



CITY OF **MIRAMAR**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
2300 CIVIC CENTER PLACE, MIRAMAR, FLORIDA 33025

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF MIRAMAR, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

Prepared by the Finance Department

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ABOUT THE COVER

City of Miramar continues to provide additional facilities and programs for its residents as evidenced by a new Amphitheater located near the lake, just west of the aquatic complex at Miramar Regional Park. The Amphitheater is comprised a 100' X 40' permanent stage, along with a tensile canopy, and special events area with a total folding seat capacity of 3,000 under cover and an overall capacity of 5,000 patrons. The Amphitheater was completed in April 2017.



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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO



MIRAMAR

BEAUTY AND PROGRESS
EST 1955

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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MIRAMAR

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INTRODUCTORY SECTION



CITY OF MIRAMAR

An Equal Opportunity Employer

Mayor

Wayne M. Messam

Vice Mayor

Winston F. Barnes

City Commission

Maxwell B. Chambers

Yvette Colbourne

Darline B. Riggs

City Manager

Kathleen Woods-Richardson

"It's Right Here in Miramar"

Financial Services
2300 Civic Center Place
Miramar, Florida 33025

Phone: (954) 602-3049
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March 31, 2018

The Honorable Mayor and
Members of the City Commission
City of Miramar
2300 Civic Center Place
Miramar, FL 33025

To the Mayor and City Commissioners:

We are pleased to present the City of Miramar, Florida (the "City") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. The CAFR has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is used to assist in making economic, social and political decisions, and to assist citizens in assessing accountability and transparency by:

- Assessing financial condition and results of operations;
- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

The City's financial statements have been audited by Caballero Fierman Llerena + Garcia, LLP, a firm of licensed certified public accountants. The pension trust funds were audited by other auditors. The goal of the independent audits was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2017, are free of material misstatement. The audits involve 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; and evaluating the overall financial statement presentation. The independent auditors have issued an unmodified opinion on the City's financial statements for the fiscal year ended September 30, 2017. The independent auditors' report is located at the front of the financial section of this report.

The management's discussion and analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The Legislature of the State of Florida created the City of Miramar in 1955. Miramar resides within Broward County, the second most populated county in the State, occupying approximately 31 square miles in the southwestern portion of the County. The population in Miramar has grown to 136,000 residents. Since the year 2000, the City's population has increased 87%.

The City is located on the semi-tropical coastal ridge between the Everglades and the Atlantic Ocean. The terrain is generally flat, with developed land elevations varying from approximately 4 to 22 feet above mean sea level. The sub-tropical climate provides comfortable living year round.

The City operates under a Commission/ Manager form of government. Policymaking and legislative authority are vested in the governing commission, which consists of a Mayor, Vice-Mayor and three other Commissioners. The City Commission is vested with policy-setting authority, adopting the annual budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible for recommending and carrying out the policies and ordinances of the City Commission, appointing the directors of the City's departments with the concurrence of the City Commission, submitting the proposed annual budget, advising the Commission as to the financial condition of the City, and overseeing the day-to-day operations of the City.

Miramar provides a full range of services including police and fire rescue protection; general government; the construction and maintenance of streets and other infrastructure; recreational activities; social services and cultural events. Water services are provided by two water treatment plants located in the east and west portions of the City. Wastewater services are provided by our state of the art Waste Water Reclamation Facility, which treats sewage and then recycles the used water for irrigation purposes. A franchise contractor provides the City's sanitation services.

ECONOMIC CONDITION AND OUTLOOK

The continuous growth over the past few years, in both residential and commercial development, is still continuing in the City though at a much slower pace. The City is currently the 13th largest city in Florida, having moved from the 25th largest city in 2000 and the 41st largest in 1990. With an 87% increase in population from 2000, the City has grown from a bedroom community to one of the country's fastest growing municipalities.

The availability of large vacant tracts of land has been the catalyst for much of the City's current and projected development potential. The City is centrally located equidistant from the Miami and Fort Lauderdale metropolitan areas. Thus, the City is strategically positioned to benefit from the robust economic activity attracted to these major business centers. Miramar is connected to these metropolitan areas with access to major regional transportation routes, particularly Interstate 75 and the Florida Turnpike. These major transportation arteries provide the most central location in South Florida for industry to have access to the two major airports, the two seaports, as well as the major business centers in Miami-Dade, Broward and Palm Beach Counties.

The City has long been a preferred locale for major corporations and Fortune 500 companies to call home. The City has achieved the status of being among the most desirable corporate and business centers in South Florida, in part due to its prime location and because of the highly skilled and professional workforce that resides here. Better than a third of the City's residents have a bachelor's degree or higher and their average household income ranks among the highest locally and statewide. Companies that are a prominent part of the City include Strayer University, Memorial Hospital, Humana, Comcast, Spirit Airlines, Royal Caribbean Cruise Lines, Carnival Corporation, Premier Beverage Co. and Southern Wine and Spirits. Miramar businesses employ over 38,000 employees.

MAJOR INITIATIVES

The City continues to take a fiscally conservative approach to the management of the City's growth and resources. With the adherence to the Business Plan, creation of a Financial Stabilization Account and from the City's prudent and measured response to the recently projected budget shortfalls, the City has been able to continue to provide vital services to our residents and business community while keeping the growth of the budget in check. The City's rapid growth has required us to "catch-up" with our public facilities and services. This year's Capital Improvement Program included both new facilities and the renovation of existing facilities, park expansion, and equipment replacement. The Business Plan and the Capital Improvement Plan (CIP) are integral parts of the City's long-term financial planning.

CIP Accomplishments and Initiatives for Fiscal Year 2017 are outlined below indicating both the challenges and opportunities related to the growth and development currently taking place within the City.

- **Historic Miramar Infrastructure Phase III Project** – Following the tremendous success of the first two phases of the Historic Miramar Infrastructure project, the City undertook the challenge of constructing the third and final phase of the Historic Miramar Infrastructure Phase III project. The objective of the project was to construct a gravity sewer collection system and lift station to eliminate septic tanks within the area bounded by Pembroke Road to the north, SW 25th Street to the south, SW 64th Avenue to the east, and SW 68th Way/Sunshine Blvd. to the west. The project began construction in the summer of 2017. Upon completion, business and property owners in the area will be served by a gravity collection system that reduces the potential of health and environmental risks associated with antiquated septic tank systems, as well as repositioning the Historic Miramar business area for future development opportunities. The project will also improve the area's stormwater management system and will replace the existing water distribution system. The project is programmed to be completed in September 2019.
- **Historic Miramar Fire Hydrants and Line Improvements** – This project will replace inadequate and undersized water pipes located within certain streets of Historic Miramar with larger diameter piping to provide potable water at sufficient pressure and install fire hydrants to provide firefighting capabilities within Historic Miramar service area between SW 64 Avenue and University Drive. Design, permitting and construction started in January 2017 with a completion date in June 2018.
- **East Water Treatment Plant Renovation Project** – This project will renovate the existing 6 million gallons per day lime softening facility which was originally built in the 1950s with expansion modifications made during the 1960s. The renovations include the addition of a membrane softening treatment system, which will improve finished water quality and overall treatment reliability, maximize treatment capacity of the existing site and allow ultimate decommissioning of the facility's aging lime softening infrastructure. The project also includes 5 new raw water production wells, a new deep injection well, new water storage tank and required piping. The project began construction in the summer of 2017. The project is programmed to be completed in September 2019.
- **The Amphitheater at Miramar Regional Park** – A new Amphitheater and Promenade Area were constructed at Miramar Regional Park. The project is comprised of a 100' x 40' permanent stage, along with a tensile canopy with a total folding seat capacity of 3,000 under cover and an overall capacity of 5,000 patrons. The project was completed in April 2017.
- **Police Benevolent Association/Civic Center Park Expansion** – This project involved the removal of a vacated single story building and the development of a new Passive park site with a nature trail, interpretation signage, picnic shelter, playground equipment and exercise

stations. This project was completed in May 2017.

- **Restroom Buildings at Miramar Regional Park** – The scope of this project was the installation of three prefabricated buildings for restrooms, in close proximity to the Amphitheater. This project was completed in April 2017.
- **Administration Building at Miramar Regional Park** – The installation of a new prefabricated office building for Park Administration staff. This project was completed in May 2017.
- **Shirley Branca Park Community Band Shell and Renovations** – This project includes renovations of the two-acre park site, a new band shell, new restroom building and a new splash pad for the enjoyment of the community. This project was completed in November 2017.
- **Monarch Lakes Park** – A passive park with restroom, pavilion, walkways, lighting, butterfly garden and parking area. Completion is programmed for March 2018.
- **Harbour Lake Park** – This project consisted of a new passive park with fitness stations, open space, landscaping, lighted walkways and parking area. This project was completed October 2016.
- **River Run Park River Improvements** – Improvements to this popular park included additional parking, walking trail improvements, new lighting, new community meeting room and replacement of exercise stations. This project was completed October 2016.
- **Parking and Drainage Improvements at Miramar Regional Park** – This new project includes improvements to the parking area adjacent to the new Amphitheater, including enhanced drainage, lighting, new paved parking area for 137 cars (primarily for handicap spaces) and grass parking to accommodate 1700 vehicles. This project was completed in April 2017.
- **Forzano Park Phase II** – This project included the expansion of the parking area, landscape and irrigation improvements. This project was completed in April 2017.
- **Ansin Sports Complex Phase III** – The new work comprises existing sport field drainage improvements and lighting improvements to the existing walking trail. Completion is programmed for April 2018.
- **Fire Rescue Station 107** – Approximately 13,500 sq. ft., this new three apparatus bay fire station also contains office space and support areas and provides additional support to central Miramar for faster response times. The facility also includes a conference room for use by the community. A Marquee sign was also installed for notifications of community events. This project was completed in February 2018.
- **Historic Miramar Public Safety Complex** – This new 24,000 sq. ft. building complex includes a variety of key public safety functions at a central city location. The proposed site will accommodate the Historic District Police Substation, Crime Lab/Evidence Storage, Logistics, Utility Storage and other related functions. The overall building area will also include administrative offices, a community room for use by residents and civic groups, and a surface lot for various safety vehicles. Project completion is anticipated to be mid-2019.
- **Historic Downtown Revitalization** – This project includes construction of Streetscape improvements such as bicycle lanes, lighting, crosswalks, landscaping, pavers and drainage along Miramar Parkway between SW 69 Way and SW 68 Avenue. In addition, this project involves drainage improvements as well as roadway re-surfacing along SW 69 way, in front of Shirley

Branca Park. The project is expected to be completed in January 2019.

- **Miramar Parkway Streetscape from SW 64 Avenue to SW 68 Avenue** – The proposed Improvements would utilize complete streets concepts such as adding bike lanes on both sides of street, landscaping, lighting, median improvements, and re-construction of entire curved section of existing roadway at SW 67 Terrace. The construction is expected to start in May 2019 and be completed by November 2020.
- **Historic Miramar Complete Streets Phase 2** – Complete street improvements within eight streets located between SW 62 Avenue and SR 7 and between Pembroke Road and County Line Road within Historic Miramar, including sidewalks, ADA ramps, landscaping and pedestrian lighting improvements. The project is expected to be completed by April 2019.
- **Pembroke Road widening from Dykes Road to Silver Shores Blvd** – Widening of Pembroke Road from a two lane roadway to a four lane roadway with landscaped median and lighting improvements between Silver Shores Blvd. and Dykes Road. The project also includes the construction of a ten-foot-high noise wall along the south side of Pembroke Road from Silver Shores Blvd. to Silver Shores Park. Completion is anticipated in summer of 2019.
- **Landscaping & Beautification along Miramar Boulevard and Miramar Parkway** – The design and permitting of the proposed landscaping improvement along Miramar Blvd from University Drive to Palm Avenue and along Miramar Parkway from SW 69 Way to Palm Avenue has been completed in FY 17. Construction is pending funding availability.
- **Traffic Signal at Intersection of Silver Shores Boulevard and Pembroke Road** – The installation of this traffic signal, requested by the Silver Shores Community, provides increased safety of the intersection. This project was completed in December 2016.
- **Historic Miramar Canal Improvements** - This project provides for repair of the eroded canal/lake banks east of University Drive deemed in “Poor” condition derived from the Engineering Feasibility and Needs Assessment Study completed in 2012. The repairs are completed utilizing sediment-filled geotextile tubes commonly called Geotubes. Construction of the project commenced in June 2016. To date, a total of 40 properties have been restored. The project is currently in Phase II of construction and is anticipated to be completed in September 2018.
- **Landscape & Beautification Project Along Red Road Gateway** - Improvement of the landscaping, and irrigation within the right-of-way along Red Road from Miramar Parkway to Florida Turnpike. The project was completed in May 2017.
- **Citywide Embankment Stabilization and Stormwater Management** – This project provides for stormwater management including, Best Management Practices (BMPs) implementation, flood mitigation, and construction of retention ponds in areas where presently there are no drains. Approximately 300 ft. of corrugated metal pipes have been replaced with reinforced concrete pipes in the Historic area of the City. The project is expected to be completed in March 2018.
- **Repair/Replacement of Sidewalks** – Repair and or replacement of existing sidewalks to increase pedestrian mobility, reduce tripping hazards, and enhance the City’s efforts at satisfying the Americans with Disability Act (ADA) requirements. Phase I was completed in January 2018 with approximately 2 linear miles of sidewalks repaired. Replacements were prioritized by areas adjacent to and within the proximity of schools, parks and other public facilities, with some repairs

along local neighborhood streets. Phase II of the project is expected to be completed by in September 2018.

- **Air Conditioning Systems Replacement Program** - This project included the replacement of a total of 11 aged air conditioning units at the three city facilities (West Police Sub-station (4), Sunset Lakes Community Center (6) and Vicki Coceano Childcare Facility (1)) with new and more energy-efficient units. The project also funded refurbishment of the main chiller at the Town Center Complex and the three HVAC units at the Vernon E. Hargray Youth Enrichment Center to extend the equipment useful life expectancy and improve operational efficiency. The project is expected to be completed in March 2018.
- **Area Wide Drainage Improvements - Phases IV, V and VI** - This project is aimed at upgrading and improving the existing drainage infrastructure in the area to alleviate flooding and supporting the City's goal of enhancing the level of service for residents within the service area. The Historic Miramar Drainage Infrastructure Improvements Project area is located in the general area of the City, east of University Drive, south of Pembroke Road, west of State Road 7/US441, and north of County Line Road. The project is being programmed in phases with Phase I and Phase II completed, and Phase III currently under construction. Phases IV, V and VI are a continuation of the area wide drainage improvement project and was initiated with preparation of the required project planning documentation. The planning phase of the project is programmed for completion by May, 2018. Phase IV design is expected to commence by October 2018. The project is programmed over a period of 10 to 12 years.

Economic Development

Corporate Community

The City has 15 million square feet of non-residential space consisting of office, warehouse, industrial-flex, and community-level retail. Industry sectors represented include finance, insurance, manufacturing & distribution, medical, aviation, and travel/tourism. Some things to note:

- *Corporate Attraction/Expansion*

The City continues to be an attractive location for companies. In 2017 the City attracted a global aviation and marine entertainment technology company and saw the expansion of an existing aviation company. Together these companies will be creating 515 new jobs and making an \$11.7 million-dollar capital investment in 148,000 square feet of space.

- *New Major Project Approvals*

Many new development projects received approvals in 2017. These included hotels, multi-family residential, retail, office and self-storage, comprising over 600,000 square feet.

Property Assessed Clean Energy Program

The City has inter-local agreements with four service providers to administer this program for City property owners. The program provides a funding mechanism for the cost of energy efficiency and renewable energy improvements that are repaid over time through a non-ad valorem assessment on the owner's property tax bill. For 2017, 463 projects were processed for a total value of \$8.5 million dollars.

Redevelopment

This area of economic development was active in the historic area of the city. A plan to renovate and expand Countyline Plaza was approved and streetscape improvements were started on Miramar Parkway from SW 64th Avenue to SW 68th Avenue. Multi-family residential projects began construction that will add 39 new units to the housing inventory.

Purchase Assistance – this program provides down payment assistance for income eligible households to purchase property to occupy as their primary residence. Three first-time homebuyers received purchase assistance for the fiscal year ending September 30, 2017.

Residential Rehabilitation – this ongoing program provides grant assistance for income eligible homeowners to make needed repairs to strengthen the housing stock. Eighteen homeowners were assisted for the fiscal year ending September 30, 2017.

Residential Utility Connection – this program is provided in conjunction with the infrastructure improvements in Historic Miramar to assist residents with the cost of connecting to the public sanitary sewer system using Community Development Block Grant funds. One household was assisted for the fiscal year ending September 30, 2017. Additional assistance will be provided once the next phase of the infrastructure project is implemented.

FOR THE FUTURE

The City of Miramar's 5-year outlook contains challenges that include rising healthcare and pension costs, a large debt service as compared to neighboring cities, rising labor costs, increased operating expenses on capital projects coming online, and increased maintenance on aging buildings. Although the ad valorem revenue has risen for the past six years in a row because of a growing tax base, there may be a reduction or flattening of this revenue stream in Fiscal Year 2020 with the implementation of proposed legislation that allows additional homestead exemptions to Florida residents. Despite these challenges, the City stays committed to maintaining the high level of service through the offering of numerous programs that the residents have come to expect.

In September 2013, the City issued \$59 million in Special Obligation Refunding and Improvement Revenue Bonds to fund numerous capital improvement projects. As of the end of Fiscal Year 2017 the completed projects include the new Police Headquarters Facility, Adult Day Care Center, Amphitheater, several park improvement projects at various parks, and renovation and improvements to City Hall. Projects to be completed relate to Parks, Infrastructure and Public Safety.

In February 2017, the City issued a \$10 million Special Obligation Revenue Note. This Note will fund the acquisition, construction, equipping, renovating, improving and upgrading of certain buildings, facilities, parks, public safety vehicles, equipment, streets, streetscapes and sidewalks, all as described in the City's adopted Capital Improvement Program for Fiscal Years 2017-2021 and Fiscal Years 2018-2022.

In November 2017, the City issued \$32 million in Utility System Refunding Revenue Bonds, Series 2017 to refund the City's outstanding Utility System Revenue Bonds, Series 2007 and to pay certain costs and expenses relating to the issuance of the Series 2017 Bonds.

BUSINESS PLAN

The City's Business Plan, initiated for the fiscal year ended September 30, 2003, includes revenue and expenditure projections as well as intended outcomes and the initiatives engaged to meet those outcomes in order to accomplish long-term financial stability for Miramar. The Plan serves as a guide to the financial and growth management strategies that will lead Miramar to maturity. The Business Plan is continuously

reviewed for improvement, including updated financial projections and examination of the Plan's intended outcomes and initiatives. Current intended outcomes and initiatives include:

- Encourage annual commercial, industrial and office development. For the fiscal year ended September 30, 2017, total commercial and industrial space increased by approximately 396,015 square feet.
- Maintain control of labor and other operating costs.
- Maintain control of pension costs – limit benefits/ limit City contributions. Agreements are being reached with the Police, Fire and GAME bargaining units.

Each of these intended outcomes is in progress. As an economic development strategy, the attraction of additional commercial, industrial and office space will further the balance of Miramar's anticipated 140,000 total residents with a vibrant business community, providing jobs and services to those residents and to the local, statewide and national markets as well.

FINANCIAL MANAGEMENT

Accounting and Internal Control

Management of the City 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 the financial statements in conformity with GAAP. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Single Audit

As recipient of federal, state, county and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management.

The City is required to undergo an annual single audit performed under the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. As a part of the City's Single Audit, tests were made to determine the adequacy of the City's internal controls and its compliance with applicable laws and regulations, including those related to federal awards and state assistance programs. Reported within the Compliance section of the CAFR are the schedule of expenditures of federal awards, schedule of findings and questioned costs, and auditor's reports on the schedule, internal control and compliance with applicable laws and regulations.

Budgetary Controls

The foundation of the City's financial planning and control is the Annual Operating and Capital Improvement Budget. In early July of each year, the City Manager presents the proposed budget to the City Commission. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (e.g., Human Resources, Police, Fire Rescue, etc.) and program. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Budgetary controls are maintained by the City to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund, and Capital Project Funds are included in the annual appropriated budget. A non-appropriated operating budget is adopted for the Enterprise Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriations lapse at year-end. However, encumbrances relating to Capital Projects are generally re-appropriated as part of the following year's budget. Budget-to- actual comparisons demonstrate how the actual expenditures compare to both the original and final revised budgets.

Administrative budget transfers may occur upon approval of the City Manager as long as the final fund budget is not increased. Budget amendments are submitted, on an as needed, to the Commission for their consideration.

FINANCIAL POLICIES

Fund Balance Policy

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as Committed can only be used for specific purposes determined by formal action of the City Commission through an ordinance or a resolution. Commitments may be changed or lifted only by the City Commission through formal action. Assigned fund balances are amounts that the City intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds shall be expressed by the City Commission or may be delegated to the City Manager. Unassigned fund balance can be viewed as the net resources available at the end of the fiscal year.

On February 5, 2014, the City Commission adopted Resolution No. 14-74 creating a committed fund balance designated as a Financial Stabilization Account equal to 12% of the General Fund's final amended budgeted expenditures.

The following reservations are established for the General Fund:

- Committed Fund Balance:
 - Financial Stabilization Account – a reserve equal to 12% of the City's General Fund final amended budgeted expenditures was established in order to ensure that the City has sufficient cash flow and available financial resources to meet future economic demands and unanticipated situations.

- Assigned Fund Balance:
 - Emergency Preparedness – to provide the resources necessary to ensure continued operations and maintenance of services to the public during an emergency situation.
 - Subsequent years budget – to appropriate current year budgeted savings to cover next year budget.

Debt Administration

The City is limited to incurring indebtedness for general obligation bonds until and unless approved by a majority vote of the electors of the City in a referendum election. The City Commission shall approve by majority vote any financing mechanism other than general obligation bonds. The City does not currently have any general obligation bonded debt or a legal debt limit.

In July 2014, the City Commission approved Resolution No. 14-148 adopting a written post-issuance compliance policy as part of our process to ensure continued compliance, identify and resolve any non-compliance that may occur or exist and to preserve the tax exempt status of tax advantaged obligations related to bonds, loans, lines of credit and leases.

Cash Management Policies and Practices

The City administers a comprehensive cash management and investment program. The primary goals of the program are to maximize the amount of cash available to meet daily cash requirements and to obtain the highest possible yields consistent with restraints imposed by Florida Statutes and the City’s investment policies.

The City has adopted a written comprehensive investment policy to safeguard against the loss of its assets. The City’s investment program is established in accordance with the City’s investment policy, which was adopted by ordinance by the City Commission, and Florida State Statute Chapter 218.415 (Local Government Investment Policies), which establishes investment plan guidelines for local governments in Florida. The City’s investment guidelines permit investment in U.S. Government Obligations, U.S. Government Sponsored Agency obligations, repurchase agreements, time deposits/certificates of deposits and prime commercial paper.

The investments of the pension plans are controlled by the pension boards, who have hired professional money managers responsible for managing the assets of those funds.

Risk Management

The City is exposed to various risks and losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has a comprehensive risk management program that consolidates the City’s property, liability (except for public officials which is separately covered), automobile physical damage, workers’ compensation, crime exposures, claims administration, loss control and consulting services into one package. This program provides for a self-insurance loss fund which provides for various self-insurance retention levels and utilization of specific excess insurance coverage.

REPORTING ACHIEVEMENT

The City of Miramar continues to receive many awards and accolades; some of these are listed below:

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City, for its CAFR for the fiscal year ended September 30, 2016. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management team. This was the twenty-ninth year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for its annual budget for twenty-seventh consecutive year, since the fiscal year beginning October 1, 1989. In order to qualify for this award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operational guide, and as a communications device. We expect to receive confirmation that our budget continues to conform and that we will receive the certificate for the current budget year.

ACKNOWLEDGMENTS

The preparation of the report would not have been possible without the skill, effort and dedication of the entire staff of the Finance Department. The year-end closing, the audits, and compiling and publishing the CAFR could not have been accomplished without hard work, commitment and personal sacrifice. Special thanks must be given to Elaine Connors, Ian Thomas, Ian Evans-Smith, Yenevin Capote, Andrea Pedlar, Mayra Soto, Winsome Freeman, Paul Samuels, Donna Cousins, Mark James, Patricia McCarthy, Mike Dunn, Fiona Morrell and Jose Lopez for their dedication in the development and preparation of this document.

We wish to thank all the City departments for their assistance in providing the data necessary to prepare this report. The guidance and cooperation of the Mayor and City Commission in planning and conducting the financial affairs of the City is greatly appreciated.

