

# The City of Miami Springs Florida



History



Friends



Future



Youth



Family



Seniors

## Comprehensive Annual Financial Report for the Year Ended September 30, 2009

**CITY OF MIAMI SPRINGS, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## **INTRODUCTORY SECTION**

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# **LETTER OF TRANSMITTAL**

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OFFICE OF CITY MANAGER  
201 WESTWARD DRIVE  
MIAMI SPRINGS, FL 33166



City of  
**MIAMI SPRINGS**  
Florida

TELEPHONE  
(305) 805-5010  
FAX:  
(305) 805-5040

January 1, 2010

To the Citizens of the City of Miami Springs:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Miami Springs, Florida, for the fiscal year ending September 30, 2009, 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 Albemni Caballero & Company, L.L.P. Certified Public Accountants. The independent auditor has issued an unqualified opinion that this report fairly represents the financial position of the City in conformity with GAAP.

### **PROFILE OF THE GOVERNMENT**

The City of Miami Springs is a political subdivision of the State of Florida located in Miami-Dade County (the "County") which was incorporated in 1926. The City operates under a Council/Manager form of government in which the City elects five council members, one of whom is the Mayor, every two years. The City Council determines the policies that guide the City's operations and hires a City Manager to implement and administer these policies on a full-time basis.

The City of Miami Springs provides a wide range of municipal services including police, parks and recreation facilities, solid waste collection, stormwater management, senior citizen services and facility, building and zoning, planning, code enforcement, and golf course management.

The annual budget serves as the foundation for the City of Miami Springs' 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 presents the proposed departmental budgets to the City Council for their review along with a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform taxpayers of the proposed budget, to receive their comments, and respond to their budget questions. A majority affirmative vote of the City Council is needed to adopt the budget, which is legally enacted prior to October 1<sup>st</sup> by the adoption of a Resolution. The City Manager and Finance Director may recommend amendments to the budget, however the City Council must approve all budget adjustments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations. Budgetary control is maintained at the fund level, except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. All non-major governmental funds, with appropriated annual budgets, are presented in the combining and individual fund section of this report, which starts on page 59.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Miami Springs is located in Southeast Florida, Miami-Dade County, immediately north and bordering the Miami International Airport. The City, primarily residential in nature, comprises approximately 2.8 square miles with approximately 13,750 full-time residents. The southern-most area of the City, located along the 36<sup>th</sup> Street business corridor, is commercial in nature with hotels, restaurants and office complexes. These facilities primarily service the airport and support industries related to the facility and its employees.

The City of Miami Springs has been successful in providing a high quality of life for its residents, by enhancing the level of services being offered. In addition to the increased efforts to enhance services, the City has also provided increased benefits to its employees, as recognition of the fact that, in order to continue to provide these valuable services, it must retain and reward its valuable employees.

In April 2009, Moody's Investors Service affirmed the City's A3 rating and assigned a positive outlook to the City of Miami Springs' outstanding general obligation debt, secured by the City's unlimited ad valorem tax pledge. The A3 rating, according to Moody's, reflects the City's sound financial management, below average debt burden, and residential base that benefits from being located in the Miami-Dade area. The positive outlook reflects Moody's expectation that the City will see substantial tax base growth, finalize a planned annexation, and will maintain strong financial flexibility in the current economic downturn.

In January 2008, the City was notified that its bond rating from Standard and Poors' was maintained at "BBB+ with a positive outlook". The City maintained its previous "investment-grade" rating based on the strong financial progress being made by the City, especially with the water and sewer and golf operations. The maintenance of the "BBB+/Positive Outlook" reflects the positive results from the City's efforts to reverse the negative financial trend of past years and maintain our investment grade rating. According to Standard & Poors, the City will be reviewed midyear, 2010.

We have also performed the State mandated financial condition assessment for the fiscal year ending September 30, 2009, and the overall rating for FY2009 continues to be "Favorable". There has also been a significant achievement in the improvement of the City's financial condition from previous years and provides an additional indication that the efforts of recent City Councils and the current administration are paying off.

The City Council and the Administration both recognize the importance of expanding the City's commercial tax base for the City's future economic health and to reduce the tax burden on the residents. In order to achieve these goals, the City is aggressively pursuing the annexation of primarily commercial properties west of the City, re-development of the NW 36th Street corridor, and the improvement of the downtown district ("the Circle").

During the past few years, various State tax initiatives have been passed in order to lower property taxes throughout the State. For The City of Miami Springs, the actual property taxes levied in 2009 reflected a slight drop of 1.8% from the \$6.8 million levied in 2008. It is further expected that assessed values within the City will decline considerably due to the current economic downturn and the impact of the housing bubble that could further reduce revenues at the current millage rate.

In addition to the further decline in assessed valuation discussed above, the City faces other challenges for the FY2010-2011 budget. First, the continued economic conditions will have a negative impact on revenues at the City's golf course. This will probably require continued general fund subsidies in excess of the approximately \$261,000 required for FY2009. Second, the City's two pension boards received a recommendation, which they voted to accept, from our pension actuaries that certain pension assumptions should be changed for next year. These changes will also have a significant increase in pension contributions for the City in FY2010-2011. The Administration's efforts in prior years to increase the City's reserves have provided the City with a healthy reserve fund that can be partially used to minimize any future millage increases to our residents, however we should concentrate our efforts on reducing expenditures and/or increasing efficiencies in order to meet the challenges described above.

## **LONG TERM FINANCIAL PLAN**

The City Council has established a written policy that the unassigned fund balance should be at least 25% of budgeted general fund expenditures (approximately three months of expenditures). This reserve will ensure that the City has available funds in case of any unforeseen emergencies.

## **LONG TERM FINANCIAL PLAN (continued)**

During the 2005 fiscal year, Miami-Dade County voters approved a bond issue which provides municipalities within the County with funding for specific capital improvement projects. The City of Miami Springs was initially informed that it would receive approximately \$1.5 million toward the construction or renovation of the City's gymnasium. During Fiscal Year 2008, the Administration and Council aggressively pursued additional funding for the project and was rewarded with an additional allocation from the bond issue of \$2 million towards the construction of an entirely new Community Center. The City secured the remaining funding for the \$6.2 million project through a \$2.5 million bank loan backed by the pledge of future sales tax revenues. The facility should be completed during the second quarter of FY2010. In addition to the new community center construction funding, Miami-Dade County also awarded the City \$1 million towards the renovation of the historic Curtiss Mansion. This funding, combined with a \$1 million grant from the Florida Department of Transportation, will ensure that the City is well on its way to its ultimate goal of converting the mansion into a historical museum and meeting center site.

The Fiscal Year 2009-10 budget also provides for the expansion of recreational activities through the development of a new skateboard park for the youth in the community, providing for \$900,000 of the \$1.2 to \$1.5 million new irrigation system for the City's greatest asset, the Miami Springs Golf and Country Club, and for the completion of various bike path lighting projects in the City.

After hiring a full-time grant writer in FY2008, the City has been awarded a steady stream of grant funding. The City recognizes that grant funding is a vital part of any program whether used operationally or for capital improvements. Grant awards secured in FY2008-2009 will provide the majority of the funding needed for the repairs and improvements currently planned for the City's Senior Center. Grants awarded in 2009 totaled more than \$591,785.

## **FINANCIAL INFORMATION**

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

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and 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 policy and implementation 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 departmental level within each fund. 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, which are based upon established and accepted accounting policies and procedures as well as the number of funds required.

## **CASH MANAGEMENT**

The City of Miami Springs is charged with the security of the City's funds and assets with the goal of maximizing return on surplus or idle cash. Cash management policies are clearly identified in the adopted budget documents along with regulations defined by the laws of the State of Florida. The City's primary investment instruments for Fiscal Year 2008-09 were certificates of deposits and money market instruments. The principal focus of cash management is to first ensure the safety of the City's cash and then maximize the return on the City's investments. No investment is made for any commitment period exceeding one year. During FY2009, the City earned \$100,553 in investment income, as compared to \$346,861 earned in fiscal year 2008. The decline

## **CASH MANAGEMENT (continued)**

can be directly attributed to lower yields due to market conditions as well as the impact of funds that were frozen in Pool B of the State Board of Administration's (SBA) Local Government Investment Pool. The City's investment in the SBA has been reduced from \$4,665,575 at September 30, 2007, to \$187,356 at September 30, 2009. The 2009 balance excludes an unrealized loss of \$84,464 which was also a contributing factor in the lower investment income.

## **DEBT ADMINISTRATION**

The City's outstanding long-term debt obligation includes a tax-exempt bond instrument identified as the City's General Obligation Bond, series 1997 with a face value on September 30, 2009 of \$2,865,000.

In 2003, The Federal Emergency Management Agency, in conjunction with Miami-Dade County, commenced a canal dredging project which was to be paid by various municipalities based upon a local match responsibility allocation. In 2005, the County updated its cost estimates and the City's responsibility was determined to be \$414,578. On December 20, 2005, the City executed an interlocal agreement with Miami-Dade County for the repayment of this debt. Under the terms of this agreement, the note will be repaid by the City in ten annual payments of \$41,458 plus interest, commencing December 20, 2006 and ending with a final payment on December 20, 2015. The note bears interest at a variable rate. On September 30, 2009 the rate was 4.51% and the outstanding balance was \$290,204.

On May 1, 2006, the City executed a \$500,000 Capital Improvement Revenue Note with Wachovia Bank. The Note has an interest rate of 4.22%, matures on May 1, 2011, and is collateralized by all legally available non ad-valorem revenues of the City. Approximately \$150,000 were used to renovate and improve the City's golf course, \$200,000 to replace restrooms at the City's parks, and \$150,000 for upgrading City hall security. Under the terms of the Note, the City is required to make twenty (20) quarterly payments of principal and interest in the amount of \$27,861 commencing on August 1, 2006 and ending with the final payment of \$27,861 on May 1, 2011. The balance as of September 30, 2009 was \$186,395.

On September 30, 2008, the City executed a \$2,500,000 Capital Improvement Revenue Note, Series 2008, with SunTrust Bank. The Note has a fixed interest rate of 5.22% and a maturity of September 30, 2028. Proceeds of the loan have been designated for the construction of the City's new community center. The loan balance as of September 30, 2009 was \$2,500,000, since the loan was interest only payments during FY2009 and principal payments only commenced in October 2009.

## **RISK MANAGEMENT**

The City purchases general liability, automobile, property, and casualty insurance coverages through the Florida League of Cities. The City is self insured for its workers' compensation coverage which is administered through the Miami-Dade County Risk Management Department.

The City is continually reviewing risk exposures and determining the most cost effective method of mitigating those exposures.

## **RETIREMENT BENEFITS**

The City of Miami Springs sponsors two defined benefit pension plans. The General Employees' Pension Fund and the Police Retirement System. These two pension plans are administered through separate independent Pension Boards. Each Pension Board hires outside pension plan administrators to administer each plan. Each year an independent actuary, engaged by each of the pension plans, calculates the amount of the annual contribution that the City of Miami Springs must make to each pension plan to ensure that the plan will be able to fully meet its obligations. As a matter of policy, the City of Miami Springs fully funds each year's annual required contribution to the pension plan as determined by the actuary. Each of the plans issues a publicly available audited financial report that includes financial statements and all other required supplementary information. These financial reports may be obtained by writing to the Board of Trustees c/o City of Miami Springs, 201 Westward Drive, Miami Springs, Florida 33166.

The City also provides a defined contribution 401(a) plan for certain management employees. Under the 401(a) plan for fiscal year 2009, the City contributed approximately 15% of gross pay to eligible employees.

## INDEPENDENT AUDIT

In accordance with Florida Statutes Section 218.39, the City has engaged the firm of Alborni Caballero & Company, L.L.P., to perform the independent audit of the City's financial statements. The Independent Certified Public Accountant's report is included in the financial section of this Comprehensive Annual Financial Report.

## AWARDS AND ACKNOWLEDGEMENTS

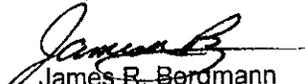
This year the City has applied for the Certificate of Achievement for Excellence in Financial Reporting awarded by the Governmental Finance Officers Association of the United States and Canada ("GFOA"). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

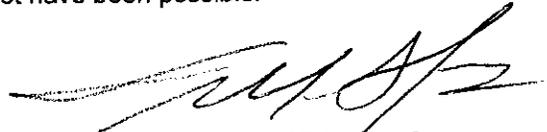
A Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for the certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the City's audit firm, Alborni Caballero & Company, L.L.P. We wish to express our appreciation to the staff for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

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

Respectfully submitted,

  
James R. Bergmann  
City Manager

  
William Alonso CPA, CGFO  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miami Springs  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



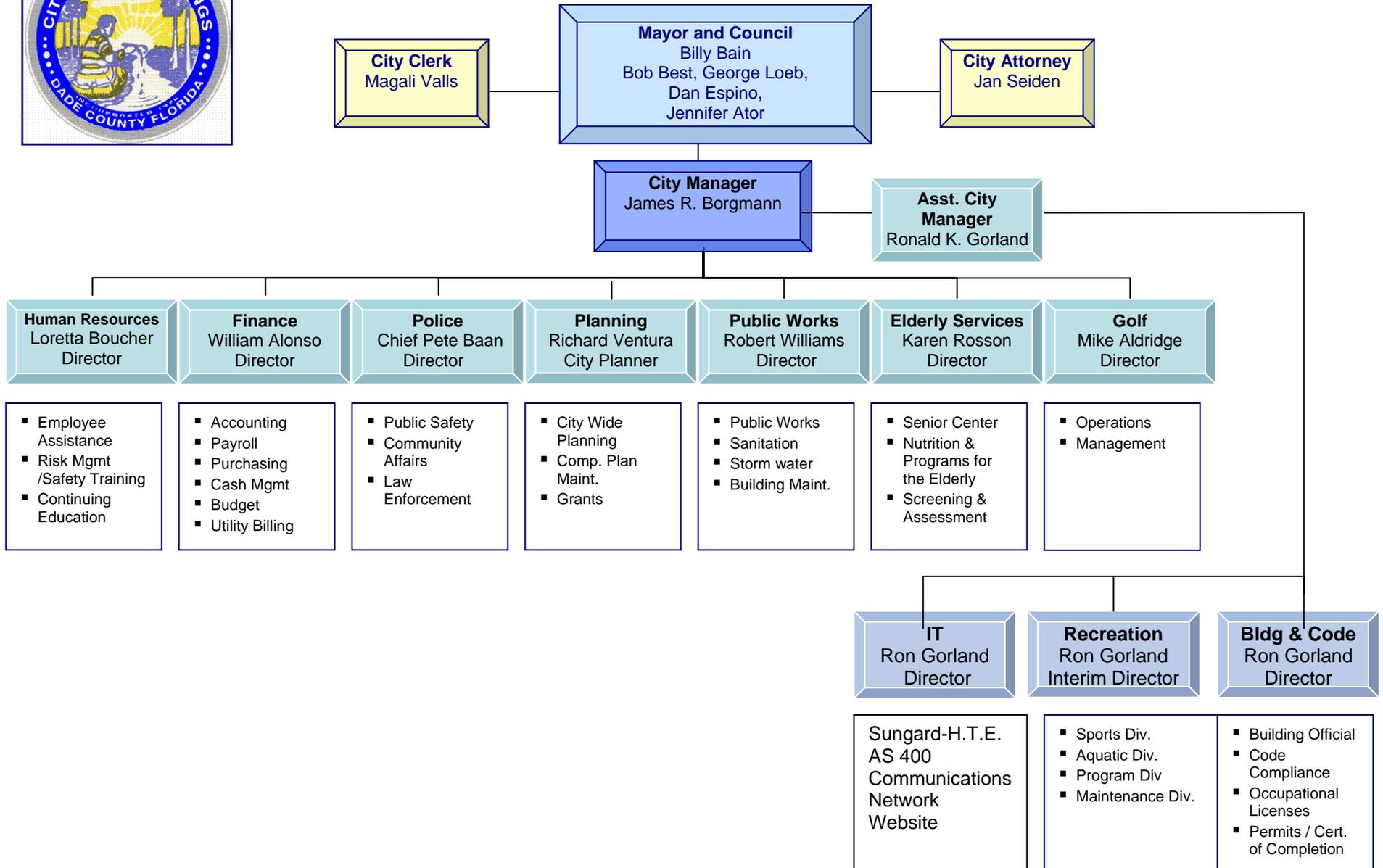
A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# City of Miami Springs Organizational Chart



# **MIAMI SPRINGS CITY OFFICIALS**

## **CITY COUNCIL**

Mayor: Billy Bain

Councilman: George Lob

Councilwoman: Jennifer Ator

Councilman: Bob Best

Councilman: Dan Espino

## **CITY MANAGER**

James Borgmann

## **CITY ATTORNEY**

Jan K. Seiden

## **ASSISTANT CITY MANAGER**

Ronald K. Gorland

## **FINANCE DIRECTOR**

William Alonso CPA, CGFO

## **EXTERNAL AUDITORS**

Alberni, Caballero & Company, L.L.P.

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## **FINANCIAL SECTION**

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CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

4649 PONCE DE LEON BLVD.  
SUITE 404  
CORAL GABLES, FL 33146  
TEL: 305-662-7272  
FAX: 305-662-4266  
ACC-CPA.COM

## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members of the City Council  
City of Miami Springs, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Springs, Florida (the "City") as of and for the fiscal year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audits 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 of Miami Springs, Florida as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2009, on our consideration of the City's internal control over financial reporting and our tests of 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Honorable Mayor and Members of the City Council  
City of Miami Springs, Florida

The Management's Discussion and Analysis and the Budgetary Comparison Schedules, listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the Management's Discussion and Analysis, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Miami Springs's Florida, basic financial statements. The introductory section, combining nonmajor fund financial statements, schedules of funding progress and employer contributions and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules and combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, schedules of funding progress and employer contributions and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Alberni Caballero & Company, LLP*

December 18, 2009  
Coral Gables, Florida

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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the City of Miami Springs, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to v of this report.

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 of Miami Springs exceeded its liabilities at the close of the most recent fiscal year by \$27.56 million (net assets). \$7.8 million of this (unrestricted net assets) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2,086,794, from \$25,470,515 in FY2008 to \$27,557,309 in FY2009. The increase is attributable to the overall loss of \$641,679 from the City's business-type activities, coupled with an increase of \$2,728,473 in net assets of the government activities. The loss in the City's business-type activities was due to the closing of the water and sewer fund since that operation was transferred to Miami-Dade County on September 3, 2008.
- During the year, the City had expenses that were \$177,570 higher than the \$17.4 million generated in tax and other revenues for governmental programs.
- The business type activities for the City recognized an operating profit before non-operating revenues, expenses, and transfers of \$155,460. A \$710,533 transfer out in order to close the water and sewer fund resulted in a year end loss of \$641,679 for all business type activities.
- Total cost of all of the City's programs decreased by approximately \$3.9 million or 17.9% with no new programs added this year. The decrease was due to the water and sewer operation being transferred to Miami-Dade County.
- The General Fund's fund balance increased by \$1,756,925 for the fiscal year ended September 30, 2009; this increase was a result of current year operations as well as a \$710,533 transfer in from the closing of the water and sewer fund and a \$593,037 transfer in from the Hurricane Fund which represents additional FEMA reimbursements for prior year storms.
- At the end of the current year, the unassigned fund balance for the General Fund was approximately \$6.1 million , or approximately 50% of total general fund expenditures and operating transfers. The committed fund balance was \$2.2 million which represents future costs related to parks and recreation, senior center and hurricane contingency.

## FINANCIAL HIGHLIGHTS (continued)

- The City's total debt decreased by approximately \$500,000 or 7.7% (net of principal payments on existing debt). This reduction was due primarily to principal payments during the year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

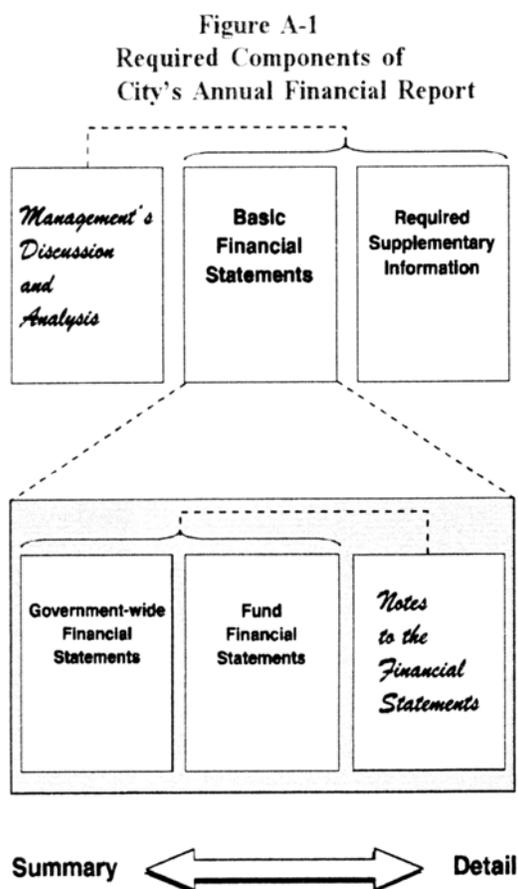
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include 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.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the stormwater utility and solid waste system.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* which further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which is added together and presented in single columns 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 Springs' finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net



## OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

assets may serve as a useful indicator of whether the financial position of the City of Miami Springs 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 assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the City of Miami Springs include public works, parks and recreation, police, and general administration services. The business-type activities of City include the solid waste system and stormwater utility.

