programs:			
<u>U.S. Department of Justice</u>			
COPS Hiring Program	16.710	2012-UM-WX-0057	\$ 468,797
COPS Hiring Program	16.710	2013-UM-WX-0073	86,317
Edward Byrne Formula Grant Program	16.751	2011-DJ-BX-2627	2,921
Edward Byrne Formula Grant Program	16.751	2013-DJ-BX-0446	180,914
Total U.S. Department of Justice			<u>738,949</u>
Indirect Programs:			
<u>U.S. Department of Housing and Urban Development</u>			
Passed Through State of Florida Department of Community Affairs			
Community Development Block Grant	14.218	B-11-MC-12-0052	588,541
Neighborhood Stabilization Program	14.256	B-08-MN-12-0017	644,971
Neighborhood Stabilization Program	14.256	B-11-MN-12-0017	372,951
Total U.S. Department of Housing & Urban Development			<u>1,606,463</u>
<u>U.S. Department of Agriculture</u>			
Passed Through the Florida Department of Health Community Food Projects			
	10.558	A-3596	9,071
Total U.S. Department of Agriculture			<u>9,071</u>
<u>U.S. Department of Justice</u>			
Passed Through the Miami Dade County Edward Byrne Formula Grant			
	16.738	2014-JAGC-DADE-25-E5-118	9,894
Passed Through the State of Florida, Office of the Attorney General			
Victims of Crime Act (VOCA)	16.575	V12289	32,760
Total U.S. Department of Justice			<u>42,654</u>
<u>U.S. Department of Juvenile Justice</u>			
Passed Through the State of Florida, Department of Juvenile Justice			
Shining Star After School Program	16.540	10165	20,730
Total U.S. Department of Justice			<u>20,730</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through the City of Miami			
Urban Area Security Initiative	97.008	14-DS-C5-11-23-02-212	120,139
Total U.S. Department of Homeland Security			<u>120,139</u>
<u>U.S. Department of Transportation</u>			
Passed Through the State of Florida Department of Transportation			
Highway Planning and Construction	20.205	AQF50	591,974
Highway Planning and Construction	20.205	AQ-089	1,722
Total U.S. Department of Transportation			<u>593,696</u>
Total Expenditures of Federal Awards			<u>\$ 3,131,701</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF MIAMI GARDENS, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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 February 6, 2015, 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.



One S.E. Third Avenue
Suite 2100
Miami, FL 33131
T: 305-374-1574
F: 305-372-8161

110 East Broward Boulevard
17th Floor
Ft. Lauderdale, FL 33301
T: 954-467-5490
F: 954-467-6184

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Miami Gardens (the “City”) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated February 6, 2015.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 6, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

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

The Shroyton Group, P. A.

February 6, 2015



One S.E. Third Avenue
Suite 2100
Miami, FL 33131
T: 305-374-1574
F: 305-372-8161

110 East Broward Boulevard
17th Floor
Ft. Lauderdale, FL 33301
T: 954-467-5490
F: 954-467-6184

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

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

We have examined the City of Miami Gardens (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

The Sharpton Group, P.A.

February 6, 2015