Respectfully submitted,

Claudia Dixon, CPA
Finance Director



Faye Munnings
Assistant City Manager – Administrative and Financial Services

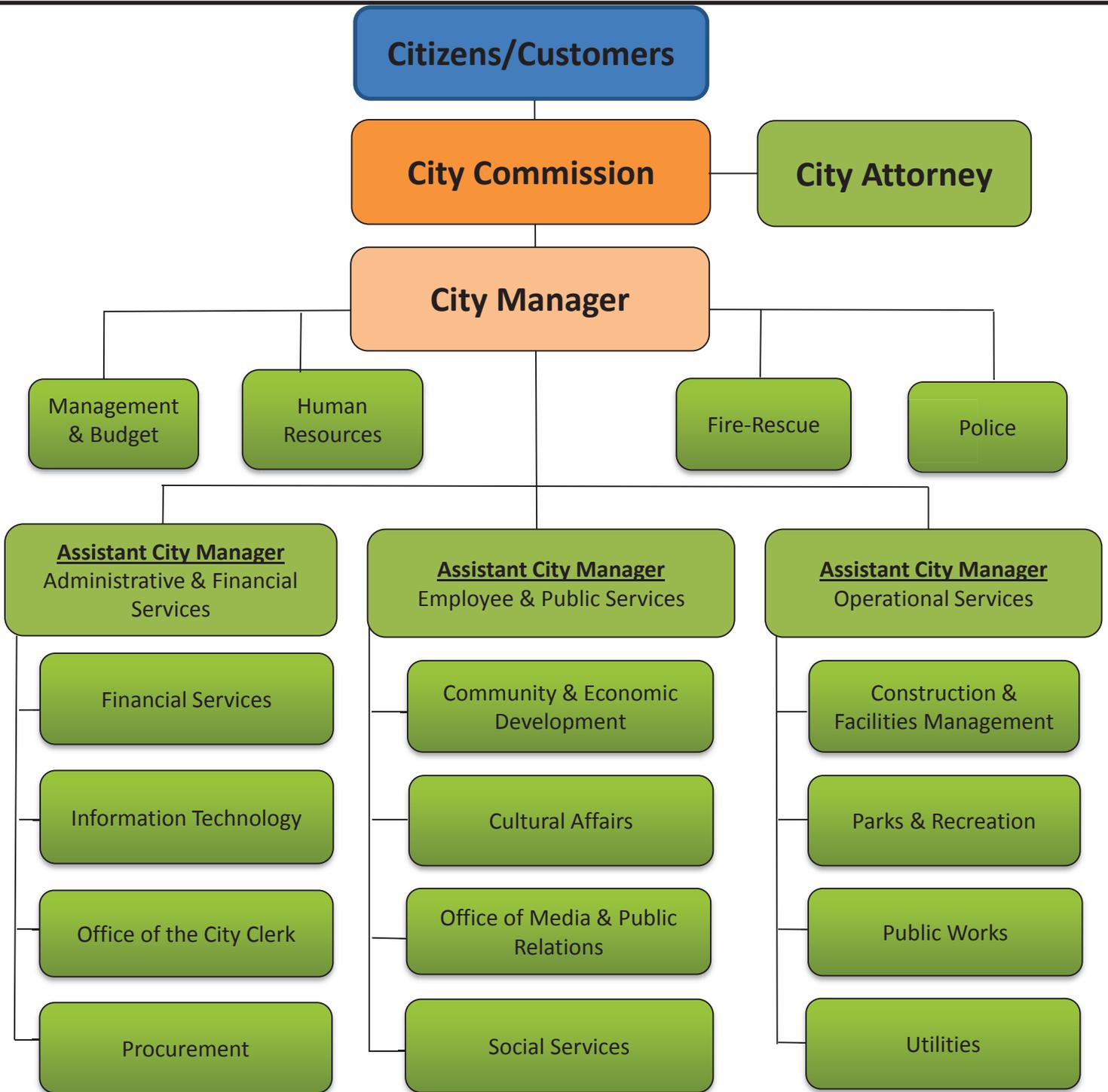


Kathleen Woods-Richardson
City Manager





City of Miramar Organizational Structure



CITY OF MIRAMAR, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2017

<u>Title</u>	<u>Name</u>
Mayor	Wayne M. Messam
Vice Mayor	Winston F. Barnes
Commissioner	Maxwell B. Chambers
Commissioner	Yvette Colbourne
Commissioner	Darline B. Riggs
City Manager	Kathleen Woods-Richardson
Assistant City Manager	Natasha Hampton
Assistant City Manager	Michael Moore
Assistant City Manager	Faye Munnings
Director of Finance	Claudia Dixon
Director of Procurement	Alicia Ayum
Director of Management & Budget	Norman Mason
Director of Social Services	Shaun Gayle
Director of Public Works	Bernard Buxton-Tetteh
Director of Utilities	Jody Kirkman
Director of Parks & Recreation	Terrence E. Griffin
City Clerk	Denise A. Gibbs
Director of Human Resources	Melanie McLean
Director of Information Technology	Clayton D. Jenkins
Chief of Police	Dexter Williams
Fire-Rescue Chief	Robert Palmer
Director of Construction & Facilities Management	Luisa M. Millan
Director of Community & Economic Development	Eric B. Silva
Director of Cultural Affairs	Stephen Kantrowitz
Chief Operations Officer	Randy M. Cross

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Miramar, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miramar, Florida (the "City") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for the General Employees', Police Officers', Firefighters' and Management Retirement Plans (the "Pension Trust Funds"), which represents 85%, 88% and 63%, respectively, of the total assets/deferred outflow of resources, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017, and the respective changes in financial position, and where applicable, cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of a Matter

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; and GASB Statements No. 77, *Tax Abatement Disclosures* as of October 1, 2016.

Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues expenditures and changes in fund balance – budget to actual – general fund, state grant fund and pension and other post-employment benefits schedules as listed in the table of contents on pages 4 to 22 and 108 to 120, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section, schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and Chapter 10.550 Rules of the Auditor General of the State of Florida are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Caballero Fierman Llerena + Garcia, LLP

Caballero Fierman Llerena + Garcia, LLP
Miramar, Florida
March 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Miramar, Florida (the City), 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, 2017. We encourage readers to consider the information presented herein in conjunction with the additional information that we have furnished in our letter of transmittal, as well as the financial statements and notes to financial statements that follow. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

1. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2017, by \$299.42 million (net position).
2. During fiscal year 2017, the City's net position increased by approximately \$4.64 million resulting from current year operations.
3. The City's governmental-type activities reported net position of \$17.38 million, which is a \$4.82 million decrease, in comparison to the prior year net position of \$22.2 million.
4. The City's business-type activities reported total net position of \$282.04 million, which is a \$9.46 million increase, or 3.47%, in comparison to the prior year net position of \$272.58 million. Approximately 16.14% of the total or \$45.53 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
5. At the end of the fiscal year, the General Fund reported a fund balance of \$36.07 million, or 25.26% of the General Fund expenditures. Of this balance, \$10.68 million is unassigned.
6. The City's total debt outstanding for governmental activities increased by approximately \$9.05 million during the current fiscal year. In 2017, the City issued a \$10 million Special Obligation Revenue Note to finance various capital improvements within the City. Additionally, \$3.7 million in capital lease obligations were incurred for the acquisition of mobile and portable radio equipment, computer equipment, and a new telephone system. This was offset by debt service payments throughout the year.
7. The total debt outstanding for business-type activities decreased \$2.24 million. In 2017, \$.31 million in additional loan proceeds were received from the Florida Department of Environmental Protection's State Revolving Loan program to finance wastewater facility and stormwater drainage improvements in the City.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-wide Financial Statements

The *government-wide* financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities.

The *Statement of Net Position* presents information on all of the assets, deferred outflows, liabilities, and deferred inflows of the City, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, 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, charges for services, 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 governmental activities of the City include general government, public safety, physical environment, transportation, social services, economic environment, parks and recreation, and cultural arts. The business-type activities include water and wastewater, and stormwater, where the fee for service typically covers all or most of the cost of operations and depreciation.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in 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 the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Governmental Funds (Continued)

The City maintains nineteen 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 balance for the General Fund, which is considered to be a major fund. The State Grant Fund, a special revenue fund established to account for revenues and expenditures associated with funding from State granting agencies is also presented as a major fund. This fund is presented separately from the General Fund and the non-major governmental funds. The City presents data from all other governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds are included in the combining statements of the comprehensive annual financial report (CAFR).

The City adopts an annual appropriated budget for its governmental funds. Budgetary comparison schedules have been provided for all the governmental funds to demonstrate compliance with the funds' budgets.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in fund net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City uses Internal Service Funds to account for its fleet of vehicles, self-insurance/benefit programs, and management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has two Enterprise Funds; the Utility Fund, and Stormwater Fund. The Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

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.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. This section also includes a comparison between the adopted and final budget and actual financial results for the City's General Fund and State Grant Fund. Budgetary comparison schedules have been provided for the General Fund and State Grant Fund to demonstrate compliance with the budget. The City also adopts an annual appropriated budget for each of its other governmental funds which are presented as supplementary information.

Combining statements referred to earlier in connection with non-major governmental funds are presented immediately following RSI.

Government-Wide Financial Analysis

The following schedule is a summary of the fiscal year 2017 Statement of Net Position with comparative information for fiscal year 2016:

Net Position (in thousands)						
Fiscal Years 2017 and 2016						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 126,135	\$ 112,340	\$ 72,738	\$ 64,218	\$ 198,873	\$ 176,558
Capital assets	273,086	260,001	291,757	291,408	564,843	551,409
Total assets	399,221	372,341	364,495	355,626	763,716	727,967
Deferred outflows of resources	42,068	37,547	4,783	3,487	46,851	41,034
Long-term liabilities outstanding	375,669	362,086	81,178	82,782	456,847	444,868
Other liabilities	30,419	14,879	4,279	2,222	34,698	17,101
Total liabilities	406,088	376,965	85,457	85,004	491,545	461,969
Deferred inflows of resources	17,825	10,723	1,782	1,530	19,607	12,253
Net Position:						
Net Investment in capital assets	132,029	127,446	231,706	229,158	363,735	356,604
Restricted	16,145	21,088	4,804	4,469	20,949	25,557
Unrestricted	(130,798)	(126,334)	45,529	38,952	(85,269)	(87,382)
Total net position	\$ 17,376	\$ 22,200	\$ 282,039	\$ 272,579	\$ 299,415	\$ 294,779

The overall net position of the City increased in fiscal year 2017, from the prior fiscal year net position, by approximately \$4.64 million or 1.57% from \$294.78 million in 2016 to \$299.42 million in 2017. Changes in net position over time can be one of the best and most useful indicators of financial health. When comparing the change between years there is an increase of \$1.69 million as compared to the prior year increase of \$2.95 million. This change in net position is the result of increased revenues of \$18.76 million less increased expenditures of \$17.07 million.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-Wide Financial Analysis (Continued)

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for its business-type activities. However, for the governmental activities, all of the net position is either restricted as to the purposes it can be used for or is invested in capital assets (land, buildings, equipment, etc.). As a result, unrestricted net position for the governmental activities reflects a (\$130.8) million deficit at the end of the current fiscal year. The deficit in unrestricted net position for governmental activities is due to the impact of GASB Statement No. 68 which requires employers to report (not fund) the entire net pension liability on their financial statements.

By far, the largest portion of the City's net position, \$363.73 million reflects its investment in capital assets. Net investment in capital assets is that portion of net position that relates to the City's capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended debt proceeds. Although the capital assets are shown net of 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 and pay for these liabilities.

An additional portion of the City's net position, 7.0% represents resources that are subject to external restrictions on how they may be used. The balance in restricted net position had a net decrease of \$4.61 million from approximately \$25.56 million in 2016 to \$20.95 million in 2017. This is due to increased spending on capital improvement projects throughout the year.

Unrestricted net position of (\$85.27) million, decreased by \$2.11 million or 2.42% from the prior year unrestricted amount. This is due to the results of current year operations.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-Wide Financial Analysis (Continued)

The following schedule is a summary of the fiscal year 2017 Statement of Activities with comparative information to fiscal year 2016:

	Changes in Net Position (in thousands)					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 48,804	\$ 42,551	\$ 47,825	\$ 43,634	\$ 96,629	\$ 86,185
Operating grants & contributions	7,523	6,732	-	190	7,523	6,922
Capital grants & contributions	35	-	1,972	388	2,007	388
General revenues:						
Property taxes	56,236	51,747	-	-	56,236	51,747
Other taxes	26,136	25,526	-	-	26,136	25,526
Other	16,247	15,542	543	255	16,790	15,797
Total revenues	154,981	142,098	50,340	44,467	205,321	186,565
Expenses						
General government	24,841	21,421	-	-	24,841	21,421
Public safety	90,343	81,507	-	-	90,343	81,507
Physical environment	5,679	3,407	-	-	5,679	3,407
Transportation	4,425	4,022	-	-	4,425	4,022
Social services	6,390	5,844	-	-	6,390	5,844
Economic Development	2,363	3,584	-	-	2,363	3,584
Parks & Recreation	16,158	13,429	-	-	16,158	13,429
Cultural arts	3,723	3,651	-	-	3,723	3,651
Interest	5,883	5,726	-	-	5,883	5,726
Utility	-	-	38,513	38,830	38,513	38,830
Stormwater	-	-	2,367	2,191	2,367	2,191
Total expenses	159,805	142,591	40,880	41,021	200,685	183,612
Increase (decrease) in net position before transfers	(4,824)	(493)	9,460	3,446	4,636	2,953
Transfers	-	1,894	-	(1,894)	-	-
Special Item (Note 14)	-	17,063	-	(17,063)	-	-
Change in net position	(4,824)	18,464	9,460	(15,511)	4,636	2,953
Net position, beginning of year	22,200	3,736	272,579	288,090	294,779	291,826
Net position, ending	\$ 17,376	\$ 22,200	\$ 282,039	\$ 272,579	\$ 299,415	\$ 294,779

Governmental activities

Governmental activities' net position decreased \$4.82 million. This is a \$23.28 million decrease over the \$18.46 million increase in net position in 2016. However, approximately \$18.95 million of the increase in net position in fiscal year 2016, represents the transfer of the prior year net position for cultural arts and early childhood operations from business-type to governmental activities.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-Wide Financial Analysis (Continued)

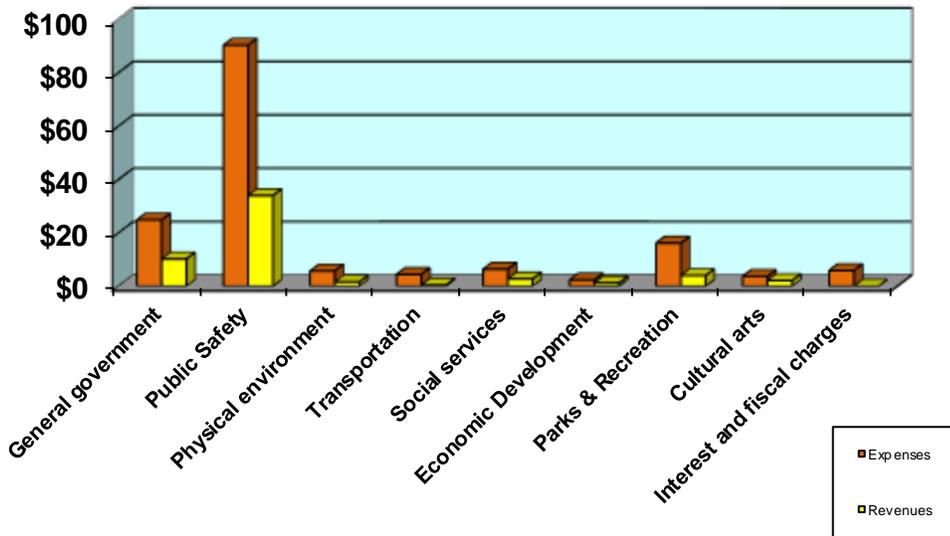
Governmental activities (Continued)

The \$4.33 million decrease in net position from the prior year (excluding the prior year's \$18.95 million transfer of operations from business-type to governmental activities) is due to the following:

- Revenues increased \$12.883 million primarily as a result of increased property tax revenues of \$4.49 million, other tax revenues of \$.61 million, charges for services of \$6.25 million and operating and capital grant revenues of \$.83 million. Charges for services increased as a result of increased revenues for fire protection special assessments of \$1.43 million, park impact fees of \$1.3 million, building permit revenue of \$.95 million, engineering permits of \$.65 million, fire inspection fees of \$.42 million, and local business taxes of \$.28 million. Additionally, administrative charges for services between the business-type and governmental activities increased approximately \$1.2 million and are included in the \$6.25 million increase in charges for services.
- Total expenses increased \$17.214 million. Overall expenses increased primarily due to the increased cost of salaries and benefits. Included in the increase is the overtime and benefits associated with Hurricane Irma. Debris removal costs for Hurricane Irma were approximately \$2.11 million. In fiscal year 2017 construction and facilities management operations were transferred from business-type to governmental activities and are included under the function of physical environment. The increase of \$2.27 million reflected in physical environment expenses is attributable to the transfer of operations.

The following chart compares expenses and program revenues for the governmental activities during 2017:

**Expenses and Program Revenues - Governmental Activities
(in millions)**



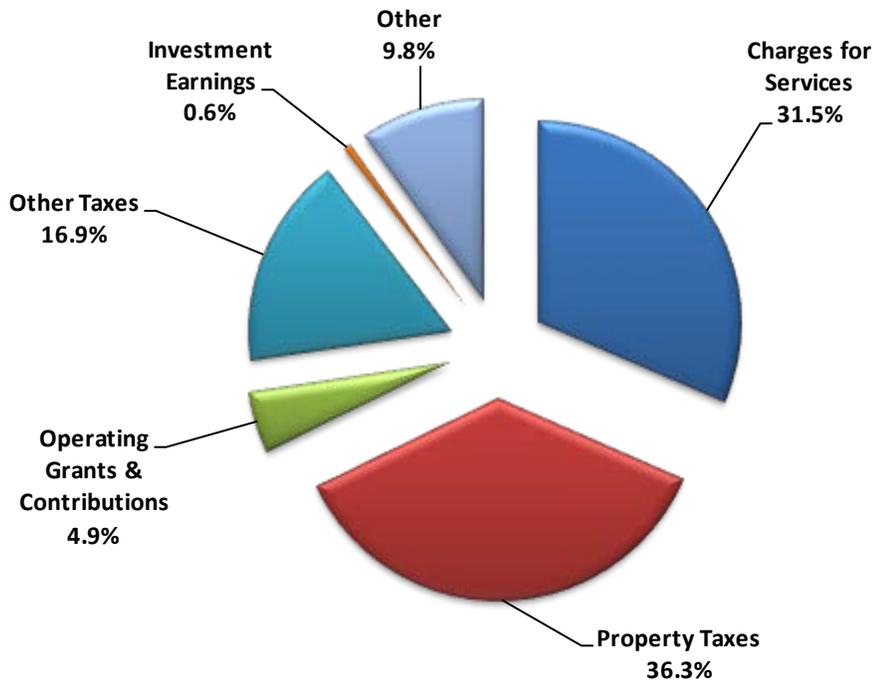
CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2017:

Revenues by Source - Governmental Activities

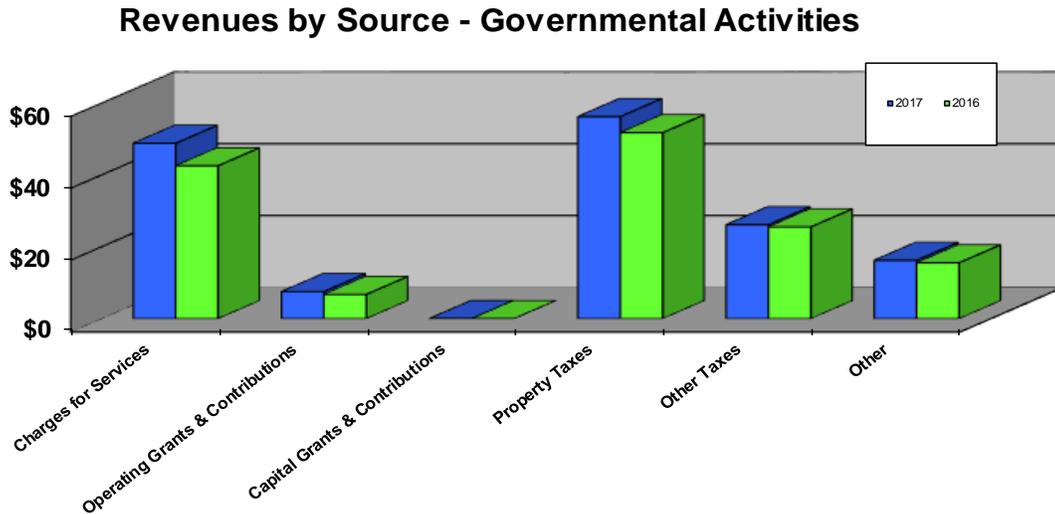


CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-Wide Financial Analysis (Continued)

Governmental activities (Continued)

The following is a comparative chart of revenues by source for governmental activities for fiscal year 2017 and 2016:



Business-type activities

The Business-type Activities are comprised of the Utility Fund, and Stormwater Fund.

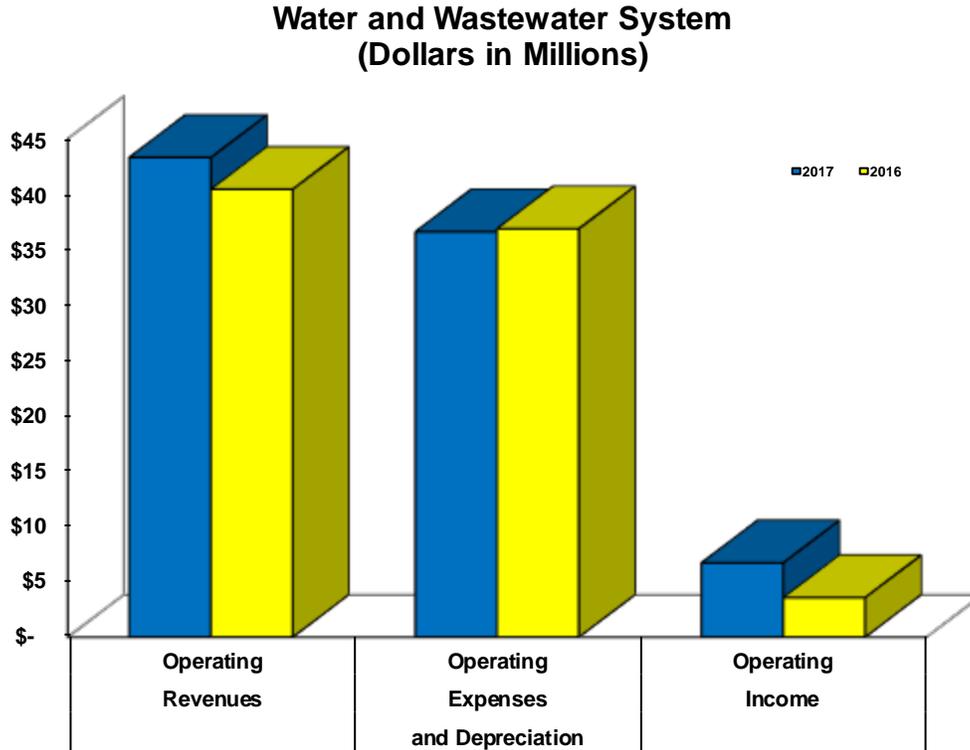
- The operating income for the Utility Fund increased \$3.14 million from the prior year. The increase was primarily the result of increased revenues for water, and wastewater services associated with a 3% rate adjustment and increased impact fee revenues attributable to increased development activity during the year. Impact fee revenue increased \$1.3 million from \$.74 million in 2016 to \$2.04 million in 2017.
- The Stormwater Fund had operating income of \$2.31 million which is a \$1.14 million increase from the prior year. Revenue increased \$1.32 million and expenses increased \$.178 million. Stormwater fees increased in 2017 from \$5.00 to \$7.00 per equivalent residential unit (ERU). The \$.178 million increase in operating expenses is primarily the result of increased costs associated with salaries and benefits and an increase in internal administrative charges to this fund.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Government-Wide Financial Analysis (Continued)

Business-type activities (Continued)

The following chart compares various operating results for 2017 and 2016, for the Utility Fund:



Financial Analysis of the City of Miramar’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned net position may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The City’s governmental funds reported combined net fund balance of approximately \$76.12 million at September 30, 2017, which consisted of \$4.02 million in nonspendable, \$38.01 million in restricted, \$18.34 million in committed, \$6.92 million in assigned and \$8.83 million in unassigned fund balance. The current fund balance is a net decrease of \$6.11 million from the reported fund balance of \$82.23 million in the prior year.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Governmental Funds (Continued)

Major Fund Information

General Fund, State Grant Fund:

Fiscal Year 2017		
Revenues	\$	144,944
Expenditures		(144,917)
Other financing sources		(1,973)
Increase (decrease) in fund balance	\$	<u>(1,946)</u>

General Fund, CIP Bonds 2013 Fund, and Debt Service Fund:

Fiscal Year 2016		
Revenues	\$	132,107
Expenditures		(145,457)
Other financing sources		4,458
Increase (decrease) in fund balance	\$	<u>(8,892)</u>

The General Fund is the chief operating fund of the City. Additionally, in fiscal year 2017, the State Grant fund, a special revenue fund established to account for revenues and expenditures associated with funding from State agencies, is reported as a major fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10.68 million, or 29.6% of the total fund balance of \$36.07 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund expenditures. In 2017, unassigned fund balance represents approximately 7.5% and the total fund balance represents approximately 25.3% of the total General Fund expenditures. In comparison, in 2016, the unassigned fund balance was 9.9% and the total fund balance was 31.2% of the total General Fund expenditures.

The fund balance of the General Fund decreased by \$1.94 million during the current fiscal year. This represents an overall decrease of \$10.71 million as compared with the prior year's increase to fund balance. Revenues increased approximately \$10.43 million from the prior year. This increase is primarily due to an increase in tax revenues of \$4.98 million, special assessments of \$1.43 million, licenses and permits of \$1.87 million, charges for services of \$1.64 million and intergovernmental revenues of \$.45 million. Ad-valorem taxes represent \$4.49 million of the \$4.98 million increase in tax revenues. Licenses and permit revenues increased primarily due to an increase in collections for local business taxes as well as an increase in building and engineering permits due to increased development activity during the year. The fire protection assessment was increased in fiscal year 2017 to fully fund the provision of fire protection services and provide funding for future capital needs. This is reflected in the \$1.43 million increase in special assessment revenue in the current year.

General Fund expenditures increased \$20.9 million. Approximately \$7.58 million of the increase is attributable to public safety. Operational costs for public safety increased in fiscal year 2017 due to overtime and benefits associated with the response to Hurricane Irma in combination with the funding of additional firefighter-paramedic and police officer positions and support staff. In fiscal year 2017, construction and facilities management operations were transferred to the General Fund. Previously, these operations were included with Utilities. This transfer of operations is reflected in the \$2.04 million increase under the function physical environment. Parks and recreation expenditures increased \$2.04 million. This increase is primarily due to park upgrades, additional staffing needs, special events, and the Amphitheater at Miramar Regional Park operations. General government expenditures increased \$4.91 million. Debris removal costs of \$2.11 million for Hurricane Irma are included in the \$4.91 million increase.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Governmental Funds (Continued)

These expenditures in addition to the increased cost for salaries, benefits, and capital outlay needs throughout all departments contributed to the increased costs in this fund.