The government-wide financial statements can be found on pages 20 to 21 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Miami Springs, 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 Springs can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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 Springs 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 Hurricane Fund, the Capital Projects Fund, and the Road and Transportation Funds, 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 nonmajor 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 special revenue funds to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 22 to 25 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 sanitation and stormwater utility 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 separate information for the solid waste and stormwater utility operations, all of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 26 to 28 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 to 52 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found on pages 53 to 58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 59 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Summary of Net assets.** As noted earlier, net assets 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 Assets summary presentation as reflected below:

- 1) **Net results of activities** will impact (increase/decrease) current assets and unrestricted net assets.
- 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 invested in capital assets, net of debt.
- 4) **Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets and will reduce unrestricted net assets and increase invested in capital assets, net of debt.
- 5) **Principal payment on debt** will reduce current assets and reduce long-term debt and reduce unrestricted net assets and increase invested in capital assets, net of debt.
- 6) **Reduction of capital assets through depreciation** will reduce capital assets, and invested in capital assets, net of related debt.

The City's combined net assets increased by 8.2% between fiscal years 2008 and 2009 (see Table 1).

### **Governmental Activities**

Net assets for the City's governmental activities increased by \$2.7 million or 13% to \$23.7 million which is attributable to current year operations. The largest portion of the City's governmental net assets, \$11.7 million or 49%, is restricted as to the purpose they can be used for and are classified as invested in capital assets (land, buildings, streets, sidewalks,

**Governmental Activities (continued)**

and equipment). The City uses these capital assets to provide services to citizens, consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

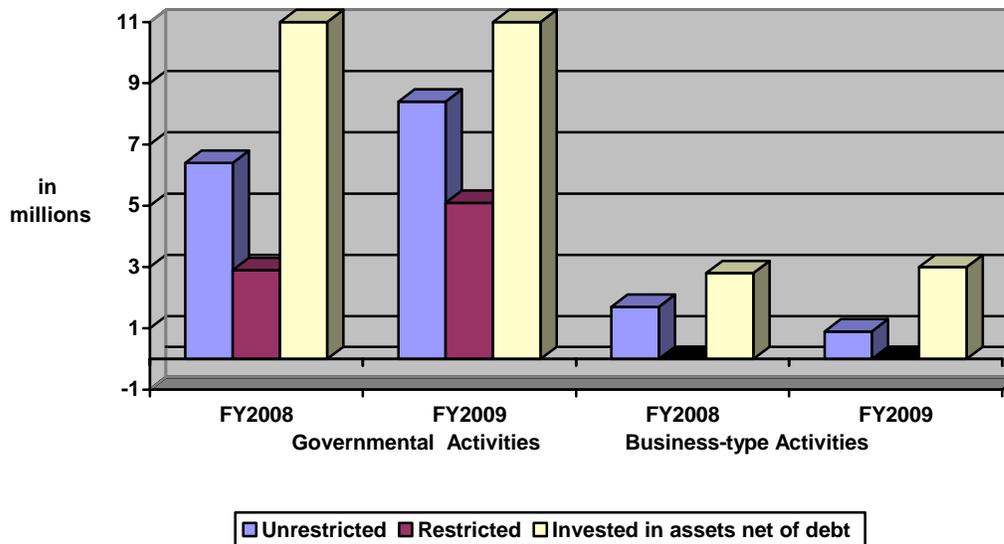
An additional portion of the City's governmental net assets (\$5.1 million or 21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$6.9 million) may be used to meet government's ongoing obligations to citizens and creditors.

**Table 1**  
**City of Miami Springs' Net Assets**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
Current and other assets	\$ 14.1	\$ 15.7	\$2.7	\$1.1	\$ 16.8	\$ 16.8	00.0%
Capital assets	15.3	17.3	3.1	3.3	18.4	20.6	11.9%
<b>Total assets</b>	<b>29.4</b>	<b>33.0</b>	<b>5.8</b>	<b>4.4</b>	<b>35.2</b>	<b>37.4</b>	<b>6.3%</b>
Long-term debt outstanding	7.3	7.1	0.6	0.4	7.9	7.5	(5.1)%
Other liabilities	1.1	2.2	0.7	0.1	1.8	2.3	27.8%
<b>Total liabilities</b>	<b>8.4</b>	<b>9.3</b>	<b>1.3</b>	<b>0.5</b>	<b>9.7</b>	<b>9.8</b>	<b>1.0%</b>
Net assets							
Invested in capital assets, Net of related debt	11.7	11.7	2.8	3.0	14.5	14.7	1.4%
Restricted	2.9	5.1	-	-	2.9	5.1	75.9%
Unrestricted	6.4	6.9	1.7	0.9	8.1	7.8	(3.7)%
<b>Total net assets</b>	<b>\$ 21.0</b>	<b>\$ 23.7</b>	<b>\$4.5</b>	<b>\$3.9</b>	<b>\$25.5</b>	<b>\$27.6</b>	<b>8.2%</b>

At the end of the current fiscal year, the City of Miami Springs is still able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Figure A-2**  
**NET ASSETS COMPARISON**



## Governmental Activities (continued)

**Summary of Changes in net assets.** The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenues:

- 1) **Economic condition** can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) The City Council has significant authority to set **increases or decreases in City's rates** (stormwater, sanitation, permitting, user fees, etc.).
- 3) **Changing patterns in intergovernmental and grant revenues** (both recurring and non-recurring) can significantly change and impact the annual comparisons.
- 4) **Market impacts on investment income** may cause investment revenues to fluctuate from the prior year.

Some other basic impacts on expenses are reflected below:

- 1) **Introduction of new programs** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent approximately 62.4% of the City's general fund operating costs.
- 3) **Salary increases** such as cost of living, performance increases and market adjustments can impact personal service costs.
- 4) **While inflation** appears to be declining now, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functional expenses did experience unusually high commodity specific increases this past year.

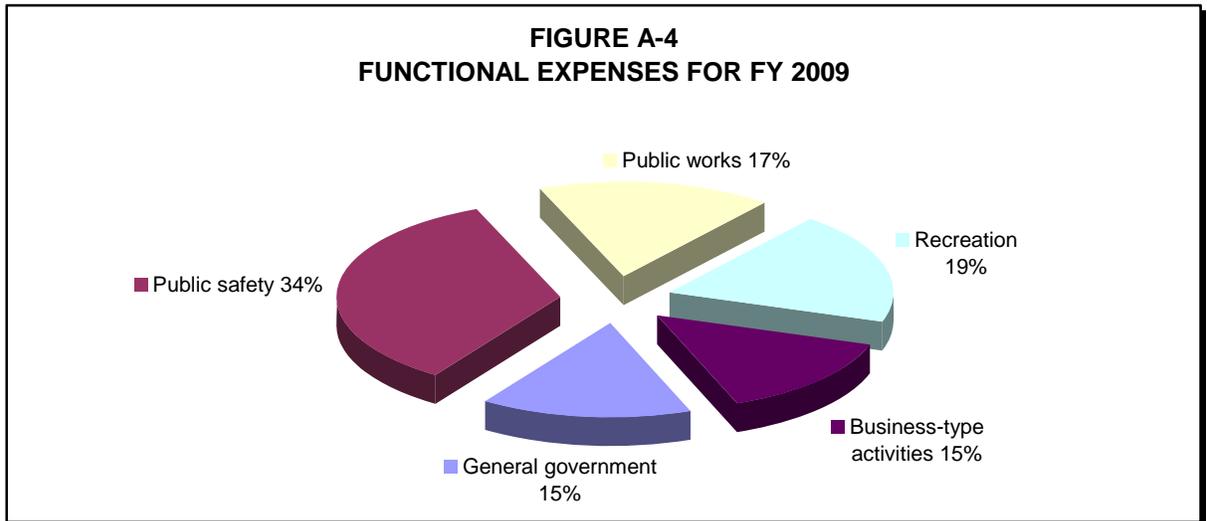
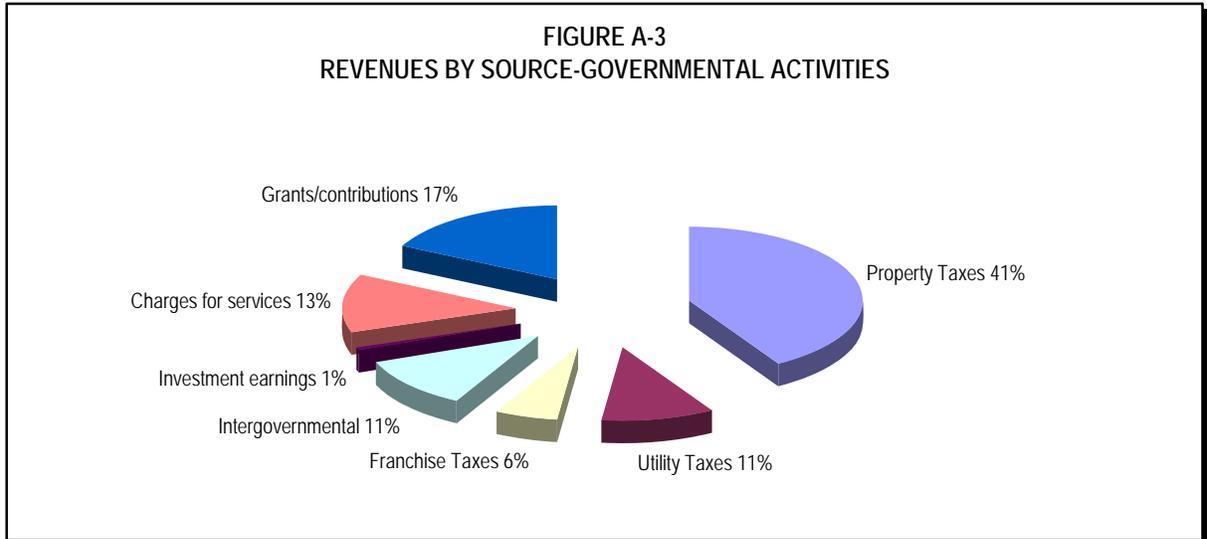
The City's total net assets increased by \$2.1 million to approximately \$27.6 million for the current fiscal-year. This indicates that ongoing expenses were less than ongoing revenues.

The City's total revenues decreased by 14.9% to \$20 million (see Table 2). This decrease was due primarily to lower charges for services revenues after the transfer of the water and sewer operation to the County in FY2008.

Approximately 41% of the City's revenues come from property taxes, and 58 cents of every dollar raised comes from some type of tax (see Figure A-3). Another 13 % comes from fees charged for services, and 11% comes from federal, state and local aid. Total costs of all programs and services decreased by approximately \$3.9 million, or 18% (see Table 2).

The City's expenses cover a range of services; with about 49% related to public safety and business-type activities (see Figure A-4).

**Governmental Activities (continued)**



Revenues for the City's governmental activities increased 12% (from \$15.5 million to \$17.4 million), while the expenses increased 10% (\$14.0 million to \$15.4 million). The increase in net assets for governmental activities was \$2,728,433 in 2009. This compares to a \$1,556,702 increase in 2008. Key elements of the 2009 increase are as follows:

- Grant revenues increased by \$1.9 million, or 271% during the year and was due primarily to the capital projects grants received from the State and County.

The functional activities that had expense decreases/increases compared to last fiscal year were:

- General government increased by approximately \$100,000 or 4% from 2008 due primarily to higher operating costs.
- Public works increased by approximately \$800,000, or 38% due to higher operating costs related to road and transportation expenses.
- Public safety increased by approximately \$300,000 or 5% over 2008.

## Governmental Activities (continued)

**Table 2**  
**Changes in City of Miami Springs' Net Assets**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 2.4	\$ 2.2	\$7.9	\$2.4	\$10.3	\$4.6	(54.4)%
Operating grants and contributions	.7	.4	--	--	.7	.4	(42.8)%
Capital grants and contributions	-	2.6	--	.1	-	2.7	100%
<b>General revenues</b>							
Property taxes	7.2	7.1	--	--	7.2	7.1	(1.4)%
Franchise taxes	1.0	1.0	--	--	1.0	1.0	--%
Utility taxes	1.7	1.8	--	--	1.7	1.8	5.9%
Investment & other income	.4	.4	.1	.1	.5	.5	-%
Intergovernmental	2.1	1.9	--	--	2.1	1.9	(9.5)%
<b>Total revenues</b>	<b>15.5</b>	<b>17.4</b>	<b>8.0</b>	<b>2.6</b>	<b>23.5</b>	<b>20.0</b>	<b>(14.9)%</b>
<b>Expenses</b>							
General government	2.6	2.7	--	--	2.6	2.7	3.8%
Public safety	5.7	6.1	--	--	5.7	6.1	7%
Public works	2.1	2.9	7.8	2.5	9.9	5.4	(45.4)%
Parks and recreation	3.4	3.4	--	--	3.4	3.4	-%
Interest on long-debt	.2	.3	--	--	.2	.3	50%
<b>Total expenses</b>	<b>14.0</b>	<b>15.4</b>	<b>7.8</b>	<b>2.5</b>	<b>21.8</b>	<b>17.9</b>	<b>(17.9)%</b>
Excess (deficiency) before transfers	1.6	2.0	.2	.1	1.8	2.1	16.7%
Gain (loss) on sale of capital assets	--	--	(1.8)	-	(1.8)	-	(100)%
Transfers	-	.7	-	(.7)	--	-	--%
<b>Increase in net assets</b>	<b>\$1.6</b>	<b>\$2.7</b>	<b>\$(1.6)</b>	<b>\$(.6)</b>	<b>\$0.0</b>	<b>\$2.1</b>	<b>100%</b>

*Note: Totals may not add due to rounding.*

The City's management was aggressive this year in maintaining current revenues and in controlling expenses.

In FY 2009, the City's millage rate was 6.4305 compared to 6.3 in FY 2008. The City's total general fund revenue sources were \$165,413 more than the final budgeted revenues of \$12.1 million. The total expenditures were less than budgeted by \$600,114 due to staff vacancies, unused departmental expenditures, and a hurricane contingency that was not needed.

Table 3 presents the cost of each of the City's five largest services—public safety, general government, recreation and social services, public works, and community development—as well as each service's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these services.

- The total cost of all *governmental* activities this year was \$14.0 million. Some of that cost was financed by:
  - Those who directly benefited from the programs through charges for services (\$2.4 million)
  - Other governments and organizations that subsidized certain programs from operating grants and contributions (\$0.7 million).

**Governmental Activities (continued)**

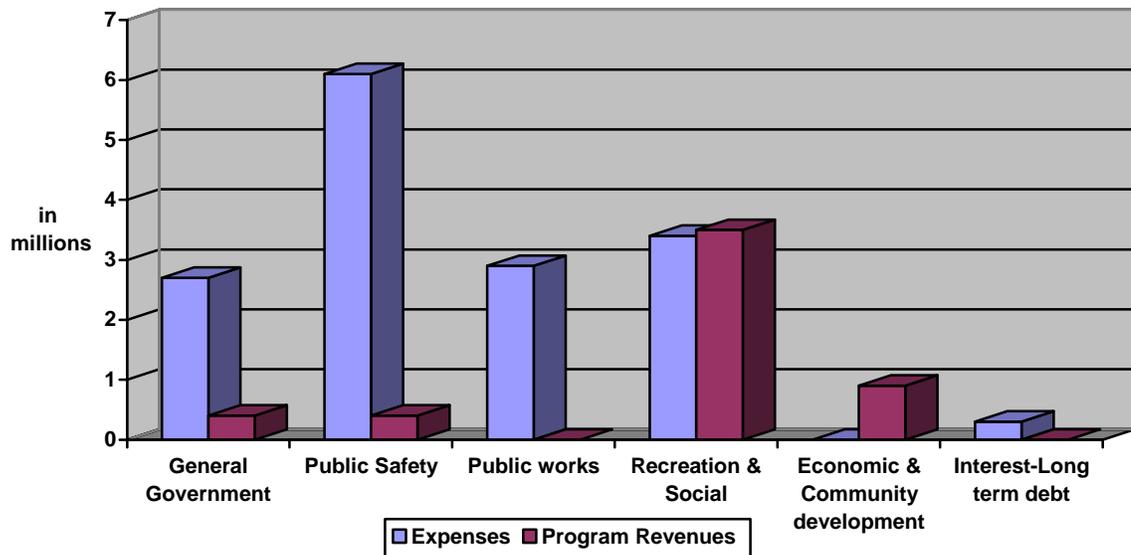
- The City financed the remaining \$10.9 million “public benefit” portion of governmental activities with \$7.2 million in taxes, and with other revenues such as interest and unrestricted state aid.

**Table 3**  
**Net Cost of The City’s Governmental Activities**  
*(in millions of dollars)*

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2008	2009	2008-2009	2008	2009	2008-2009
Public safety	5.7	6.1	3.5%	\$ 5.4	\$ 5.7	5.5%
Recreation/social services	3.4	3.4	(2.9)%	1.4	(.1)	(107.1)%
General government	2.6	2.7	15.38%	1.9	2.2	16%
Public works	2.1	2.9	38.10%	2.1	2.9	38.1%
Community development	.0	.0	---%	.0	(.8)	(100)%
Interest on long term debt	.2	.3	50%	.2	.3	50%
<b>Total</b>	<b>\$14.0</b>	<b>\$15.4</b>	<b>10%</b>	<b>\$10.9</b>	<b>\$10.2</b>	<b>(6.4)%</b>

**Figure A-5**

**Expenses & Program Revenues-Governmental Activities**  
**For the Fiscal Year Ended September 30, 2009**



**Business-type Activities**

For FY 2009, there was a decrease of approximately \$800,000 in unrestricted net assets reported in connection with the City’s business-type activities. Total net assets of the business-type activities reported a decrease of \$600,000 from the prior year. Key elements of this decrease are as follows:

- The water and sewer fund was closed and \$710,533 was transferred out to the general fund.
- The operating profit before transfers for all business-type activities was \$256,390.

## **Business-type Activities (continued)**

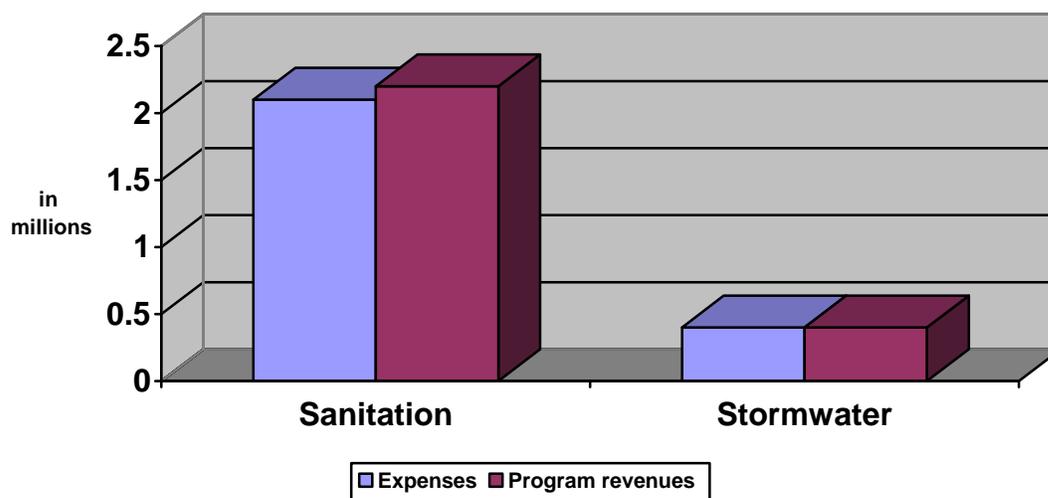
- The sanitation operation posted operating income before transfers of \$234,055. As was the case last year, this operation was self supporting and did not require a general fund subsidy.
- The stormwater utility operation reflected marginal income before transfers of \$22,335. As such, it too required no subsidy from the City's general fund.

Revenues of the City's business-type activities decreased 67.5% to \$2.6 million and expenses decreased 68% to \$2.5 million (see Table 2). Factors contributing to these results included:

- The Water and Sewer operation was transferred to Miami-Dade County in FY2008.
- Operating expenses for the business-type activities decreased by \$225,643 or 9% from FY2008 mainly due to reduced operating and administrative costs.

**Figure A-6**

**Expenses & Program Revenues-Business-type Activities  
For the fiscal Year Ended September 30, 2009**



## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed the year, its governmental funds reported combined fund balances of \$13.5 million, or an increase of \$720,499 million compared to last year's combined fund balances of \$12.8 million. Included in this year's total change in fund balances is \$710,533 transferred in to the general fund for the closing of the water and sewer fund and \$593,037 transfer in to the general fund from FEMA reimbursements from prior year storms. The primary reasons for the excess are the same as those highlighted in the analysis of governmental activities.

### **The General Fund**

The General fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or by contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, the total fund balance of the general fund was \$8.42 million, as compared with \$6.67 million in the prior year. The breakdown of fund balance classifications is as follows:

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS (continued)

### The General Fund (continued)

- Unassigned fund balance was \$6.08 million compared to \$4.61 million in FY2008; increase was due to the surplus reported in current year activity.
- Committed was \$2.24 million compared to \$1.86 million in FY2008; increase is due to additional funds being committed for pool improvements and downtown commercial improvements.
- Non-spendable was \$102,918 compared to \$197,581 last year; decrease is due to encumbrances not being reported in the current year.

The amount of General Fund revenue by type, their percent of the total and the amount of change compared to last fiscal year are shown on Table 4 below.

During FY 2009, the General Fund provided \$260,954 in transfers to the Golf and Country Club Fund and \$142,713 to the Senior Center Fund to cover the operating deficits of these operations for the fiscal year.

**Table 4**  
**General Fund Revenues**

<u>Revenue Sources</u>	<u>2009</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2008</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2008</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Property taxes	\$6,710,087	54.6%	\$6,831,095	55.2%	(\$121,008)	-1.8%
Franchise fees	989,929	8.1%	996,967	8.1%	(7,038)	-0.7%
Utility taxes	926,807	7.5%	934,546	7.5%	(7,739)	-0.8%
Communications services tax	891,322	7.3%	732,846	5.9%	158,476	21.6%
Licenses and permits	414,939	3.4%	536,203	4.3%	(121,264)	-22.6%
Intergovernmental	1,541,005	12.5%	1,610,304	13.0%	(69,299)	-4.3%
Charges for services	261,182	2.1%	238,951	1.9%	22,231	9.3%
Fines and forfeitures	194,014	1.6%	168,422	1.4%	25,592	15.2%
Investment income	102,843	0.8%	186,085	1.5%	(83,242)	-44.7%
Rental revenues	100,517	0.8%	96,595	0.8%	3,922	4.1%
Other revenues	146,895	1.2%	49,268	0.4%	97,627	198.2%
<b>Total revenues</b>	<b>\$12,279,540</b>	<b>100.0%</b>	<b>\$12,381,282</b>	<b>100.0%</b>	<b>(\$101,742)</b>	<b>-0.8%</b>

When compared to 2008, total revenues for the General Fund decreased by \$101,742 or 0.8%. Property taxes accounted for the bulk of the decrease due to decreases in assessed values. Other contributing factors included lower investment income due to market conditions, lower permit fees due to the downturn in building activity, and lower intergovernmental revenues due primarily to lower revenue sharing and sales taxes from the State.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS (continued)

### The General Fund (continued)

Expenditures in the General Fund are shown in the schedule below:

**Table 5**  
**General Fund Expenditures**

<u>Expenditures</u>	<u>2009</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2008</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2008</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
General government services	\$2,518,084	21.7%	\$2,391,423	20.7%	\$126,661	5.3%
Public safety	5,858,869	50.6%	5,575,708	48.3%	283,161	5.1%
Public works	1,947,448	16.8%	1,765,529	15.3%	181,919	10.3%
Recreation and social services	1,255,094	10.8%	1,823,010	15.8%	(567,916)	-31.2%
Total expenditures	<u>\$11,579,495</u>	<u>100.0%</u>	<u>\$11,555,670</u>	<u>100.0%</u>	<u>\$23,825</u>	<u>0.2%</u>

In fiscal year 2009, total General Fund expenditures increased by \$23,825 or 0.2% compared to the prior year. The bulk of the increase was a \$283,161 or 5.1% increase in public safety due to being fully staffed in FY09, a \$181,919 or 10.3% increase in public works due to increases in operating costs, and an increase in general government services of \$126,661 or 5.3% mainly due to increased operating costs due to inflation. These increases were offset by a decrease of \$567,916 or 31.2% in recreation mainly due to infrastructure improvements expenditures such as the new restrooms at City parks which occurred in FY2008. It should be noted that all departments incurred increases in operating costs as well as cost of living salary increases for the City's workforce.

### **General Fund Budgetary Highlights**

Over the course of the year, the City amended the General Fund budget nine times. The budget amendments fall into two categories: (1) Amendments are approved for rollovers related to prior year encumbrances and (2) supplemental appropriations to provide appropriations for various other needs which have arisen since the adoption of the budget. Even with these adjustments, actual disbursements were \$600,114 below final budgeted amounts. The most significant contributor to this variance was lower than budgeted expenditures in public safety (police), of \$303,525 due to staff attrition. Other significant savings occurred in public works of \$97,438, and parks and recreation of \$87,471. Both were due to lower than expected operating expenditures.

The fiscal year 2009 final amended budget was \$12,179,609 or an increase of 0.1% over the original General Fund budget of \$12,057,213. Correspondingly, the Consumer Price Index (or inflation index) from the U.S. Bureau of Labor Statistics – All Urban Consumers South Urban area for the past year was approximately 0.2%. Beyond base revenues of \$12,114,127 and \$332,131 in transfers from the Enterprise Funds, the final Adopted Budget was balanced by using \$147,081 of available fund balance. The original General Fund budget consisted of \$12,057,213 in base expenditures and \$353,938 in operating transfers to the other funds.

Differences between the original budget and the final amended budget increased appropriations by \$122,396 and can be briefly summarized as follows:

- ◆ \$48,862 in encumbrances carried over from FY2007-08
- ◆ \$73,534 in additional appropriations related to grants received and various equipment purchases

## **General Fund Budgetary Highlights (continued)**

These increases were to be budgeted from available fund balance, however, during the year, expenditures were less than budgetary estimates, thus eliminating the need to draw upon the unassigned fund balance.

The difference between the estimated revenues and the actual revenues in the General Fund was approximately \$165,413 for FY 2009.

The difference between the appropriations and the actual expenditures in the General Fund was approximately \$600,114 for fiscal year 2009. These variances are explained below:

- Cost reductions totaling \$303,525 in the public safety (police) budget resulting mainly from vacant positions during the fiscal year as well as lower than budgeted expenditures, other significant savings occurred in public works (\$97,438), and parks & recreation (\$87,471), both were due to lower than expected operating expenditures.

### **Other Major Governmental Funds**

**Road and Transportation Fund-** This fund is used to account for expenditures related to road and transportation improvements. It receives funds from the local option gas tax and the enhanced transportation tax. These funds are restricted to road and transportation expenditures only. Revenues for FY2009 were \$472,587 compared to \$586,683 in FY2008. The fund balance decreased by \$105,301 to \$1,795,997 at the end of the fiscal year.

**Hurricane Fund-** This fund is used to account for FEMA funds received and the expenditures related thereto resulting from hurricane and tropical storm clean up and restoration. During the prior year, the City received additional reimbursements which were recorded to this fund and represented reimbursements for expenditures that had originally been funded through general fund subsidies. Based on this, the City transferred the remaining fund balance of \$593,037 to the general fund during the 2009 fiscal year.

**Capital Projects Fund-** This fund is used to account for the Curtiss Mansion renovation project and the community center construction project, which are both partly funded with Miami-Dade County GOB Bonds. During the year the fund reported revenues of \$2.56 million mainly from grant revenues received, and expenditures of \$2.88 million. The fund balance decreased by \$286,646 from \$2,477,837 to \$2,209,191.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets** (See Table 6). The City of Miami Springs' investment in capital assets for its governmental and business type activities as of September 30, 2009 increased by \$2.2 million from the prior year. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, streets and median improvements, park facilities, and stormwater infrastructure.

## CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

**Table 6**  
**City of Miami Springs' Capital Assets**  
*(net of depreciation, in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
Land	\$ 3.1	\$ 3.1	\$ -	\$ -	\$ 3.1	\$ 3.1	0.0%
Buildings	3.3	3.4	0.0	0.0	3.3	3.4	3.0%
Improvements other than buildings	2.0	1.8	0.0	0.0	2.0	1.8	-10.0%
Equipment	2.1	2.0	0.3	0.4	2.4	2.4	0.0%
Infrastructure	4.4	4.0	2.8	2.6	7.2	6.6	-8.3%
Construction in progress	0.4	3.0	0.0	0.3	0.4	3.3	725.0%
<b>Total</b>	<b>\$ 15.3</b>	<b>\$ 17.3</b>	<b>\$ 3.1</b>	<b>\$ 3.3</b>	<b>\$ 18.4</b>	<b>\$ 20.6</b>	<b>12.0%</b>

This years major capital asset additions before depreciation for the governmental activities equaled approximately \$3.6 million and includes the following:

- The City recognized construction in progress related to the community center and the Curtiss Mansion.
- Completed the City hall security renovations and the elderly center remodeling project.
- Scheduled replacement of certain police vehicles and public works trucks and equipment.

The business-type activities reported capital asset additions before depreciation of approximately \$400,000 and includes the following:

- Equipment purchases for the sanitation department.
- The City recognized construction in progress related to the Basin 35 stormwater project.

Additional information on the City's capital assets can be found in Note 5 on pages 40 to 41 of this report.

**Long-term debt.** At year-end the City had \$2.9 million in general obligation bonds outstanding, which represents a decrease of 6.5% over last year, as shown in Table 7. Notes payable include the \$2.5 million note for the new Community Center as well as capital leases for equipment purchases. Total debt decreased by approximately \$500,000 or 7.7%.

The debt position of the City is summarized below and is more fully explained in Note 6, Long-Term Debt, beginning on page 41.

## CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

**Table 7**  
**City of Miami Springs' Debt**  
*(in millions of dollars)*

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
General obligation bonds	3.1	2.9	0.0	0.0	3.1	2.9	-6.5%
Notes payable	2.8	2.7	0.3	0.3	3.1	3.0	-3.2%
Capital lease payable	0.2	0.1	0.1	0.0	0.3	0.1	-66.7%
<b>Total</b>	<b>\$ 6.1</b>	<b>\$ 5.7</b>	<b>\$ 0.4</b>	<b>\$ 0.3</b>	<b>\$ 6.5</b>	<b>\$ 6.0</b>	<b>-7.7%</b>

### 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 aggressively pursuing various avenues of economic development and revitalization within the City as well as moving forward with annexation of areas west of the City which have a significant commercial tax base. The issue of annexation was presented to the City electors in a ballot question on April 7, 2009 and approved overwhelmingly by the residents of the City.

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely upon property taxes and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, occupational license, etc.) for funding of their governmental activities. In addition, there are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

On January 29, 2008 the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

## Economic Factors and Next Year's Budgets and Ratios (continued)

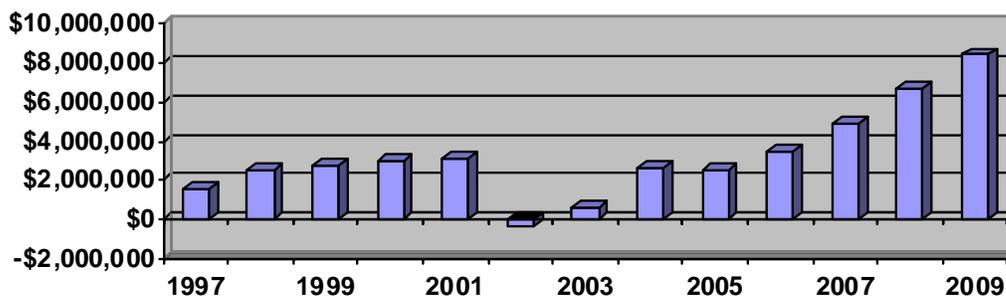
Amendment 1 became effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009. Additional tax relief bills are expected to be introduced at the upcoming legislative session which could, if ratified, further limit the extent to which municipalities can levy taxes.

The most recent information received from the Miami-Dade County Property Appraiser's Office, indicates that the higher homestead exemption, \$25,000 tangible personal property tax exemption, and portability of the homestead assessment differential, amounts to approximately \$84.1 million in lower taxable property values to the residents of the City. Actual taxes levied by the City in 2008 reflected a slight drop of 1.5% from the \$6.9 million levied in 2007. It is further expected that assessed values within the City will decline considerably due to the current economic downturn and the impact of the housing bubble that could further reduce revenues at the current millage rate.

Revenues in the FY 2009 adopted General Fund budget are \$12.4 million, a decrease of approximately 2.2% from the FY 2008 total revenues of \$12.7 million. Property taxes (benefiting from the increase in homestead exemption) will account for most of this expected decrease.

**Figure A-7**

**General Fund Unrestricted Surplus (Deficit)  
For the Fiscal Years ended September 30, 1997-2009**



During the current fiscal year, the total fund balance in the General Fund was \$8.4 million compared to \$6.5 million from last year. This \$8.4 million is approximately equal to 8.4 months of General Fund operating expenditures. The City, as can be seen at Figure A-7, has continued to re-build its total fund balance, a portion of unassigned fund balance will be used to preclude or moderate future tax and user fee increases.

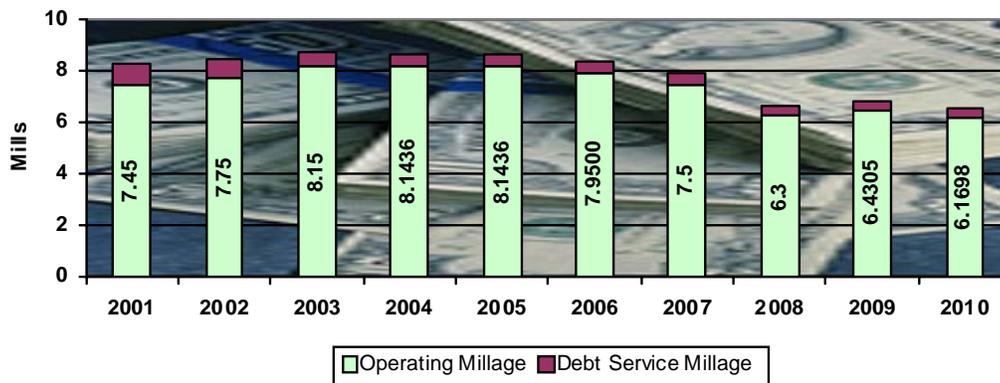
In 1995, the state of Florida limited all local governments' ability to increase property taxable values in any given year to 3 percent or cost of living, whichever is lower. Figure A-8 illustrates that the City has maintained a stable property tax rate for the past three years. For many years, the City, 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 operating millage rate for tax year 2009, which is collected in fiscal year 2010, is 6.1698 or \$6.1698 per thousand dollars of taxable value. Under current legislation, the City was required to rollback its millage rate to the rollback rate less 5%. The 2010 budget achieved this objective. Historically, the rollback rate has always been lower than the existing rate. However,

## Economic Factors and Next Year's Budgets and Ratios (continued)

with new laws, the rolled back rate was actually higher, even though the resulting tax bill will be lower due to the new homestead exemption. Overall, the adopted budget is an economical and prudent financial plan that will ensure quality public services and needed capital improvements for all residents, both today and in the future.

**Figure A-8**  
**Total City Millage**



Fiscal year 2009 budgeted expenditures and transfers are expected to be \$14.2 million, or 18%, over fiscal year 2008. The largest increments are increases in transfer to the golf course to fund the \$900,000 irrigation replacement project. Given the current economic conditions, the City's budgetary General Fund balance is not expected to significantly increase in FY2009-10.

### 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.miamisprings-fl.gov](http://www.miamisprings-fl.gov). If you have questions about the report or need additional financial information, contact William Alonso, CPA, CGFO, Finance Director, City of Miami Springs, 201 Westward Drive, Miami Springs, Florida 33166.

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# **BASIC FINANCIAL STATEMENTS**

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# CITY OF MIAMI SPRINGS, FLORIDA

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and equity in pooled cash and investments	\$ 8,658,418	\$ 752,539	\$ 9,410,957
Accounts receivable - net	2,779,323	345,788	3,125,111
Inventories	143,929	-	143,929
Deferred charges	17,695	-	17,695
Net pension asset	154,382	-	154,382
Restricted assets:			
Cash and equity in pooled cash and investments	3,940,647	-	3,940,647
Capital assets:			
Land	3,085,904	-	3,085,904
Construction in progress	3,017,619	256,568	3,274,187
Building	6,331,358	-	6,331,358
Equipment	5,467,576	1,355,421	6,822,997
Improvements other than building	3,402,540	4,159,134	7,561,674
Infrastructure	<u>15,472,730</u>	<u>-</u>	<u>15,472,730</u>
Total capital assets	36,777,726	5,771,123	42,548,849
Less accumulated depreciation	<u>(19,475,451)</u>	<u>(2,491,543)</u>	<u>(21,966,994)</u>
Total capital assets - net	<u>17,302,275</u>	<u>3,279,580</u>	<u>20,581,855</u>
Total assets	<u>32,996,668</u>	<u>4,377,907</u>	<u>37,374,575</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	1,721,837	37,882	1,759,719
Accrued payroll	242,745	26,229	268,974
Unearned revenue	72,141	-	72,141
OPEB liability	156,440	21,141	177,581
Noncurrent liabilities:			
The amount due in one year	1,447,048	109,400	1,556,448
The amount due in more than one year	<u>5,678,053</u>	<u>304,351</u>	<u>5,982,404</u>
Total liabilities	<u>9,318,263</u>	<u>499,003</u>	<u>9,817,266</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	11,678,382	2,989,376	14,667,758
Restricted for:			
Law Enforcement	949,781	-	949,781
Capital Projects	2,209,191	-	2,209,191
Debt service	108,124	-	108,124
Roads and transportation	1,795,997	-	1,795,997
Senior Center	18,871	-	18,871
Unrestricted	<u>6,918,059</u>	<u>889,528</u>	<u>7,807,587</u>
Total net assets	<u>\$ 23,678,405</u>	<u>\$ 3,878,904</u>	<u>\$ 27,557,309</u>

See notes to basic financial statements

**CITY OF MIAMI SPRINGS, FLORIDA**  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED SEPTEMBER 30, 2009

<u>Functions/programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	
<b>Governmental activities:</b>							
General government	\$ 2,669,996	\$ 430,634	\$ -	\$ -	\$ (2,239,362)	\$ -	\$ (2,239,362)
Public safety	6,087,005	214,921	179,059	-	(5,693,025)	-	(5,693,025)
Public works	2,957,483	-	-	-	(2,957,483)	-	(2,957,483)
Recreation and social services	3,363,809	1,530,611	2,680	1,943,926	113,408	-	113,408
Economic and community development	8,928	-	168,699	698,379	858,150	-	858,150
Interest on long-term debt	294,779	-	-	-	(294,779)	-	(294,779)
Total governmental activities	15,382,000	2,176,167	350,438	2,642,305	(10,213,091)	-	(10,213,091)
<b>Business-type activities:</b>							
Sanitation	2,089,395	2,176,417	-	-	-	87,023	87,023
Stormwater	409,641	272,293	-	96,000	-	(41,348)	(41,348)
Total business activities	2,499,036	2,448,710	-	96,000	-	45,674	45,674
Total	\$ 17,881,036	\$ 4,624,876	\$ 350,438	\$ 2,738,305	\$ (10,213,091)	\$ 45,674	\$ (10,167,417)
<b>General revenues:</b>							
Property taxes, levied for general purpose					\$ 6,710,087	\$ -	\$ 6,710,087
Property taxes, levied for debt service					398,275	-	398,275
Utility taxes					1,818,129	-	1,818,129
Franchise fees on gross receipts					989,929	-	989,929
Intergovernmental (unrestricted)					1,934,891	-	1,934,891
Investment income					129,393	6,613	136,007
Miscellaneous					250,326	-	250,326
Gain (loss) on sale of capital assets					-	16,567	16,567
Transfers					710,533	(710,533)	-
Total general revenues and transfers					12,941,564	(687,353)	12,254,211
Change in net assets					2,728,473	(641,679)	2,086,794
Net assets, October 1					20,949,932	4,520,583	25,470,515
Net assets, September 30					\$ 23,678,405	\$ 3,878,904	\$ 27,557,309