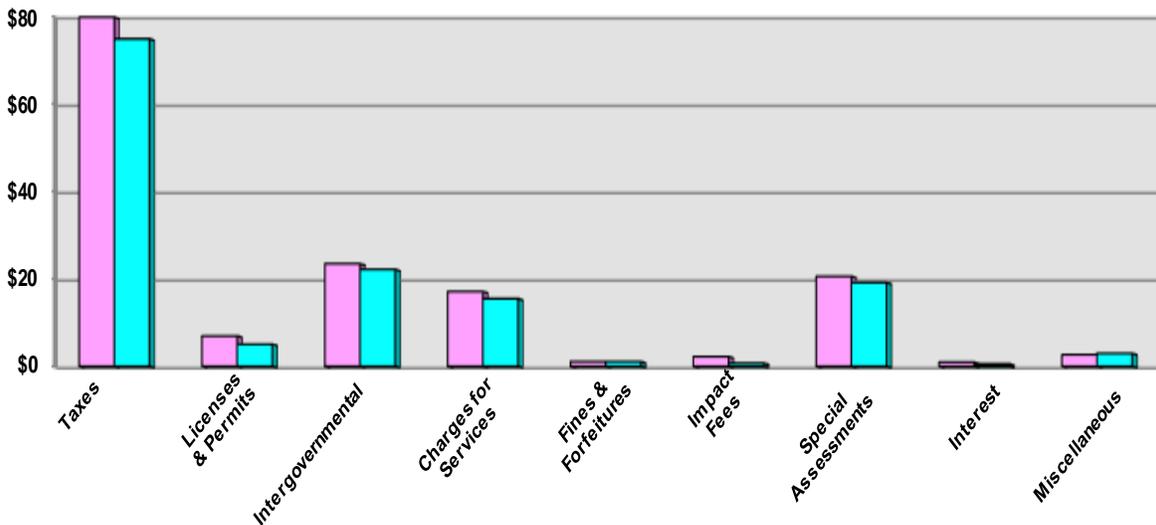
The net transfers out of the General Fund to the other various funds increased \$2.43 million as compared to the prior year. This increase is primarily due to an increase in the transfer needed to the Debt Service fund to cover debt service payments in the current year.

Additionally, approximately \$1.99 million in equipment and proceeds were received through the issuance of a capital lease. The sale of land generated \$.185 million during the fiscal year.

The State Grant fund, a special revenue fund, established to account for revenues and expenditures associated with funding from State granting agencies is reported as a major fund in 2017. The State Grant fund reflects a negative unassigned fund balance of \$1.85 million due to nonspendable fund balance. This negative unassigned fund balance is the result of a prepaid expense of \$1.85 million in connection with a joint participation agreement with Broward County, the City of Pembroke Pines, and the City of Miramar for improvements to Pembroke Road from Dykes Road to Silver Shores Boulevard.

The nonmajor governmental funds reported a combined fund balance of \$40.05 million at September 30, 2017. The combined fund balance of the City's nonmajor governmental funds decreased by \$4.16 million during the current fiscal year as a result of approximately \$23.42 million in revenues and other financing sources which was offset by \$27.58 million in expenditures. Expenditures include \$14.17 million in capital outlay and \$10.42 million in debt service costs. Debt proceeds of \$10.0 million were received to finance the cost of various capital improvements within the City. The net transfers in of \$3.45 million were to cover the cost of debt service and capital improvements.

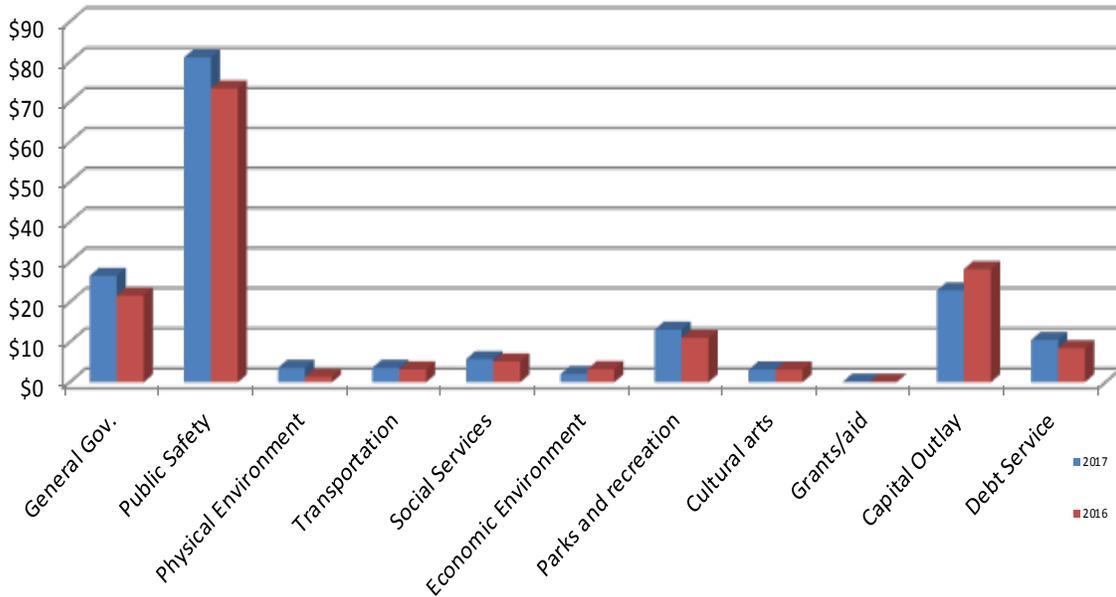
**Comparison of Governmental Funds Revenues
(Dollars in Millions)**



CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Governmental Funds (Continued)

The following table compares governmental expenditures by program for fiscal years 2017 and 2016.



Proprietary Funds

Enterprise funds' net position consisted of \$231.71 million in net investment in capital assets, \$4.80 million in restricted and \$45.53 million in unrestricted net position. Internal Service funds' net position consisted of \$4.30 million in invested in capital assets, and \$7.06 million in unrestricted net position.

The Utility Fund had operating income of \$6.70 million, after depreciation, in 2017. This is an increase of \$3.14 million from the \$3.56 million operating income experienced in 2016. The increase is primarily the result of increased revenues of \$1.78 million for water and wastewater services associated with a 3% rate adjustment and \$1.3 million in additional impact fee revenues due to increased development activity during the year.

The Stormwater Fund had operating income of \$2.31 million. This is a \$1.14 million increase from the prior year operating income.

The Internal Service Funds had operating income of \$3.97 million, after depreciation, in 2017. This is an increase of \$2.19 million from the \$1.78 million operating income experienced in 2016. The increase is primarily the result of increased charges to user departments for insurance costs and for the vehicle replacement program in the Fleet Management Fund.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

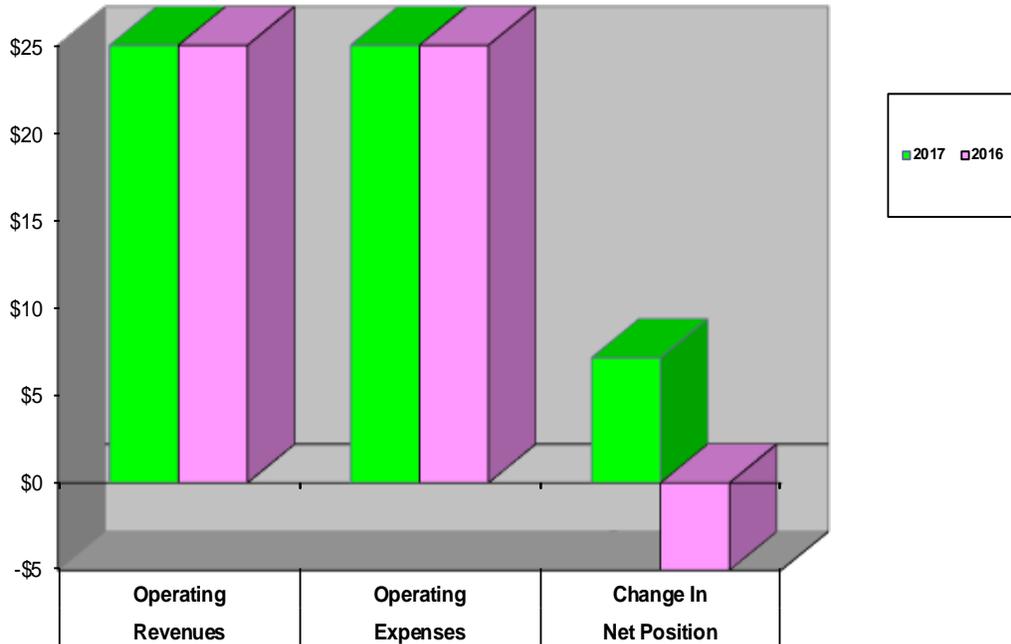
Proprietary Funds (Continued)

PROPRIETARY FUNDS
(in thousands)

	Operating Income		Change in Net Position	
	2017	2016	2017	2016
Utility	\$ 6,706	\$ 3,563	\$ 7,113	\$ 2,318
Cultural Arts	-	-	-	(19,425)
Early Childhood	-	-	-	468
Stormwater	2,306	1,165	2,347	1,128
Insurance Fund	1,172	(229)	1,290	(171)
Fleet Maintenance Fund	2,839	1,983	3,563	2,004
Management Information Systems	(43)	21	(49)	19
Total	\$ 12,980	\$ 6,503	\$ 14,264	\$ (13,659)

The following is a chart of the Proprietary Funds, excluding the Utility Fund operations, for fiscal years 2017 and 2016.

Proprietary Funds Excluding Utility Fund Operations
(Dollars in Millions)



CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

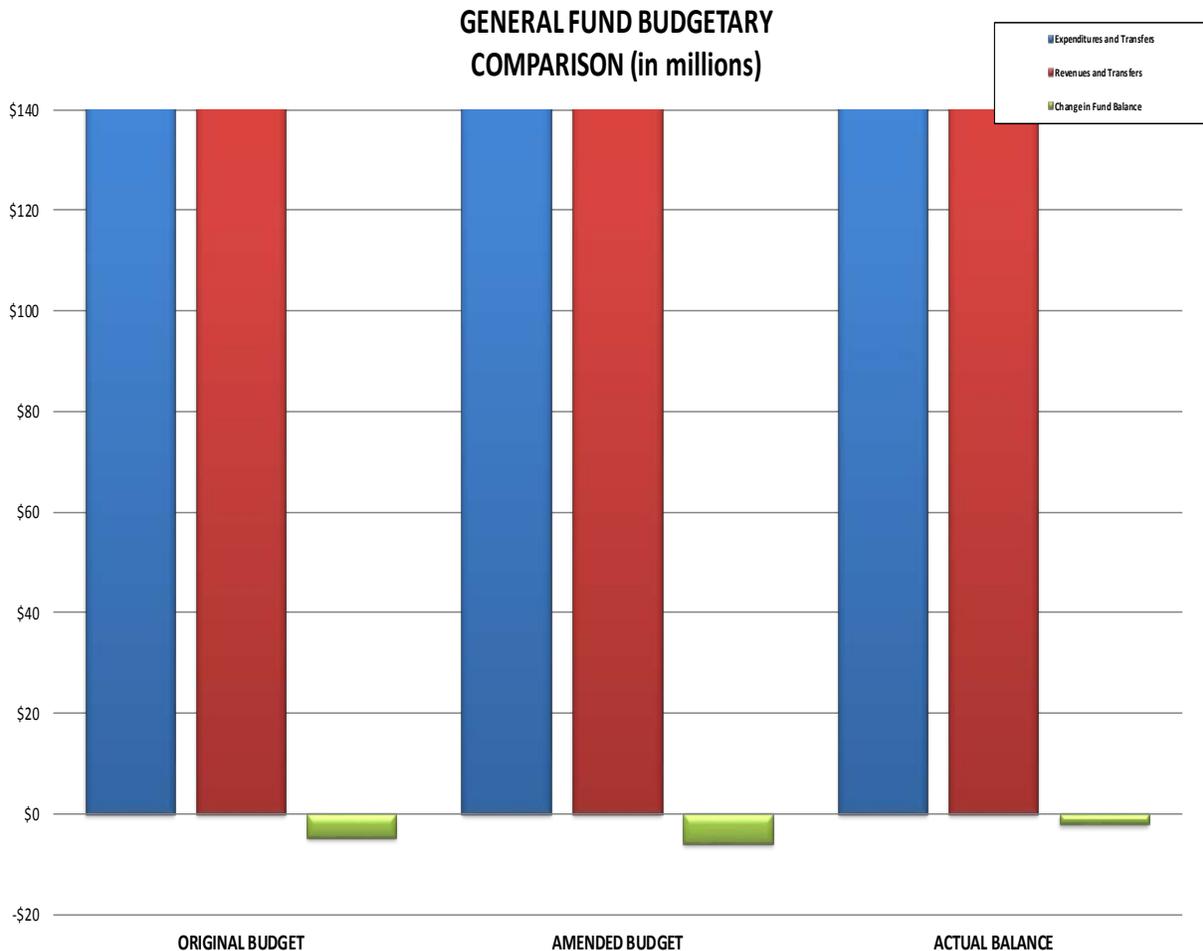
General Fund Budgetary Highlights

The difference between the original and final amended budget for 2017 was approximately \$1.148 million which represents an increase in appropriations in excess of additional revenues. Both the original and the final budget anticipated expending \$4.693 million and \$5.841 million, respectively, from available unassigned fund balance. During the year, however, actual revenues were more than anticipated and expenditures were less than expected producing a positive budget variance of \$3.864 million.

Actual revenues were more than final budgeted revenues by approximately \$1.1 million. Revenues for local business taxes and building and engineering permit fees exceeded budgeted projections by \$.56 million. Additionally, increased revenues for fire protection special assessments, interest, and other miscellaneous revenues contributed to the positive variance of \$1.1 million.

Actual expenditures during the year were less than final budgeted expenditures by approximately \$2.87 million. The City did not incur all anticipated costs related to the increase in appropriations before the end of the fiscal year which resulted in the positive variance. Cost savings were achieved primarily in the areas of general government, public safety, and cultural arts.

The following chart depicts the 2017 original and amended budgets, as well as actual results for the fiscal year.



CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Capital Assets

As of the 2017 fiscal year-end, the City had \$564.8 million invested in capital assets as reflected in the following schedule. In 2017 there was a net increase (additions less retirements and depreciation) of \$13.43 million.

Capital Assets
(in thousands, net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 45,529	\$ 45,580	\$ 5,754	\$ 5,754	\$ 51,283	\$ 51,334
Buildings	155,872	149,349	73,746	75,707	229,618	225,056
Improvements other than buildings	15,146	10,114	1,207	652	16,353	10,766
Equipment	12,598	9,448	825	694	13,423	10,142
Fleet	7,449	4,134	1,274	1,153	8,723	5,287
Intangibles	2,117	715	602	81	2,719	796
Infrastructure	26,421	27,174	193,396	197,975	219,817	225,149
Construction in progress	7,954	13,487	14,953	9,392	22,907	22,879
Total	\$ 273,086	\$ 260,001	\$ 291,757	\$ 291,408	\$ 564,843	\$ 551,409

Total capital assets in the governmental activities had a net increase of approximately \$13.08 million. Total capital assets in the business-type activities had a net increase of approximately \$.35 million.

This overall net increase of \$13.43 million is the result of \$32.36 million in capital improvement projects and outlays for vehicles and equipment less depreciation expense of \$18.93 million.

Additional information can be found in Note 7 Capital Assets.

Debt Administration

As of year-end, the City had \$220.59 million in debt (bonds, notes, etc.) outstanding compared to \$213.79 million in the prior year, a 3.18% increase. The increase in debt was the net result of the issuance of a Special Obligation Revenue Note, Series 2017, in the amount of \$10 million, additional capital lease obligations of \$3.7 million, State Revolving Loan proceeds of \$.31 million and \$6.86 million in debt service payments on the outstanding issues.

The debt outstanding as of the end of fiscal year 2017 was secured by various revenue sources as disclosed in Note 9.

The debt position of the City is summarized on the following page and is more fully explained in Note 9 Long-Term Obligations.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Debt Administration (Continued)

Bonded Debt, Notes, Loans and Lease Payable (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$135,595	\$138,295	\$ 50,235	\$ 51,845	\$185,830	\$190,140
Notes payable	12,864	4,000	-	-	12,864	4,000
State Revolving Loans	-	-	10,028	10,660	10,028	10,660
Capital lease payable	5,437	2,204	-	-	5,437	2,204
Deferred amounts – premium (discounts)	6,482	6,833	(44)	(46)	6,438	6,787
Total	\$ 160,378	\$ 151,332	\$ 60,219	\$ 62,459	\$ 220,597	\$ 213,791

During fiscal year 2017, the City had the following debt activity:

- A Special Obligation Revenue Note in the principal amount of \$10 million was issued to finance the cost of various capital improvements within the City.
- \$3.7 million in capital lease obligations were incurred for the acquisition of mobile and portable radio equipment, a new telephone system, and computer equipment.
- \$.31 million in additional state revolving loan proceeds were received to finance the cost of wastewater facility and stormwater drainage improvements in the City.
- Total principal payments totaled approximately \$4.31 million for governmental activities.
- Total principal payments were approximately \$2.55 million for the debt of the business-type activities.

Economic Factors and Next Year’s Budgets and Rates

The City Commission and City staff are dedicated to providing safety and security for Miramar’s citizens and businesses. The City’s mission has been to continuously improve the quality of life and economic prosperity of the residents and businesses by assuring all of our citizens a clean, safe, economically viable and progressive city that is responsive to changing needs. Each year the City’s business plan is updated to ensure that the budget strategically links the goals, objectives, core businesses, and existing obligations of the City.

- Property values in the City increased this year again. The tax base for fiscal 2018 of approximately \$9.2 billion increased by \$699.98 million, or 8.23%, from the fiscal 2017 tax base of \$8.5 billion. This increase was the result of a strengthening economy and new construction activity in the City. Economic indicators point to a positive trend in market activity and housing prices as the number of foreclosures continue to decline.
- In fiscal year 2018, the millage rate remains at 6.7654 mills, which is 6.85% greater than the rolled-back rate. The amount of Ad Valorem taxes proposed to be collected in 2018 is approximately \$4.56 million more than in fiscal year 2017.
- The City’s unemployment rate continues to decline. As of 2017, the unemployment rate was 3.8% and is now better than the national average.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Economic Factors and Next Year's Budgets and Rates (Continued)

- The City was incorporated on May 26, 1955, with a population of less than 200. The latest population estimates from the University of Florida, Bureau of Economic and Business Research, indicates that the number of residents in Miramar has increased to approximately 136,000. Residents over the years have enjoyed a high level of service and expect this to continue. The City has increased the number of facilities and programs offered to its residents and increased services to accommodate the growth in population, all of which have resulted in increased operating costs. As the population continues to grow and new businesses invest in the local economy, the City of Miramar continues to explore new strategies to meet the City's needs.
- The City's goal is to develop initiatives that will assist in achieving strategic objectives and Key Intended Outcomes. Included in the 2018 budget initiatives are:
 - Increasing the FY 2018 contribution to the Management Pension Plan in order to change the amortization of unfunded liabilities from 30 to 20 years thus saving the City close to \$6.4 million over the next twenty years.
 - Funding for the first year of a seven-year lease program for portable and mobile radios for public safety.
 - Replacing shade structures in various parks, expanding the tree lighting event to other areas outside the Town Center, cover staffing costs associated with having parks open during all observed holidays, produce programming in the Town Center and Shirley Branca band shell to increase community engagement.
 - Install and configure a redundant core switch to assure high network availability, to provide comprehensive cloud based cyber security solutions, to protect against endpoint malware and hacking attacks and to replace the existing Wi-Fi infrastructure.
 - Purchase two new vehicles to aid in the transportation of goods and staff of the burgeoning childcare program
- The City continues to provide additional facilities and programs as evidenced by a new Amphitheater located just west of the aquatic complex at Miramar Regional Park. This project was completed in April 2017 and comprises a 100' x 40' permanent stage, tensile canopy, and special events area with a folding seat capacity of 3,000 under cover and an overall capacity of 5,000 patrons. The new Amphitheater is featured on the cover of the 2017 CAFR.
- Scheduled for completion in February 2018, is a new, approximately 13,500 sq. ft., three apparatus bay fire station (Fire Rescue Station 107) that contains office space and support areas and provides additional support to central Miramar for faster response times. The facility also includes a conference room for use by the community.
- Plans are currently underway on a new 24,000 sq. ft. building complex that includes a variety of key public safety functions at a central city location. The proposed site will accommodate the Historic District Police Substation, Crime Lab/Evidence Storage, Logistics, Utility Storage and other related functions. Project completion is anticipated to be mid-2019.

CITY OF MIRAMAR, FLORIDA
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Office of the Finance Director at the address listed below. A copy of this report will also be available on the City's website, www.miramarfl.gov

City of Miramar Finance Department
2300 Civic Center Place
City Hall, 2nd Floor
Miramar, Florida 33025



MIRAMAR

BEAUTY AND PROGRESS
EST 1955

BASIC FINANCIAL STATEMENTS

CITY OF MIRAMAR, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 26,591,097	\$ 7,673,765	\$ 34,264,862
Investments	75,563,204	46,366,428	121,929,632
Receivables, net	4,892,163	7,384,361	12,276,524
Due from other governments	6,762,351	-	6,762,351
Inventories	330,339	-	330,339
Prepaid items	5,423,181	45,816	5,468,997
Unamortized debt issuance – prepaid insurance	-	170,973	170,973
Restricted assets:			
Cash and cash equivalents	-	9,902,610	9,902,610
Cash with fiscal agent	6,572,190	-	6,572,190
Investments	-	1,194,527	1,194,527
Capital assets, not being depreciated	53,483,480	20,706,826	74,190,306
Capital assets, being depreciated, net	219,602,577	271,049,817	490,652,394
TOTAL ASSETS	399,220,582	364,495,123	763,715,705
DEFERRED OUTFLOW OF RESOURCES			
Deferred loss on debt refunding	113,130	78,321	191,451
Pensions (Note 10)	41,955,353	4,705,413	46,660,766
TOTAL DEFERRED OUTFLOW OF RESOURCES	42,068,483	4,783,734	46,852,217
LIABILITIES			
Accounts and retainage payable	11,723,944	3,635,069	15,359,013
Accrued liabilities	8,912,461	551,385	9,463,846
Due to other governments	50,322	92,756	143,078
Unearned revenue	7,479,957	-	7,479,957
Other liabilities	2,252,241	-	2,252,241
Noncurrent liabilities:			
Amounts due or payable within one year:			
Bonds, notes, and leases	7,232,001	2,607,018	9,839,019
Self-insurance claims	1,364,112	-	1,364,112
Compensated absences	2,708,419	220,602	2,929,021
Other liabilities	-	1,630,278	1,630,278
Amount due or payable in more than one year			
Bonds, notes, and leases	153,145,968	57,612,049	210,758,017
Self-insurance claims	8,180,000	-	8,180,000
Compensated absences	10,849,852	1,004,929	11,854,781
Other post-employment benefits	15,923,341	3,312,788	19,236,129
Total pension liability-excess benefit	1,074,266	-	1,074,266
Net pension liability	175,191,485	11,074,607	186,266,092
Other liabilities	-	3,715,764	3,715,764
TOTAL LIABILITIES	406,088,369	85,457,245	491,545,614
DEFERRED INFLOW OF RESOURCES			
Deferred gain on debt refunding	712,037	-	712,037
Revenues received in advance	2,645,269	-	2,645,269
Pensions (Note 10)	14,467,456	1,782,191	16,249,647
TOTAL DEFERRED INFLOWS OF RESOURCES	17,824,762	1,782,191	19,606,953
NET POSITION			
Net investment in capital assets	132,028,945	231,706,358	363,735,303
Restricted for:			
Public safety	1,670,233	-	1,670,233
Debt service	4,006,235	1,823,660	5,829,895
Capital projects	10,465,398	-	10,465,398
Renewal and replacement	-	2,980,000	2,980,000
Other purposes	3,721	-	3,721
Unrestricted	(130,798,598)	45,529,403	(85,269,195)
TOTAL NET POSITION	\$ 17,375,934	\$ 282,039,421	\$ 299,415,355

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
General government	\$ 24,840,794	\$ 10,129,000	\$ 80,970	\$ -	\$ (14,630,824)	\$ -	\$ (14,630,824)
Public safety	90,343,367	31,621,445	2,328,766	-	(56,393,156)	-	(56,393,156)
Physical environment	5,679,328	1,003,091	570,641	35,000	(4,070,596)	-	(4,070,596)
Transportation	4,425,079	-	468,608	-	(3,956,471)	-	(3,956,471)
Social services	6,389,725	1,788,060	945,067	-	(3,656,598)	-	(3,656,598)
Economic environment	2,362,754	-	1,254,172	-	(1,108,582)	-	(1,108,582)
Parks and recreation	16,158,064	3,038,910	964,690	-	(12,154,464)	-	(12,154,464)
Cultural arts	3,723,048	1,223,466	910,373	-	(1,589,209)	-	(1,589,209)
Interest on long-term debt	5,882,845	-	-	-	(5,882,845)	-	(5,882,845)
Total governmental activities	159,805,004	48,803,972	7,523,287	35,000	(103,442,745)	-	(103,442,745)
Business-Type Activities:							
Utility	38,512,910	43,300,049	-	1,822,227	-	6,609,366	6,609,366
Stormwater	2,367,551	4,525,241	-	149,662	-	2,307,352	2,307,352
Total Business-Type Activities	40,880,461	47,825,290	-	1,971,889	-	8,916,718	8,916,718
Total Primary Government	\$ 200,685,465	\$ 96,629,262	\$ 7,523,287	\$ 2,006,889	\$ (103,442,745)	\$ 8,916,718	\$ (94,526,027)
General revenues:							
Property taxes					56,236,452	-	56,236,452
Utility taxes					10,396,662	-	10,396,662
Local option gas tax					2,448,223	-	2,448,223
Communication service tax					4,381,159	-	4,381,159
Franchise fees based on gross receipts					8,910,118	-	8,910,118
Unrestricted intergovernmental revenues					13,212,721	-	13,212,721
Unrestricted investment earnings					939,506	543,348	1,482,854
Miscellaneous					2,003,037	-	2,003,037
Gain on sale of capital assets					90,530	-	90,530
Transfers					-	-	-
Total general revenues					98,618,408	543,348	99,161,756
Change in net position					(4,824,337)	9,460,066	4,635,729
Net position – beginning of year					22,200,271	272,579,355	294,779,626
Net position – end of year					\$ 17,375,934	\$ 282,039,421	\$ 299,415,355