See notes to basic financial statements

# CITY OF MIAMI SPRINGS, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2009

### Major Funds

	<u>General</u>	<u>Road and Transportation</u>	<u>Hurricane Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>						
Cash and equity in pooled cash and investments	\$ 8,232,001	\$ -	\$ 412,563	\$ -	\$ 13,854	\$ 8,658,418
Accounts receivable - net	624,003	89,860	-	2,033,223	32,238	2,779,323
Inventories	85,223	-	-	-	58,706	143,929
Restricted assets:						
Cash and equity in pooled cash and investment:	-	1,718,087	-	1,167,054	1,055,505	3,940,647
Deferred charges	17,695	-	-	-	-	17,695
Total assets	<u>\$ 8,958,922</u>	<u>\$ 1,807,947</u>	<u>\$ 412,563</u>	<u>\$ 3,200,277</u>	<u>\$ 1,160,303</u>	<u>\$ 15,540,012</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Accounts payable	\$ 168,924	\$ 11,950	\$ -	\$ 991,086	\$ 67,708	\$ 1,239,668
Accrued payroll	226,934	-	-	-	15,818	242,752
Other liabilities	69,606	-	412,563	-	-	482,169
Deferred revenues	72,141	-	-	-	-	72,141
Total liabilities	<u>537,605</u>	<u>11,950</u>	<u>412,563</u>	<u>991,086</u>	<u>83,526</u>	<u>2,036,730</u>
<b><u>FUND BALANCES</u></b>						
Nonspendable	102,918	-	-	-	-	102,918
Restricted	-	1,074,764	-	-	1,057,905	2,132,669
Committed	2,240,000	-	-	2,209,191	-	4,449,191
Assigned	-	721,233	-	-	18,872	740,105
Unassigned	6,078,398	-	-	-	-	6,078,398
Total fund balances	<u>8,421,317</u>	<u>1,795,997</u>	<u>-</u>	<u>2,209,191</u>	<u>1,076,776</u>	<u>13,503,281</u>
Total liabilities and fund balances	<u>\$ 8,958,922</u>	<u>\$ 1,807,947</u>	<u>\$ 412,563</u>	<u>\$ 3,200,277</u>	<u>\$ 1,160,302</u>	<u>\$ 15,540,011</u>

See notes to basic financial statements

**CITY OF MIAMI SPRINGS, FLORIDA**  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
 GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2009

Fund balances - total government funds (Page 22) \$ 13,503,281

Amounts reported for governmental activities in the statement of net assets are different as a result of:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	36,777,726
Less accumulated depreciation	(19,475,451)

Net pension asset	154,382
OPEB liability	(156,440)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	\$	(2,865,000)
Notes payable		(2,500,000)
Capital leases		(258,885)
Compensated absences		(1,501,207) <u>(7,125,092)</u>

Net assets of governmental activities (Page 20) \$ 23,678,405

**CITY OF MIAMI SPRINGS, FLORIDA**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Major Funds					Total Governmental Funds
	General	Road and Transportation	Hurricane Fund	Capital Projects	Other Governmental Funds	
<b>Revenues:</b>						
Taxes and franchise fees	\$ 7,700,016	\$ -	\$ -	\$ -	\$ 398,275	\$ 8,098,291
Charges for services	261,182	-	-	-	1,284,425	1,545,606
Public service taxes	1,818,129	-	-	-	-	1,818,129
Intergovernmental	1,541,005	461,950	-	2,549,912	264,292	4,817,159
Licenses and permits	414,939	-	-	-	-	414,939
Fines and forfeitures	194,014	-	-	-	127,681	321,695
Investment income	102,843	10,637	-	6,643	12,620	132,743
Miscellaneous	247,412	-	-	700	3,265	251,378
<b>Total revenues</b>	<b>12,279,540</b>	<b>472,587</b>	<b>-</b>	<b>2,557,255</b>	<b>2,090,558</b>	<b>17,399,940</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	2,643,069	-	-	-	-	2,643,069
Public safety	5,441,752	-	-	-	98,967	5,540,719
Public works	1,923,390	440,121	-	-	-	2,363,511
Recreation and social services	1,163,626	-	-	38,104	1,715,631	2,917,361
Economic and community development	-	-	-	4,655	-	4,655
<b>Debt service:</b>						
Principal retirement	123,043	-	-	-	365,408	488,451
Interest and fiscal charges	7,835	-	-	121,149	165,795	294,779
<b>Capital outlay:</b>						
General government	39,613	-	-	-	-	39,613
Public safety	219,710	-	-	-	103,059	322,769
Public works	17,458	114,775	-	-	-	132,233
Recreation and social services	-	-	-	2,043,154	-	2,043,154
Economic and community development	-	-	-	678,635	108,561	787,196
<b>Total expenditures</b>	<b>11,579,495</b>	<b>554,896</b>	<b>-</b>	<b>2,885,697</b>	<b>2,557,421</b>	<b>17,577,510</b>
Excess(deficiency) of revenues over expenditures before other financing (uses) sources	700,044	(82,309)	-	(328,442)	(466,864)	(177,570)
<b>Other financing (uses) sources:</b>						
Transfers in	1,520,345	-	-	59,796	403,667	1,983,808
Transfers out	(463,463)	(22,992)	(593,037)	-	(6,247)	(1,085,739)
<b>Total other financing sources</b>	<b>1,056,881</b>	<b>(22,992)</b>	<b>(593,037)</b>	<b>59,796</b>	<b>397,420</b>	<b>898,069</b>
<b>Net change in fund balances</b>	<b>1,756,925</b>	<b>(105,301)</b>	<b>(593,037)</b>	<b>(268,646)</b>	<b>(69,443)</b>	<b>720,499</b>
Fund balances - beginning	6,664,391	1,901,298	593,037	2,477,837	1,146,219	12,782,782
<b>Fund balances - ending</b>	<b>\$ 8,421,317</b>	<b>\$ 1,795,997</b>	<b>\$ -</b>	<b>\$ 2,209,191</b>	<b>\$ 1,076,776</b>	<b>\$ 13,503,281</b>

See notes to basic financial statements

**CITY OF MIAMI SPRINGS, FLORIDA**  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Amounts reported for governmental activities in the statement  
of activities are different as a result of:

Net change in fund balances - total government funds (Page 24)	\$	720,499
<p>Governmental funds report capital outlays as expenditures.  However, in the statement of activities, the cost of those assets  is depreciated over their estimated useful lives.</p>		
Expenditures for capital outlays	\$ 3,324,965	
Less current year depreciation	(1,263,111)	2,061,853
<p>Net effect of various miscellaneous transactions involving  capital assets (ie:sales, trade-ins, capital outlay not meeting threshold)</p>		
		(52,202)
<p>Some expenses reported in the statement of activities do not require the use of  current financial resources and, therefore, are not reported as expenditures  in governmental funds</p>		
Change in OPEB liability		(81,991)
Change in Net Pension Asset		17,906
Change in Compensated Absences		(426,044)
<p>The issuance of long term debt (e.g., bonds, leases) provides current financial  resources to governmental funds, while the repayment of the principal of long term  debt consumes the current financial resources of governmental funds. Neither  transaction, however, has any effect on net assets.</p>		
Principal payments		<u>488,451</u>
Change in net assets of governmental activities (Page 21)	\$	<u>2,728,473</u>

# CITY OF MIAMI SPRINGS, FLORIDA

## STATEMENT OF NET ASSETS

### PROPRIETARY FUNDS

SEPTEMBER 30, 2009

<u>ASSETS</u>	<u>Water &amp; Sewer</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Current assets:				
Cash and equity in pooled cash and investments	\$ -	\$ 189,141	\$ 563,398	\$ 752,539
Accounts receivable - net	-	225,634	120,153	345,788
Total current assets	-	414,775	683,551	1,098,327
Non-current assets:				
Capital assets:				
Equipment	-	1,132,396	223,025	1,355,421
Improvements other than building	-	-	4,159,134	4,159,134
Construction in progress - infrastructure	-	-	256,568	256,568
Total capital assets	-	1,132,396	4,638,727	5,771,123
Less accumulated depreciation	-	(772,138)	(1,719,405)	(2,491,543)
Total capital assets - net	-	360,258	2,919,322	3,279,580
Total noncurrent assets	-	360,258	2,919,322	3,279,580
Total assets	-	775,034	3,602,873	4,377,907
 <u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	-	37,872	10	37,882
Accrued liabilities	-	24,062	2,167	26,229
Current portion of notes payable	-	-	41,456	41,456
Compensated absences	-	61,523	6,421	67,944
Total current liabilities	-	123,457	50,054	173,511
Non-current liabilities:				
OPEB Liability	-	18,322	2,819	21,141
Notes payable	-	-	248,748	248,748
Compensated absences	-	54,825	778	55,603
Total noncurrent liabilities	-	73,147	252,345	325,492
Total liabilities	-	196,604	302,399	499,003
 <u>NET ASSETS</u>				
Invested in capital assets, net of related debt	-	360,258	2,629,118	2,989,376
Unrestricted	-	218,171	671,357	889,528
Total net assets	\$ -	\$ 578,429	\$ 3,300,475	\$ 3,878,904

See notes to basic financial statements

**CITY OF MIAMI SPRINGS, FLORIDA**  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND TYPES  
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water &amp; Sewer</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ -	\$ 2,176,417	\$ 272,293	\$ 2,448,710
Total operating revenues	<u>-</u>	<u>2,176,417</u>	<u>272,293</u>	<u>2,448,710</u>
Operating expenses:				
Administrative costs	-	819,963	89,915	909,878
Operations and maintenance	-	301,981	123,749	425,731
Water and disposal costs	-	746,096	-	746,096
Depreciation and amortization	-	70,373	141,173	211,546
Total operating expenses	<u>-</u>	<u>1,938,413</u>	<u>354,837</u>	<u>2,293,250</u>
Operating income (loss)	<u>-</u>	<u>238,004</u>	<u>(82,544)</u>	<u>155,460</u>
Nonoperating revenues (expenses):				
Gain/(loss) on disposal of capital assets	-	-	16,567	16,567
Interest income	-	1,788	4,825	6,613
Interest expense and fees	-	(5,737)	(12,513)	(18,250)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(3,949)</u>	<u>8,879</u>	<u>4,930</u>
Income (loss) before contributions and transfers	-	234,055	(73,665)	160,390
Capital contributions	-	-	96,000	96,000
Transfers	<u>(710,533)</u>	<u>(145,245)</u>	<u>(42,291)</u>	<u>(898,069)</u>
Change in net assets	(710,533)	88,810	(19,956)	(641,679)
Total net assets, October 1	<u>710,533</u>	<u>489,619</u>	<u>3,320,431</u>	<u>4,520,583</u>
Total net assets, September 30	<u>\$ -</u>	<u>\$ 578,429</u>	<u>\$ 3,300,475</u>	<u>\$ 3,878,904</u>

See notes to basic financial statements.

**CITY OF MIAMI SPRINGS, FLORIDA**  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>
	<b>Water &amp; Sewer</b>	<b>Sanitation</b>	<b>Stormwater</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers, governments and other funds	\$ -	\$ 2,066,077	\$ 171,244	\$ 2,237,322
Cash paid to suppliers	(611,367)	(1,248,020)	(149,104)	(2,008,490)
Cash paid to employees	-	(585,859)	(68,036)	(653,896)
Net cash provided by (used in) operating activities	<u>(611,367)</u>	<u>232,199</u>	<u>(45,895)</u>	<u>(425,064)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers to other funds	(710,533)	(145,245)	(42,291)	(898,069)
Net cash used in noncapital financing activities	<u>(710,533)</u>	<u>(145,245)</u>	<u>(42,291)</u>	<u>(898,069)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	-	(135,058)	(273,134)	(408,192)
Proceeds from sale of capital assets	-	-	16,567	16,567
Principal retirements of capital debt	(16,368)	(72,698)	(41,458)	(130,524)
Proceeds from capital grants	-	-	96,000	96,000
Interest paid on capital debt	-	(5,736)	(12,513)	(18,249)
Net cash used in capital and related financing activities	<u>(16,368)</u>	<u>(213,492)</u>	<u>(214,538)</u>	<u>(444,398)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and other income	-	1,788	4,825	6,613
Net cash provided by investing activities	<u>-</u>	<u>1,788</u>	<u>4,825</u>	<u>6,613</u>
<b>NET DECREASE IN POOLED CASH AND CASH EQUIVALENTS</b>	(1,338,268)	(124,750)	(297,899)	(1,760,917)
<b>POOLED CASH AND CASH EQUIVALENTS, OCTOBER 1</b>	<u>1,338,268</u>	<u>313,891</u>	<u>861,297</u>	<u>2,513,456</u>
<b>POOLED CASH AND CASH EQUIVALENTS, SEPTEMBER 30</b>	<u>\$ -</u>	<u>\$ 189,141</u>	<u>\$ 563,398</u>	<u>\$ 752,539</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ -	\$ 238,004	\$ (82,544)	\$ 155,460
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	36,329	70,373	141,173	247,875
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	65,039	(120,696)	(102,640)	(158,298)
(Decrease) increase in accounts payable and accrued liabilities	(399,283)	36,685	10	(362,588)
Decrease in accrued liabilities	(70,643)	(5,045)	(4,401)	(80,089)
Increase (Decrease) in compensated absences	(47,630)	2,522	916	(44,192)
Increase (Decrease) in OPEB liabilities	(7,659)	10,356	1,592	4,289
(Decrease) in customer deposits	(31,409)	-	-	(31,409)
Decrease in deferred revenues	(156,111)	-	-	(156,111)
Total adjustments	<u>(611,367)</u>	<u>(5,806)</u>	<u>36,650</u>	<u>(580,523)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ (611,367)</u>	<u>\$ 232,199</u>	<u>\$ (45,895)</u>	<u>\$ (425,063)</u>

See notes to basic financial statements

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Financial Reporting Entity

The City of Miami Springs, Florida (the "City") is a political subdivision of the State of Florida located in Miami-Dade County. The City 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, 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, 2009.

The criterion for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. At September 30, 2009 the City had no entities that met the definition for inclusion as a blended or discretely presented component unit.

#### B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The city-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise 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 the City receives cash.

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 accounted for in another fund.

The **road and transportation fund** is used to account for expenditures related to road and transportation improvements.

The **hurricane fund** is used to account for FEMA funds received and the expenditures related thereto resulting from hurricane and tropical storm clean-up and restoration.

The **capital projects fund** is used to account for city-wide construction projects.

The City reports the following major proprietary funds:

The **sanitation fund** accounts for the operations of solid waste collection services, which are funded through user charges.

The **stormwater fund** accounts for the infrastructure and operations of stormwater transportation, which is funded through user charges.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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, and 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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 sanitation and stormwater funds, 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed.

### D. 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 six 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Deposits and Investments (Continued)**

The City's investments are reported at fair value the majority of which are in the form of certificate of deposits, money market accounts, and overnight repo accounts with qualified public depositories.

**E. 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."

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

**F. 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 on or about October 1 of each year 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, 2009 was 6.1698 mills (\$6.1698 per \$1,000 of taxable assessed valuation). In addition, for the year ended September 30, 2009, the City assessed a debt service levy millage rate of .4226 (\$0.4226 per \$1,000 of taxable assessed valuation).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Inventories and Prepaid Costs**

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased (consumption method).

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.

**H. Restricted Assets**

Certain assets of the debt service fund have been classified as restricted because their use is restricted by a bond indenture agreement for the City's debt service requirements. Proceeds from forfeiture funds are classified as restricted in the Law Enforcement Special Revenue Fund since these resources are specifically earmarked for law enforcement purposes only. Debt proceeds in the capital fund are also classified as restricted since the funds will be used only for specific capital projects. Additionally, proceeds from the People's Transportation Tax are classified as restricted since these resources may only be used for road and transportation related expenditures.

**I. Capital Assets**

Capital assets include, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements	20-30
Public domain infrastructure	40
System infrastructure	50
Furniture and equipment	5-10

**J. Unearned Revenues**

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The unearned items consist primarily of license and permit revenues.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service and the department, which the employee serves. It is the City's sick leave policy to permit employees to accumulate earned but unused sick pay benefits.

The City's vacation policy is that earned vacation must be taken within one year of the employee's anniversary date, as there is no carryover from one period to another. Unused vacation pay, if any, is paid with the employee's termination or retirement.

The liability for these compensated absences is recorded as a long-term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences that have matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement), while the proprietary funds report the liability as it is incurred. For governmental activities, compensated absences are generally liquidated by the General Fund.

### L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

### M. Fund Balance-Governmental Funds

As of September 30, 2009, fund balances of the governmental funds are classified as follows:

**Non-spendable** — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** — Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

**Assigned** — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the City Council may assign amounts for specific purposes.

**Unassigned** — All other spendable amounts.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance-Governmental Funds (continued)**

As of September 30, 2009, fund balances are composed of the following:

	General Fund	Major Special Revenue Fund Road & Transportation	Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Inventories	\$ 85,223	\$ -	\$ -	\$ -	\$ 85,223
Deferred Charges	17,696	-	-	-	17,696
<b>Restricted for:</b>					
Law enforcement	-	-	-	949,781	949,781
Debt service	-	-	-	108,124	108,124
Transit & Transportation	-	1,074,764	-	-	1,074,764
<b>Committed to:</b>					
Hurricane contingency	500,000	-	-	-	500,000
Pool improvements	280,000	-	-	-	280,000
Community center	1,060,000	-	-	-	1,060,000
Elderly services building	300,000	-	-	-	300,000
Capital projects	-	-	2,209,191	-	2,209,191
Linear Park project	100,000	-	-	-	100,000
<b>Assigned to:</b>					
Elderly services	-	-	-	18,872	18,872
Roads, sidewalks, streets	-	721,233	-	-	721,233
<b>Unassigned:</b>	6,078,398	-	-	-	6,078,398
<b>Total fund balances</b>	<b>\$ 8,421,317</b>	<b>\$ 1,795,997</b>	<b>\$ 2,209,191</b>	<b>\$ 1,076,777</b>	<b>\$ 13,503,281</b>

	General Fund	Major Special Revenue Fund Road & Transportation	Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund balances:</b>					
Nonspendable	\$ 102,919	\$ -	\$ -	\$ -	\$ 102,919
Restricted	-	1,074,764	-	1,057,905	2,132,669
Committed	2,240,000	-	2,209,191	-	4,449,191
Assigned	-	721,233	-	18,872	740,105
Unassigned	6,078,398	-	-	-	6,078,398
<b>Total fund balances</b>	<b>\$ 8,421,317</b>	<b>\$ 1,795,997</b>	<b>\$ 2,209,191</b>	<b>\$ 1,076,777</b>	<b>\$ 13,503,281</b>

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance-Governmental Funds (continued)**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

In fiscal year 2009, the City Council adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

**N. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, the realization of pension assets and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**O. New Accounting Pronouncements**

As further discussed in Note 1 section M above, the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective October 1, 2008.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual regulations. The City has no material violations of finance-related legal and contractual obligations.

**Fund Accounting Requirements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, bond covenants, and segregation for management purposes.

**Revenue Restrictions**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**Revenue Restrictions (continued)**

The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Transportation Tax	Transportation and roads
Nutrition Program for the Elderly	Grant Program Expenditures
Department of Health & Human Services	Grant Program Expenditures
Federal Forfeitures	Law Enforcement
Miami-Dade County GOB	Capital Improvement Projects
Federal Emergency Management Agency	Disaster mitigation

For the fiscal year ended September 30, 2009, the City complied, in all material respects, with these revenue restrictions.

**Excesses of expenditures over appropriations**

For the year ended September 30, 2009, expenditures exceeded appropriations in the City attorney \$8,988, finance, \$12,892, public works-fleet maintenance, \$35,161, and public works-administration, \$4,865. These over-expenditures were funded by greater than anticipated revenues in the general fund. The Debt Service fund's expenditures exceeded budget by \$976, this over-expenditure was funded by available fund balance.

**3. DEPOSITS AND INVESTMENTS**

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. Each fund's portion of this pool is displayed on the balance sheets as cash and equity in pooled cash and investments. Income earned on pooled cash and investments is allocated to the respective funds based on relative month-end balances. In addition, cash and investments are separately held by the City's Enterprise Funds and related investment income is recorded in these funds.

The City does not have a written investment policy and follows the State of Florida investment policy as set forth in State Statute 218-415. Allowable investments include United States government obligations, guaranteed United States agency short-term issues, the State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (LGIP), Florida bank certificates of deposit, and investments authorized by City Council.

As of September 30, 2009, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Certificates of Deposit	\$ 3,824,765	90
Suntrust NOW Account	6,099,086	1
Wachovia MMK	672,459	1
State Board of Administration	<u>102,892*</u>	1
Total Fair Value	<u>\$10,699,202</u>	
Portfolio weighted average maturity		<u>90</u>
* Net of unrealized loss of \$84,464		

### 3. DEPOSITS AND INVESTMENTS (Continued)

At September 30, 2009, the City's investment in the State Pool (SBA) consisted of:

LGIP	\$ -
Fund B	<u>102,892</u>
Total	<u>\$102,892</u>

*Interest Rate Risk* – The City does not have a written policy on interest rate risk, however, the City manages its exposure to declines in fair values by limiting the weighted average monthly maturity of its investment portfolio to less than six months (180 days). At September 30, 2009, the portfolio's weighted average maturity was 90 days. The weighted average days to maturity (WAM) of the LGIP at September 30, 2009 were 33 days. The weighted average life (WAL) of Fund B at September 30, 2009 was 6.87 years.

*Credit Risk* – The City's investments in the State Board of Administration (SBA) Local Government Surplus Funds Investment Pool (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. During the prior year, the SBA reported that State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial markets. Consequently the SBA placed some restrictions on how participants could access portions of their surplus fund and ultimately restructured the State Pool into two separate pools ("LGIP" and "Fund B"). The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund.

At fiscal year-end, the City has no surplus fund invested in the LGIP. The LGIP was rated AAAM by Standard and Poor's as of September 30, 2009. The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio and is not rated by a nationalized statistical rating agency.