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Major Fund		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	State Grant Fund		
ASSETS				
Pooled cash and cash equivalents	\$ 8,348,065	\$ 2,974,939	\$ 9,227,094	\$ 20,550,098
Pooled investments	34,266,538	-	27,357,483	61,624,021
Receivables, net	4,615,161	-	266,352	4,881,513
Due from other funds	427,927	-	-	427,927
Due from other governments	4,214,983	1,818,999	728,369	6,762,351
Inventory	11,242	-	-	11,242
Prepays	111,543	1,852,730	2,042,298	4,006,571
Cash with fiscal agent	1,773,845	-	3,329,493	5,103,338
TOTAL ASSETS	53,769,304	6,646,668	42,951,089	103,367,061
LIABILITIES				
Accounts payable	5,693,118	67,992	1,235,844	6,996,954
Retainage payable	2,500	84,991	440,410	527,901
Accrued liabilities	6,843,047	-	23,143	6,866,190
Due to other funds	-	-	427,927	427,927
Due to other governments	50,322	-	-	50,322
Unearned revenue	213,950	6,493,685	772,322	7,479,957
Other liabilities and deposits	2,252,241	-	-	2,252,241
TOTAL LIABILITIES	15,055,178	6,646,668	2,899,646	24,601,492
DEFERRED INFLOWS OF RESOURCES				
Revenue received in advance	2,645,269	-	-	2,645,269
TOTAL DEFERRED INFLOWS OF RESOURCES	2,645,269	-	-	2,645,269
FUND BALANCES				
Non-spendable:				
Inventory	11,242	-	-	11,242
Prepays	111,543	1,852,730	2,042,298	4,006,571
Restricted for:				
Housing	-	-	5,149	5,149
Law enforcement	-	-	1,654,850	1,654,850
Street construction and maintenance	-	-	2,241,708	2,241,708
Park development	-	-	3,279,185	3,279,185
Capital improvement	-	-	23,723,357	23,723,357
Debt service	-	-	7,104,896	7,104,896
Committed to:				
Stabilization fund	18,339,940	-	-	18,339,940
Assigned to:				
Emergency preparedness	5,878,186	-	-	5,878,186
Subsequent years budget	750,000	-	-	750,000
Construction commitments	57,211	-	-	57,211
Donations and scholarships	175,885	-	-	175,885
Amphitheater	61,179	-	-	61,179
Unassigned:				
General fund	10,683,671	-	-	10,683,671
Special revenue fund	-	(1,852,730)	-	(1,852,730)
TOTAL FUND BALANCES	36,068,857	-	40,051,443	76,120,300
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 53,769,304	\$ 6,646,668	\$ 42,951,089	\$ 103,367,061

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

Fund balances – total governmental funds		\$ 76,120,300
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	377,622,295	
Less accumulated depreciation	<u>(110,502,822)</u>	267,119,473
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Revenue bonds payable	(135,595,000)	
Notes payable	(12,863,600)	
Capital leases	(3,773,796)	
Accrued interest on long-term debt	(3,062,028)	
Compensated absences	(12,112,662)	
Other post-employment benefit obligation	(15,411,601)	
Net pension liability	(172,862,313)	
Total pension liability-excess benefit plan	<u>(1,074,266)</u>	(356,755,266)
Certain items are recognized when debt is issued in the governmental funds. These items, however, must be capitalized and amortized in the government-wide statements.		
Premium on debt		(6,481,795)
Deferred inflows/outflows of resources reported in the statement of net position:		
Net deferred gain (loss) on refundings	(598,907)	
Net deferred outflows (inflows) on pensions	<u>26,612,099</u>	26,013,192
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
		<u>11,360,030</u>
Net position of governmental activities		<u>\$ 17,375,934</u>

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Major Fund		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	State Grant Fund		
REVENUES				
Taxes	\$ 79,924,391	\$ -	\$ -	\$ 79,924,391
Special assessments	20,577,544	-	-	20,577,544
Licenses and permits	6,933,875	-	-	6,933,875
Intergovernmental	15,298,145	2,563,808	5,606,073	23,468,026
Charges for services	15,673,901	-	1,445,672	17,119,573
Fines and forfeitures	762,249	-	318,089	1,080,338
Impact fees	-	-	2,209,591	2,209,591
Interest	582,786	-	356,718	939,504
Contributions	-	-	35,000	35,000
Miscellaneous	2,620,524	7,024	-	2,627,548
TOTAL REVENUES	142,373,415	2,570,832	9,971,143	154,915,390
EXPENDITURES				
Current:				
General government	26,542,646	7,024	5,433	26,555,103
Public safety	79,379,136	-	1,703,381	81,082,517
Physical environment	3,434,635	146,837	-	3,581,472
Transportation	3,568,454	-	-	3,568,454
Social Services	5,656,287	-	137,359	5,793,646
Economic environment	954,604	-	1,088,710	2,043,314
Parks and recreation	13,125,953	-	-	13,125,953
Cultural arts	3,172,595	-	-	3,172,595
Grants/aid	67,065	-	52,000	119,065
Capital outlay	6,773,694	1,963,323	14,172,540	22,909,557
Debt service:				
Principal	123,422	-	4,143,025	4,266,447
Interest	995	-	6,236,316	6,237,311
Issuance costs	-	-	44,224	44,224
Fiscal charges	-	-	1,764	1,764
TOTAL EXPENDITURES	142,799,486	2,117,184	27,584,752	172,501,422
Excess (deficiency) of revenues over (under) expenditures	(426,071)	453,648	(17,613,609)	(17,586,032)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,597,795	-	9,408,000	13,005,795
Transfers out	(7,301,900)	(453,648)	(5,957,247)	(13,712,795)
Issuance of debt	1,999,349	-	10,000,000	11,999,349
Sale of capital assets	185,000	-	-	185,000
TOTAL OTHER FINANCING SOURCES (USES)	(1,519,756)	(453,648)	13,450,753	11,477,349
Net changes in fund balances	(1,945,827)	-	(4,162,856)	(6,108,683)
Fund balances, beginning	38,014,684	-	44,214,299	82,228,983
Fund balances, ending	\$ 36,068,857	\$ -	\$ 40,051,443	\$ 76,120,300

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2017

Change in fund balance – total governmental funds		\$ (6,108,683)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital outlay	18,401,476	
Less current year depreciation	<u>(8,733,058)</u>	9,668,418
The net effect of various miscellaneous transactions involving capital assets increased net position:		
Loss on disposal of capital assets		(119,724)
Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal is an expenditure in the governmental funds. The issuance increases long-term liabilities in the Statement of Net Position, while the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums and discounts and similar items when debt is first issued whereas those amounts are deferred and amortized in the Statement of Activities.		
Revenue note proceeds	(10,000,000)	
Capital lease proceeds	(1,999,349)	
Bonds and notes principal payments	3,836,800	
Capital lease principal payments	429,650	
Deferred amount on refunding	73,436	
Amortization of debt premium	<u>350,884</u>	(7,308,579)
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 the governmental funds.		
Accrued interest payable	(23,869)	
Compensated absences	(981,622)	
Other post-employment benefit obligations	(2,383,607)	
Pension expense	<u>(2,370,656)</u>	(5,759,754)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.		
		<u>4,803,985</u>
Change in net position of governmental activities		<u>\$ (4,824,337)</u>

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Utility Fund			
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 7,525,301	\$ 148,464	\$ 7,673,765	\$ 6,040,999
Pooled investments	42,370,127	3,996,301	46,366,428	13,939,183
Receivables, net	7,342,279	42,082	7,384,361	10,650
Inventories	-	-	-	319,097
Prepaid items	45,816	-	45,816	1,416,610
Unamortized debt issuance cost-prepaid insurance	170,973	-	170,973	-
Restricted assets:				
Pooled cash and cash equivalents	6,041,649	145,197	6,186,846	-
Cash with fiscal agent	-	-	-	1,468,852
Pooled investments	1,194,527	-	1,194,527	-
Total current assets	<u>64,690,672</u>	<u>4,332,044</u>	<u>69,022,716</u>	<u>23,195,391</u>
Non-current assets:				
Restricted pooled cash and cash equivalents	3,715,764	-	3,715,764	-
Capital assets, not being depreciated	19,886,520	820,306	20,706,826	-
Capital assets, being depreciated, net	263,302,016	7,747,801	271,049,817	5,966,584
Total non-current assets	<u>286,904,300</u>	<u>8,568,107</u>	<u>295,472,407</u>	<u>5,966,584</u>
TOTAL ASSETS	<u>351,594,972</u>	<u>12,900,151</u>	<u>364,495,123</u>	<u>29,161,975</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	78,321	-	78,321	-
Pensions (Note 10)	4,359,258	346,155	4,705,413	1,135,458
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,437,579</u>	<u>346,155</u>	<u>4,783,734</u>	<u>1,135,458</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,252,573	205,817	3,458,390	4,199,089
Retainage payable	165,790	10,889	176,679	-
Accrued liabilities	473,886	77,499	551,385	94,244
Due to other governments	92,756	-	92,756	-
Current portion of long-term obligations	2,324,142	503,478	2,827,620	1,865,012
Liabilities payable from restricted assets	1,630,278	-	1,630,278	-
Total current liabilities	<u>7,939,425</u>	<u>797,683</u>	<u>8,737,108</u>	<u>6,158,345</u>
Non-current liabilities:				
Bonds payable, net of discount	48,510,993	-	48,510,993	-
State revolving loans	4,259,423	4,841,633	9,101,056	-
Capital leases	-	-	-	1,283,821
Compensated absences	965,246	39,683	1,004,929	214,665
Other post-employment benefits obligation	3,162,174	150,614	3,312,788	511,740
Net pension liability	10,195,506	879,101	11,074,607	2,329,172
Estimate for self-insured losses	-	-	-	8,180,000
Liabilities payable from restricted assets	3,715,764	-	3,715,764	-
Total non-current liabilities	<u>70,809,106</u>	<u>5,911,031</u>	<u>76,720,137</u>	<u>12,519,398</u>
TOTAL LIABILITIES	<u>78,748,531</u>	<u>6,708,714</u>	<u>85,457,245</u>	<u>18,677,743</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions (Note 10)	1,656,088	126,103	1,782,191	259,660
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,656,088</u>	<u>126,103</u>	<u>1,782,191</u>	<u>259,660</u>
NET POSITION				
Net investment in capital assets	228,477,984	3,228,374	231,706,358	4,302,806
Restricted for debt service	1,678,463	145,197	1,823,660	-
Restricted for renewal and replacement	2,980,000	-	2,980,000	-
Unrestricted	42,491,485	3,037,918	45,529,403	7,057,224
TOTAL NET POSITION	<u>\$ 275,627,932</u>	<u>\$ 6,411,489</u>	<u>\$ 282,039,421</u>	<u>\$ 11,360,030</u>

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Utility Fund			
OPERATING REVENUES				
Water sales	\$ 17,416,220	\$ -	\$ 17,416,220	\$ -
Wastewater service	21,581,166	-	21,581,166	-
Stormwater fees	-	4,525,241	4,525,241	-
Impact fees	2,040,249	-	2,040,249	-
Service charges	2,244,163	-	2,244,163	-
Charges for services	-	-	-	31,146,797
Other	18,251	-	18,251	776,476
TOTAL OPERATING REVENUES	43,300,049	4,525,241	47,825,290	31,923,273
OPERATING EXPENSES				
General and administrative	4,637,339	-	4,637,339	27,002,340
Water operations	7,354,364	-	7,354,364	-
Wastewater operations	6,991,739	-	6,991,739	-
Field operations	2,071,219	-	2,071,219	-
Flood control/stormwater management	-	1,908,349	1,908,349	-
Non-departmental	6,606,977	-	6,606,977	-
TOTAL OPERATING EXPENSES	27,661,638	1,908,349	29,569,987	27,002,340
Operating income before depreciation	15,638,411	2,616,892	18,255,303	4,920,933
Depreciation and amortization	8,932,179	310,607	9,242,786	952,933
Operating income	6,706,232	2,306,285	9,012,517	3,968,000
NONOPERATING REVENUES (EXPENSES)				
Interest income	503,844	39,504	543,348	135,364
Interest expense	(1,919,093)	(142,754)	(2,061,847)	(4,108)
Fiscal charges	-	(5,841)	(5,841)	-
Insurance recoveries	-	-	-	4,386
Loss on disposal of capital asset	-	-	-	(6,657)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,415,249)	(109,091)	(1,524,340)	128,985
Income before transfers	5,290,983	2,197,194	7,488,177	4,096,985
TRANSFERS				
Transfers in	-	-	-	707,000
Capital contributions	1,822,227	149,662	1,971,889	-
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	1,822,227	149,662	1,971,889	707,000
Change in net position	7,113,210	2,346,856	9,460,066	4,803,985
Net position, beginning	268,514,722	4,064,633	272,579,355	6,556,045
Net position, ending	\$ 275,627,932	\$ 6,411,489	\$ 282,039,421	\$ 11,360,030

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Utility Fund			
Cash flows from operating activities:				
Cash received from customers	\$ 42,128,979	\$ 4,605,476	\$ 46,734,455	\$ 32,018,237
Cash paid to suppliers	(13,570,768)	(981,175)	(14,551,943)	(18,908,678)
Cash paid to employees	(12,159,137)	(790,362)	(12,949,499)	(3,461,503)
Net cash provided by operating activities	<u>16,399,074</u>	<u>2,833,939</u>	<u>19,233,013</u>	<u>9,648,056</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	707,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,000</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(7,090,443)	(698,922)	(7,789,365)	(4,260,621)
Issuance of debt	-	292,042	292,042	1,468,788
Proceeds from grant	309,876	149,662	459,538	-
Proceeds from insurance on capital assets	-	-	-	4,386
Principal paid on long-term debt	(2,043,227)	(507,452)	(2,550,679)	(40,418)
Interest paid on long-term debt	(2,195,678)	(142,754)	(2,338,432)	(4,108)
Net cash used in capital and related financing activities	<u>(11,019,472)</u>	<u>(907,424)</u>	<u>(11,926,896)</u>	<u>(2,831,973)</u>
Cash flows from investing activities:				
Purchases of investments	(12,941,000)	(3,000,000)	(15,941,000)	(11,200,000)
Sales of investments	7,299,750	300,000	7,599,750	5,790,875
Interest earnings	35,052	4,067	39,119	13,661
Net cash used in investing activities	<u>(5,606,198)</u>	<u>(2,695,933)</u>	<u>(8,302,131)</u>	<u>(5,395,464)</u>
Net increase (decrease) in pooled cash and cash equivalents				
	(226,596)	(769,418)	(996,014)	2,127,619
Pooled cash and cash equivalents, beginning	17,509,310	1,063,079	18,572,389	5,382,232
Pooled cash and cash equivalents, ending	<u>\$ 17,282,714</u>	<u>\$ 293,661</u>	<u>\$ 17,576,375</u>	<u>\$ 7,509,851</u>
Pooled cash and cash equivalents per statement of net position:				
Unrestricted	\$ 7,525,301	\$ 148,464	\$ 7,673,765	\$ 6,040,999
Restricted (current and noncurrent)	9,757,413	145,197	9,902,610	1,468,852
Net pooled cash and cash equivalents per statement of net position	<u>\$ 17,282,714</u>	<u>\$ 293,661</u>	<u>\$ 17,576,375</u>	<u>\$ 7,509,851</u>

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major Funds	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Utility Fund			
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 6,706,232	\$ 2,306,285	\$ 9,012,517	\$ 3,968,000
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	8,932,179	310,607	9,242,786	952,933
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(733,264)	80,235	(653,029)	94,964
(Increase) decrease in inventories	-	-	-	30,946
(Increase) decrease in prepaid items	(27,077)	-	(27,077)	340,351
(Increase) decrease in deferred charges	13,121	-	13,121	-
(Increase) decrease in deferred outflows of resources	(1,193,168)	(108,072)	(1,301,240)	(508,892)
Increase (decrease) in accounts payable	1,985,330	113,953	2,099,283	2,755,851
Increase (decrease) in unearned revenue	-	-	-	-
Increase (decrease) in accrued liabilities	(72,130)	(8,014)	(80,144)	20,997
Increase (decrease) in due to other governments	38,356	-	38,356	-
Increase (decrease) in liabilities payable from restricted assets	(450,927)	-	(450,927)	-
Increase (decrease) in self-insured losses	-	-	-	1,360,628
Increase (decrease) in compensated absences	(82,492)	10,011	(72,481)	52,686
Increase (decrease) in other post-employment benefits obligation	399,269	39,026	438,295	108,073
Increase (decrease) in net pension liability	650,791	70,505	721,296	388,386
Increase (decrease) in deferred inflows of resources	232,854	19,403	252,257	83,133
Net cash provided by operating activities	<u>\$ 16,399,074</u>	<u>\$ 2,833,939</u>	<u>\$ 19,233,013</u>	<u>\$ 9,648,056</u>
Noncash investing, capital and financing activities:				
Administrative service fee SRF loan	\$ (7,653)	\$ (5,841)	\$ (13,494)	\$ -
Contributions of capital assets from developers	1,512,351	-	1,512,351	-
Increase in fair value of investments	468,792	35,437	504,229	121,703
Amortization deferred amounts	(2,192)	-	(2,192)	-
Loss on disposal of capital asset	-	-	-	(6,657)
Acquisition of capital assets	-	-	-	235,408
Issuance of debt (capital lease)	-	-	-	(235,408)

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Pension Trust Funds	Sanitation Agency Fund
ASSETS		
Cash and cash equivalents	\$ 4,580,776	\$ 481,188
Investments:		
Certificates of deposit	2,288,057	-
Money market funds	3,755,851	-
U.S. Government securities	28,171,615	-
Corporate bonds	28,151,070	-
Bond fund	7,398,829	-
Equity securities	240,882,453	-
Collateralized mortgage obligations	7,743,673	-
International equity	22,513,589	-
Asset backed securities	2,179,337	-
Mutual funds	4,456,509	-
Real estate funds	42,165,354	-
Fixed income international funds	393,158	-
Commingled funds	5,260,071	-
Alternative investments	25,938,885	-
Receivables:		
Due from broker	451,282	-
State contributions receivable	1,999,418	-
Accounts receivable	-	3,176,160
Prepaid items	971,256	-
Accrued interest and dividend receivable	430,501	-
TOTAL ASSETS	429,731,684	3,657,348
LIABILITIES		
Accounts payable	248,833	3,657,348
Due to broker	474,487	-
Unearned revenue	198,326	-
TOTAL LIABILITIES	921,646	3,657,348
NET POSITION		
Net position restricted for pension benefits	\$ 428,810,038	\$ -

See notes to basic financial statements.

CITY OF MIRAMAR, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2017

ADDITIONS

Contributions:

City	\$ 19,798,505
Employees	8,407,482
State	1,999,418
Employee buybacks	60,110
Permissive service credit	2,386,203
Total contributions	32,651,718

Interest and dividends	8,615,613
Net appreciation in fair value of investments	40,330,910
Less investment expenses	(2,026,383)
Net investment income	46,920,140
Other income	9,579
Total additions	79,581,437

DEDUCTIONS

Pension benefits	16,210,770
Refund of employee contributions	2,337,048
Administrative expenses	637,382
Total deductions	19,185,200

Change in net position 60,396,237

Net position restricted for pension benefits:

Beginning of year	368,413,801
End of year	\$ 428,810,038

See notes to basic financial statements.



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NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Miramar (the City) was incorporated in 1955. It is located in the southwestern portion of Broward County, Florida, comprises approximately 31 square miles of land, and has a population of approximately 136,000 residents. The City operates under a Commission-Manager form of government and provides the following services as authorized by its Charter: general government, public safety, physical environment, transportation, social services, economic environment, parks and recreation, and cultural arts. The City also operates water, wastewater, and stormwater enterprise funds.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The City's significant accounting policies are described below.

A. Financial Reporting Entity

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP). The financial statements were prepared in accordance with government accounting standards, which establish standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, there were no organizations that met the criteria described above.

The non-profit Miramar Cultural Trust does not meet the established criteria for inclusion as a component unit and, therefore, is excluded from this report.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by charges for services, taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds or enterprise funds are aggregated and reported as other governmental or other proprietary funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-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 all revenues except grant revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered available if collected within six months of the end of the current fiscal period. 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, pension costs, other post-employment benefits, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund

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.

State Grant Fund

A special revenue fund that was established to account for revenues and expenditures associated with funding from State granting agencies, which is not recorded in a separate special revenue fund.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The City reports the following major proprietary funds:

Utility Fund

This fund is used to account for operations that are financed and operated in a manner similar to a commercial enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of the revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City accounts for the operations of providing water and wastewater services in its enterprise fund.

Additionally, the City reports the following fund types:

Internal Service Funds

These funds are used to account for the financing of self-insurance activities, fleet maintenance services, and management information system services provided to other funds of the City on a cost reimbursement basis.

Pension Trust Funds

These funds account for the activities of the retirement plans for General, Police Officers, Firefighters, and Management employees, which accumulate resources for pension benefits to those qualified employees.

Agency Fund

This fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets the City holds for its sanitation service provider.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utilities function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 City's enterprise funds and internal service funds are charges to customers for sales and services.

Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources include committed, assigned and unassigned amounts which are available and can be used for the intended purpose. When unrestricted resources are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

1. Deposits and Investments - The City maintains a pooled cash and investment system that is available for use by all funds to facilitate the investment process. Each fund's portion of pooled cash and investments are included on the statement of net position and balance sheets as "Pooled cash and cash equivalents" and "Pooled Investments," respectively. Interest earnings are allocated to each fund based upon their average proportionate equity. In addition, investments are separately held by the pension trust funds. The City's cash and cash equivalents include cash on hand, pooled cash, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Pension Plans' have established a framework to consistently measure the Plan's assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance.

Investments are recorded a fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain investments are recorded at net asset value (NAV) per share, this method of determining fair value uses member units to which a proportionate share of net assets is attributed. The City's investments in the Florida Prime are recorded at amortized cost.

Alternative investments: The Pension Plans have investments in various real estate funds. The funds are valued using their respective net asset value (NAV) as of September 30, 2017. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

In fiscal year 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application* which requires the City to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or income approach. The Statement establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The Statement also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements. The adoption of GASB Statement No. 72 is reflected in Note 4 in the notes to the basic financial statements.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement along with the gains and losses realized on the sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

2. Interfund Receivables, Payables, and Transfers - Activities 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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

3. Receivables - Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Broward County handles the collection of annual installments (including interest) in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties. Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made.

All trade and other receivables are shown net of an allowance for uncollectables. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectable based on management's assessment of individual creditors' ability to pay, a general allowance is calculated based on the City's historic bad debt experience to ensure all receivables are recorded at their net realizable value.

Water and wastewater charges to customers are based on actual water consumption. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

4. Inventories - Inventories consisting of fuel and oil are recorded at cost, using the first-in, first-out method. The initial cost is recorded as an asset at the time the individual inventory items are purchased and are charged against operations in the period when used (i.e., the consumption method).

5. Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditure/expense when consumed (i.e. the consumption method), rather than when purchased in both the governmental and proprietary funds.

6. Capital Assets - Capital assets, which include property, plant, equipment, intangibles and certain 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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for all capital assets other than intangibles, which are \$15,000 for software and \$25,000 for easements, and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

6. Capital Assets (Continued) - The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. The total interest expense incurred by the business-type activities during the year ended September 30, 2017, was \$2,348,277. Of this amount, \$286,430 was included as part of the cost of capital assets (capitalized interest) under construction in progress in connection with various construction projects.

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

<u>Asset</u>	<u>Estimated Useful Lives (Years)</u>
Buildings	50
Improvements other than buildings	20
Machinery & equipment	3 – 20
Fleet	8
Intangibles	15 – 25
Infrastructure	16 – 70

7. Deferred outflows/inflows of resources - In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. The City currently reports a deferred loss on refunding of debt and deferred outflows related to pensions in this category.

Deferred outflows on pensions arise from differences between projected and actual earnings on pension plan investments and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic, or demographic factors; changes of assumptions about future economic, demographic, or other factors or changes in the City's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Employer contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflow of resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. The City currently reports deferred inflows of resources related to revenues received in advance, deferred gain on refunding of debt, and deferred inflows related to pensions in this category.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

7. Deferred outflows/inflows of resources (Continued) - Deferred inflows on pensions are recorded when investment return on pension plan assets exceeds actuarial assumptions and are amortized using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic, or demographic factors; changes of assumptions about future economic, demographic, or other factors or changes in the City's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

Deferred inflows related to revenues received in advance consists primarily of local business taxes and fire inspection and permit fees.

The deferred charge on refunding is the difference between the net carrying value of refunded debt and its reacquisition price. This amount is recorded as a deferred inflow or outflow and amortized over the shorter of the life of the refunded or the refunding debt.

8. Unearned Revenues - Unearned revenue represents grants and similar items received in advance for which the City has not met all eligibility requirements imposed by the provider to allow for revenue recognition.
9. Compensated Absences - The City's policy is to permit employees to accumulate earned but unused sick and vacation pay benefits, limited to certain maximums, based on length of service. For certain employees, the City also grants compensatory time. All vacation, sick and compensatory pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental funds, compensated absences are liquidated by the General Fund.
10. Long-Term Obligations - In the government-wide financial statements, and the 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 position. Bonds payable are reported net of the applicable premium or discounts. Bond premiums, discounts, as well as deferred refunding amounts are amortized over the life of the bonds using the straight line method, which does not result in a material difference from the effective interest method. Issuance costs are expensed in the year of issuance except prepaid insurance costs which are deferred and amortized over the life of the 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of principal and interest are also reported as expenditures.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

11. Capital Contributions - Contributions from private developers representing “water and wastewater impact fees” for the future acquisition or expansion of capital improvements of City operated water and wastewater systems are recorded as capital contributions in the enterprise funds. Also recorded as capital contributions are special assessments for the construction of utility facilities and capital assets transferred from governmental funds/activities to an enterprise fund.