*Concentration of Credit Risk* – There are no limits on the amount that may be invested in Certificates of Deposits (CD's) placed with public depositories or funds placed with the SBA. At September 30, 2009, 36% of the City's investments were in the form of CD's.

*Custodial credit risk (deposits)* - In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. All of the City's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level. The book value of the City's deposits on the balance sheet date was \$2,643,597. The bank balance of the City's deposits as of September 30, 2009 was \$3,466,164.

*Custodial credit risk (investments)* – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment. The City's investments in the State Board of Administration (SBA) LGIP (which has the characteristics of a Money Market Fund) are not required to be categorized as these investments are not evidenced by securities that exist in physical or book entry form. Additionally, these investments are not entirely collateralized nor insured by the State of Florida.

A reconciliation of deposits and investments as shown on the balance sheet and the statement of net assets is as follows:

**3. DEPOSITS AND INVESTMENTS (Continued)**

<u>Per Statement of Net Assets</u>		<u>By Category</u>	
Cash and equity in pooled cash	\$ 9,410,957	Cash	\$ 8,805
and investments			
Restricted assets:		Deposits	2,643,597
Cash and cash equivalents	<u>3,940,647</u>	Investments	<u>10,699,202</u>
	<u>\$13,351,604</u>		<u>\$13,351,604</u>

The City does not participate in any securities lending transactions nor has it used held or written derivative financial instruments.

**4. RECEIVABLES AND PAYABLES**

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

	<u>General</u>	<u>Road and Transportation</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total Receivables</u>
Governmental activities					
Accounts	\$ 48,200	\$ -	\$ -	\$ -	\$ 48,200
Taxes	573,099	89,860	-	-	662,959
Other	<u>33,120</u>	<u>-</u>	<u>2,033,223</u>	<u>32,238</u>	<u>2,098,581</u>
Gross receivables	654,419	89,860	2,033,223	32,238	2,809,740
Less: Allowance for Uncollectibles	<u>(30,416)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,416)</u>
Net total receivables	<u>\$ 624,003</u>	<u>\$ 89,860</u>	<u>\$ 2,033,223</u>	<u>\$ 32,238</u>	<u>\$ 2,779,323</u>

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

	<u>Sanitation</u>	<u>Stormwater</u>	<u>Totals</u>
Accounts	\$366,910	\$ 70,176	\$437,086
Other	-0-	96,000	96,000
Less: Allowance for Un-collectibles	<u>(141,276)</u>	<u>(46,022)</u>	<u>(187,298)</u>
Net total receivables	<u>\$225,634</u>	<u>\$120,154</u>	<u>\$345,788</u>

Governmental funds report *unearned revenues* for receivables on revenues considered to be not yet available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition on revenues received but not yet earned. On September 30, 2009, *unearned revenue* in the governmental funds amounted to \$72,141 representing FY 2009-10 occupational licenses that were paid in advance.

#### 4. RECEIVABLES AND PA YABLES (CONTINUED)

Revenues of the Sanitation and Stormwater funds are reported net of uncollectible amounts. The allowance for un-collectibles was adjusted against current revenues. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to solid waste fees	\$ 77,879
Uncollectibles related to stormwater fees	<u>13,826</u>
Total uncollectibles of the current fiscal year	<u>\$91,705</u>

Payables at September 30, 2009 were as follows:

	<u>Vendors</u>
Governmental activities:	
General	\$ 168,924
Road & Transportation	11,950
Capital Projects	991,086
Nonmajor funds	<u>67,708</u>
Total governmental activities	<u>\$ 1,239,667</u>
Business-type activities:	
Sanitation	37,872
Stormwater	<u>10</u>
Total business-type activities	<u>\$ 37,882</u>

#### 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2009 was as follows:

	Balance				Balance
	<u>October 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>September 30, 2009</u>
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 3,085,904	\$ -	\$ -	\$ -	\$ 3,085,904
Construction in progress	<u>358,152</u>	<u>2,915,804</u>	<u>-</u>	<u>(256,338)</u>	<u>3,017,619</u>
Total capital assets not being depreciated	<u>3,444,056</u>	<u>2,915,804</u>	<u>-</u>	<u>(256,338)</u>	<u>6,103,523</u>
Capital assets being depreciated:					
Building	6,075,020	-	-	256,338	6,331,358
Infrastructure	15,472,730	-	-	-	15,472,730
Improvements other than buildings	3,402,540	-	-	-	3,402,540
Machinery and equipment	<u>5,483,235</u>	<u>409,160</u>	<u>(460,445)</u>	<u>35,625</u>	<u>5,467,575</u>
Total capital assets being depreciated	<u>30,433,525</u>	<u>409,160</u>	<u>(460,445)</u>	<u>291,963</u>	<u>30,674,203</u>
Less accumulated depreciation for:					
Building	(2,742,324)	(183,997)	-	-	(2,926,321)
Infrastructure	(11,053,344)	(384,522)	-	-	(11,437,866)
Improvements other than buildings	(1,445,412)	(167,257)	-	-	(1,612,669)
Machinery and equipment	<u>(3,347,455)</u>	<u>(527,335)</u>	<u>394,598</u>	<u>(18,404)</u>	<u>(3,498,595)</u>
Total accumulated depreciation	<u>(18,588,535)</u>	<u>(1,263,111)</u>	<u>394,598</u>	<u>(18,404)</u>	<u>(19,475,451)</u>
Total capital assets being depreciated, net	<u>11,844,990</u>	<u>(853,951)</u>	<u>(65,846)</u>	<u>273,559</u>	<u>11,198,752</u>
Governmental activities capital assets, net	<u>\$ 15,289,046</u>	<u>\$ 2,061,853</u>	<u>\$ (65,846)</u>	<u>\$ 17,221</u>	<u>\$ 17,302,275</u>

**5. CAPITAL ASSETS (CONTINUED)**

	Balance October 1, 2008	Additions	Disposal and Transfers*	Balance September 30, 2009
Business-type activities				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 256,568	\$ -	\$ 256,568
Total capital assets not being depreciated	<u>-</u>	<u>256,568</u>	<u>-</u>	<u>256,568</u>
Capital assets being depreciated:				
Infrastructure & Improvements	4,159,134	-	-	\$4,159,134
Machinery and equipment	<u>1,722,199</u>	<u>142,954</u>	<u>(509,732)</u>	<u>1,355,421</u>
Total capital assets being depreciated	<u>5,881,333</u>	<u>142,954</u>	<u>(509,732)</u>	<u>5,514,556</u>
Less accumulated depreciation for:				
Infrastructure & Improvements	(1,385,131)	(139,033)	-	(1,524,164)
Machinery and equipment	<u>(1,376,940)</u>	<u>(72,513)</u>	<u>482,074</u>	<u>(967,379)</u>
Total accumulated depreciation	<u>(2,762,071)</u>	<u>(211,546)</u>	<u>482,074</u>	<u>(2,491,543)</u>
Total capital assets being depreciated, net	<u>3,119,262</u>	<u>(68,591)</u>	<u>(27,658)</u>	<u>3,023,013</u>
Business activities capital assets, net	<u>\$ 3,119,262</u>	<u>\$ 187,976</u>	<u>\$ (27,658)</u>	<u>\$ 3,279,580</u>

\*Transfers of \$35,625 in governmental activities represent vehicles from the water and sewer operation that were transferred to Public Works after the County took over the operation. Disposals and transfers of \$509,732 in the business-type activities results primarily from the sale of water & sewer capital assets to Miami-Dade County as part of the utility transfer agreement.

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

General government	\$ 81,542
Public Safety	290,873
Public works	479,477
Recreation and social services	<u>411,219</u>
Total depreciation expense – governmental activities	<u>\$1,263,111</u>
Business- type activities	
Sanitation	70,373
Stormwater	<u>141,173</u>
Total depreciation expense – business- type activities	<u>\$ 211,546</u>

**6. LONG-TERM DEBT**

**Miami-Dade County Loan Payable**

During fiscal year 2003, Miami Dade County (the "County") commenced a canal dredging project which was to be paid by various municipalities based on a local match responsibility allocation. During FY 2005, the County updated its cost estimates and the City's responsibility was determined to be \$414,578. On December 20, 2005, the City executed an interlocal agreement

**7. LONG-TERM DEBT (Continued)**

**Miami-Dade County Loan Payable (continued)**

with Miami Dade County for the repayment of this debt. Under the terms of this agreement, the note will be repaid by the City in ten annual payments of \$41,458 plus interest, commencing December 20, 2006 and ending with a final payment on December 20, 2015. The note bears interest at a variable rate. At September 30, 2009, the rate was 4.51% and the outstanding balance was \$290,204.

**Capital Improvement Revenue Notes**

On May 1, 2006, the City executed a \$500,000 Capital Improvement Revenue Note with Wachovia Bank. The Note has an interest rate of 4.22%, matures on May 1, 2011, and is collateralized by all legally available non ad-valorem revenues of the City. Proceeds were used for the renovation and improvement of the City's golf course at a cost of \$150,000, \$200,000 to replace restrooms at the City's parks, and \$150,000 for upgrading city hall security. Under the terms of the Note, the City is required to make twenty (20) quarterly payments principal and interest in the amount of \$27,861 commencing on August 1, 2006 and ending with the final payment of \$27,861 on May 1, 2011. At September 30, 2009, the outstanding balance was \$186,395.

On September 30, 2008, the City executed a \$2,500,000 Capital Improvement Revenue Note (series 2008) with SunTrust Bank. The note has a fixed interest rate of 5.22% and matures on September 30, 2028. The note calls for interest only payments for the first twelve months and then there after, the principal is amortized over the remaining 19 years. The note is payable solely from and secured by the City's ½ cent sales tax revenues. The proceeds of the loan were deposited into a separate interest earning account for payment of expenditures related to the construction of the City's new community center.

**General Obligation Bonds-Series 1997**

On September 18, 1997, the City issued \$5,000,000 of General Obligation Bonds with interest rates ranging from 4.00% to 5.10%, which mature on February 1, 2018, for the purchase and renovation of the Miami Springs Golf Course and Country Club from the City of Miami. The bonds are secured by a debt service millage levy of 0.3953 mills. The balance at September 30, 2009 was \$2,865,000.

Debt service requirements to maturity for the fiscal year ending September 30 are summarized as follows:

	<u>Revenue Note</u>		<u>General Obligation Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	71,688	130,736	255,000	142,519	326,688	273,255
2011	82,439	126,524	270,000	129,458	352,439	255,982
2012	86,563	122,399	285,000	115,511	371,563	237,910
2013	91,603	117,359	300,000	100,665	391,603	218,024
2014	96,571	112,392	315,000	84,558	411,571	197,059
2015-2019	566,986	477,826	1,440,000	157,940	2,006,986	635,766
2020-2024	738,261	306,551	-	-	738,261	306,551
2025-2029	<u>765,889</u>	<u>87,376</u>	-	-	<u>765,889</u>	<u>87,376</u>
Total, net	<u>\$2,500,000</u>	<u>\$1,481,164</u>	<u>\$2,865,000</u>	<u>\$730,760</u>	<u>\$5,365,000</u>	<u>\$2,211,924</u>

At September 30, 2009 and for the period then ended, the City had complied with the provisions of its bond indenture agreements.

## 6. LONG-TERM DEBT (CONTINUED)

Long-term debt activity for the year ended September 30, 2009 was as follows:

	October 1, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	September 30, <u>2009</u>	Due within <u>One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 3,110,000	\$ -	\$ (245,000)	\$ 2,865,000	\$ 255,000
Capital Improvement Revenue Notes	2,787,272	-	(100,877)	2,686,395	183,740
Capital leases	<u>211,483</u>	-	<u>(138,985)</u>	<u>72,498</u>	<u>53,799</u>
Total bonds and notes payable	<u>6,108,755</u>	<u>-</u>	<u>(484,862)</u>	<u>5,623,893</u>	<u>492,539</u>
Other liabilities:					
Compensated absences	<u>1,216,074</u>	<u>633,820</u>	<u>(348,687)</u>	<u>1,501,207</u>	<u>954,509</u>
Governmental activity long-term liabilities	<u>\$ 7,324,829</u>	<u>\$ 633,820</u>	<u>\$ (833,549)</u>	<u>\$ 7,125,100</u>	<u>\$ 1,447,048</u>
<b>Business-type activities</b>					
Bonds and notes payable:					
Capital leases	89,066	-	(89,066)	-	-
Note payable Miami-Dade County	<u>331,662</u>	-	<u>(41,458)</u>	<u>290,204</u>	<u>41,458</u>
Total bonds and notes payable	<u>420,728</u>	<u>-</u>	<u>(130,524)</u>	<u>290,204</u>	<u>41,458</u>
Other liabilities:					
Compensated absences	<u>167,739</u>	<u>59,458</u>	<u>(103,650)</u>	<u>123,547</u>	<u>67,944</u>
Business-type activities Long-term liabilities	<u>\$ 588,467</u>	<u>\$ 59,458</u>	<u>\$ 234,174</u>	<u>\$ 413,751</u>	<u>\$ 109,402</u>

## 7. LEASES

### Capital Leases

The City has entered into several lease agreements, with a local financial institution, as lessee for financing the acquisition of machinery & equipment for city-wide use. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The gross amount of equipment leased and capitalized under these leases was approximately \$299,845.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, were as follows:

	Year ending <u>September 30,</u>
2010	\$ 55,614
2011	<u>18,699</u>
Total minimum lease payments	74,313
Less: amount representing interest	
Interest at various APRs	<u>(1,815)</u>
Present value of minimum Lease payments	<u>\$ 72,498</u>

Capital assets acquired through the issuance of capital leases are as follows:

	<b>Governmental</b>
	<b><u>Activities</u></b>
Machinery and equipment	\$ 299,845
Less: Accumulated depreciation	<u>(134,659)</u>
	<u>\$ 165,186</u>

**7. LEASES (CONTINUED)**

**Operating Leases**

The City leases equipment for its Golf and Country Club Fund under non-cancelable operating leases. Total costs for such leases were \$56,025 for the fiscal year ended September 30, 2009. The City also leases office equipment and office space under non-cancelable operating leases. Total costs for such leases were \$32,572 for the fiscal year ended September 30, 2009.

The future minimum lease payments are as follows:

	Year ending <u>September 30,</u>	
2010		\$ 89,701
2011		13,057
2012		<u>12,928</u>
Total		<u>\$ 115,686</u>

**8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund transfers for the fiscal year ended September 30, 2009 are as follows:

	Transfers <u>In*</u>	Transfers <u>Out*</u>
General	\$1,520,344	\$ 463,463
Transportation	-	22,992
Hurricane	-	593,037
Capital Projects	59,796	-
Non-major governmental	403,667	6,246
Water and Sewer Fund	-	710,533
Sanitation Fund	-	145,245
Stormwater Fund	-	<u>42,291</u>
	<u>\$1,983,807</u>	<u>\$1,983,807</u>

\*Transfers in/out during the fiscal year are as follows:

- Operating subsidies from the General fund of \$142,713 to the Senior Center and \$260,954 the Golf and Country Club fund to cover excess of expenditures over revenues in both operations.
- \$710,533 was transferred from the Water & Sewer fund to the General fund in order to close out this fund. \$4,188 and \$2,058 were transferred from the Grants fund and the Police Grants fund respectively in order to close out both funds.
- \$42,291 from the Stormwater Fund, and \$145,245 from the Sanitation fund to the General fund as administrative charges.
- \$593,037 was transferred from the Hurricane fund to the General fund representing additional FEMA hurricane reimbursements that were originally funded with General fund revenues.
- \$59,796 was transferred from the Capital Projects fund to the General fund to cover debt service payments.

## 9. EMPLOYEE RETIREMENT PLANS

### (1) Plan Description

The City contributes to two single employer defined benefit pension plans: General Employees' Plan and the Police and Firefighters' Plan. Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. The Pension Boards' of each retirement plan are authorized to establish and amend benefit provisions. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing the City of Miami Springs, 201 Westward Drive, Miami Springs, Florida 33166.

### (2) Funding Policy

#### General Employees

The pension board establishes the required employee contribution and the City is required to contribute the amount in excess of employee contributions to cover the annual pension cost. City employee members are required to contribute 5% of their annual covered salary, the City's contribution is limited to 10% of compensation paid to participants during the year. The covered payroll for plan members for the year ended September 30, 2009 was approximately \$3,429,028. Annual contributions are actuarially determined as specified by the Retirement Ordinance as of October 1.

#### Police and Firefighters

The regular member contribution rate for both bargaining unit employees and non-bargaining unit managerial employees in that capacity after September 27, 1993 is 9% of earnings. If the combined City and Member contributions required for a year are less than 14% of covered payroll, the difference under 14% shall be rounded to the nearest .1% of budgeted payroll. The resulting difference shall be divided in two, with plan members reducing their contribution rates by half the difference, and the City reducing its contribution by the remaining half for that fiscal year. However, if the combined City and member contributions for any one fiscal year exceed 18% of the budgeted payroll for police officers, the excess rate over 18% will be divided by two with plan members paying half of the excess and the City paying the other half for that fiscal year. Annual contributions are actuarially determined as specified by the Retirement Ordinance as of October 1<sup>st</sup>.

### (3) Annual Pension Cost and Net Pension Asset

#### General Employees

The City's annual pension cost and net pension asset to the General Employees Retirement System for the years ended September 30, 2009 was as follows:

Annual required contribution	\$(189,174)
Interest on net pension asset	4,607
Adjustment to annual required contribution	<u>(8,213)</u>
Annual pension cost	(192,780)
Contributions made	<u>204,774</u>
Increase in net pension asset	11,994
Net pension asset, beginning of year	<u>57,586</u>
Net pension asset, end of year	<u>\$ 69,580</u>

**9. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

The annual required contribution for the current year was determined based on an October 1, 2008 actuarial valuation date using the aggregate actuarial cost method. Significant actuarial assumptions used in the actuarial valuation include (i) a rate of return on the investment of present and future assets of 8% a year compounded annually, (ii) projected salary increases ranging from 6%. Both (i) and (ii) include an inflation component of 4%. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Three-Year Trend Information			
Fiscal Year	Annual Pension	% of Annual	Net Pension
<u>Ended</u>	<u>Cost (APC)</u>	<u>Contribution</u>	<u>Asset</u>
<u>(APC)</u>	<u>(APC)</u>	<u>(APC)</u>	<u>(APC)</u>
9/30/07	128,896	98.5	52,196
9/30/08	198,235	102.7	57,586
9/30/09	192,780	106.2	69,580

**Police & Firefighters**

The City's Annual Pension Cost and net pension asset to the Police & Firefighters' Plan for the years ended September 30, 2009 were as follows:

Annual required contribution	\$(343,008)
Interest on net pension asset	6,311
Adjustment to annual required contribution	<u>(11,921)</u>
Annual pension cost	(348,618)
Contributions made	<u>354,530</u>
Increase in net pension asset	5,912
Net pension asset, beginning of year	<u>78,890</u>
Net pension asset, end of year	<u>\$ 84,802</u>

The annual required contribution for the current year was determined based on an October 1, 2008 actuarial valuation date using the aggregate actuarial cost method. Significant actuarial assumptions used in the actuarial valuation include (i) a rate of return on the investment of present and future assets of 8% a year compounded annually, (ii) projected salary increases ranging from 6%. Both (i) and (ii) include an inflation component of 4%. The assumptions did not include post-retirement benefit increases. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Three-Year Trend Information			
Fiscal Year	Annual Pension	% of Annual	Net Pension
<u>Ended</u>	<u>Cost (APC)</u>	<u>Contribution</u>	<u>Asset</u>
<u>(APC)</u>	<u>(APC)</u>	<u>(APC)</u>	<u>(APC)</u>
9/30/07	149,175	108.7	77,105
9/30/08	341,728	100.5	78,890
9/30/09	348,618	101.7	84,802

## 9. EMPLOYEE RETIREMENT PLANS (CONTINUED)

### (4) Funded Status and Funding Progress

The funded status of the Plans as of October 1, 2008, the most recent actuarial valuation date is as follows:

#### General Employees' Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL As % of Covered Payroll
	(a)	(b)	(b)-(a)	(b)/(a)	(c)	((b)-(a))/(c)
10/1/08	13,945,299	12,736,662	(1,208,637)	109.5	3,429,028	(35.2)

#### Police & Firefighters' Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL As % of Covered Payroll
	(a)	(b)	(b)-(a)	(b)/(a)	(c)	((b)-(a))/(c)
10/1/08	22,226,151	21,056,209	(1,169,942)	105.6	2,603,398	(44.9)

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

	<u>General Employees</u>	<u>Police &amp; Firefighters' Plan</u>
Valuation date	October 1, 2008	October 1, 2008
Actuarial cost method	Aggregate	Aggregate
Amortization method	N/A	N/A
Remaining amortization period	N/A	N/A
Asset valuation method	5 Year Smooth Market	5 Year Smooth Market
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	6.00%	6.50%
Inflation	4.00%	4.00%
Cost of living adjustments	N/A	N/A

### (5) DROP Plan

On October 8, 2001, the general Employees Retirement Plan adopted a Deferred Retirement Option Plan ("DROP") for participants who are eligible to receive normal retirement. Eligible members may participate by applying to the Board.

On February 9, 1998, the Police and Firefighters Pension Plan adopted a DROP for participants who are eligible to receive normal retirement and have either attained age 55 with ten years of continuous service, or have completed 25 years of service. Eligible members may participate by applying to the Board.

## **9. EMPLOYEE RETIREMENT PLANS (CONTINUED)**

### **(5) DROP Plan (Continued)**

For Police & Firefighters', eligibility to participate shall be forfeited if not exercised within the first 29 years of service. However, participation will be permitted for those members with more than 27 years of service as of January 1, 1998.

Upon a member's election to participate in the DROP, that member shall cease to be a member his or her respective Plan and shall be precluded from any additional benefits under the Plan; accordingly, that member shall be considered retired.

Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments into the DROP are made monthly for the period the retired member participates in the DROP, up to a maximum of 60 months.

Payments into the DROP will earn the same return as earned by the remainder of the Plan assets.

Upon termination of employment, participants in the DROP have the option of receiving the balance of their account either in a lump sum distribution or in any other form of payment selected by the participant, approved by the Board and conforming to applicable laws.

### **(6) Defined Contribution Plan**

The City of Miami Springs 401(a) Money Purchase Plan is a defined contribution plan established by the City to provide benefits at retirement for certain employees of upper management. At September 30, 2009, there were three plan members, the City Manager, Assistant City Manager and the Finance Director. The City is required to contribute on behalf of each participant 14.89% of earnings for the plan year. Participants are not permitted to make contributions. City contributions fully vest in the year they are contributed. Plan provisions and contribution requirements are established and may be amended by the City Council.

The plan assets are administered by ICMA Retirement Corp. Participants are mailed quarterly statements or can obtain daily account balances through the Internet. The City does not exercise any control over the plan assets. Contributions were approximately \$57,346 for the year ended September 30, 2009.

## **10. 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 commercial insurance. There have been no reductions in insurance coverage from coverages in the prior year and there have been no claims settled which have exceeded insurance coverage for each of the past three years.

### **Liability Insurance**

The public liability program is designed to cover all public liability type claims incurred, subject to the limitation established by the State of Florida Waiver of Sovereign Immunity Act. Insurance coverage is primarily provided by the Florida Municipal Liability Insurance Program supplemented by other policies and outside carriers. The City's deductible portion of liability claims and premiums paid to insurers are charged to the funds as incurred.

## 10. RISK MANAGEMENT (CONTINUED)

### Workmen's Compensation

The City participates in Miami Dade County's self insured workmen's compensation program. Premiums are billed annually and are based on the City's claim history.

## 11. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. City of Miami Springs ("the City") administers a single-employer defined benefit healthcare plan ("the Plan") that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the City's group health insurance plan. The Plan does not issue a publicly available financial report.

Eligibility: Any employee of the City of Miami Springs who satisfies the Vesting, Disability, Early or Normal Retirement provisions of the applicable Retirement Plans may be eligible for certain post-employment benefits. Following presents the eligibility requirements for retirement under the City's three Retirement Plans: Police and Firemen Pension Plan, General Employees Pension Plan and General Employees 401(a).

Vesting retirement: General Employees: Members become fully vested after 5 years of credited service. Police Officers: Members become fully vested after 5 years of credited service. However, with respect to all groups, there are no OPEB benefits available after termination of employment, unless employee satisfies eligibility requirements for any other retirement benefits listed below.

Disability retirement: General Employees: Members are eligible for a non-duty disability pension after 10 years of creditable service. For duty disability, there is no service credit requirement. Police Officers: Members are eligible for a non-duty disability pension after 10 years of creditable service. For duty disability, there is no service credit requirement.

Early retirement: General Employees: The attainment of age 55 with 10 years of creditable service. Police Officers: The attainment of age 50 with 10 years of creditable service.

Normal retirement: General Employees: The earliest of the attainment of age of 62 with 5 years of creditable service or when age plus service equals 75 years. Police Officers: The earliest of the attainment of age of 55 with 10 years of 20 years of service regardless of age.

DROP retirement: General Employees and Police Officers: The Deferred Retirement Option Program (DROP) is available to Members of Pension Plans at the attainment of the applicable Normal Retirement Age. While in DROP, participants receive coverage as active employees with eligibility for OPEB immediately after actual retirement.

DC Plan participants: There are no age or service requirements that must be met to "retire" under the provisions of the Defined Contribution Plan. However, to be eligible for OPEBs employees must meet requirements applicable to similarly situated participants of the Pension Plan.

The post-employment benefits include (a) continued coverage for the retiree and dependent in the Medical/Prescription, (b) continued coverage under the Dental Plan and (c) continued coverage under the Vision Plan.

Health-Related Benefits: Eligible retirees may choose among the same Medical Plan options available for active employees of the City. Dependents of 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 any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same Medical and Prescription Drugs benefits and rules for coverage as are active employees. Retirees and their dependents who attain age 65 are not required to enroll in Part B under Medicare in order to

**11. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

remain covered under the program. The Plan pays as secondary only for those actually enrolled in Parts A and B.

Continued coverage in the City's Dental and Vision Plans is available to all retirees and their dependents under the same terms as active employees.

Results presented in this report are based on the healthcare plan design in effect as of October 1, 2006.

Retiree Contributions for Medical/Prescription Benefits: All retirees must pay the required premium presented below in order to continue coverage for themselves and/or their dependents after retirement. The stated policy is that premium contribution required from retirees is equal to the blended group rate. The following chart presents the current (November 1, 2006) premium contributions required to be paid by retirees for continued coverage.

Premiums Paid by Retirees* as of November 1, 2006		
Plan	Retiree Only	Retiree and Spouse
HMO	\$295.76	\$656.60
POS	\$316.92	\$703.56

\*Regardless of Medicare Eligibility

Survivorship Benefits: No benefit (other than COBRA coverage) is offered to surviving dependents of either active employees or retirees.

Dental and Vision Plans: Dental and vision benefits for retirees and their dependents are voluntary and fully paid by the employee. Consequently, dental and vision benefits are not Employer-provided in any sense and are not considered as other post-employment benefits for the purposes of GASB Statement No. 45.

COBRA benefits: Former employees, retirees and dependents may be eligible for extended benefits under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of GASB Statement No. 43 and 45.

Life insurance: General Employee retirees may also continue after retirement their participation in the Employer-sponsored life insurance policy. The benefit is 100% of salary until age 65, whereupon the policy drops to \$ 5,000. There is no cost to retiree.

Termination and amendment: The post-employment benefits are extended to retirees and continued at the discretion of the City, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change contributions required from retirees in the future as circumstances change.

For fiscal year 2009, the City contributed \$70,713 to the plan.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., City funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of

**11. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The City's annual OPEB cost for the fiscal year ended 2009, the second year of implementation of GASB Statement 45, and the related information for each plan are as follows:

Annual required contribution	\$156,145
Interest on net OPEB obligation	4,109
Adjustment to annual required contribution	(3,260)
Annual OPEB cost	<u>156,994</u>
Contributions made	70,713
Increase in net OPEB obligation	<u>86,281</u>
Net OPEB obligation—beginning of year	91,300
Net OPEB obligation—end of year	<u>\$177,581</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2008	\$149,421	38.90%	\$91,300
09/30/2009	\$156,994	45.04%	\$177,581

Funded Status and Funding Progress. The schedule below shows the balance of the actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2009.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (a-b)/c
10/1/2007	\$ 0	\$1,483,425	\$1,483,425	0%	\$6,301,839	23.54%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ

**11. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan.

Actuarial valuation date	10/01/2006
Amortization method	Level percent, closed
Remaining amortization period	29 years
Actuarial assumptions:	
Discount rate	4.75%
Payroll growth assumption	4.00%
Mortality table	1983 Group Annuity Mortality

Further, the valuation assumes that the City will continue to fund the liability on a pay-as-you-go basis and that the City's policy is that its per-capita contribution for retiree benefits will remain as the 2009 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed City contributions.

**12. COMMITMENTS AND CONTINGENCIES**

**Litigation**

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

**BFI Waste Services of North America vs. City of Miami Springs**

The City has been sued for monies allegedly due to the plaintiff for Hurricane Katrina related clean-up costs. The City has filed an Answer, Affirmative Defenses, Counterclaim and Motion to Strike in litigation. It is the City's position that it does not owe these additional monies and that, in fact, the city has previously overpaid the Plaintiff for the claimed services. Litigation has been "stayed" at the request of the Plaintiffs attorney. It is not known at this time what the final outcome of this litigation will be. The City has decided to record an accrual for \$412,562 in the Hurricane fund. This amount represents the total amount being requested by plaintiff in their suit. The accrual was still in place at September 30, 2009.

**Grants**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the City's financial condition.

**Operational food and beverage agreement**

On January 9, 2006, the City entered into an agreement (the "Agreement") with Miami Springs Country Club F&B, Inc. (the "Company") which authorized the Company to be the exclusive operator of all food and beverage services at the Miami Springs Golf and Country Club. The term of the Agreement is for a five year period and not subject to any option or automatic renewal. The Agreement also calls for reimbursement of City renovation costs totaling \$30,000.

**CITY OF MIAMI SPRINGS, FLORIDA**  
**STATISTICAL SECTION**

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	<b>64-68</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	<b>69-73</b>
<b>Debt Capacity</b> <i>These schedules contain information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in future.</i>	<b>74-78</b>
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.</i>	<b>79-80</b>
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.</i>	<b>81-83</b>

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

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**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A)**

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**CITY OF MIAMI SPRINGS, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND TRANSPORTATION FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 524,628	\$ 514,628	\$ 461,950	\$ (52,678)
Interest revenue	-	-	10,637	10,637
Grant revenues	<u>717,210</u>	<u>717,210</u>	<u>-</u>	<u>(717,210)</u>
Total revenues	<u>1,241,838</u>	<u>1,231,838</u>	<u>472,587</u>	<u>(759,251)</u>
Expenditures:				
Current:				
Public works	503,297	503,297	440,121	63,176
Capital outlay:				
Public works	<u>1,807,682</u>	<u>1,807,682</u>	<u>114,775</u>	<u>1,692,907</u>
Total expenditures	<u>2,310,979</u>	<u>2,310,979</u>	<u>554,896</u>	<u>1,756,083</u>
Excess (deficiency) of revenues over expenditures	<u>(1,069,141)</u>	<u>(1,079,141)</u>	<u>(82,309)</u>	<u>996,832</u>
Other financing sources (uses)				
Transfers out	<u>(23,000)</u>	<u>(23,000)</u>	<u>(22,992)</u>	<u>-</u>
Total other financing sources (uses)	<u>(23,000)</u>	<u>(23,000)</u>	<u>(22,992)</u>	<u>-</u>
Net change in fund balance	<u>(1,092,141)</u>	<u>(1,102,141)</u>	<u>(105,301)</u>	<u>996,832</u>
Fund balances, October 1	<u>1,901,298</u>	<u>1,901,298</u>	<u>1,901,298</u>	<u>-</u>
Fund balances, September 30	<u>\$ 809,157</u>	<u>\$ 799,157</u>	<u>\$ 1,795,997</u>	<u>\$ 996,832</u>

See notes to budgetary comparison schedule

**CITY OF MIAMI SPRINGS, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL PROJECTS FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 137,000	\$ 5,415,649	\$ 2,549,912	\$ (2,865,737)
Investment income	43,750	43,750	6,643	(37,107)
Miscellaneous	-	-	700	700
Total revenues	<u>180,750</u>	<u>5,459,399</u>	<u>2,557,255</u>	<u>(2,865,737)</u>
Expenditures:				
Recreation and culture	-	475,008	42,759	432,249
Debt service	137,000	137,000	121,149	15,851
Capital outlay	-	7,341,202	2,721,789	4,619,413
Total expenditures	<u>137,000</u>	<u>7,953,210</u>	<u>2,885,697</u>	<u>5,067,513</u>
Deficiency of revenues over expenditures	<u>43,750</u>	<u>(2,493,811)</u>	<u>(328,442)</u>	<u>2,165,369</u>
Other financing sources				
Transfers in	-	53,796	59,796	6,000
Total other financing sources	<u>-</u>	<u>53,796</u>	<u>59,796</u>	<u>6,000</u>
Net change in fund balance	43,750	(2,440,015)	(268,646)	2,171,369
Fund balances, October 1	<u>2,477,837</u>	<u>2,477,837</u>	<u>2,477,837</u>	<u>-</u>
Fund balances, September 30	<u>\$ 2,521,587</u>	<u>\$ 37,822</u>	<u>\$ 2,209,191</u>	<u>\$ 2,171,369</u>

See notes to budgetary comparison schedule

**CITY OF MIAMI SPRINGS, FLORIDA**  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED SEPTEMBER 30, 2009

**A. Budgetary Information**

The following procedures are used to establish the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States.

1. Prior to July 30 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing such expenditures.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The level of control at which expenditures may not exceed budget is at the departmental level. The City Commission approves these levels by annual resolution. The City Manager is authorized to transfer budgeted amounts within individual departments; any revisions that alter the total expenditures of any appropriation center within a fund must be approved by the City Commission.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be re-appropriated and honored during the subsequent year. The City legally adopts budgets for all major governmental and business-type funds as well as the Law Enforcement Trust, Senior Center and Debt Service non major governmental funds.

Appropriations lapse at year end, except for grants and shared revenues from other governmental units which do not lapse at year-end and are only reported to the extent of revenues recognized, and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.

The final budget includes budget transfers and supplemental appropriations, which have the effect of adjusting the original adopted budget. General Fund supplemental appropriations amounted to \$182,186 for the fiscal year ended September 30, 2009 and consist primarily of the roll-forward of encumbrances from FY 2008 and increases in transfers to other funds.

For the year ended September 30, 2009 expenditures exceeded appropriations in the city attorney \$8,988, finance, \$12,892, public works-fleet maintenance, \$35,161, and public works-administration, \$4,865. These over-expenditures were funded by greater than anticipated revenues in the general fund. The Debt Service fund's expenditures exceeded budget by \$976, this over-expenditure was funded by available fund balance.

**CITY OF MIAMI SPRINGS, FLORIDA**  
**EMPLOYEES' AND POLICE & FIREFIGHTERS' PLANS**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 (Unaudited)

General Employees' Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL As % of Covered Payroll
	(a)	(b)	(b)-(a)	(b)/(a)	(c)	((b)-(a))/(c)
10/1/03	12,040,035	10,265,029	(1,775,006)	117.3	3,262,260	(54.4)
10/1/04	12,194,853	10,766,920	(1,427,933)	113.3	3,160,625	(45.2)
10/1/05	12,407,308	11,326,985	(1,080,323)	109.5	3,155,692	(34.2)
10/1/06	12,767,033	11,434,793	(1,332,240)	111.7	3,157,952	(42.2)
10/1/07	13,786,880	12,271,087	(1,515,793)	112.4	3,364,865	(45.0)
10/1/08	13,945,299	12,736,662	(1,208,637)	109.5	3,429,028	(35.2)

Police & Firefighters' Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL As % of Covered Payroll
	(a)	(b)	(b)-(a)	(b)/(a)	(c)	((b)-(a))/(c)
10/1/03	18,524,225	15,064,523	(3,459,702)	123.0	2,150,827	(160.9)
10/1/04	18,785,109	16,705,557	(2,079,552)	112.4	2,129,336	(97.7)
10/1/05	19,124,909	17,915,014	(1,209,895)	106.8	2,643,594	(45.8)
10/1/06	19,830,782	18,856,229	(974,553)	105.2	2,577,762	(37.8)
10/1/07	21,524,929	20,247,518	(1,277,411)	106.3	2,758,044	(46.3)
10/1/08	22,226,151	21,056,209	(1,169,942)	105.6	2,603,398	(44.9)

**CITY OF MIAMI SPRINGS, FLORIDA**  
**EMPLOYEES' AND POLICE & FIREFIGHTERS' PLANS**  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

General Employees' Pension Fund:

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
9/30/03	-0-	N/A
9/30/04	42,827	100.0
9/30/05	79,730	93.1
9/30/06	125,237	101.4
9/30/07	194,946	104.5
9/30/08	194,946	105.0

Police & Firefighters' Pension Fund:

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
9/30/03	44,346	111.6
9/30/04	51,555	104.3
9/30/05	61,673	102.7
9/30/06	144,756	112.1
9/30/07	337,176	101.9
9/30/08	343,008	103.4

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# **COMBINING FINANCIAL STATEMENTS**

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## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

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

**Law Enforcement Trust Fund** - This fund accounts for the resources accumulated from the sale of forfeited property as well as federal grants, all proceeds are to be used for law enforcement purposes only.

**Senior Center Fund** - This fund is used to account for the financial management of programs funded under Title III of the Older Americans Act.

**Grants Fund** - This fund is used to account for monies provided to the City from an outside agency, other than routine revenues, which are normally slated to accomplish a specific project or task. Grant funds can either be an entitlement to which the City is qualified to receive by virtue of its existence, or discretionary which the City must compete for.

**Golf and Country Club Fund** – This fund accounts for the operations of the City’s golf course and country club.

**Police Grants Fund** - This fund is used to account for funds received by the City which are strictly designated for police related expenditures.

### Debt Service Fund

**General Obligation Debt Service Fund** – to account for the accumulation of transfers from other funds and payment of principal and interest and fiscal charges on the City’s general obligation bonds which are payable from ad valorem taxes.

**CITY OF MIAMI SPRINGS, FLORIDA**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2009

	Special Revenue					Debt Service	Total Nonmajor Governmental Funds	
	Golf & Country Club	Senior Center	Grants	Law Enforcement	Police Grants Fund	Total		General Obligation Bond
<b><u>ASSETS</u></b>								
Cash and equity in pooled cash and investments	\$ 9,459	\$ 4,395	\$ -	\$ -	\$ -	\$ 13,854	\$ -	\$ 13,854
Accounts receivable - net	-	29,838	-	2,400	-	32,238	-	32,238
Inventories	58,706	-	-	-	-	58,706	-	58,706
Restricted assets:								
Cash and equity in pooled cash and investments	-	-	-	947,381	-	947,381	108,124	1,055,505
Total assets	<u>\$ 68,165</u>	<u>\$ 34,233</u>	<u>\$ -</u>	<u>\$ 949,781</u>	<u>\$ -</u>	<u>\$ 1,052,179</u>	<u>\$ 108,124</u>	<u>\$ 1,160,303</u>
<b><u>LIABILITIES</u></b>								
Accounts payable	\$ 56,322	\$ 11,387	\$ -	\$ -	\$ -	\$ 67,708	\$ -	\$ 67,708
Accrued payroll	11,843	3,975	-	-	-	15,818	-	15,818
Total liabilities	<u>68,165</u>	<u>15,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,526</u>	<u>-</u>	<u>83,526</u>
<b><u>FUND BALANCES</u></b>								
Restricted	-	-	-	949,781	-	949,781	108,124	1,057,905
Assigned	-	18,872	-	-	-	18,872	-	18,872
Total fund balances	<u>-</u>	<u>18,872</u>	<u>-</u>	<u>949,781</u>	<u>-</u>	<u>968,652</u>	<u>108,124</u>	<u>1,076,776</u>
Total liabilities and fund balances	<u>\$ 68,165</u>	<u>\$ 34,233</u>	<u>\$ -</u>	<u>\$ 949,781</u>	<u>\$ -</u>	<u>\$ 1,052,178</u>	<u>\$ 108,124</u>	<u>\$ 1,160,302</u>

**CITY OF MIAMI SPRINGS, FLORIDA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue					Debt Service	Total Nonmajor Governmental Funds	
	<u>Golf &amp; Country Club</u>	<u>Senior Center</u>	<u>Grants</u>	<u>Law Enforcement</u>	<u>Police Grants Fund</u>	<u>Total</u>		<u>Debt Service</u>
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 398,275	\$ 398,275
Charges for services	1,269,895	14,530	-	-	-	1,284,425	-	1,284,425
Intergovernmental	1,018	260,074	-	3,200	-	264,292	-	264,292
Fines and forfeitures	-	-	-	127,681	-	127,681	-	127,681
Investment income	-	-	-	12,620	-	12,620	-	12,620
Miscellaneous	-	3,265	-	-	-	3,265	-	3,265
Total revenues	<u>1,270,912</u>	<u>277,869</u>	<u>-</u>	<u>143,502</u>	<u>-</u>	<u>1,692,283</u>	<u>398,275</u>	<u>2,090,558</u>
Expenditures:								
Current:								
Public Safety	-	-	-	98,967	-	98,967	-	98,967
Recreation and social services	1,403,610	312,021	-	-	-	1,715,631	-	1,715,631
Debt service:								
Principal retirement	120,408	-	-	-	-	120,408	245,000	365,408
Interest and fiscal charges	7,848	-	-	-	-	7,848	157,947	165,795
Capital outlay:								
Public Safety	-	-	-	103,059	-	103,059	-	103,059
Recreation and social services	-	108,561	-	-	-	108,561	-	108,561
Total expenditures	<u>1,531,866</u>	<u>420,582</u>	<u>-</u>	<u>202,026</u>	<u>-</u>	<u>2,154,474</u>	<u>402,947</u>	<u>2,557,421</u>
Excess (deficiency) of revenues over expenditures before other financing (uses) sources	<u>(260,954)</u>	<u>(142,713)</u>	<u>-</u>	<u>(58,524)</u>	<u>-</u>	<u>(462,191)</u>	<u>(4,672)</u>	<u>(466,864)</u>
Other financing (uses) sources								
Transfers out	-	-	(4,188)	-	(2,059)	(6,247)	-	(6,247)
Transfers in	260,954	142,713	-	-	-	403,667	-	403,667
Total other financing (uses) sources	<u>260,954</u>	<u>142,713</u>	<u>(4,188)</u>	<u>-</u>	<u>(2,059)</u>	<u>397,420</u>	<u>-</u>	<u>397,420</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(4,188)</u>	<u>(58,524)</u>	<u>(2,059)</u>	<u>(64,771)</u>	<u>(4,672)</u>	<u>(69,443)</u>
Fund balances, October 1	-	18,871	4,188	1,008,305	2,059	1,033,423	112,796	1,146,219
Fund balances, September 30	<u>\$ -</u>	<u>\$ 18,871</u>	<u>\$ -</u>	<u>\$ 949,781</u>	<u>\$ -</u>	<u>\$ 968,652</u>	<u>\$ 108,124</u>	<u>\$ 1,076,776</u>