12. Net Position - Net position (deficit) is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Net position of the government-wide activities and proprietary funds are categorized as net investment in capital assets, restricted and unrestricted. Net investment in capital assets is that portion of net position that relates to the City’s capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding related unexpended debt proceeds. Deferred inflow/outflow of resources attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

13. Nature and Purpose of Fund Balance - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution, equally binding, are classified as committed fund balances. An ordinance or resolution approved by a majority vote of the City Commission is required to remove the constraint. Amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the City Manager based on Commission direction. Nonspendable fund balances include amounts that cannot be spent because they are either: (a) not spendable in form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

13. Nature and Purpose of Fund Balance (Continued) - The City Commission adopted Resolution No. 14-74 creating a committed fund balance designated as a Financial Stabilization Account equal to 12% of the General Fund's final amended budgeted expenditures. The City's policy is to maintain an adequate General Fund balance to provide a "rainy day" fund for use in unforeseen, unbudgeted emergency situations such as sustained declines in real estate values of more than 10% and/or property tax collections that decline by more than 5%; 1.5% decline in revenues or 1.5% increase in spending requirements imposed by the state or federal government or vital to maintaining day to day operations of the City (e.g. fuel, electricity); unreimbursable natural disaster expenditures or emergency infrastructure failures costing greater than \$1,500,000; or unforeseen litigation and related legal fees in excess of \$1,000,000. Stabilization funds may be used when the City Commission or City Manager recognizes a need to utilize the funds. If established by the City Manager, the specific need must be reported to the City Commission at their next meeting. A budget amendment must be approved by the City Commission authorizing use of the stabilization funds. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. Should the balance drop below the targeted level of 12% of General Fund final budgeted expenditures, the City will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal years until the balance is restored to the minimum level.
14. Use of Estimates - The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources, the disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements and revenue and expenditures/expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, self-insurance liability, pension liabilities and other post-employment benefit obligations, and useful lives and impairment of tangible assets, among others. Actual results could differ from these estimates.
15. New Accounting Pronouncements - In August 2015, the Governmental Accounting Standards Board (GASB) issued *GASB Statement No. 77, "Tax Abatement Disclosures"* which is effective for the City's fiscal year ending September 30, 2017. This statement requires state and local governments for the first time to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The adoption of this statement did not impact the City's financial statement.

In Fiscal Year 2017, the City adopted *GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This new accounting standard established requirements for pensions that are not within the scope of GASB 68 and that are not administered through a trust. The City's Excess Benefit Plan is subject to this new accounting standard. Additional information regarding the impact of GASB 73 can be found in Note 10 in the notes to the basic financial statements.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

16. Employee Benefit Plans, Pensions - The City provides separate defined benefit pension plans for general employees, police department personnel, fire department personnel and management personnel. The City provides retirement benefits to elected officials through the Florida Retirement System (FRS and HIS).

The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 2001, the City established the Excess Benefit Plan, a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's General Employees' Retirement Plan, Management Retirement Plan, Police Officers' Retirement Plan and the Firefighters' Retirement Plan (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans.

Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

For purposes of measuring the City's proportionate share of the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRS) and the Health Insurance Subsidy (HIS) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Florida Retirement System (FRS) and HIS plans.

17. Post-Employment Benefits Other than Pensions (OPEB) - Pursuant to Section 112.08, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. The City has a single employer OPEB plan with benefits based on age and date of employment. The City applies GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the measurement, recognition, and disclosure of OPEB expenditures or expenses, liabilities, and assets as discussed in a subsequent note.
18. Risk Management - The City is exposed to various risks of loss from civil liability to other parties (automobile liability); statutory workers' compensation benefits for injured employees; and the theft or accidental damage to City property (buildings and business contents).

The City's Insurance Fund is used to account for its risk financing activities. The Insurance Fund charges the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year-end, including claims incurred but not yet reported. The Insurance Fund pays for all claims and judgments made against the City for accidental losses for which the City is self-insured and the premium costs for insurance policies to protect the City's property.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations

In the General Fund, non-departmental expenditures exceeded appropriations by \$16,454 as a result of debris removal costs associated with Hurricane Irma.

NOTE 3. PROPERTY TAXES

Property taxes are assessed as of January 1st each year and are first billed (levied) and due the following November 1st. Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the Broward County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. 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 millage rate assessed by the City for the year ended September 30, 2017 was 6.7654 mills.

The tax levy of the City is established by the Commission prior to October 1st of each year, and the Broward County Property Appraiser incorporates the millage into the local tax levy, which includes Broward County, Broward County School Board, and special taxing districts.

All property is reassessed according to its fair market value as of January 1st of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1st each year. Broward County mails to each property owner on the assessment roll a notice of the taxes due and Broward County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Broward County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1st of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. Due to the immaterial amount of any additional property taxes received after the 60-day period, no additional accrual is made in the government-wide financial statements, or in the fund financial statements.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in qualified public depositories 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 with the treasurer or another banking institution. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all deposits are considered insured or collateralized with securities held by the entity or its agent in the entity's name.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments

The nature of investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the State Board of Administration (SBA) Investment Pool, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts.

The SBA administers the Florida PRIME Fund which is governed by Chapter 19-7 of the Florida Administrative Code and Chapter 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant NAV of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by the FDIC or any other governmental agency.

City of Miramar

As of September 30, 2017, the City of Miramar had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Ratings</u>	<u>Maturity</u>	<u>Percentage of Distribution</u>
SBA Florida PRIME	\$123,124,159	AAAm	51.0 days	100.00%

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Domestic equity securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based on quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2017. Securities which are not traded on a national securities exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings. (Level 1). This includes common stock, domestic equities, international equities, mutual fund equities and REITS. Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed and collateralized securities, mutual bond funds, corporate obligations, and international bond funds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based on the specifics of the investment type.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

City of Miramar (Continued)

The Pension Plans have investments in alternative asset classes including various real estate funds. These investments are valued at their respective net asset value (NAV) as of September 30, 2017. The fair value of the investment in the fund is valued at the net asset value of outstanding units held at the end of the period based on the fair value of the underlying investments. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.

The City of Miramar investments in the SBA Florida Prime totaling \$123,124,159 are recorded at amortized cost.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution. In addition, the City's investment policy limits the maturities to five years from the date of purchase, unless matched to a specific cash flow requirement.

Credit Risk - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The City's investment policy limits investments to the highest ratings issued by a NRSRO. The ratings of the investments are shown in the previous table.

Concentration of Credit Risk - In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The policy of the City is to diversify its investment portfolio. Assets held are usually diversified to reduce the risk from over concentration. The diversification risk strategies may be reviewed periodically. The percentages of the City's investments in the portfolio are shown in the previous table.

GASB Statement No. 40 requires disclosure when the investment percentage concentration is 5% or more for any one issuer. Given the quality and the guarantee and assurance by the U.S. Treasury on U.S. Government sponsored Agency obligations, any temporary over concentration is not viewed as a risk.

Custodial Credit Risk - Custodial credit risk 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 investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the City and are held either by the counterparty or the counterparty's trust department or agent but not in the City's name. All securities are required to be deposited as an asset of the City, in the City's name and held by a third party custodial institution chartered by the U.S. Government or the State of Florida (and restrict withdrawals only to the persons on the resolution). This reduces the risk due to the failure of the counterparty to deliver the securities purchased by or pledged by the City.

All investment transactions are conducted through delivery versus payment (DVP) basis at the third party custodian to ensure that there is independence of the entities (seller and custodian).

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

General Employees' Retirement Plan

1. Investment Authorization - The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

2. Types of Investments - Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equities	60%
Fixed income	27%
Real estate	13%
Cash and cash equivalents	No restrictions

3. Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table, which shows the distribution of the Plan's investments in government securities and corporate bonds by maturity, at September 30, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. treasuries	\$ 3,613,875	\$ -	\$ -	\$ 3,375,700	\$ 238,175
U.S. agencies	249,458	-	249,458	-	-
U.S. treasury fund	1,652,000	1,652,000	-	-	-
U.S. mortgage backed securities	6,793,793	-	-	1,240,657	5,553,136
Corporate bonds	11,337,803	296,643	3,016,813	6,330,660	1,693,687
Asset backed securities	831,400	-	831,400	-	-
Total	<u>\$24,478,329</u>	<u>\$ 1,948,643</u>	<u>\$ 4,097,671</u>	<u>\$10,947,017</u>	<u>\$ 7,484,998</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

General Employees' Retirement Plan (Continued)

4. Credit Risk - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type at September 30, 2017:

	<u>Fair Value</u>	<u>% of Portfolio</u>
U.S. Government guaranteed securities*	\$ 12,309,126	50.29%
Quality rating of credit risk debt securities:		
AAA	1,525,976	6.23%
AA+	373,364	1.53%
AA	181,563	0.74%
AA-	595,533	2.43%
A+	1,156,811	4.73%
A	2,008,345	8.20%
A-	2,990,551	12.22%
BBB+	2,513,643	10.27%
BBB	500,995	2.05%
BBB-	<u>322,422</u>	<u>1.31%</u>
Total credit risk debt securities	<u>12,169,203</u>	<u>49.71%</u>
Total fixed income securities	<u>\$24,478,329</u>	<u>100.00%</u>

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

5. Concentration of Credit Risk - The Plan limits investment in the securities, of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of Plan Net Position. The Plan had no investments other than government securities that exceeded 5% of Plan Net Position at September 30, 2017.
6. Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

All of the Plan's deposits are insured and/or collateralized by a financial institution separate from the Plan's depository financial institution.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

General Employees' Retirement Plan (Continued)

7. Plan Investments - GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The General Employees' Retirement Plans investments are categorized according to the GASB 72 fair value hierarchy as of September 30, 2017:

	Fair Value Measurements Using		
<u>Investments</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Fixed income:			
U.S. treasuries	\$ 3,613,875	\$ -	\$ 3,613,875
U.S. agencies	249,458	-	249,458
U.S. mortgage backed securities	6,793,793	-	6,793,793
Corporate bonds	11,337,803	-	11,337,803
Asset backed securities	831,400	-	831,400
Domestic equities:			
Equity securities	27,629,568	27,629,568	-
Total Investments by fair value level	50,455,897	<u>\$ 27,629,568</u>	<u>\$ 22,826,329</u>
 <u>Investments measured at the Net Asset Value (NAV)</u>			
Commingled SMidCap equity investment trust	27,981,195		
Mutual Funds – vantage mutual funds	2,940,278		
Private equity-real estate	10,409,957		
Total investments measured at Net Asset Value (NAV)	<u>41,331,430</u>		
Total Investments	<u>\$ 91,787,327</u>		

Police Officer's Retirement Plan

1. Investment Authorization - The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as preserving the purchasing power of the Plan's assets and earns an above average real rate of return (after inflation) over the long-term while minimizing, to a reasonable extent, the short-term volatility of results. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically included, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Police Officer's Retirement Plan (Continued)

1. Investment Authorization (Continued) - Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 75% (at market) of the Plan's total asset value with no more than 5% at cost value of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks of foreign companies shall be limited to 10% of the value of the portfolio at the time of purchase. No more than 25% of the equity securities are to be invested in small or mid-cap stocks and shares of stock in those corporations whose stock has been publicly traded for less than one year are limited to 15% of the equity portfolio.

The average credit quality of the bond portfolio shall be "A" or higher and the duration of the fixed income portfolio should be less than 135% of the duration of the market index defined as the Barclays Capital U.S. Intermediate Aggregate Bond Index benchmark. The fixed income portfolio rated below "BBB" shall not exceed 15% of the entire fixed income portfolio. Real estate and absolute return investments shall not exceed 10% and 20% of the market value of the portfolio, respectively.

2. Types of Investments - Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equities	45%
Fixed income	20%
International equities	10%
Real estate	15%
Alternative	10%

3. Alternative investments - The Plan has investments in real estate equity funds. The funds are valued using their respective net asset value (NAV) as of September 30, 2017. The most significant input into the NAV of such funds is the fair value of the investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors.
4. Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Police Officer's Retirement Plan (Continued)

4. Interest Rate Risk (Continued) - Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. treasuries	\$ 4,201,006	\$ -	\$ -	\$ -	\$ 4,201,006
U.S. agencies	8,899,610	1,796,072	3,550,553	3,201,798	351,187
U.S. treasury fund	1,927,000	1,927,000	-	-	-
Corporate bonds	6,115,461	-	325,920	2,464,984	3,324,557
Bond fund	7,398,829	-	7,398,829	-	-
Total	<u>\$ 28,541,906</u>	<u>\$ 3,723,072</u>	<u>\$ 11,275,302</u>	<u>\$ 5,666,782</u>	<u>\$ 7,876,750</u>

5. Credit Risk - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type at September 30, 2017:

	<u>Fair Value</u>	<u>% of Portfolio</u>
U.S. Government guaranteed securities*	<u>\$15,027,616</u>	<u>52.65%</u>
Quality rating of credit risk debt securities:		
AA+	251,058	0.88%
AA	774,736	2.71%
A+	757,957	2.66%
A	1,832,652	6.42%
A-	1,194,812	4.19%
BBB+	1,304,246	4.57%
Not rated	<u>7,398,829</u>	<u>25.92%</u>
Total credit risk debt securities	<u>13,514,290</u>	<u>47.35%</u>
Total fixed income securities	<u>\$28,541,906</u>	<u>100.00%</u>

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

6. Concentration of Credit Risk - The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of Plan net position at September 30, 2017, except for investments in U.S. government securities.
7. Foreign Currency Risk - Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The Plan's exposure to foreign currency risk derives from its investments in international equity mutual funds.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Police Officer's Retirement Plan (Continued)

8. Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured or collateralized by a financial institution separate from the Plan's depository financial institution.

9. Plan Investments - The Police Officers' Retirement Plan investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2017:

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investments</u>			
Fixed income:			
U.S. treasuries	\$ 13,100,616	\$ -	\$ 13,100,616
Corporate bonds	6,115,461	-	6,115,461
Equity securities:			
Equity securities	38,539,151	38,539,151	-
Total Investments by fair value level	57,755,228	\$ 38,539,151	\$ 19,216,077
 <u>Investments measured at the Net Asset Value (NAV)</u>			
Fixed income funds	7,398,829		
Absolute return funds	15,528,928		
Domestic equity funds	28,462,600		
International equity funds	22,513,589		
Real estate equity	24,884,940		
Total investments measured at Net Asset Value (NAV)	98,788,886		
Total Investments	\$ 156,544,114		

Firefighters' Retirement Plan

1. Investment Authorization - The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as preserving the purchasing power of the Plan's assets and earns an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short-term volatility of results. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically included, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. International investments shall not exceed 25% of the Plan's investment balance.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Firefighters' Retirement Plan (Continued)

2. Types of Investments - Florida Statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equities	40% to 70%
International equities	0% to 25%
Fixed income	5% to 20%
Real estate	0% to 20%
Cash and cash equivalents	No restrictions

3. Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Collateralized mortgage obligations	\$ 949,880	\$ 5,419	\$ -	\$ 5,419	\$ 939,042
Certificates of Deposit	2,288,057	166,770	2,121,287	-	-
U.S. treasuries	3,855,846	-	1,108,168	1,706,843	1,040,835
U.S. agencies	3,584,985	-	259,307	580,118	2,745,560
Foreign bonds	393,158	22,016	52,429	318,713	-
Corporate bonds	6,734,530	317,479	2,238,378	2,901,413	1,277,260
Asset backed securities	1,079,770	-	1,079,770	-	-
Total	<u>\$18,886,226</u>	<u>\$ 511,684</u>	<u>\$ 6,859,339</u>	<u>\$ 5,512,506</u>	<u>\$ 6,002,697</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Firefighters' Retirement Plan (Continued)

4. Credit Risk - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type at September 30, 2017:

	<u>Fair Value</u>	<u>% of Portfolio</u>
U.S. Government guaranteed securities*	\$ 7,440,831	39.40%
Quality rating of credit risk debt securities:		
A1	1,424,006	7.54%
A2	965,769	5.11%
A3	1,417,367	7.50%
Aa1	293,550	1.55%
Aa2	534,504	2.83%
Aa3	234,924	1.24%
Aaa	1,210,469	6.41%
Baa1	1,258,883	6.67%
Baa2	433,105	2.29%
Baa3	273,843	1.45%
Wr	101,981	0.55%
Not rated	<u>3,296,994</u>	<u>17.46%</u>
Total credit risk debt securities	<u>11,445,395</u>	<u>60.60%</u>
Total fixed income securities	<u>\$18,886,226</u>	<u>100.00%</u>

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

5. Concentration of Credit Risk - The Plan limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of Plan net position. The Plan had no investments in any one issuer in excess of 5% of Plan net position, except for investments in the U.S. government and its agencies.
6. Foreign Currency Risk - Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. The investment policy limits foreign investments to no more than 25% of the Plan's investment balance. The Plan's exposure to foreign currency risk derives mainly from its investments in international equity funds.
7. Custodial Credit Risk: Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name. Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and are registered in the Plan's name. All of the Plan's deposits are insured or collateralized by a financial institution separate from the Plan's depository financial institution.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Firefighters' Retirement Plan (Continued)

8. Plan Investments - The Firefighters' Retirement Plan investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2017:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>Investments</u>			
Fixed income:			
U.S. treasuries	\$ 3,855,846	\$ 3,855,846	\$ -
U.S. agencies	3,584,985	-	3,584,985
Asset backed securities	1,079,770	-	1,079,770
International bonds	393,158	-	393,158
Collateralized mortgage obligations	949,880	-	949,880
Corporate bonds	6,734,530	-	6,734,530
Equity securities:			
Common stocks	33,054,953	33,054,953	-
Real-estate investment trust	700,073	700,073	-
International funds	22,223,300	2,359,155	19,864,145
Commingled funds	17,873,248	-	17,873,248
Mutual funds	21,497,860	17,689,921	3,807,939
Total Investments by fair value level	111,947,603	<u>\$ 57,659,948</u>	<u>\$ 54,287,655</u>
<u>Investments measured at the net asset value (NAV)</u>			
Real estate funds	12,936,961		
Timber funds	5,260,071		
Total investments measured at Net Asset Value (NAV)	18,197,032		
Money market funds (exempt)	3,755,851		
Certificates of deposit (exempt)	2,288,057		
Total Investments	<u>\$ 136,188,543</u>		

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Management Retirement Plan

1. Investment Authorization - The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

Investments in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 65% (at market) of the Plan's total asset value with no more than 5% investment in the common stock of any one issuing company. Investments in stocks of foreign companies are limited to 25% of the value of the portfolio at time of purchase.

Master limited partnerships, traded on a recognized exchange are not to exceed 5% of the portfolio.

2. Types of investments - Florida Statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equities	60%
Fixed income	27%
Real estate	13%
Cash and cash equivalents	No restrictions

3. Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments in government securities and corporate bonds by maturity at September 30, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
U.S. treasuries	\$ 986,678	\$ -	\$ -	\$ 902,019	\$ 84,659
Corporate bonds	3,963,276	82,457	926,165	2,345,217	609,437
U.S. Mortgage backed securities	2,780,157	-	-	406,937	2,373,220
Asset backed securities	268,167	-	268,167	-	-
Total	<u>\$ 7,998,278</u>	<u>\$ 82,457</u>	<u>\$ 1,194,332</u>	<u>\$ 3,654,173</u>	<u>\$ 3,067,316</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Management Retirement Plan (Continued)

4. Credit Risk - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type at September 30, 2017:

	<u>Fair Value</u>	<u>% of Portfolio</u>
U.S. Government guaranteed securities *	<u>\$3,766,835</u>	<u>47.10%</u>
Quality rating of credit risk debt securities:		
AAA	296,751	3.71%
AA+	163,251	2.04%
AA	80,925	1.01%
AA-	207,430	2.59%
A+	367,102	4.59%
A	693,961	8.68%
A-	1,063,739	13.30%
BBB+	955,961	11.95%
BBB	199,414	2.49%
BBB-	108,532	1.36%
Unrated	<u>94,377</u>	<u>1.18%</u>
Total credit risk debt securities	<u>4,231,443</u>	<u>52.90%</u>
Total fixed income securities	<u>\$7,998,278</u>	<u>100.00%</u>

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

5. Concentration of Credit Risk - The Plan limits investments in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of Plan net position. The Plan had no investments other than U.S. government securities that exceeded 5% of Plan net position at September 30, 2017.
6. Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name. Consistent with the Plan's investment policy the investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured or collateralized by a financial institution separate from the Plan's depository financial institution.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Management Retirement Plan (Continued)

7. Plan Investments - The Management Retirement Plan investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2017.

	<u>Fair Value Measurements Using</u>		
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<u>Investments</u>			
Fixed income:			
U.S. treasuries	\$ 986,678	\$ -	\$ 986,678
U.S. mortgage backed securities	2,780,157	-	2,780,157
Corporate bonds	3,963,276	-	3,963,276
Asset backed securities	268,167	-	268,167
Domestic equities:			
Equity securities	<u>17,803,392</u>	<u>17,803,392</u>	<u>-</u>
Total Investments by fair value level	25,801,670	<u>\$ 17,803,392</u>	<u>\$ 7,998,278</u>
 <u>Investments measured at the net asset value (NAV)</u>			
Commingled SMidCap equity investment trust	5,117,113		
Mutual Funds – vantage mutual funds	1,516,231		
Real estate funds	<u>4,343,453</u>		
Total investments measured at Net Asset Value (NAV)	<u>10,976,797</u>		
Total Investments	<u>\$36,778,467</u>		

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 5. RECEIVABLES AND UNEARNED REVENUES

Receivables at September 30, 2017, were as follows:

	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Governmental Activities				
Taxes	\$ 792,869	\$ -	\$ -	\$ 792,869
Franchise fees	1,585,353	-	-	1,585,353
Accounts	1,851,070	268,852	-	2,119,922
Cost recovery	312,159	-	-	312,159
Other	783,300	-	10,650	793,950
Allowance for uncollectible	(709,590)	(2,500)	-	(712,090)
Total Governmental Activities	\$ 4,615,161	\$ 266,352	\$ 10,650	\$ 4,892,163
	Utility Fund	Nonmajor Enterprise Funds	Total	
Business-Type Activities				
Accounts	\$ 8,005,433	\$ 131,350	\$ 8,136,783	
Assessment fees	3,455,333	-	3,455,333	
Other	906,020	142	906,162	
Allowance for uncollectible	(5,024,507)	(89,410)	(5,113,917)	
Total Business-Type Activities	\$ 7,342,279	\$ 42,082	\$ 7,384,361	

Unearned revenue is recorded for resources that have been received in advance but for which the City has not met the criteria for revenue recognition. The following are recorded as unearned revenue in the government-wide and fund statements as follows:

Type	Unearned Revenues
Revenues not yet earned (General Fund)	\$ 213,950
Revenues not yet earned (State Grant Fund)	6,493,685
Grant receipts not yet earned (non-major governmental funds)	<u>772,322</u>
Total unearned revenue	<u>\$7,479,957</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6. RESTRICTED ASSETS

Restricted assets and liabilities payable from restricted assets of the Utility Fund at September 30, 2017, represent debt proceeds designated for construction, and other monies required to be restricted for debt service, and maintenance and improvements, under the terms of the 2015 Utility System Refunding and Improvement Revenue Bonds, the 2007 Utility System Improvement Revenue Bond, and customer deposits. Assets of the Sinking Fund and Reserve Fund are restricted for the current and future payment of debt service and for renewal and replacement.

Restricted assets of the Stormwater Fund at September 30, 2017, represent monies required to be restricted for rate stabilization by the State Revolving Loan debt covenant.