**CITY OF MIAMI SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**FUND BALANCE-BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 401,971	\$ 401,971	\$ 398,275	\$ (3,696)
Total revenues	<u>401,971</u>	<u>401,971</u>	<u>398,275</u>	<u>(3,696)</u>
Expenditures				
Debt service:				
Principal retirement	245,000	245,000	245,000	-
Interest and fiscal charges	154,771	154,771	154,772	(1)
Administrative charges	<u>2,200</u>	<u>2,200</u>	<u>3,175</u>	<u>(975)</u>
Total expenditures	<u>401,971</u>	<u>401,971</u>	<u>402,947</u>	<u>(976)</u>
Net change in fund balance	-	-	(4,672)	(4,672)
Fund balances, October 1	<u>112,796</u>	<u>112,796</u>	<u>112,796</u>	<u>-</u>
Fund balances, September 30	<u>\$ 112,796</u>	<u>\$ 112,796</u>	<u>\$ 108,124</u>	<u>\$ (4,672)</u>

**CITY OF MIAMI SPRINGS, FLORIDA**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
 NONMAJOR GOVERNMENTAL FUNDS  
 FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds							
	Golf & Country Club				Senior Center fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Charges for services	\$ 1,423,563	\$ 1,423,563	\$ 1,259,895	\$ (163,669)	\$ 20,295	\$ 20,295	\$ 14,530	\$ (5,765)
Grant revenues	-	-	1,018	1,018	278,619	278,619	260,074	(18,545)
Miscellaneous	10,000	10,000	10,000	-	2,600	2,600	3,265	665
Total revenues	<u>1,433,563</u>	<u>1,433,563</u>	<u>1,270,912</u>	<u>(162,651)</u>	<u>301,514</u>	<u>301,514</u>	<u>277,869</u>	<u>(23,645)</u>
Expenditures:								
Current:								
Recreation and social services	1,621,945	1,621,945	1,531,866	90,079	531,227	531,227	420,582	110,645
Total expenditures	<u>1,621,945</u>	<u>1,621,945</u>	<u>1,531,866</u>	<u>90,079</u>	<u>531,227</u>	<u>531,227</u>	<u>420,582</u>	<u>110,645</u>
Excess (deficiency) of revenues over expenditures	<u>(188,382)</u>	<u>(188,382)</u>	<u>(260,954)</u>	<u>(72,572)</u>	<u>(229,713)</u>	<u>(229,713)</u>	<u>(142,713)</u>	<u>87,000</u>
Other financing sources (uses)								
Proceeds from debt	68,157	68,157	-	(68,157)	-	-	-	-
Transfers in	120,225	120,225	260,954	140,729	229,713	229,713	142,713	(87,000)
Total other financing sources (uses)	<u>188,382</u>	<u>188,382</u>	<u>260,954</u>	<u>72,572</u>	<u>229,713</u>	<u>229,713</u>	<u>142,713</u>	<u>(87,000)</u>
Net change in fund balance	-	-	-	(0)	-	-	-	-
Fund balances, October 1	-	-	-	-	18,871	18,871	18,871	-
Fund balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 18,871</u>	<u>\$ 18,871</u>	<u>\$ 18,871</u>	<u>\$ -</u>

## CITY OF MIAMI SPRINGS, FLORIDA

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL LAW ENFORCEMENT TRUST FUND FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 127,681	\$ 127,681
Miscellaneous	30,500	30,500	12,620	(17,880)
Total revenues	30,500	30,500	140,302	109,802
Expenditures:				
Current:				
Public safety	136,108	165,408	98,967	66,441
Capital outlay:				
Public safety	-	125,119	103,059	22,060
Total expenditures	136,108	290,527	202,026	88,501
Excess (deficiency) of revenues over expenditures	(105,608)	(260,027)	(61,724)	198,303
Net change in fund balance	(105,608)	(260,027)	(61,724)	198,303
Fund balances, October 1	1,008,305	1,008,305	1,008,305	-
Fund balances, September 30	\$ 902,697	\$ 748,278	\$ 946,581	\$ 198,303

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**STATISTICAL SECTION  
(SUPPLEMENTAL DATA)**

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# CITY OF MIAMI SPRINGS, FLORIDA

## NET ASSETS BY COMPONENT

### LAST TEN FISCAL YEARS (1)

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 5,759	\$ 10,628	\$ 11,878	\$ 11,937	\$ 11,720	\$ 11,658
Restricted	2,754	2,198	1,920	2,297	2,703	2,859
Unrestricted	944	3,095	2,775	3,468	5,093	6,433
Total governmental activities net assets	<u>\$ 9,457</u>	<u>\$ 15,921</u>	<u>\$ 16,573</u>	<u>\$ 17,702</u>	<u>\$ 19,516</u>	<u>\$ 20,950</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 7,740	\$ 2,948	\$ 3,167	\$ 4,626	\$ 4,464	\$ 2,771
Restricted	-	-	-	-	-	-
Unrestricted	(103)	411	237	679	1,672	1,749
Total business-type activities net assets	<u>\$ 7,637</u>	<u>\$ 3,359</u>	<u>\$ 3,404</u>	<u>\$ 5,306</u>	<u>\$ 6,136</u>	<u>\$ 4,520</u>
Primary government						
Invested in capital assets, net of related debt	\$ 13,499	\$ 13,576	\$ 15,045	\$ 16,564	\$ 16,184	\$ 14,429
Restricted	2,754	2,198	1,920	2,297	2,703	2,859
Unrestricted	841	3,506	3,012	4,147	6,765	8,182
Total primary government net assets	<u>\$ 17,094</u>	<u>\$ 19,280</u>	<u>\$ 19,977</u>	<u>\$ 23,008</u>	<u>\$ 25,652</u>	<u>\$ 25,470</u>

(1) Information for fiscal years ending September 30, 1995-2002 are unavailable in this format since the City implemented *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

**CITY OF MIAMI SPRINGS, FLORIDA**

**CHANGES IN NET ASSETS**

**LAST TEN FISCAL YEARS (1)**

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>EXPENSES</b>						
Governmental activities:						
General government	\$ 1,978	\$ 2,277	\$ 2,428	\$ 2,658	\$ 2,667	\$ 2,561
Public safety	4,384	4,416	4,719	4,993	5,626	5,676
Public works	1,821	1,657	1,641	2,025	1,953	2,084
Recreation and social services	1,307	3,497	3,401	3,070	3,245	3,424
Economic and community development	448	315	1,302	4,035	213	-
Interest on long-term debt	213	218	202	195	208	190
Total governmental activities:	<u>10,151</u>	<u>12,380</u>	<u>13,693</u>	<u>16,976</u>	<u>13,910</u>	<u>13,936</u>
Business-type activities:						
Water & Sewer	4,867	5,039	5,412	5,101	5,403	5,477
Sanitation	1,738	1,775	1,826	1,949	1,955	2,017
Golf Course	2,345	-	-	-	-	-
Stormwater	233	234	258	269	292	311
Total business-type activities	<u>9,183</u>	<u>7,048</u>	<u>7,496</u>	<u>7,320</u>	<u>7,650</u>	<u>7,805</u>
Total primary government expenses	<u>\$ 19,334</u>	<u>\$ 19,428</u>	<u>\$ 21,189</u>	<u>\$ 24,295</u>	<u>\$ 21,560</u>	<u>\$ 21,741</u>
<b>PROGRAM REVENUES</b>						
Governmental activities:						
Charges for services:						
General government	417	453	411	453	499	570
Public safety	162	349	196	198	162	215
Public works	-	-	-	-	-	-
Recreation and social services	171	1,834	1,593	1,303	1,508	1,581
Economic and community development	-	-	-	5	-	-
Capital grants and contributions	-	-	-	-	-	-
Operating grants and contributions	714	528	2,437	4,541	699	712
Total governmental activities program revenues	<u>1,464</u>	<u>3,164</u>	<u>4,637</u>	<u>6,500</u>	<u>2,869</u>	<u>3,077</u>
Business-type activities:						
Charges for services:						
Water & Sewer	4,885	4,886	4,946	6,191	5,978	5,383
Sanitation	1,527	1,564	1,546	1,732	1,820	2,200
Stormwater	281	273	281	281	282	278
Golf Course	1,689	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-
Operating grants and contributions	-	17	27	-	5	-
Total business-type activities program revenues	<u>8,382</u>	<u>6,740</u>	<u>6,800</u>	<u>8,205</u>	<u>8,086</u>	<u>7,860</u>
Total primary government revenues	<u>\$ 9,846</u>	<u>\$ 9,904</u>	<u>\$ 11,437</u>	<u>\$ 14,705</u>	<u>\$ 10,954</u>	<u>\$ 10,937</u>
Net (expense)/revenue						
Governmental activities	\$ (8,687)	\$ (9,216)	\$ (9,056)	\$ (10,476)	\$ (11,042)	\$ (10,859)
Business-type activities	(801)	(308)	(696)	885	436	55
Total primary government net expenses	<u>\$ (9,488)</u>	<u>\$ (9,524)</u>	<u>\$ (9,752)</u>	<u>\$ (9,591)</u>	<u>\$ (10,606)</u>	<u>\$ (10,804)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Taxes						
Property taxes	5,620	6,033	6,438	7,290	7,530	7,226
Utility taxes	1,603	1,570	1,578	1,635	1,634	1,667
Franchise fees on gross receipts	657	747	797	967	962	997
Intergovernmental (unrestricted)	1,773	1,989	1,299	1,396	2,237	2,128
Investment income	57	57	179	334	434	283
Miscellaneous	158	109	140	201	166	154
Transfers	(3,004)	(305)	(725)	(217)	(260)	(39)
Total governmental activities:	<u>\$ 6,864</u>	<u>\$ 10,200</u>	<u>\$ 9,706</u>	<u>\$ 11,606</u>	<u>\$ 12,702</u>	<u>\$ 12,416</u>
Business-type activities:						
Investment income	6	7	14	334	154	63
Miscellaneous	63	7	3	201	10	-
Gain (loss) on sale of capital assets	-	-	-	-	-	(1,773)
Transfers	2,709	305	725	(217)	230	39
Total business-type activities	<u>\$ 2,778</u>	<u>\$ 319</u>	<u>\$ 742</u>	<u>\$ 318</u>	<u>\$ 394</u>	<u>\$ (1,670)</u>
Total primary government	<u>\$ 9,642</u>	<u>\$ 10,519</u>	<u>\$ 10,448</u>	<u>\$ 11,924</u>	<u>\$ 13,096</u>	<u>\$ 10,745</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ (1,823)	\$ 984	\$ 650	\$ 1,130	\$ 1,660	\$ 1,557
Business-type activities	1,977	11	46	1,203	830	(1,615)
Total primary government	<u>\$ 154</u>	<u>\$ 995</u>	<u>\$ 696</u>	<u>\$ 2,333</u>	<u>\$ 2,491</u>	<u>\$ (59)</u>

(1) Information for fiscal years ending September 30, 1995-2002 are unavailable in this format since the City implemented *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

**CITY OF MIAMI SPRINGS, FLORIDA**

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**LAST TEN FISCAL YEARS (1)**

**(accrual basis of accounting)**

**(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Ad-Valorem Taxes Debt Service</u>	<u>Local Option Gas Tax</u>	<u>Enhanced Transportation Tax(2)</u>	<u>State Revenue Sharing Tax</u>	<u>Motor Fuel Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Half Cent Sales tax</u>	<u>Utility Tax</u>	<u>Franchise tax</u>	<u>Total</u>
2003	5,284	336	432	200	207	116	10	799	1,603	657	9,644
2004	5,638	393	403	385	234	122	9	826	1,570	748	10,328
2005	6,040	397	375	436	311	127	10	846	1,578	797	10,917
2006	6,891	399	413	433	324	125	10	925	1,635	967	12,122
2007	7,131	400	392	462	323	120	10	919	1,634	962	12,352
2008	6,831	395	379	441	306	113	9	879	1,667	997	12,017
2009	6,710	398	362	394	321	64	9	776	1,818	990	11,842

(1) Information for fiscal years ending September 30, 1995-2002 are unavailable in this format since the City implemented *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

(2) FY 2003 was the first year for this tax source.

# CITY OF MIAMI SPRINGS, FLORIDA

## FUND BALANCES OF GOVERNMENTAL FUNDS

### LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund										
Reserved	\$ 267	\$ 263	\$ 2,376	\$ 280	\$ 201	\$ 484	\$ 792	\$ 657	\$ 197	\$ -
Unreserved	3,041	3,108	(300)	574	2,688	2,531	3,426	4,954	6,467	-
Nonspendable *	-	-	-	-	-	-	-	-	-	103
Restricted *	-	-	-	-	-	-	-	-	-	-
Committed *	-	-	-	-	-	-	-	-	-	2,240
Assigned *	-	-	-	-	-	-	-	-	-	-
Unassigned *	-	-	-	-	-	-	-	-	-	6,078
<b>Total general fund</b>	<b><u>\$ 3,308</u></b>	<b><u>\$ 3,371</u></b>	<b><u>\$ 2,076</u></b>	<b><u>\$ 854</u></b>	<b><u>\$ 2,889</u></b>	<b><u>\$ 3,015</u></b>	<b><u>\$ 4,219</u></b>	<b><u>\$ 5,611</u></b>	<b><u>\$ 6,664</u></b>	<b><u>\$ 8,421</u></b>
All other governmental funds										
Reserved	\$ 263	\$ 639	\$ 147	\$ 477	\$ 206	\$ 564	\$ 155	\$ 1,016	\$ 5,388	\$ -
Unreserved, reported in:										
Special revenue funds	188	(315)	888	2,516	1,965	1,819	2,195	1,851	618	-
Debt service funds	116	166	171	105	101	100	102	113	113	-
Nonspendable *	-	-	-	-	-	-	-	-	-	-
Restricted *	-	-	-	-	-	-	-	-	-	2,133
Committed *	-	-	-	-	-	-	-	-	-	2,209
Assigned *	-	-	-	-	-	-	-	-	-	740
Unassigned *	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b><u>\$ 567</u></b>	<b><u>\$ 490</u></b>	<b><u>\$ 1,206</u></b>	<b><u>\$ 3,098</u></b>	<b><u>\$ 2,272</u></b>	<b><u>\$ 2,483</u></b>	<b><u>\$ 2,452</u></b>	<b><u>\$ 2,980</u></b>	<b><u>\$ 6,119</u></b>	<b><u>\$ 5,082</u></b>

\* During FY2009 the city implemented the new fund balance classifications.

**CITY OF MIAMI SPRINGS, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>REVENUES</b>										
Taxes and franchise fees	\$ 4,462	\$ 4,695	\$ 5,307	\$ 6,277	\$ 6,779	\$ 7,234	\$ 8,256	\$ 8,492	\$ 8,223	\$ 8,098
Charges for services	253	291	304	276	1,896	1,639	1,365	1,543	1,606	1,546
Public service taxes	2,135	2,693	2,743	1,603	1,570	1,578	1,635	1,634	1,667	1,818
Intergovernmental	1,476	2,734	1,697	2,263	2,507	3,429	5,939	2,932	2,799	4,817
Licenses and permits	398	-	415	360	397	359	430	467	536	415
Fines and forfeitures	1,512	615	367	338	320	467	229	147	239	322
Interest	184	148	38	57	57	180	334	434	283	133
Miscellaneous	72	207	84	158	145	183	135	182	178	251
Total revenues	<u>10,492</u>	<u>11,383</u>	<u>10,955</u>	<u>11,332</u>	<u>13,671</u>	<u>15,069</u>	<u>18,322</u>	<u>15,831</u>	<u>15,532</u>	<u>17,400</u>
<b>EXPENDITURES</b>										
General government	2,346	3,989	3,181	1,952	2,236	2,315	2,398	2,359	2,520	2,643
Public safety	4,016	4,153	4,312	4,237	4,252	4,495	4,779	5,386	5,375	5,541
Public works	1,306	1,414	1,573	1,758	1,593	1,590	1,945	1,862	1,990	2,364
Recreation and social services	744	866	977	1,212	3,214	2,973	2,740	2,820	2,958	2,917
Economic and community development	-	-	-	442	309	1,302	4,032	213	-	5
Debt service:										
Principal retirement	160	165	175	185	336	335	359	393	447	488
Interest and fiscal charges	251	229	221	213	218	202	195	208	190	295
Capital outlay:										
General government	136	99	57	154	528	338	390	276	6	40
Public safety	38	354	114	164	315	273	205	259	174	323
Public works	-	-	-	-	89	103	304	133	51	132
Recreation and social services	-	52	-	31	19	506	488	466	650	2,043
Economic and community development	-	-	-	-	71	-	147	-	150	787
Total expenditures	<u>8,997</u>	<u>11,321</u>	<u>10,610</u>	<u>10,348</u>	<u>13,180</u>	<u>14,432</u>	<u>17,982</u>	<u>14,376</u>	<u>14,511</u>	<u>17,578</u>
Excess(deficiency) of revenues over expenditures	1,495	62	345	984	491	637	340	1,456	1,021	(178)
Other financing (uses) sources:										
Transfers in	2,315	2,706	3,154	717	1,204	1,723	1,666	740	940	1,984
Transfers out	(1,840)	(2,331)	(4,269)	(3,297)	(1,084)	(2,023)	(1,458)	(537)	(356)	(1,086)
Proceeds from capital lease	-	-	-	272	-	-	125	232	87	-
Proceeds from debt	-	-	-	-	-	-	500	-	2,500	-
Total other financing sources (uses)	<u>475</u>	<u>375</u>	<u>(1,115)</u>	<u>(2,308)</u>	<u>120</u>	<u>(300)</u>	<u>833</u>	<u>434</u>	<u>3,171</u>	<u>898</u>
Net change in fund balances	<u>\$ 1,970</u>	<u>\$ 437</u>	<u>\$ (770)</u>	<u>\$ (1,324)</u>	<u>\$ 611</u>	<u>\$ 337</u>	<u>\$ 1,173</u>	<u>\$ 1,890</u>	<u>\$ 4,191</u>	<u>\$ 720</u>
Debt service as a percentage of noncapital expenditures	4.0%	3.1%	2.8%	3.1%	4.4%	3.7%	3.0%	4.6%	4.8%	5.3%

**CITY OF MIAMI SPRINGS, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Ad-Valorem Taxes General Purpose</u>	<u>Ad-Valorem Taxes Debt Service</u>	<u>Local Option Gas Tax</u>	<u>Enhanced Transportation Tax(1)</u>	<u>State Revenue Sharing Tax</u>	<u>Motor Fuel Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Half Cent Sales tax</u>	<u>Franchise Taxes</u>	<u>Utility Taxes</u>	<u>Total</u>
2000	4,009	453	407	-	199	108	10	778	658	1,071	7,693
2001	4,252	443	417	-	181	115	8	798	745	1,199	8,158
2002	4,896	411	424	-	180	122	12	798	674	1,651	9,168
2003	5,284	336	432	200	207	116	10	799	657	1,603	9,644
2004	5,638	393	403	385	234	122	9	826	747	1,570	10,327
2005	6,040	397	375	436	311	127	10	846	797	1,578	10,917
2006	6,891	399	413	433	324	125	10	925	967	1,635	12,121
2007	7,131	400	392	462	323	120	10	919	962	1,634	12,352
2008	6,831	395	379	441	306	113	9	879	997	1,667	12,017
2009	6,710	398	362	394	321	64	9	776	990	1,818	11,842

(1) FY 2003 was the first year for this tax source.