All of the restricted assets in connection with the bond issues were funded through bond proceeds. The summary of restricted assets and related liabilities at September 30, 2017, is shown below:

<u>Purpose</u>	<u>Restricted Assets</u>	<u>Liabilities Payable from Restricted Assets</u>
<u>Utility Fund:</u>		
2015 Utility System Series:		
Sinking Fund	\$ 500,000	\$ -
Reserve Fund	180,000	-
2007 Utility System Improvement Revenue Bond Series:		
Construction Fund	1,179,583	-
Reserve Fund	3,621,976	985,267
State Revolving Loan: Reserve Fund	730,901	-
Contributions in aid of construction	610,853	232,148
Customer deposits	<u>4,128,627</u>	<u>4,128,627</u>
Total for Utility Fund	<u>\$10,951,940</u>	<u>\$ 5,346,042</u>
 <u>Stormwater Fund:</u>		
Revenue Pledged for Debt Service Payments related to State Revolving Loans 2007 and 2015		
	\$ 145,197	\$ -
Total for Stormwater Fund	<u>\$ 145,197</u>	<u>\$ -</u>

Liabilities payable from restricted assets are as follows:

<u>Liabilities</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Accounts payable	\$ 127,840	\$ -	\$ 127,840
Retainage payable	104,308	-	104,308
Accrued interest payable	985,267	-	985,267
Deposits payable	<u>412,863</u>	<u>3,715,764</u>	<u>4,128,627</u>
Total	<u>\$1,630,278</u>	<u>\$3,715,764</u>	<u>\$5,346,042</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 45,580,151	\$ -	\$ 51,000	\$ 45,529,151
Construction in progress	13,487,202	12,241,424	17,774,297	7,954,329
Total capital assets not being depreciated	<u>59,067,353</u>	<u>12,241,424</u>	<u>17,825,297</u>	<u>53,483,480</u>
Capital assets being depreciated/amortized:				
Buildings	178,353,850	10,294,455	189,000	188,459,305
Improvements other than buildings	17,424,664	5,962,115	-	23,386,779
Machinery and equipment	22,368,762	4,782,158	360,022	26,790,898
Fleet	16,805,705	4,911,185	1,050,880	20,666,010
Intangible	3,022,415	1,580,466	21,550	4,581,331
Infrastructure	<u>69,052,882</u>	<u>900,000</u>	<u>-</u>	<u>69,952,882</u>
Total capital assets being depreciated/amortized	<u>307,028,278</u>	<u>28,430,379</u>	<u>1,621,452</u>	<u>333,837,205</u>
Less accumulated depreciation/amortization for:				
Buildings	29,004,550	3,728,457	145,530	32,587,477
Improvements other than buildings	7,311,029	929,408	-	8,240,437
Machinery and equipment	12,921,128	1,600,667	328,400	14,193,395
Fleet	12,672,026	1,595,528	1,050,591	13,216,963
Intangible	2,307,294	178,597	21,550	2,464,341
Infrastructure	<u>41,878,681</u>	<u>1,653,334</u>	<u>-</u>	<u>43,532,015</u>
Total accumulated depreciation/amortization	<u>106,094,708</u>	<u>9,685,991</u>	<u>1,546,071</u>	<u>114,234,628</u>
Capital assets being depreciated/amortized, net	<u>200,933,570</u>	<u>18,744,388</u>	<u>75,381</u>	<u>219,602,577</u>
Governmental activities capital assets, net	<u>\$260,000,923</u>	<u>\$30,985,812</u>	<u>\$17,900,678</u>	<u>\$273,086,057</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7. CAPITAL ASSETS (Continued)

	Beginning <u>Balance</u>	Additions/ <u>Transfers</u>	Deletions/ <u>Transfers</u>	Ending <u>Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 5,753,859	\$ -	\$ -	\$ 5,753,859
Construction in progress	<u>9,392,303</u>	<u>7,261,225</u>	<u>1,700,561</u>	<u>14,952,967</u>
Total capital assets not being depreciated	<u>15,146,162</u>	<u>7,261,225</u>	<u>1,700,561</u>	<u>20,706,826</u>
Capital assets being depreciated/amortized:				
Buildings	105,644,198	-	-	105,644,198
Improvements other than buildings	1,505,495	634,717	-	2,140,212
Machinery and equipment	1,381,192	282,703	-	1,663,895
Fleet	3,922,220	406,460	168,145	4,160,535
Intangible	1,392,097	583,134	-	1,975,231
Infrastructure	<u>301,523,682</u>	<u>2,123,361</u>	<u>-</u>	<u>303,647,043</u>
Total capital assets being depreciated/amortized	<u>415,368,884</u>	<u>4,030,375</u>	<u>168,145</u>	<u>419,231,114</u>
Less accumulated depreciation/amortization for:				
Buildings	29,936,842	1,961,593	-	31,898,435
Improvements other than buildings	853,159	79,893	-	933,052
Machinery and equipment	687,667	150,799	-	838,466
Fleet	2,769,093	285,592	168,145	2,886,540
Intangible	1,311,180	62,379	-	1,373,559
Infrastructure	<u>103,548,715</u>	<u>6,702,530</u>	<u>-</u>	<u>110,251,245</u>
Total accumulated depreciation/amortization	<u>139,106,656</u>	<u>9,242,786</u>	<u>168,145</u>	<u>148,181,297</u>
Capital assets being depreciated/amortized, net	<u>276,262,228</u>	<u>(5,212,411)</u>	<u>-</u>	<u>271,049,817</u>
Business-type activities capital assets, net	<u>\$291,408,390</u>	<u>\$2,048,814</u>	<u>\$1,700,561</u>	<u>\$291,756,643</u>

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

Governmental activities:	
General government	\$1,324,989
Public safety	2,707,946
Physical environment	1,830,900
Transportation	264,746
Social services	504,992
Economic environment	276,590
Parks and recreation	2,303,197
Cultural arts	<u>472,631</u>
Total depreciation/amortization expense – governmental activities	<u>\$9,685,991</u>
Business-type activities:	
Utility	\$8,932,179
Stormwater	<u>310,607</u>
Total depreciation/amortization expense – business type activities	<u>\$9,242,786</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2017, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-Major Governmental	\$ 427,927

The balances above represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year end.

Interfund transfers at September 30, 2017, consisted of the following:

<u>Transfers Out:</u>	Transfers In:			<u>Fund Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Internal Service</u>	
General	\$ -	\$7,301,900	\$ -	\$ 7,301,900
State Grant	453,648	-	-	453,648
Nonmajor Governmental:				
Special Revenue	663,427	-	-	663,427
Capital Projects	<u>2,480,720</u>	<u>2,106,100</u>	<u>707,000</u>	<u>5,293,820</u>
	<u>\$3,597,795</u>	<u>\$9,408,000</u>	<u>\$707,000</u>	<u>\$13,712,795</u>

Transfers are used to: (1) transfer revenues from the fund that the budget requires to collect them to the fund the budget requires to expend them, (2) transfer receipts restricted for debt service from funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to cover costs in other funds in accordance with budgetary authorizations. The above transfers are explained below:

1. Transfers into the General Fund consist of transfers from the various grant funds for covered expenditures; and from the Street Construction and Maintenance Fund to cover the cost of street capital improvements and maintenance costs incurred in the General Fund.
2. Transfers into the Debt Service Fund are to cover debt service payments in the current year.
3. The transfer into the Fleet Management Internal Service Fund was for the purchase of two fire rescue vehicles.

NOTE 9. LONG-TERM OBLIGATIONS

A. Enterprise Fund Revenue Bonds

In December 2007, the City issued \$46,040,000 of the Utility System Improvement Revenue Bonds, Series 2007 to acquire equipment and construct certain capital improvements to the City's utility system. The Series 2007 Bonds are payable solely from and secured by a lien upon the pledge of net revenues and connection fees derived from the operation of the System. Principal and interest are due semi-annually on April 1 and October 1, through October 1, 2037.

In March 2015, the City issued \$11,485,000 of the Utility System Refunding Revenue Bonds, Series 2015 to refund the then outstanding \$11,520,000 Utility System Refunding and Improvement Revenue Bonds, Series 2004. The bonds are secured by the net revenues of the system and water connection fees. Principal and interest are due quarterly through October 1, 2034.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

B. Enterprise Fund Loan Payable

In 2005, the City began to participate in the Revolving Loan Fund Program administered by the State of Florida. This program allows local governments to enter into loan agreements with the Department of Environmental Protection under the State Revolving Loan Fund, for the construction of stormwater and wastewater management facilities. These loans have repayment terms of 10 and 20 years with fixed interest rates of 3.16% and 2.09%, respectively. Principal and interest payments are due semi-annually on January 15 and July 15 related to the City's outstanding 2005 series loans.

In 2014, the City entered into a loan agreement with the State of Florida Department of Environmental Protection's Clean Water State Revolving Fund loan program to borrow up to \$546,664 to finance the planning and design of wastewater pollution control facility improvements. In 2017, the agreement was amended and the principal amount of the loan was reduced to \$382,665. As of September 30, 2017, the City has an outstanding loan payable of \$394,549. The financing rate on the unpaid principal of the loan amount is 2.56% per annum. The loan is payable in semiannual payments upon completion of the project and is calculated based on the actual amount of principal drawn under the agreement, as well as associated capitalized interest and a loan service fee.

In 2015, the City entered into a loan agreement with the State of Florida Department of Environmental Protection's Clean Water State Revolving Fund loan program to borrow up to \$374,000 to finance the planning, design, and construction of stormwater drainage improvements. As of September 30, 2017, the City has an outstanding loan payable of \$291,070. The financing rate on the unpaid principal of the loan amount is 1.96% per annum. The loan is payable in semiannual payments upon completion of the project and is calculated based on the actual amount of principal drawn under the agreement, as well as associated capitalized interest and a loan service fee.

C. Governmental Activities Revenue Bonds

In September 2013, the City issued \$59,815,000 of the Special Obligation Refunding and Improvement Revenue Bonds, Series 2013, which was used to pay off the then outstanding \$10,000,000 Capital Improvement Revenue Note, Series 2008, and to fund various future capital projects. Principal and interest are paid semi-annually on April 1 and October 1, through October 2038. The City's obligation to repay the Bonds is secured by impact fees and the City's covenant to budget and appropriate legally available non-ad valorem revenues.

In March 2015, the City issued \$79,595,000 of the Capital Improvement Refunding Revenue Bonds, Series 2015, which was used to pay off the then outstanding \$3,635,000 Public Service Tax Revenue Bonds, Series 2003 and the outstanding \$83,935,000 Capital Improvement Revenue Bonds, Series 2005.

The City's obligation to repay the bonds is secured by pledges of City revenue from the sales tax and communication service tax. Principal and interest are paid semi-annually on April 1 and October 1, through October 1, 2035.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

D. Revenue Notes Payable

On January 12, 2012, the City issued a \$7,084,000 Transportation Improvement Revenue Note, Series 2012. The proceeds of the note were used for various transportation improvement projects. The note bears interest at 2.21% per annum. Principal and Interest is due quarterly on January 1, April 1, July 1, and October 1. The note matures on October 1, 2021. The City's obligation to repay the note is secured by the local option gas tax.

On February 1, 2017, the City issued a Special Obligation Revenue Note, Series 2017, in the principal amount of \$10,000,000 to finance the cost of various capital improvements within the City. The Note provides for quarterly principal and interest payments beginning on April 15, 2017 through January 15, 2027, with a fixed rate of 2.9125%. Repayment of the loan is secured by a covenant to budget and appropriate legally available non-ad valorem revenues of the City.

E. Compensated Absences

For the governmental activities, compensated absences are generally liquidated by the General Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included in the totals for governmental activities.

F. Summary of Bonds, Loans and Notes Outstanding

Governmental activities bonds and notes outstanding at September 30, 2017, consist of the following:

<u>Governmental Activities</u>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Service</u>
<u>Revenue bonds:</u>					
Series 2013 Special Obligation Refunding and Improvement Revenue Bonds	Various capital projects	\$ 59,815,000	\$ 59,815,000	3.25-5.00%	\$4,661,875
Series 2015 Capital Improvement Refunding Revenue Bonds	Refunding Series 2003 Public Service Tax Revenue Bond and Series 2005 Capital Improvement Revenue Bond	79,595,000	75,780,000	3.00-5.00%	5,980,325
Total revenue bonds		<u>139,410,000</u>	<u>135,595,000</u>		
<u>Revenue notes:</u>					
Series 2012 Transportation Improvement Note	Transportation projects	7,084,000	3,273,600	2.21%	809,242
Series 2017 Special Obligation Revenue Note	Various capital projects	10,000,000	9,590,000	2.913%	1,165,917
Total revenue notes		<u>17,084,000</u>	<u>12,863,600</u>		
Total for governmental activities		<u>\$156,494,000</u>	<u>\$148,458,600</u>		

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

F. Summary of Bonds, Loans and Notes Outstanding (Continued)

Business-type activities bonds and loans outstanding at September 30, 2017, consist of the following:

<u>Business-Type Activities</u>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maximum Annual Debt Service</u>
<u>Revenue bonds:</u>					
2007 Utility System revenue bond	Various infrastructure projects	\$46,040,000	\$39,835,000	4.00-4.50%	\$2,984,230
2015 Utility System Refunding revenue bond	Refunding Series 2004 Utility System Refunding and Improvement Revenue Bonds	<u>11,485,000</u>	<u>10,400,000</u>	2.64%	760,043
Total revenue bonds		<u>57,525,000</u>	<u>50,235,000</u>		
<u>State revolving loans:</u>					
2005 Eastern Miramar infrastructure	Rehabilitation of infrastructure	18,024,237	9,342,455	2.09%	1,089,386
2014 Historic Miramar Improvement III	Wastewater Pollution Control Facilities	382,665	394,549	2.56%	25,829
2015 Historic Miramar Drainage Improvement	Drainage improvement	<u>297,883</u>	<u>291,070</u>	1.96%	18,033
Total state revolving loans		<u>18,704,785</u>	<u>10,028,074</u>		
Total for business-type activities		<u>\$76,229,785</u>	<u>\$60,263,074</u>		

G. Changes in Long-Term Obligations

Long-term liability activity for the year ended September 30, 2017, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Bonds, notes, and leases payable:					
Revenue bonds	\$138,295,000	\$ -	\$ 2,700,000	\$135,595,000	\$ 4,645,000
Revenue notes	4,000,400	10,000,000	1,136,800	12,863,600	1,627,900
Capital leases	2,204,096	3,703,546	470,068	5,437,574	959,101
Deferred costs – premium	<u>6,832,679</u>	-	<u>350,884</u>	<u>6,481,795</u>	-
Total bonds, notes payable and leases	<u>151,332,175</u>	<u>13,703,546</u>	<u>4,657,752</u>	<u>160,377,969</u>	<u>7,232,001</u>
Other liabilities:					
Self-insurance claims	8,188,740	6,311,950	4,956,578	9,544,112	1,364,112
Compensated absences	12,608,707	3,742,535	2,792,971	13,558,271	2,708,419
Other post-employment benefit obligation	13,431,661	4,160,013	1,668,333	15,923,341	-
Total pension liability-excess benefit	1,041,274	1,074,266	1,041,274	1,074,266	-
Net pension liability	175,483,477	4,125,739	5,835,193	173,774,023	-
Net pension liability-FRS and HIS	-	<u>1,417,462</u>	-	<u>1,417,462</u>	-
Total other liabilities	<u>210,753,859</u>	<u>20,831,965</u>	<u>16,294,349</u>	<u>215,291,475</u>	<u>4,072,531</u>
Total governmental activities long-term liabilities	<u>\$362,086,034</u>	<u>\$34,535,511</u>	<u>\$20,952,101</u>	<u>\$375,669,444</u>	<u>\$11,304,532</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

G. Changes in Long-Term Obligations (Continued)

For governmental activities, compensated absences, pension liabilities and the other post-employment benefit obligation are generally liquidated by the General Fund. Internal Service Funds predominately serve the governmental funds. Accordingly, their long-term liabilities for compensated absences, pension liabilities, and the other post-employment benefit obligation are included as part of the totals for governmental activities.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-type activities:</u>					
Bonds and loans payable:					
Revenue bonds	\$51,845,000	\$ -	\$1,610,000	\$50,235,000	\$1,680,000
State revolving loans	10,660,324	308,429	940,679	10,028,074	927,018
Deferred amounts – discount	(46,199)	-	(2,192)	(44,007)	-
Total bonds and loans payable	<u>62,459,125</u>	<u>308,429</u>	<u>2,548,487</u>	<u>60,219,067</u>	<u>2,607,018</u>
Other liabilities:					
Compensated absences	1,298,011	148,122	220,602	1,225,531	220,602
Other post-employment benefit obligation	2,874,493	732,707	294,412	3,312,788	-
Net pension liability	<u>10,353,311</u>	<u>721,296</u>	<u>-</u>	<u>11,074,607</u>	<u>-</u>
Total other liabilities	<u>14,525,815</u>	<u>1,602,125</u>	<u>515,014</u>	<u>15,612,926</u>	<u>220,602</u>
Total business-type activities long-term liabilities	<u>\$76,984,940</u>	<u>\$1,910,554</u>	<u>\$3,063,501</u>	<u>\$75,831,993</u>	<u>\$2,827,620</u>

H. Summary of Annual Debt Service Requirements

<u>Fiscal Year Ended</u>	<u>Governmental Activities</u>			
	<u>Revenue Bonds</u>		<u>Revenue Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 4,645,000	\$ 5,864,869	\$ 1,627,900	\$ 336,098
2019	4,890,000	5,671,713	1,669,400	293,331
2020	5,165,000	5,451,350	1,721,300	248,505
2021	5,220,000	5,217,913	1,768,800	204,390
2022	5,330,000	4,974,237	1,196,200	161,408
2023-2027	29,580,000	20,891,853	4,880,000	344,367
2028-2032	35,255,000	13,981,929	-	-
2033-2037	37,400,000	6,050,925	-	-
2038-2042	8,110,000	410,500	-	-
	<u>\$ 135,595,000</u>	<u>\$ 68,515,289</u>	<u>\$ 12,863,600</u>	<u>\$ 1,588,099</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

H. Summary of Annual Debt Service Requirements (Continued)

Fiscal Year Ended	Business-Type Activities			
	Revenue Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2018	\$ 1,680,000	\$ 2,062,794	\$ 927,018	\$ 206,230
2019	1,720,000	1,998,352	946,552	186,696
2020	1,810,000	1,932,935	966,499	166,748
2021	1,875,000	1,863,111	986,867	146,380
2022	1,930,000	1,789,099	1,007,664	125,583
2023-2027	10,900,000	7,731,117	4,821,270	300,274
2028-2032	13,280,000	5,311,756	185,769	33,537
2033-2037	14,165,000	2,280,505	186,435	10,939
2038-2042	2,875,000	68,281	-	-
	<u>\$ 50,235,000</u>	<u>\$ 25,037,950</u>	<u>\$ 10,028,074</u>	<u>\$ 1,176,387</u>

I. Capital Leases

The City finances the acquisition of certain equipment and vehicles through capital leases. The principal balances on the governmental activities capital lease liabilities at September 30, 2017 follows:

Seven (7) year capital lease, payable in quarterly installments of \$84,416, interest at 1.599% per annum. The lease is collateralized by the firefighter equipment being purchased.	\$ 1,774,447
Seven (7) year capital lease, payable in quarterly installments of \$67,670, interest at 1.842% per annum. The lease is collateralized by the mobile and portable radio equipment being purchased.	1,773,845
Four (4) year capital lease, payable in annual installments of \$293,758, interest at 0% per annum. The lease is collateralized by the telephone system being purchased.	1,468,788
Seven (7) year capital lease, payable in annual installments of \$37,905, interest at 4.16% per annum. The lease is collateralized by the radio equipment being purchased.	225,504
Three (3) year capital lease, payable in quarterly installments of \$9,872, interest at 4.50% per annum. The lease is collateralized by the computer equipment being purchased.	111,462
Three (3) year capital lease, payable in quarterly installments of \$10,978, interest at 4.512% per annum. The lease is collateralized by the computer equipment being purchased.	83,528
	<u>\$ 5,437,574</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

Annual minimum lease payments and the present value of minimum lease payments follows:

<u>Fiscal Year Ended</u>	<u>Governmental Activities</u>
2018	\$ 1,033,281
2019	1,023,410
2020	969,625
2021	940,010
2022	940,009
2023-2024	<u>786,005</u>
Total minimum lease payments	5,692,340
Less amount representing interest	<u>(254,766)</u>
Present value of minimum lease payments	<u>\$ 5,437,574</u>

The net book value of assets acquired through capital leases as of September 30, 2017, follows:

Assets:	
Equipment	\$5,935,009
Less accumulated depreciation	<u>(236,725)</u>
Total net book value	<u>\$5,698,284</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

J. Pledged Revenues

The City issued bonds, notes and loans that are secured by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those liabilities as of September 30, 2017, are as follows:

Description of debt	Governmental Activities	
	<u>Revenue Bonds</u>	<u>Revenue Notes</u>
	Special Obligation and Refunding Revenue Bonds, Series 2013	Transportation Improvement Revenue Note, Series 2012
Current revenue pledged	\$2,694,850	\$1,018,224
Current debt service	2,694,850	809,213
Total future revenue pledged	95,590,875	3,438,777
Pledged revenues	Impact Fees-Recreation Impact Fees-Parks	Local Option Gas Tax-second
Purpose of debt	Various Capital Projects and Refunding 2008 Bank Note	Various Transportation Projects
Terms of commitment	2013 - 2038	2012 - 2022
Percentage of debt to pledged revenues (current year)	100.00%	79.47%
Description of debt	Capital Improvement Refunding Revenue Bonds, Series 2015	Special Obligation Revenue Note, Series 2017
Current revenue pledged	\$13,105,933	\$541,188
Current debt service	5,996,425	541,188
Total future revenue pledged	108,519,413	11,013,921
Pledged revenues	Communication services tax Local government 1/2 cent sales tax Utility Tax-Electricity	Legally available non-Ad Valorem revenues
Purpose of debt	Refunding Public Service Tax Revenue Bonds Series 2003 and Capital Improvement Revenue Bonds, Series 2005	Various Capital Projects
Terms of commitment	2015 - 2036	2017-2027
Percentage of debt to pledged revenues (current year)	45.75%	100.00%

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9. LONG-TERM OBLIGATIONS (Continued)

J. Pledged Revenues (Continued)

Description of debt	<u>Business-type Activities</u>
	Utility System Revenue Bonds Series 2007 and 2015 and Water and Sewer State Revolving Loans, issued 2005-2014
Current revenue pledged	\$ 40,703,559
Current debt service	4,892,787
Total future revenue pledged	86,477,410
Purpose of debt	Various Infrastructure, Wastewater and Stormwater Management projects
Pledged revenues	Utility and stormwater system revenues
Terms of commitment	2005 – 2038
Percentage of debt to pledged revenues (current year)	12.02%

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. DEFINED BENEFIT PLANS

The City maintains four separate defined benefit single-employer pension plans (General Employees' Retirement Plan, Police Officers' Retirement Plan, Firefighters' Retirement Plan, and Management Retirement Plan) which cover substantially all of its full-time employees. The City accounts for these plans as pension trust funds.

Summary of Significant Accounting Policies

Basis of Accounting - The pension plans are accounted for on the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's General Employees' Retirement Plan, Police Officers' Retirement Plan, Firefighters' Retirement Plan and Management Retirement Plan (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

General Employees' Retirement Plan

1. Plan Description - The General Employees' Retirement Plan (the Plan) is a single-employer defined benefit pension plan that covers all City employees, except for police, firefighters, full-time senior management or management positions, and certain appointed employees and elected officials. The Plan was established pursuant to City Ordinance No. 81-12 (as amended). The Plan is also governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

General Employees' Retirement Plan (Continued)

2. Benefits Provided - The Plan provides retirement and death benefits to Plan members and beneficiaries. Normal retirement is at the earlier of attainment of age 65 and 7 years of credited service, or 20 years of credited service regardless of age. Normal retirement benefits are 2.75% for participants with less than 21 years of credited service plus .05% for every year of additional service to a maximum of 3% of average monthly earnings times credited service. Average monthly earnings are the average earnings during the three highest years of credited service.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to the Plan administrator.

City of Miramar Pension Trust for General Employees'
 3810 Inverrary Boulevard, Suite 303
 Lauderhill, Florida 33319

3. Employees Covered by Benefit Terms - As of the October 1, 2016 actuarial valuation, membership in the General Employees' Retirement Plan consisted of the following:

	<u>General Employees'</u>
Retirees and beneficiaries currently receiving benefits	164
Inactive employees entitled to but not yet receiving benefits	31
Active Employees (including transfers)	<u>396</u>
	<u><u>591</u></u>

4. Contributions - Plan members are required to contribute 7.36% of their annual covered salary. The City is required to contribute at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. Employer contributions for the year ended September 30, 2017, determined using the actuarial valuation dated October 1, 2015, were \$3,792,128 or 23.03% of covered payroll.
5. Deferred Retirement Option Plan - The deferred retirement option plan (DROP) is available to all General Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until they retire from the City at which time DROP benefits will be paid. Maximum duration of participation is five years and the election is irrevocable. The balance held by the General Employees' Plan at September 30, 2017 pursuant to the DROP is \$2,940,278.
6. Net Pension Liability - The General Employees' Retirement Plan's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

General Employees' Retirement Plan (Continued)

7. Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of September 30, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

<u>Actuarial Assumptions:</u>		
Assumed rate on investments	7.00%	(including inflation)
Annual salary increases	5.00%-7.50%	(including inflation)
Inflation rate	2.50%	

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation, as mandated by Florida House Bill 1309.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Fixed Income	2.50%
Real estate	4.50%

8. Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

General Employees' Retirement Plan (Continued)

9. Changes in the Net Pension Liability

	General Employees' Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at October 1, 2016	\$ 93,805,545	\$ 75,310,292	\$18,495,253
Changes for the year:			
Service cost	3,032,270	-	3,032,270
Interest	6,599,459	-	6,599,459
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,361,773	-	3,361,773
Changes of assumptions	1,693,006	-	1,693,006
Contributions – employee	-	1,966,498	(1,966,498)
Contributions – employer	-	3,767,869	(3,767,869)
Net investment income	-	7,507,462	(7,507,462)
Benefit payments, including refunds of employee contributions	(5,119,659)	(5,119,659)	-
Administrative expense	-	(181,082)	181,082
Net changes	9,566,849	7,941,088	1,625,761
Balances at September 30, 2017	<u>\$103,372,394</u>	<u>\$ 83,251,380</u>	<u>\$20,121,014</u>

10. Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2017:

	General Employees' Plan		
	1% Decrease	Current Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 32,689,505	\$ 20,121,014	\$ 9,778,075

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

General Employees' Retirement Plan (Continued)

11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2017, the City recognized pension expense of \$2,695,663. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees' Plan	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 2,782,157	\$ 2,046,727
Assumption changes	1,401,108	-
Net difference between projected and actual earnings on pension plan investments	2,343,337	2,865,354
Employer contributions made subsequent to the measurement date	3,792,128	-
Total	\$ 10,318,730	\$ 4,912,081

The deferred outflows of resources related to the General Employees Retirement Plan, totaling \$3,792,128, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2018	\$ 136,247
2019	136,247
2020	680,696
2021	61,680
2022	599,651
Thereafter	-

12. Investment Rate of Return - For the year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Police Officers' Retirement Plan

1. Plan Description - The Police Officers' Retirement Plan and Trust (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the City's certified police officers. The Plan was established pursuant to City Ordinance No. 80-21 (as amended). The Plan is also governed by certain provisions of Chapter 185, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Police Officers' Retirement Plan (Continued)

2. Benefits Provided - The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries.

In June 2008, pursuant to Ordinance No. 08-20, the City Commission approved a second tier for the Plan. Tier One members include all officers hired prior to June 20, 2008, and Tier Two members are those hired after such date. Tier One members may retire the earlier of the date on which they obtain 20 years of credited service or age 55 and completion of 10 years of credited service. Normal retirement benefits are 3.25% of average monthly earnings times credited service up to a maximum benefit of 80% for participants retiring on or after October 1, 1994. Tier Two members may retire the earlier of the date on which they obtain 25 years of credited service or age 55 and completion of 10 years of credited service. Normal retirement benefits are 3.00% of average monthly earnings times credited service subject to a maximum of 75% of average monthly earnings.

Effective October 1, 2001, an annual 2% COLA was created for all retirees and DROP participants who were active employees on or after October 1, 2001, including DROP participants who had entered the DROP prior to October 1, 2001. COLA payments shall commence five (5) years after retirement or entry into the DROP. Tier Two members are not eligible for COLA.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to the Plan administrator.

City of Miramar Police Officers' Retirement Plan and Trust
 6861 SW 196th Avenue, Suite 402
 Fort Lauderdale, Florida 33332

3. Employees Covered by Benefit Terms - As of the October 1, 2016 actuarial valuation, membership in the Police Officers' Retirement Plan consisted of the following:

	<u>Police Officers'</u>
Retirees and beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	40
Active Employees	167
	<u>291</u>

4. Contributions - Both Tier One and Tier Two Plan members are required to contribute 13.40% of their basic annual compensation on a pick-up basis. Pursuant to Florida Statutes Chapter 185, premium taxes on casualty insurance contracts are collected by the State and are remitted to the Plan. This amount totaled \$1,032,724 for the year ended September 30, 2017. This amount was recognized as an expenditure and revenue in the General Fund. The City is expected to contribute after offset by the allowable State contribution, such additional amounts as are necessary on an actuarial basis to fund the Plan's current service costs and to provide for benefits under the Plan not met by member contributions. Employer contributions for the year ended September 30, 2017, determined using the actuarial valuation dated October 1, 2015, were \$7,638,789 or 64.2% of covered payroll.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Police Officers' Retirement Plan (Continued)

5. Deferred Retirement Option Plan - The deferred retirement option plan (DROP) is available to all Police officers' who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until they retire from the City at which time DROP benefits will be paid. Maximum duration of participation is eight years and the election is irrevocable. The balance held by the Police Officers' Retirement Plan at September 30, 2017, pursuant to the DROP is \$33,033,143.
6. Net Pension Liability - The Police Officers' Retirement Plan's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.
7. Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of September 30, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial Assumptions:

Assumed rate of return on investments	7.00%	(including inflation)
Annual salary increases	5.50%	(including inflation)
Inflation rate	2.50%	

Mortality rates were based on the mortality table used by FRS (Florida Retirement System) as of the July 1, 2016 Valuation as mandated by Florida House Bill 1309.

- Pre-Retirement:
 - Female Non-Disabled: RP2000 Generational, 100% Combined Healthy with White Collar Adjustment Scale BB
 - Male Non-Disabled: RP2000 Generational, 10% Combined Healthy with White Collar Adjustment/90% Combined Healthy with Blue Collar Adjustment, Scale BB
- Post-Retirement:
 - Female Non-Disabled: RP2000 Generational, 100% Annuitant White Collar Scale BB
 - Male Non-Disabled: RP2000 Generational, 50% Annuitant White Collar /50% Annuitant Blue Collar Scale BB
- Disability Retirement:
 - Female Disabled: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.
 - Male Disabled: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Police Officers' Retirement Plan (Continued)

7. Actuarial assumptions (Continued) - The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and Plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term expected real rate of return</u>
U.S. Large Cap Equity	4.75%
U.S. Small/Mid Cap Equity	5.00%
International Equity	4.50%
U.S. Direct Real Estate	4.50%
Absolute Return/Alternatives	2.50%
Global Infrastructure	3.25%
U.S. Aggregate Bond	0.75%

8. Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Police Officers' Retirement Plan (Continued)

9. Changes in the Net Pension Liability

	Police Officers' Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at October 1, 2016	\$205,559,376	\$120,593,577	\$84,965,799
Changes for the year:			
Service cost	4,289,372	-	4,289,372
Interest	14,283,076	-	14,283,076
Differences between expected and actual experience	(4,524,095)	-	(4,524,095)
Changes of assumptions	1,484,086	-	1,484,086
Contributions – employee	-	2,475,797	(2,475,797)
Contributions – employer	-	8,154,753	(8,154,753)
Net investment income (loss)	-	11,010,659	(11,010,659)
Benefit payments, including refunds of employee contributions	(5,529,606)	(5,529,606)	-
Administrative expense	-	(273,577)	273,577
Net changes	10,002,833	15,838,026	(5,835,193)
Balances at September 30, 2017	\$215,562,209	\$136,431,603	\$79,130,606

10. Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2017:

	Police Officers' Plan		
	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 107,995,582	\$ 79,130,606	\$ 55,195,850

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Police Officers' Retirement Plan (Continued)

11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2017, the City recognized a pension expense of \$8,722,855. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Officers' Plan	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 350,110	\$ 3,751,001
Assumption changes	1,219,071	-
Net difference between projected and actual earnings on pension plan investments	6,577,415	2,471,230
Employer contributions made subsequent to the measurement date	7,638,789	-
Total	\$ 15,785,385	\$ 6,222,231

The deferred outflows of resources related to the Police Officers' Retirement Plan, totaling \$7,638,789, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 963,135
2019	963,135
2020	1,238,690
2021	(953,782)
2022	(286,813)
Thereafter	-

12. Investment Rate of Return - For the year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 13.6%. The money-weighted rate of return expresses investments performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Retirement Plan

1. Plan Description - The Firefighters' Retirement Plan (the Plan) is a single-employer defined benefit pension plan that covers substantially all of the City's certified firefighters. The Plan was established pursuant to City Ordinance No. 81-32 (as amended) which became effective July 7, 1981. The Plan is also governed by certain provisions of Chapter 175, Florida Statutes. The Plan is administered by the Board of Trustees for the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Firefighters' Retirement Plan (Continued)

2. Benefits Provided - The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Participants who have completed 25 years of service or attained age 55 with 10 years of credited service are eligible for normal retirement benefits. The normal retirement benefit multiplier is 3% of the final monthly compensation. Immediate payments are calculated in the same manner as the normal retirement benefit reduced by 3% for each year by which their age at retirement precedes their normal retirement age. Deferred payments are payable at age 55 and calculated in the same manner as the normal retirement benefit.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to the Plan administrator.

City of Miramar Firefighters' Retirement Plan
 4360 Northlake Boulevard, Suite 206
 Palm Beach Gardens, Florida 33410

3. Employees Covered by Benefit Terms - As of the October 1, 2016 actuarial valuation, membership in the Firefighters' Retirement Plan consisted of the following:

	<u>Firefighters'</u>
Retirees and beneficiaries currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	17
Active Employees	121
	178

4. Contributions - Plan members are required to contribute 8.47% of their base salaries or wages on a monthly basis. If a member terminates their employment before accumulating aggregate time of 10 years toward retirement, the accumulated contributions will be returned to the members with 5.5 % interest. Pursuant to Florida Statutes Chapter 175, contributions from the State of Florida Department of Insurance consist of 1.85% excise tax imposed upon certain property insurance companies on the gross amount of premiums from policy holders on all premiums collected on property insurance policies covering property within the City. This amount totaled \$966,694 for the year ended September 30, 2017. This amount was recognized as an expenditure and revenue in the General Fund. The City is required to make annual contributions in the amount of the difference between allowable State contributions and the total cost for the plan year as shown by an actuarial valuation report. The total cost is equal to the normal cost plus the amount required to amortize unfunded actuarial liabilities over 15 years as a level percentage of payroll. Employer contributions for the year ended September 30, 2017, determined using the actuarial valuation dated October 1, 2015, were \$5,871,432 or 50.5% of covered payroll.
5. Deferred Retirement Option Plan - The deferred retirement option plan (DROP) is available to all Firefighters' who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until they retire from the City at which time DROP benefits will be paid. Maximum duration of participation is five years and the election is irrevocable. The balance held by the Firefighters' Retirement Plan at September 30, 2017, pursuant to the DROP is \$14,953,617.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Firefighters' Retirement Plan (Continued)

6. Net Pension Liability - The Firefighters' Retirement Plan's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.
7. Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of September 30, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial Assumptions:

Assumed rate of return on investments	*7.00%
Annual salary increases	*9.18% first (6) years of service
	*4.03% thereafter
Inflation rate	2.50%

*Amounts include inflation of 2.5%

Mortality rates were based on the mortality table used by FRS (Florida Retirement System) as of the July 1, 2016 Valuation as mandated by Florida House Bill 1309.

- Pre-Retirement:
 - Female Non-Disabled: RP2000 Generational, 100% Combined Healthy with White Collar Adjustment Scale BB
 - Male Non-Disabled: RP2000 Generational, 10% Combined Healthy with White Collar Adjustment/ 90% Combined Healthy with Blue Collar Adjustment, Scale BB
- Post-Retirement:
 - Female Non-Disabled: RP2000 Generational, 100% Annuitant White Collar Scale BB
 - Male Non-Disabled: RP2000 Generational, 50% Annuitant White Collar /50% Annuitant Blue Collar Scale BB
- Disability Retirement:
 - Female Disabled: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale.
 - Male Disabled: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projection scale.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Firefighters' Retirement Plan (Continued)

7. Actuarial assumptions - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term expected real rate of return</u>
Large Cap Equity	6.60%
Small/Mid Cap Equity	7.90%
Mid Cap Equity	7.90%
Small Cap Equity	6.40%
International Equity	2.40%
Real Estate	6.50%
Fixed Income	2.70%

8. Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

9. Changes in the Net Pension Liability

	<u>Firefighters' Plan</u>		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) – (b)</u>
Balance at October 1, 2016	<u>\$168,758,326</u>	<u>\$104,321,909</u>	<u>\$64,436,417</u>
Changes for the year:			
Service cost	3,646,542	-	3,646,542
Interest	12,041,077	-	12,041,077
Differences between expected and actual experience	(63,099)	-	(63,099)
Changes of assumptions	1,354,378	-	1,354,378
Contributions – employee	-	1,268,018	(1,268,018)
Contributions – employer	-	5,935,050	(5,935,050)
Net investment income	-	9,476,199	(9,476,199)
Benefit payments, including refunds of employee contributions	(3,361,511)	(3,361,511)	-
Administrative expense	-	(191,933)	191,933
Net changes	<u>13,617,387</u>	<u>13,125,823</u>	<u>491,564</u>
Balances at September 30, 2017	<u>\$182,375,713</u>	<u>\$117,447,732</u>	<u>\$64,927,981</u>

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Firefighters' Retirement Plan (Continued)

10. Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2017:

	Firefighters' Plan		
	1% Decrease	Current Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 90,458,951	\$ 64,927,981	\$ 44,597,614

11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2017, the City recognized a pension expense of \$7,422,696. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Firefighters' Plan	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 152,827	\$ 759,631
Assumption changes	1,185,081	-
Net difference between projected and actual earnings on pension plan investments	4,145,992	3,246,775
Employer contributions made subsequent to the measurement date	5,871,432	-
Total	\$ 11,355,332	\$ 4,006,406

The deferred outflows of resources related to the Firefighters' Retirement Plan, totaling \$5,871,432, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 241,432
2019	241,432
2020	1,046,449
2021	(335,549)
2022	73,637
Thereafter	210,093

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Firefighters' Retirement Plan (Continued)

12. Investment Rate of Return - For the year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.5%. The money-weighted rate of return expresses investments performance, net of investment expense, adjusted for the changing amounts actually invested.

Management Retirement Plan

1. Plan Description - The Management Retirement Plan and Trust Fund (the Plan) is a single-employer defined benefit pension plan that covers all regular full time senior management or management positions designated by the City Manager, and effective July 6, 2005, includes all FLSA exempt and Civil Service exempt positions. The Plan was established pursuant to City Ordinance No. 02-18 effective October 1, 2002. The Plan is also governed by certain provisions of Chapter 112, Florida Statutes. The Board of Trustees for the Plan administers the Plan. Plan provisions may be amended by City ordinance, as governed by guidelines of the State of Florida.
2. Benefits Provided - The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. A member may retire on the first day of the month following the earlier of: the date upon which a member completes 20 years of credited service, regardless of age; or the date upon which the member attains age 55 with ten years of credited service or the date upon which the member attains age 62 with five years of credited service. Normal retirement benefits are 3% of final monthly compensation for each year of credited service plus an increase of 0.2% for every year of additional service above 5 years to a maximum of 4% of final compensation times credited service.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to the Plan administrator.

City of Miramar Management Retirement Plan
 FHA-TPA Benefit Administration
 P.O. Box 327810
 Fort Lauderdale, Florida 33332

3. Employees Covered by Benefit Terms - As of the October 1, 2016 actuarial valuation, membership in the Management Retirement Plan consisted of the following:

	<u>Management</u>
Retirees and beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	5
Active Employees	118
	177

4. Contributions - The Plan provides that each member shall contribute, beginning with the date of covered employment, 13.52% of the member's compensation on a pick-up basis. For members also contributing to the City of Miramar Pension Trust for General Employees', the contribution to the Plan shall be reduced by the amount contributed to the General Employees' Plan. The City contributes an amount which when combined with member contributions and investment return, are expected to be sufficient to maintain the Plan on a sound actuarial basis. Employer contributions for the year ended September 30, 2017, determined using the actuarial valuation dated October 1, 2015, were \$2,496,156 or 25.16% of covered payroll.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Management Retirement Plan (Continued)

4. Contributions (Continued) - On February 15, 2012, the City made changes to the Plan under Ordinance 12-09. Members who have covered service prior to active membership in this plan may purchase some or all of that covered service. For the time being purchased, the full actuarial cost of this buyback must be paid by the member. The cost of the service buyback may be made in one lump sum or may be made by payroll deductions over a period which shall not exceed the time period for the years of the prior service being purchased. For example, if an eligible member is purchasing five years of prior covered service, that member must complete all required payments within five years. Members electing not to purchase prior covered service will be deemed to have commenced credited service on the date of active membership in the plan.
5. Deferred Retirement Option Plan - The deferred retirement option plan (DROP) is available to all Management Plan members who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. The benefits accumulate in a DROP account and continue to accrue interest until they retire from the City at which time DROP benefits will be paid. Maximum duration of participation is five years and the election is irrevocable. The balance held by the Management Plan at September 30, 2017, pursuant to the DROP is \$1,516,231.
6. Net Pension Liability - The Management Retirement Plan's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.
7. Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of September 30, 2016, using the following actuarial assumptions, applied to all prior periods included in the measurement:

<u>Actuarial Assumptions:</u>		
Assumed rate of return on investments	7.00%	(including inflation)
Annual salary increases	4.00%	(including inflation)
Inflation rate	2.50%	

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation, as mandated by Florida House Bill 1309.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Management Retirement Plan (Continued)

8. Actuarial assumptions - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	7.50%
International equity	8.50%
Fixed Income	2.50%
Real estate	4.50%

9. Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. Changes in the Net Pension Liability

	Management Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at October 1, 2016	\$ 44,305,312	\$ 26,365,993	\$17,939,319
Changes for the year:			
Service cost	2,518,825	-	2,518,825
Interest	3,203,741	-	3,203,741
Changes in benefit terms	-	-	-
Differences between expected and actual experience	2,986,775	-	2,986,775
Changes of assumptions	1,050,286	-	1,050,286
Contributions – employee	-	2,376,288	(2,376,288)
Contributions – employer	-	2,099,470	(2,099,470)
Net investment income	-	2,706,817	(2,706,817)
Benefit payments, including refunds of employee contributions	(2,112,824)	(2,112,824)	-
Administrative expense	-	(152,658)	152,658
Net changes	7,646,803	4,917,093	2,729,710
Balances at September 30, 2017	\$ 51,952,115	\$ 31,283,086	\$20,669,029

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

Management Retirement Plan (Continued)

11. Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2017:

	Management Plan		
	1% Decrease	Current Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Net Pension Liability	\$ 27,369,790	\$ 20,669,029	\$ 15,137,166

12. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2017 the City recognized a pension expense of \$2,598,777. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Management Plan	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 3,802,353	\$ -
Assumption changes	878,108	-
Net difference between projected and actual earnings on pension plan investments	818,945	989,518
Employer contributions made subsequent to the measurement date	2,496,156	-
Total	\$ 7,995,562	\$ 989,518

The deferred outflows of resources related to the Management Retirement Plan, totaling \$2,496,156, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2018. Other amount reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$1,022,820
2019	1,022,818
2020	1,089,821
2021	646,433
2022	661,813
Thereafter	66,183

13. Investment Rate of Return - For the year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.10%. The money-weighted rate of return expresses investments performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

City of Miramar Excess Benefit Plan

1. Plan Description - The City established, under Ordinance No. 01-43, effective date September 5, 2001, the Excess Benefit Plan as a separate plan to be a separate, unfunded, nonqualified excess benefit plan, containing the terms and provisions set forth in the subpart (Sec. 15-341) and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code.
2. Basis of Accounting - The City implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68*, as it relates to the Excess Benefit Plan. The objective of this statement is to improve financial reporting by establishing a single framework for the presentation of information about pensions which will enhance the comparability of pension-related information reported by state and local government pension plans. The following disclosures related to the Excess Benefit Plan are in accordance with the requirements of GASB Statement No. 73.
3. Excess Benefit Participants - Any member whose retirement benefit, as determined on the basis of all qualified plans maintained by the City without regard to the limitations set forth in the Code and comparable provisions of other qualified plans of the City, exceeds the maximum benefit under Section 415 of the Code. As of the September 30, 2016 measurement date, there were four members in pay status participating in the Excess Benefit Plan.
4. Benefits Provided - An employee benefit participant shall be eligible to receive benefits from the excess benefit plan after termination of employment, as an unrestricted benefit on a monthly basis as would be received under the terms of all qualified plans of the City, that otherwise would have been paid in the absence of IRS Code Section 415 limits.
5. Funding Policy - The City's Excess Benefit Plan is not funded in a GASB-qualifying trust. The City cannot advance fund assets, or any benefit currently payable under the Plan, and any assets held by the plan during any period can only pay benefits coming due or the expenses of the plan during the period. Contributions by the City are not allowed to accumulate from year to year for purposes of advance funding of any of the Excess Plan liabilities. The City has recorded a liability in the amount of \$1,074,266 in the government-wide financial statements that represents the Total Pension Liability of the Plan as of the September 30, 2016 measurement date. The City cannot restrict any assets, including cash for the purpose of providing funding for these benefits. However, the City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan.
6. Plan Membership Information - As of the October 1, 2016 actuarial valuation, membership in the Excess Benefit Plan consisted of the following:

	<u>Excess Benefit</u>
Retirees and beneficiaries currently receiving benefits	4
Inactive nonretired members	-
Active Employees (including transfers)	-
	4

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

City of Miramar Excess Benefit Plan (Continued)

7. Total Pension Liability - The Excess Benefit Plan's total pension liability was measured as of September 30, 2016 and determined by an actuarial valuation as of that date.
8. Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of September 30, 2016 using the following actuarial assumptions, applied to all prior periods included in the measurement. The valuation of the Excess Benefit Plan liability is based upon calculations of the split between the members' qualified and non-qualified distributions and assumes a 2.5% increase for annual increases in the IRC Section 415(b)-dollar limit to anticipate future changes in the split.

Actuarial Assumptions:

Actuarial cost method	Entry Age Normal
Inflation rate	2.5% (also used for assumed future annual increases in the IRC Section 415 (b) dollar limit)
Annual salary increases	N/A
Discount rate	3.06%
Retirement age	N/A
Mortality	RP-2000 Mortality Table for Annuitants, with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class Members of the Florida Retirement System (FRS) in their July 1, 2016 Actuarial Valuation as mandated by Florida House Bill 1309 for municipal pension plans.

Projected benefit payments are discounted to their actuarial present values using a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Bond Buyer) as of the measurement date. The discount rate used to measure the total pension liability was 3.06%

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

City of Miramar Excess Benefit Plan (Continued)

9. Changes in the Total Pension Liability

	<u>Excess Benefit Plan Increase (Decrease)</u>
	<u>Total Pension Liability</u>
Balance at October 1, 2016	\$ 1,069,553
Changes for the year:	
Service cost	-
Interest	38,186
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	47,096
Benefit payments, including refunds of employee contributions	(80,569)
Other	-
Net changes	4,713
Balance at September 30, 2017	\$ 1,074,266
 Covered Payroll	N/A
 Total Pension Liability as a Percentage of Covered Payroll	N/A

10. Sensitivity of the Total Pension Liability to Changes in the Discount Rate - The following table illustrates the sensitivity of the total pension liability to changes in the discount rate as of September 30, 2017:

	<u>Excess Benefit Plan</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>2.06%</u>	<u>3.06%</u>	<u>4.06%</u>
Total Pension Liability	\$ 1,154,510	\$ 1,074,266	\$ 1,003,297

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

A. DEFINED BENEFIT PLANS

City of Miramar Excess Benefit Plan (Continued)

11. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended September 30, 2017, the City recognized pension expense of \$85,282. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the excess benefit plan from the following sources.

	Excess Benefit Plan	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Employer contributions made subsequent to the measurement date	134,308	-
Total	\$ 134,308	\$ -

The deferred outflow of resources related to the Excess Benefit Plan, totaling \$134,308 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the total pension liability for the fiscal year ended September 30, 2018.

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS)

The City provides retirement benefits to elected officials through the Florida Retirement System (FRS and HIS).

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The City's pension expense for FRS and HIS totaled \$314,571 for the fiscal year ended September 30, 2017.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS)

Florida Retirement System (FRS)

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

Elected Local Officers Class – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

2. Benefits Provided - Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age/Years of Service	% Value
Elected Local Officers	3.00

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS)

Florida Retirement System (FRS) (Continued)

credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

3. Contributions - The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017 fiscal year were as follows:

	Percent of Gross Salary		Percent of Gross Salary	
	October 1, 2016 to June 30, 2017		July 1, 2017 to September 30, 2017	
	Employee	Employer (1)	Employee	Employer(1)
FRS, Elected Local Officers	3.00	42.27	3.00	45.50
FRS, Elected Local Officers Retired Reemployed on or after July 1, 2010 (2)	0.00	33.86	3.00	36.90

- (1) Employer rates include a postemployment HIS contribution rate of 1.66% through June 30, 2017 and 1.66% from July 1 to September 30, 2017. Also, employer rates include .06% for administrative costs of the Investment plan through June 30, 2017 and .06% from July 1 to September 30, 2017.
- (2) Effective July 1, 2017, the employee contribution rate for renewed members of this category was changed to 3% from 0%.

4. Contributions (Continued) - The City's contributions to the Plan totaled \$70,885 (which includes \$3,353 of employee contributions) for the fiscal year ended September 30, 2017. This excludes the HIS defined benefit pension plan contributions.

5. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the City reported a liability of \$1,309,339 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's contributions for the year ended June 30, 2017 relative to the contributions made during the year ended June 30, 2017 of all participating members. At June 30, 2017, the City's proportionate share was .0044265% percent, which was an increase of .0025670% from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017 the City recognized pension expense of \$300,735 related to the Pension Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS)
Florida Retirement System (FRS) (Continued)

	FRS Plan	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 120,166	\$ 7,253
Assumption changes	440,030	-
Net difference between projected and actual earnings on FRS pension plan investments	-	32,449
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	420,525	56,125
Employer contributions made subsequent to the measurement date	19,682	-
Total	\$ 1,000,403	\$ 95,827

The deferred outflows of resources related to pensions, totaling \$19,682 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2018	\$ 150,594
2019	263,230
2020	191,507
2021	77,716
2022	144,309
Thereafter	57,538

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS) (CONTINUED)

Florida Retirement System (FRS) (Continued)

6. Actuarial Assumptions

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Inflation rate	2.60%
Annual salary increases	3.25%, average ,including inflation
Investment rate of return	7.1%, net of pension plan expense, including inflation
Mortality	Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Target Allocation(1)	Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	3.2%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate	10.0%	6.4%	5.8%	12.0%
Private equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	11.1%
	100.00%			
Assumed Inflation -Mean		2.6%		1.9%

(1) As outlined in the Plan's investment policy

7. Discount Rate - The discount rate used to measure the total pension liability was 7.1 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS) (CONTINUED)

Florida Retirement System (FRS) (Continued)

8. Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.1%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.1%) or 1-percentage-point higher (8.1%) than the current rate:

	FRS Plan		
	1% Decrease	Current Rate	1% Increase
	<u>6.10%</u>	<u>7.10%</u>	<u>8.10%</u>
Net Pension Liability	\$ 2,369,824	\$ 1,309,339	\$ 428,893

9. Pension Plan Fiduciary Net Position - Detailed information about the Plan's fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.
10. Payables to the Pension Plan - At September 30, 2017, the City reported a payable to the Plan of \$7,816.

HIS Pension Plan

1. Plan Description - The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.
2. Benefits Provided - For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.
3. Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2017, the contribution rate was 1.66% of payroll from October 1, 2016 through June 30, 2017 and 1.66% of payroll for July 1, 2017 through September 30, 2017 pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$2,989 for the fiscal year ended September 30, 2017.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS) (CONTINUED)

HIS Pension Plan (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the City reported a net pension liability of \$108,123 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the year ended June 30, 2017 contributions relative to the year ended June 30, 2017 contributions of all participating members. At June 30, 2017, the City's proportionate share was .001011205%, which was an increase of .000649158% from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$13,836 related to the HIS Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	HIS PLAN	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 225
Assumption changes	15,198	9,349
Net difference between projected and actual earnings on HIS pension plan investments	60	-
Changes in proportion and differences between City HIS contributions and proportionate share of HIS contributions	55,041	13,740
Employer contributions made subsequent to the measurement date	747	-
Total	\$ 71,046	\$ 23,314

The deferred outflows of resources related to pensions, totaling \$747, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2018	\$	7,384
2019		7,372
2020		7,367
2021		8,072
2022		7,866
Thereafter		8,924

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

B. FLORIDA RETIREMENT SYSTEM (FRS and HIS) (CONTINUED)

HIS Pension Plan (Continued)

5. Actuarial Assumptions - The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Inflation rate	2.60%
Annual salary increases	3.25%, average ,including inflation
Investment rate of return	3.58%, net of pension plan expense, including inflation
Mortality	Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale AA

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

6. Discount Rate - The discount rate used to measure the total pension liability was 3.58%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.
7. Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.58%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	HIS Plan		
	1% Decrease	Current Rate	1% Increase
	2.58%	3.58%	4.58%
Net Pension Liability	\$ 123,382	\$ 108,123	\$ 95,412

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

Payables to the Pension Plan – At September 30, 2017, the City reported a payable to the HIS Plan of \$249.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Net Pension Liability, Total Pension Liability, Deferred Inflow of Resources, and Deferred Outflow of Resources - The following table summarizes the net pension liability, total pension liability, deferred inflow of resources, and deferred outflow of resources as previously disclosed in Note 10 for each Plan:

Plan	Net Pension Liability	Total Pension Liability	Deferred Inflow of Resources	Deferred Outflow of Resources
Police Officers'	\$ 79,130,606	\$ -	\$ 6,222,231	\$ 15,785,385
Firefighters'	64,927,981	-	4,006,406	11,355,332
General Employees	20,121,014	-	4,912,081	10,318,730
Management	20,669,029	-	989,518	7,995,562
Florida Retirement System (FRS and HIS)	1,417,462	-	119,411	1,071,449
Excess benefit	-	1,074,266	-	134,308
Total	<u>\$ 186,266,092</u>	<u>\$ 1,074,266</u>	<u>\$ 16,249,647</u>	<u>\$ 46,660,766</u>

The schedule of changes in the net pension liability, total pension liability, and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provide additional information about the net pension liability, total pension liability, plan assets, and contributions for each of the City's pension plans.