**CITY OF MIAMI SPRINGS, 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>Net Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Net assessed Value as a Percentage of Estimated Actual Value (1)</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>				
2000	409,125	123,071	83,157	615,353	7.45	923,029	66.67%
2001	441,197	128,865	74,263	644,325	7.75	972,930	66.23%
2002	453,113	134,135	83,426	670,674	8.15	1,006,011	66.67%
2003	500,231	145,749	82,766	728,746	8.14	1,107,694	65.79%
2004	552,173	157,590	78,188	787,951	8.14	1,221,324	64.52%
2005	655,039	182,998	76,241	914,278	7.90	1,358,098	67.32%
2006	741,005	204,876	73,093	1,018,974	7.60	1,606,562	63.43%
2007	806,401	242,748	74,349	1,123,498	7.50	1,676,863	67.00%
2008	804,833	218,050	67,368	1,090,251	6.30	1,840,486	59.24%
2009	680,762	253,328	54,922	989,012	6.17	1,537,229	64.34%

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 SPRINGS, FLORIDA**

**PROPERTY TAX RATES**

**DIRECT AND OVERLAPPING GOVERNMENTS(1)**

**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>City of Miami Springs</u>		<u>OVERLAPPING RATES</u>						<u>Total Direct &amp; Overlapping Rates</u>
	<u>City Wide</u>	<u>Debt Service</u>	<u>County</u>		<u>Special Districts</u>			<u>State</u>	
			<u>County-Wide</u>	<u>Debt Service</u>	<u>Fire</u>	<u>Library</u>	<u>School</u>		
2000	7.4500	0.5880	5.7510	0.6520	2.7520	0.3510	9.7170	0.6380	27.8990
2001	7.7500	0.6620	5.7130	0.5520	2.7520	0.4510	9.3760	0.7355	27.9915
2002	8.1500	0.5940	5.8890	0.3900	2.6610	0.4860	9.2520	0.7355	28.1575
2003	8.1436	0.5430	6.4690	0.2850	2.6610	0.4860	9.1000	0.7360	28.4236
2004	8.1436	0.5079	6.3792	0.2850	2.6610	0.4860	8.6870	0.7360	27.8857
2005	7.9000	0.4415	6.2638	0.2850	2.6610	0.4860	8.4380	0.7360	27.2113
2006	7.5000	0.3953	6.0373	0.2850	2.6510	0.4860	8.1050	0.7355	26.1951
2007	6.3000	0.3579	5.0019	0.2850	2.2477	0.3842	7.9480	0.6595	23.1842
2008	6.4305	0.3687	5.2945	0.2850	2.2487	0.3842	7.7970	0.6585	23.4671
2009	6.1698	0.4226	5.3370	0.2850	2.2271	0.3822	7.9950	0.6585	23.4772

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

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 SPRINGS, FLORIDA**

**PRINCIPAL PROPERTY TAXPAYERS**

**CURRENT YEAR AND TEN YEARS AGO**

(amounts expressed in thousands)

2009				1999			
Taxpayer	Taxable Valuation	Rank	Percentage Total Taxable Valuation	Taxpayer	Taxable Valuation	Rank	Percentage Total Taxable Valuation
FELCOR/CSS HOLDINGS	\$ 27,000	1	2.7%	FELCOR HOLDINGS L.P.	\$ 17,500	1	3.2%
DORIAN VAN BEYER CALLEN	13,630	2	1.4%	DORIAN VON BAYERN CALLEN	4,750	7	0.9%
RED ROOF INNS	10,785	3	1.1%	RED ROOF INNS	6,250	3	1.1%
AIRPORT FINANCIAL CENTER	9,900	4	1.0%				
AA GROUP, LTD.	-	-	-	AA GROUP, LTD.	5,379	5	1.0%
4299 MIA SPRG LLC	6,783	5	0.7%				
MIAMI SPRINGS GOLF VILLAS	6,000	6	0.6%				
FAIRHAVEN REAL ESTATE	5,679	7	0.6%				
FAIRWAYS INC	5,600	8	0.6%				
BRE LQ FL PROPERTIES L L C	5,289	9	0.5%				
ALFERCA MIAMI	4,590	10	0.5%	SOUTHERN BELL	4,500	8	0.8%
				EASTERN FINANCIAL CREDIT UNION	6,103	4	1.1%
				BISCAYNE PROPERTIES, INC.	9,272	2	1.7%
				FIRST UNION NATIONAL BANK	4,943	6	0.9%
				BECK-MARIN ASSOC-MIAMI AIRPORT	3,905	9	0.7%
				HIDEAWAY IN THE GROVE, LTD	1,900	10	0.3%
	<u>\$ 95,256</u>		<u>9.6%</u>		<u>\$ 64,502</u>		<u>12.0%</u>

Sources: Miami-Dade County Tax Assessors' Office  
 2009 Tax Roll  
 Real/personal property adjusted taxable value- \$988,970,999

# CITY OF MIAMI SPRINGS, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTION

### LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year Ended September 30,	Total taxes Levied for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2000	4,140	3,931	95.0%	178	4,109	99.3%
2001	4,340	4,187	96.5%	66	4,253	98.0%
2002	4,744	4,649	98.0%	33	4,682	98.7%
2003	5,466	5,284	96.7%	26	5,310	97.1%
2004	5,826	5,664	97.2%	25	5,689	97.6%
2005	6,312	6,124	97.0%	75	6,199	98.2%
2006	7,103	6,891	97.0%	89	6,980	98.3%
2007	7,260	7,132	98.2%	34	7,166	98.7%
2008	6,661	6,830	102.5%	99	6,929	104.0%
2009	6,859	6,683	97.4%	-	6,683	97.4%

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

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

Discounts Allowed:

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

# CITY OF MIAMI SPRINGS, 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	Notes Payable	Capital Leases	Sewer Bonds	Notes Payable	Capital Leases			
2000	4,685	-	-	10,830	-	-	15,515	4.55%	1,167
2001	4,520	-	-	10,510	-	-	15,030	4.14%	1,096
2002	4,345	-	-	10,175	-	357	14,877	3.94%	1,070
2003	4,160	-	-	9,825	910	362	15,257	3.99%	1,112
2004	3,970	-	235	9,465	828	176	14,674	3.59%	1,069
2005	3,770	-	94	9,090	984	-	13,938	3.39%	1,011
2006	3,560	478	93	8,695	943	216	13,984	2.91%	1,012
2007	3,340	384	237	8,285	847	181	13,274	2.68%	960
2008	3,110	2,787	211	-	332	89	6,529	N/A	476
2009	2,865	2,686	72	-	290	-	5,913	N/A	436

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 79 for the personal income and population data.

**CITY OF MIAMI SPRINGS, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2000	4,685	116	4,569	0.50%	344
2001	4,520	166	4,354	0.45%	318
2002	4,345	172	4,173	0.41%	300
2003	4,160	105	4,055	0.37%	295
2004	3,970	101	3,869	0.32%	282
2005	3,770	100	3,670	0.27%	266
2006	3,560	102	3,458	0.22%	250
2007	3,340	113	3,227	0.19%	233
2008	3,110	113	2,997	0.16%	219
2009	2,865	108	2,757	0.18%	201

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 70 for property value data.

(2) See the Schedule of Demographic and Economic Statistics on page 79 for population data.

**CITY OF MIAMI SPRINGS, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2009**  
(amounts expressed in thousands)

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Amount Applicable to Miami Springs</u>
Miami-Dade County Schools (2)	\$ 504,371	0.48%	\$ 2,421
Miami-Dade County (3)	<u>408,745</u>	0.48%	<u>1,962</u>
Subtotal overlapping debt	913,116		4,383
City of Miami Springs direct debt	<u>2,865</u>	100.0%	<u>2,865</u>
Total direct and overlapping debt	\$ 915,981		\$ 7,248

- Sources: (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.
- (2) Miami-Dade County Schools, General Finance Department
- (3) Miami-Dade County, Finance Department (includes General Obligation, Special Obligation Bonds)

## CITY OF MIAMI SPRINGS, FLORIDA

### LEGAL DEBT MARGIN INFORMATION

#### LAST TEN FISCAL YEARS

(amounts expressed in thousands)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	92,303	96,649	100,601	107,768	117,031	135,556	152,846	166,944	163,538	145,667
Total net debt applicable to limit (1)	<u>4,685</u>	<u>4,520</u>	<u>4,345</u>	<u>4,160</u>	<u>3,970</u>	<u>3,770</u>	<u>3,560</u>	<u>3,340</u>	<u>3,110</u>	<u>2,865</u>
Legal debt margin	<u>96,988</u>	<u>101,169</u>	<u>104,946</u>	<u>111,928</u>	<u>121,001</u>	<u>139,326</u>	<u>156,406</u>	<u>170,284</u>	<u>166,648</u>	<u>148,532</u>
Total net debt applicable to the limit as a percentage of debt limit	5.08%	4.68%	4.32%	3.86%	3.39%	2.78%	2.33%	2.00%	1.90%	1.97%

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#### LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2009

Assessed valuation 2009 roll	<u>\$ 990,212</u>
Bonded debt limit- 15% of assessed value	\$ 148,532
Total ad valorem debt- General Obligation Bonds	\$ 2,865
Amount of debt applicable	<u>\$ 2,865</u>
Legal debt margin	<u><u>\$ 145,667</u></u>

Note: City Charter sets limit of ad-valorem bond indebtedness at 15% of assessed valuations.

(1) General Obligation Bonds were issued in 1998.

**CITY OF MIAMI SPRINGS, FLORIDA**

**PLEDGED REVENUE BOND COVERAGE**

**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Water &amp; Sewer Charges and Other (1)</u>	<u>Less: Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Half Cent Sales Tax Revenues (2)</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
					<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2000	3,747,554	2,744,022	1,003,532	N/A	310,000	525,625	835,625	120
2001	3,514,412	2,774,223	740,189	N/A	320,000	513,229	833,229	89
2002	4,785,708	3,917,323	868,385	N/A	335,000	500,265	835,265	104
2003	4,885,544	3,243,656	1,641,888	N/A	350,000	486,362	836,362	196
2004	4,897,538	3,559,686	1,337,852	N/A	360,000	471,663	831,663	161
2005	4,957,104	3,988,023	969,082	N/A	375,000	456,363	831,363	117
2006	6,203,538	4,495,217	1,708,321	N/A	395,000	440,050	835,050	205
2007	6,085,729	4,363,666	1,722,063	N/A	395,000	440,050	835,050	206
2008	-	-	-	868,369	-	121,803	121,803	713
2009	-	-	-	775,907	71,688	130,736	202,424	383

Note: 1) The City's water and sewer revenue bonds were defeased with the sale of the utility operation to Miami-Dade County on September 3, 2008. This schedule presented for historical reference only

Gross Revenue includes total operating revenues, interest income, miscellaneous revenue and operating transfers.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Direct Operating Expenses do not include interest and depreciation.

# CITY OF MIAMI SPRINGS, 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>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment rate (4)</u>
2000	13,295	340,764	25,631	36.0	7,922	5.1
2001	13,712	362,614	26,445	36.0	8,005	6.1
2002	13,901	377,370	27,147	37.0	7,123	6.6
2003	13,725	382,804	27,891	37.0	7,364	5.9
2004	13,725	409,238	29,817	37.0	6,828	5.4
2005	13,783	439,223	31,867	37.0	6,618	4.3
2006	13,824	479,817	34,709	37.0	N/A	3.8
2007	13,824	494,775	35,791	38.0	N/A	3.6
2008	13,712	N/A	N/A	39.0	5,226	6.3
2009	13,557	N/A	N/A	N/A	4,742	11.3

Source: (1) City of Miami Springs and State of Florida

(2) Miami Dade County Finance Department

(3) Miami-Dade County Public Schools Registrar's Office

(4) Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics

N/A- Information not available

# CITY OF MIAMI SPRINGS, FLORIDA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND TEN YEARS AGO

<u>EMPLOYER</u>	<u>2009</u>			<u>1999</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>Percentage of Total County Employment</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	50,000	1	4.77%	34,310	1	3.12%
Miami-Dade County, Florida	32,000	2	3.05%	28,000	2	2.54%
Federal Government	20,400	3	1.95%	18,700	3	1.70%
State Government	17,000	4	1.62%	18,400	4	1.67%
Publix Supermarket	11,000	5	1.05%	-	-	0.00%
Baptist Health Systems	10,826	6	1.03%	5,285	8	0.48%
Jackson Memorial Hospital	10,500	7	1.00%	7,209	7	0.65%
University of Miami	9,874	8	0.94%	7,517	6	0.68%
American Airlines	9,000	9	0.86%	9,304	5	0.85%
Miami-Dade Community College	6,500	10	0.62%	-	-	0.00%
Florida Power & Light	-	-	-	3,745	9	0.34%
City of Miami	-	-	-	3,400	10	0.31%
	<u>177,100</u>		<u>16.89%</u>	<u>135,870</u>		<u>12.34%</u>

Source: The Beacon Council

# CITY OF MIAMI SPRINGS, FLORIDA

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

### LAST TEN FISCAL YEARS

	<b>FULL-TIME EQUIVALENT EMPLOYEES AS OF SEPTEMBER 30</b>									
<b>Function</b>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	17	17	17	19	19	19	19	19	19	19
Public safety										
Police										
Officers	43	43	43	43	43	43	43	43	41	41
Civilians	12	12	12	12	12	12	12	12	12	11
Building & Zoning	5	5	6	6	6	5	5	6	6	6
Public Works	26	24	23	27	27	27	24	23	21	25
Culture and recreation	8	8	9	9	8	8	8	12	10	10
Water and Sewer	11	13	13	13	13	15	14	10	8	-
Sanitation	20	20	18	13	13	13	13	13	13	13
Stormwater	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>144</u>	<u>144</u>	<u>143</u>	<u>144</u>	<u>143</u>	<u>143</u>	<u>140</u>	<u>140</u>	<u>132</u>	<u>127</u>

Source: City of Miami Springs Finance department

**CITY OF MIAMI SPRINGS, FLORIDA**

**OPERATING INDICATORS BY FUNCTION**

**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Public Safety</b>									
Police:									
Number of calls answered	21,967	20,025	21,001	20,598	18,205	15,853	15,923	15,222	16,413
Number of arrests	655	539	675	746	955	687	714	663	537
Number of uniformed officers	43	43	43	42	42	43	43	41	41
Building & Zoning:									
Number of building permits issued	n/a	n/a	n/a	n/a	1535	1,592	2000	1701	1,324
License/Permit revenue generated	\$ 397,977	\$ 329,869	\$ 414,845	\$ 359,674	\$ 396,527	\$ 358,741	\$ 429,946	\$ 467,280	\$ 373,957
Occupational licenses issued	363	391	400	432	463	529	553	618	652
<b>Culture and recreation</b>									
Number of senior meals served	39,158	47,319	49,054	47,862	51,249	54,894	54,340	49,901	48,530
Recreation revenues collected	\$ 179,713	\$ 179,625	\$ 180,963	\$ 170,570	\$ 162,301	\$ 170,534	\$ 173,585	\$ 187,952	\$ 190,498
<b>Sanitation:</b>									
Refuse collected (tons per month)	n/a	n/a	n/a	957	995	891	918	520	375

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 SPRINGS, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b><u>Function/Program</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
<b>Public Safety</b>										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	30	32	33	33	33	34	34	40	43	41
<b>Public works</b>										
Streets (Miles-paved)	55	55	55	55	55	55	55	55	55	55
<b>Culture and recreation</b>										
Sports/Recreation Parks	3	3	3	3	3	3	3	3	3	3
Recreation Center	N/A	1	1							
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	5	5	5	5	5
Baseball/Football fields	10	10	10	10	10	10	10	10	10	10
Golf courses	1	1	1	1	1	1	1	1	1	1
<b>Sanitation</b>										
Number of collection trucks	7	7	7	5	4	6	6	6	6	6
<b>Elderly Services</b>										
Senior centers	1	1	1	1	1	1	1	1	1	1
Transportation vehicles	1	1	1	1	1	1	1	2	2	2

Sources: Various city departments

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

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## **COMPLIANCE SECTION**

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CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

4649 PONCE DE LEON BLVD.  
SUITE 404  
CORAL GABLES, FL 33146  
TEL: 305-662-7272  
FAX: 305-662-4266  
ACC-CPA.COM

**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**

Honorable Mayor and Members of the City Council  
City of Miami Springs, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miami Springs, Florida (the City) as of and for the fiscal year ended September 30, 2009 which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable Mayor and Members of the City Council  
City of Miami Springs, Florida

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 the 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*.

However, we noted other matters that we have reported in the schedule of recommendations and responses as required by the Auditor General of the State of Florida.

The City's response to the recommendation identified in our audit is described in the accompanying schedule of recommendations and responses. We did not audit the City's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Council, management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Alberni Caballero & Company, LLP*

December 18, 2009  
Coral Gables, Florida



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SUITE 404  
CORAL GABLES, FL 33146  
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FAX: 305-662-4266  
ACC-CPA.COM

**MANAGEMENT LETTER REQUIRED BY SECTION 10.550 OF THE RULES OF THE AUDITOR  
GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and Members of the City Council  
City of Miami Springs, Florida

We have audited the financial statements of the City of Miami Springs, Florida, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated December 18, 2009.

We conducted our audit in accordance with United States generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over financial reporting and on Compliance and Other Matters. Disclosures in that report, which are dated December 18, 2009, should be considered in conjunction with this management letter

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

- ❖ Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. We have reported the status of prior year recommendations in the accompanying schedule of recommendations and responses.
- ❖ Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Miami Springs, Florida complied with Section 218.415, Florida Statutes.
- ❖ Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit there were no recommendations made to improve financial management.
- ❖ Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Honorable Mayor and Members of the City Council  
City of Miami Springs, Florida

- ❖ Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. Our audit disclosed the following matters required to be disclosed:
  - Prior Year Findings and Recommendations: **2008-1** and **2001-1**.
- ❖ Section 10.554(1)(i)6., 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 City was incorporated by Chapter 5799, Laws of Florida, Acts of 1907. There are no component units related to the City.
- ❖ Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City of Miami Springs, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- ❖ Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City of Miami Springs, Florida for the fiscal year ended September 30, 2009, 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, 2009. In connection with our audit, we determined that these two reports were in agreement.
- ❖ Pursuant to Sections 10.554(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Miami Springs' 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these parties.

We wish to thank the City of Miami Springs, Florida, and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

*Alberni Caballero & Company, LLP*

December 18, 2009  
Coral Gables, FL

**SECTION I – FINANCIAL STATEMENT RECOMMENDATIONS AND RESPONSES**

**A. CURRENT YEAR FINANCIAL STATEMENT FINDINGS**

**None.**

## SECTION I – FINANCIAL STATEMENT RECOMMENDATIONS AND RESPONSES

### B. STATUS OF PRIOR YEAR RECOMMENDATIONS

#### Other Matters

#### **No. 2008-01 Update the Accounting Procedures Manual and Communicate the Changes**

##### **RECOMMENDATION:**

With the restructuring efforts the City has undertaken, it is our recommendation that the City's management make an evaluation of its existing policies and procedures and consider amending these documents where change is considered necessary. This process will ensure that the City have a system of internal controls that is more in line with the revised organizational structure.

In making these changes, it would also benefit the City to evaluate individual functions and identify areas of improvement. This would simply be considered a prudent business practice that would help the City maintain its policies in line with the changing environment.

Any changes that will be made to the City's policies and procedures should be documented and communicated to all affected individuals. In addition, as changes are made to the City's policies and procedures, the director of the department affected by those changes should sign and date a remittance document that indicates that person has received the revised documents and understands the procedures that must be followed within that individual's department.

##### **CURRENT YEAR STATUS:**

The City updated its Accounting Policies and Procedures during the 2009 fiscal year. **This recommendation will not be repeated.**

#### **No. 2001-01 Golf and Country Club Fund**

##### **RECOMMENDATION:**

We noted that the City operates a Golf and Country Club Fund, which is very costly to the City and has been operating under a deficit since its purchase during fiscal year 1998.

During 2006, the golf course operation became a City department and a new department head was hired to oversee the operation. All financial activities are controlled by the City's finance department using the same policies, procedures, and controls in place for all City operations. The food and beverage operations were contracted to a private company at no lease/rental cost and the terms permit the company to maintain full revenue and expense responsibility for all food and beverage functions of the facility. This relationship is a permitted operational alternative for the Country Club which transferred all profit and loss food and beverage responsibility to the company while not impacting the tax free status of the municipal bonds utilized by the City in 1997 to purchase the Golf Course and Country Club facility. Although the new operating structure for the Golf and Country Club Fund has reduced the City's losses, the revenues generated are still not sufficient to cover costs. We recommend that the City continue to closely monitor the Golf Course revenues and costs to achieve the City's goal of break-even operations.

##### **CURRENT YEAR STATUS:**

The City continues to closely monitor the finances of the Golf Course and the administration still believes that the business model initiated in 2006 can still lead to a breakeven operation at the Golf Course. The operation was headed in that direction; however the current economic conditions have caused a significant reduction in revenues. This reduction in revenues is the main reason for the loss in the Golf Course operations reported in 2009 of approximately \$261,000. The administration will continue to budget the necessary subsidies to fund the Golf Course operations until the current market conditions have passed and will continue to closely monitor the finances of the Golf Course to achieve the goal of a break-even operation. **This recommendation will not be repeated.**