B. DEFINED CONTRIBUTION PLAN

Money Purchase Plan (ICMA)

1. **Plan Description** - The City provides pension benefits for certain appointed employees through a money purchase plan (a defined contribution plan). The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. The Plan is administered by International City Managers Association (ICMA). The ICMA contribution plan was established pursuant to Resolution No. 88-104 adopted May 16, 1988, by the City Commission.
2. **Benefit Provisions and Contribution Rates** - Plan benefits depend solely on amounts contributed to the Plan, plus investment earnings, less administrative expenses. The City's contribution for these employees is 11% of covered payroll and vesting in the Plan is immediate. There are no unfunded liabilities of this Plan at the end of the year, as all contributions are remitted biweekly to ICMA. During 2017, the City contributed \$226,147 to the Plan.

The City's contributions were calculated using a covered base payroll of \$2,055,882 for the fiscal year. At September 30, 2017, there were 28 participants in the Plan.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City of Miramar is a single-employer provider with multiple defined benefit healthcare plans. The City provides medical and dental insurance benefits for retirees and their spouses. The Plans have no assets and do not issue separate financial statements. The benefits provided vary according to the category of employees as follows:

1. General Employees - For this group of employees, retirees are eligible for a monthly stipend in the amount of \$10 for each year of credited service to a maximum of \$250 per month. The stipend is paid to retirees covered under the City's medical plan and ceases at age 62 at which time the City begins paying the full premiums for the retiree (not dependents) coverage until attaining age 65. During this period, each retiree has the option, at their (own) expense, to carry dependent group coverage at the City's group rates. After attaining age 65 the retirees and their dependents are permitted to remain covered under the City's respective medical plans as long as they pay a full premium applicable to the coverage elected at the same group rates charged to the City's active employees. This conforms to the minimum required of Florida government employers per Ch. 112.0801, *Florida Statutes*. Other than the coverage provisions mandated by the State, the provisions of this plan may be amended through negotiations between the City and the general employees' bargaining unit.
2. Unrepresented Employees - Retirees are eligible for a monthly stipend in the amount of \$10 for each year of credited service to a maximum of \$250 per month. Stipend will cease at the 65th birthday of the retiree.

Unrepresented employees who are considered executive staff: For each 1.75 years of service with the City, rendered through June 6, 2008, such retirees would receive a year of health insurance at no cost for retiree's coverage and with 50% discount for dependent coverage.

To be eligible for this benefit, retiree needs to have accrued at least three years of service with the City as of June 6, 2008 and be covered under the City plan at the time of retirement. Cash equivalent payments in lieu of the free/discounted coverage are also available with a proof of other coverage. After expiration of this benefit, but not beyond the participant's 65th birthday, a retiree will be eligible for a stipend as described above for Unrepresented Employees.

3. Police - Retirees are eligible for a monthly stipend in the amount of \$20 for each year of credited service to a maximum of \$400 per month. The provisions of this plan may be amended through negotiations between the City and the employee bargaining unit.
4. Firefighters - Retirees are eligible for a monthly health insurance stipend which is paid by the Firefighters Pension Fund. The provisions of this plan may be amended through negotiations between the City and the employee bargaining unit.

Funding Policy

OPEB is a contractual obligation of the City and is funded each year in the City's operating budget on a pay-as-you-go basis. The health insurance coverage was established pursuant to Resolution No. 90-27 adopted October 16, 1989 by the City Commission. In fiscal year 2017, thirty-four employees resulted in a total cost to the City of approximately \$475,884. Retirees/spouse premiums collected were \$773,487 or approximately 60% of the total premiums paid as of September 30, 2017.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of 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 amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution:	OPEB
Normal cost	\$ 2,328,296
Amortization	1,993,709
Annual Required Contribution (ARC)	<u>4,322,005</u>
Interest on net OPEB obligation	570,715
Adjustment to ARC	<u>(741,189)</u>
Annual OPEB cost/expense	4,151,531
Contributions made	<u>(1,221,556)</u>
Change in net OPEB obligation	2,929,975
Net OPEB obligation, beginning of year	<u>16,306,154</u>
Net OPEB obligation, end of year	<u><u>\$ 19,236,129</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal year ended	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Annual OPEB cost	\$ 4,151,531	\$ 3,137,862	\$ 3,047,197
Amount contributed	1,221,556	1,185,096	958,722
Percentage of OPEB cost contributed	29.42%	37.77%	31.46%
Net OPEB obligation	19,236,129	16,306,154	14,353,388

Funded Status and Funding Progress

The funded status of the plan as of October 1, 2016 (date of the most recent actuarial valuation) follows (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/1/2016	\$ -	\$ 43,114	\$ 43,114	0.00%	\$ 54,941	78.47%

The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. However, the City has not set aside any assets to fund the plan at this time.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations on an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to this point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial methods and assumptions used are as follows:

Valuation date	October 1, 2016
Contribution rate	2.20%
Actuarial cost method	Entry age
Amortization method	Level percent, closed
Remaining amortization period	22 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	3.50%
Projected salary increases*	4.0% – 9.0%
Payroll growth assumptions	3.5%
Initial per capita cost trend rate	10.8%
Ultimate per capita cost trend rate	4.70%

*Includes general inflation at 2.5%

The actuarial assumptions include a 3.5% investment rate of return. This rate is based on the City's investment returns which are based on the use of short-term fixed income instruments. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 12. 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; injuries to employees and natural disasters. Liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes under the Doctrine of Sovereign Immunity. The City has a comprehensive risk management program to account for and finance its uninsured risk of loss. Under the program, the self-insurance internal service fund provides coverage for up to a maximum of \$500,000 for each workers' compensation claim, \$100,000 for each general liability claim, \$75,000 for each property claim.

The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risk of loss. There were no significant changes in insurance coverage from coverage in prior years. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Changes in the claims liability balance for fiscal years 2017 and 2016, for the City's two programs are as follows:

	<u>Balance, Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance, End of Year</u>
General:				
Year 2017	\$ 8,113,000	\$ 5,842,745	\$ 4,487,373	\$ 9,468,372
Year 2016	7,501,000	4,496,889	3,884,889	8,113,000
Dental Health:				
Year 2017	\$ 75,740	\$ 469,205	\$ 469,205	\$ 75,740
Year 2016	75,740	472,339	472,339	75,740

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

In 1974, the City entered into a "Large User Wastewater Agreement" with the City of Hollywood, Florida (Hollywood). The agreement provides for the connection of the City's collection system to Hollywood's treatment and disposal facility for a period of 40 years, at which time it will be extended to the maturity date of any bond issues or other indebtedness incurred by Hollywood subsequent to the date of this agreement if the proceeds from such bonds or other indebtedness incurred are used to improve existing service or provide new service to the City. The City is being charged based on average daily wastewater flow. The charges to operations of the Utility Fund under this agreement were \$108,175 during the year ended September 30, 2017, and are included in wastewater plant operations expense on the Statement of Revenues, Expenses and Changes in Fund Net Position.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)

Construction and Other Significant Commitments

The City has active construction projects as of September 30, 2017. The projects include park facilities improvements, infrastructure redevelopment and improvement, various water, wastewater and drainage projects, as well as the construction of new City facilities, including a new fire station and historic public safety complex. At year end, the City's outstanding commitments related to these projects follows:

Project	Spent to Date	Remaining Commitment
Ansini Sports Complex-Phase II	\$ 868,815	\$ 177,064
Monarch Lakes Park	530,232	748,352
Lakeshore Park Improvements	61,798	13,862
East Miramar Fire Hydrant & Lines Improvement	4,328,496	3,210,155
Meter Repair & Replacement	1,571,097	149,569
Historic Miramar Canal Improvements	332,411	24,500
Drainage Improvements	676,266	8,159,418
West WTP Laboratory & Office Space Modification	-	88,385
Historic Miramar Infrastructure Improvements – Phase 3	536,501	6,592,963
East Water Plant Process Enhancement	2,661,953	26,159,461
Reclaimed Water System Expansion/Piping-I-75 Crossings	1,194,600	112,500
Reclaimed Water System Expansion/WWRF	81,519	268,481
Historic Miramar Complete Streets	110,502	58,132
Historic Downtown Revitalization	82,253	1,362,108
Citywide Embankment Stabilization & Stormwater Mgmt	45,540	96,910
Miramar Parkway Streetscape	96,400	45,657
Repair/Replacement of Existing Sidewalks	101,413	98,587
Fire Station 107	3,939,419	1,431,632
Facilities Capital Improvement	265,531	27,600
Historic Public Safety Complex	129,097	402,778
	<u>\$ 17,613,843</u>	<u>\$ 49,228,114</u>

The projects listed above are being financed through the issuance of revenue bonds, revenue notes, state revolving fund loans, and from existing City resources.

Contingencies

Various claims and lawsuits incidental to the City's operations are pending against the City. Although the outcome of these claims and lawsuits are not presently determinable, in the opinion of the City's management, any claims or lawsuits not covered by insurance would not have a material adverse effect on the financial condition of the City.

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. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to not be material.

CITY OF MIRAMAR, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 14. SUBSEQUENT EVENT

In November 2017, the City issued Utility System Refunding Revenue Bonds, Series 2017 in the principal amount of \$32,315,000. The Series 2017 Bonds are being issued to current refund the City's outstanding Utility System Revenue Bonds, Series 2007 and to pay certain costs and expenses relating to the issuance of the Series 2017 Bonds. The Bonds provide for semiannual principal and interest payments beginning on October 1, 2018 through October 1, 2037, with a fixed interest rate of 5.000%. Repayment of the bonds is secured by a pledge of the Net Revenues and Connection Fees derived from the operation of the System. This transaction generated \$6.6 million of net present value debt service savings or 16.989% of the refunded bonds par amount.



MIRAMAR

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
Revenues:				
Taxes	\$ 80,292,000	\$ 80,292,000	\$ 79,924,391	\$ (367,609)
Special assessments	20,360,000	20,360,000	20,577,544	217,544
Licenses and permits	6,369,200	6,369,200	6,933,875	564,675
Intergovernmental	15,583,600	15,583,600	15,298,145	(285,455)
Charges for services	15,565,450	15,565,855	15,673,901	108,046
Fines and forfeitures	755,000	755,000	762,249	7,249
Interest	237,500	237,500	582,786	345,286
Miscellaneous	1,944,893	1,944,488	2,455,111	510,623
Total revenues	<u>141,107,643</u>	<u>141,107,643</u>	<u>142,208,002</u>	<u>1,100,359</u>
Expenditures:				
Current:				
General government:				
City commission	1,391,800	1,391,900	1,264,338	127,562
City manager	4,124,684	4,130,784	3,956,922	173,862
Human resource	1,911,722	1,911,822	1,503,475	408,347
Legal	1,204,600	1,683,600	1,565,261	118,339
City clerk	747,000	760,900	725,221	35,679
Financial services	4,066,000	4,201,800	3,814,363	387,437
Management & budget	1,665,500	1,665,500	1,323,150	342,350
Procurement	1,437,500	1,421,200	1,286,512	134,688
Total general government	<u>16,548,806</u>	<u>17,167,506</u>	<u>15,439,242</u>	<u>1,728,264</u>
Public safety:				
Police	47,485,466	48,947,823	48,941,164	6,659
Fire rescue	32,256,417	33,507,883	32,862,385	645,498
Total public safety	<u>79,741,883</u>	<u>82,455,706</u>	<u>81,803,549</u>	<u>652,157</u>
Physical environment:				
Public works	10,350,900	9,791,626	9,785,795	5,831
Construction and facilities management	2,512,402	2,365,402	2,233,279	132,123
Total physical environment	<u>12,863,302</u>	<u>12,157,028</u>	<u>12,019,074</u>	<u>137,954</u>
Economic environment:				
Community and economic development	4,994,300	4,821,900	4,785,519	36,381
Total economic development	<u>4,994,300</u>	<u>4,821,900</u>	<u>4,785,519</u>	<u>36,381</u>
Community services:				
Parks and recreation	13,467,877	13,473,677	13,416,155	57,522
Total community services	<u>13,467,877</u>	<u>13,473,677</u>	<u>13,416,155</u>	<u>57,522</u>
Cultural arts	3,756,800	3,438,550	3,171,953	266,597
Social services	5,853,300	5,631,350	5,629,745	1,605
Non-departmental	4,281,400	6,191,600	6,208,054	(16,454)
Grants/aid	235,696	69,196	67,065	2,131
Debt service:				
Principal	123,423	123,423	123,422	1
Interest	995	995	995	-
Total expenditures	<u>141,867,782</u>	<u>145,530,931</u>	<u>142,664,773</u>	<u>2,866,158</u>
Excess of revenues over expenditures	<u>(760,139)</u>	<u>(4,423,288)</u>	<u>(456,771)</u>	<u>3,966,517</u>
Other financing sources (uses)				
Transfers in	3,369,000	3,884,440	3,597,795	(286,645)
Transfers out	(7,301,900)	(7,301,900)	(7,301,900)	-
Issuance of debt	-	1,999,349	1,999,349	-
Sale of capital assets	-	-	185,000	185,000
Total other financing sources (uses)	<u>(3,932,900)</u>	<u>(1,418,111)</u>	<u>(1,519,756)</u>	<u>(101,645)</u>
Net change in fund balance	<u>\$ (4,693,039)</u>	<u>\$ (5,841,399)</u>	<u>(1,976,527)</u>	<u>\$ 3,864,872</u>
Fund balance, beginning			38,014,684	
Fund balance, ending			<u>\$ 36,038,157</u>	

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STATE GRANT FUND-MAJOR FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Intergovernmental	\$ 9,101,595	\$ 12,919,282	\$ 2,563,808	\$ (10,355,474)
Miscellaneous revenue	10,382	10,382	7,024	(3,358)
TOTAL REVENUES	9,111,977	12,929,664	2,570,832	(10,358,832)
EXPENDITURES				
General government	10,382	10,382	7,024	3,358
Physical environment	5,285,403	6,585,403	146,837	6,438,566
Capital outlay	3,413,126	5,700,977	1,963,323	3,737,654
TOTAL EXPENDITURES	8,708,911	12,296,762	2,117,184	10,179,578
Excess (deficiency) of revenues over expenditures	403,066	632,902	453,648	(179,254)
OTHER FINANCING SOURCES (USES)				
Transfers out	(403,066)	(632,902)	(453,648)	179,254
TOTAL OTHER FINANCING USES	(403,066)	(632,902)	(453,648)	179,254
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning			-	
Fund balance, ending			\$ -	

CITY OF MIRAMAR, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2017

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for the General, Special Revenue, Capital Projects and Debt Service Funds on a basis consistent with accounting principles generally accepted in the United States of America.

1. Prior to July 10, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings as required by State statute are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an Ordinance.
4. All budget amendments require approval by the City Commission when operating expenditures exceed budgeted appropriations at the department level, which is the legal level of control. In addition, a budget amendment approved by the City Commission is required when capital outlay expenditures exceed budgeted appropriations at the department level.
5. Appropriations lapse at year-end, except for grants, capital improvements 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.
6. Budgets are prepared on the same basis of accounting as required for governmental fund types and are presented in the financial statements inclusive of all amendments to the original appropriation as approved by the City Commission during the fiscal year. Budget amendments for the fiscal year ended September 30, 2017, totaled a net increase of \$1,148,360 for the General Fund, and which was authorized by the final budget ordinance.

NOTE 2. RECONCILIATION OF BUDGETED AND ACTUAL RESULTS

1. The net change in fund balance presented on a budgetary basis differs from the net change in fund balance as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balance-governmental funds due to the exclusion of a multi-year governmental fund type that does not have a legally adopted budget. An appropriation is established in the operating budget during the fiscal year as funds are received.

	General Fund
Net change in fund balance -budgetary basis	\$ (1,976,527)
Net change in fund balance-GAAP basis	(1,945,827)
Difference	\$ (30,700)

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	General Employees' Retirement Plan 2017	General Employees' Retirement Plan 2016	General Employees' Retirement Plan 2015
Total pension liability			
Service cost	\$ 3,032,270	\$ 3,077,703	\$ 2,802,948
Interest on the total pension liability	6,599,459	6,427,977	6,096,343
Changes of benefit terms	-	(656,561)	-
Difference between expected and actual experience	3,361,773	(2,048,722)	(1,256,259)
Changes of assumptions	1,693,006	-	-
Benefit payments, including refunds of employee contributions	(5,119,659)	(3,490,795)	(2,869,503)
Net change in total pension liability	9,566,849	3,309,602	4,773,529
Total pension liability-beginning	93,805,545	90,495,943	85,722,414
Total pension liability-ending (a)	<u>\$ 103,372,394</u>	<u>\$ 93,805,545</u>	<u>\$ 90,495,943</u>
Plan fiduciary net position			
Contributions-employer	\$ 3,767,869	\$ 3,745,727	\$ 3,594,261
Contributions-employee	1,966,498	1,213,840	1,192,804
Net investment income	7,507,462	1,233,954	7,245,995
Benefit payments, including refund of member contributions	(5,119,659)	(3,490,795)	(2,869,503)
Administrative expense	(181,082)	(159,433)	(125,266)
Net change in plan fiduciary net position	7,941,088	2,543,293	9,038,291
Plan fiduciary net position-beginning	75,310,292	72,766,999	63,728,708
Plan fiduciary net position-ending (b)	<u>\$ 83,251,380</u>	<u>\$ 75,310,292</u>	<u>\$ 72,766,999</u>
City's net pension liability-ending (a)-(b)	<u>\$ 20,121,014</u>	<u>\$ 18,495,253</u>	<u>\$ 17,728,944</u>
Plan Fiduciary Net position as a percentage of the total pension liability	80.54%	80.28%	80.41%
Covered employee payroll	\$ 15,909,213	\$ 15,938,891	\$ 14,844,382
Net pension liability as a percentage of covered employee payroll	126.47%	116.04%	119.43%

Notes to Schedule:

1. Currently only data for fiscal years ending September 30, 2017 through September 30, 2015 are available.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Police Officers' Retirement Plan 2017	Police Officers' Retirement Plan 2016	Police Officers' Retirement Plan 2015
Total pension liability			
Service cost	\$ 4,289,372	\$ 4,802,698	\$ 4,796,591
Interest on the total pension liability	14,283,076	13,608,605	12,670,142
Difference between expected and actual experience	(4,524,095)	(52,170)	583,516
Changes of assumptions	1,484,086	-	-
Benefit payments, including refunds of employee contributions	(5,529,606)	(4,915,739)	(4,279,408)
Net change in total pension liability	10,002,833	13,443,394	13,770,841
Total pension liability-beginning	205,559,376	192,115,982	178,345,141
Total pension liability-ending (a)	<u>\$ 215,562,209</u>	<u>\$ 205,559,376</u>	<u>\$ 192,115,982</u>
Plan fiduciary net position			
Contributions-employer	\$ 8,154,753	\$ 8,126,541	\$ 8,245,372
Contributions-employee	2,475,797	2,466,122	2,137,015
Net investment income (loss)	11,010,659	(2,535,420)	8,789,423
Benefit payments, including refund of member contributions	(5,529,606)	(4,915,739)	(4,279,408)
Administrative expense	(273,577)	(188,604)	(161,863)
Net change in plan fiduciary net position	15,838,026	2,952,900	14,730,539
Plan fiduciary net position-beginning	120,593,577	117,640,677	102,910,138
Plan fiduciary net position-ending (b)	<u>\$ 136,431,603</u>	<u>\$ 120,593,577</u>	<u>\$ 117,640,677</u>
City's net pension liability-ending (a)-(b)	\$ 79,130,606	\$ 84,965,799	\$ 74,475,305
Plan Fiduciary Net position as a percentage of the total pension liability	63.29%	58.67%	61.23%
Covered employee payroll	\$ 13,104,019	\$ 19,489,816	\$ 12,703,946
Net pension liability as a percentage of covered employee payroll	603.87%	435.95%	586.24%

Notes to Schedule:

1. Currently only data for fiscal years ending September 30, 2017 through September 30, 2015 are available.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Firefighters' Retirement Plan 2017	Firefighters' Retirement Plan 2016	Firefighters' Retirement Plan 2015
Total pension liability			
Service cost	\$ 3,646,542	\$ 3,798,658	\$ 3,725,711
Interest on the total pension liability	12,041,077	11,144,885	10,418,341
Difference between expected and actual experience	(63,099)	(933,871)	233,686
Changes of assumptions	1,354,378	-	-
Benefit payments, including refunds of employee contributions	(3,361,511)	(3,198,410)	(3,076,805)
Net change in total pension liability	13,617,387	10,811,262	11,300,933
Total pension liability-beginning	168,758,326	157,947,064	146,646,131
Total pension liability-ending (a)	<u>\$ 182,375,713</u>	<u>\$ 168,758,326</u>	<u>\$ 157,947,064</u>
Plan fiduciary net position			
Contributions-employer	\$ 5,935,050	\$ 5,891,097	\$ 5,761,839
Contributions-employee	1,268,018	1,158,659	1,068,264
Net investment income	9,476,199	246,290	10,211,465
Benefit payments, including refund of member contributions	(3,361,511)	(3,198,410)	(3,076,805)
Administrative expense	(191,933)	(165,198)	(151,048)
Net change in plan fiduciary net position	13,125,823	3,932,438	13,813,715
Plan fiduciary net position-beginning	104,321,909	100,389,471	86,575,756
Plan fiduciary net position-ending (b)	<u>\$ 117,447,732</u>	<u>\$ 104,321,909</u>	<u>\$ 100,389,471</u>
City's net pension liability-ending (a)-(b)	<u>\$ 64,927,981</u>	<u>\$ 64,436,417</u>	<u>\$ 57,557,593</u>
Plan Fiduciary Net position as a percentage of the total pension liability	64.40%	61.82%	63.56%
Covered employee payroll	\$ 11,443,779	\$ 14,719,328	\$ 10,934,413
Net pension liability as a percentage of covered employee payroll	567.36%	437.77%	526.39%

Notes to Schedule:

1. Currently only data for fiscal years ending September 30, 2017 through September 30, 2015 are available.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Management Retirement Plan 2017	Management Retirement Plan 2016	Management Retirement Plan 2015
Total pension liability			
Service cost	\$ 2,518,825	\$ 1,872,399	\$ 1,413,607
Interest on the total pension liability	3,203,741	2,837,276	2,590,498
Changes of benefit terms	-	908,618	-
Difference between expected and actual experience	2,986,775	1,319,621	1,027,993
Changes of assumptions	1,050,286	-	-
Benefit payments, including refunds of employee contributions	(2,112,824)	(2,585,438)	(1,286,644)
Other (change in buyback payables)	-	-	68,898
Net change in total pension liability	7,646,803	4,352,476	3,814,352
Total pension liability-beginning	44,305,312	39,952,836	36,138,484
Total pension liability-ending (a)	<u>\$ 51,952,115</u>	<u>\$ 44,305,312</u>	<u>\$ 39,952,836</u>
Plan fiduciary net position			
Contributions-employer	\$ 2,099,470	\$ 1,640,338	\$ 1,414,321
Contributions-employee	2,376,288	1,851,604	1,255,885
Net investment income	2,706,817	424,212	2,451,132
Benefit payments, including refund of member contributions	(2,112,824)	(2,585,438)	(1,286,644)
Administrative expense	(152,658)	(140,686)	(77,174)
Net change in plan fiduciary net position	4,917,093	1,190,030	3,757,520
Plan fiduciary net position-beginning	26,365,993	25,175,963	21,418,443
Plan fiduciary net position-ending (b)	<u>\$ 31,283,086</u>	<u>\$ 26,365,993</u>	<u>\$ 25,175,963</u>
City's net pension liability-ending (a)-(b)	<u>\$ 20,669,029</u>	<u>\$ 17,939,319</u>	<u>\$ 14,776,873</u>
Plan Fiduciary Net position as a percentage of the total pension liability	60.22%	59.51%	63.01%
Covered employee payroll	\$ 9,585,631	\$ 8,344,193	\$ 5,976,124
Net pension liability as a percentage of covered employee payroll	215.63%	214.99%	247.27%

Notes to Schedule:

1. Currently only data for fiscal years ending September 30, 2017 through September 30, 2015 are available.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL PENSION
LIABILITY AND RELATED RATIOS (AS REQUIRED BY GASB73)
SEPTEMBER 30, 2017

	Excess Benefit Plan
	2017
Total pension liability	
Service cost	\$ -
Interest on the total pension liability	38,186
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	47,096
Benefit payments, including refunds of employee contributions	(80,569)
Other	-
Net change in total pension liability	4,713
Total pension liability-beginning	1,069,553
Total pension liability-ending	\$ 1,074,266
Covered Payroll	N/A
Total pension liability as a percentage of covered payroll	N/A

Notes to Schedule:

This schedule is presented to illustrate the requirement of GASB 73.
The City's Excess Benefit Plan is not funded in a GASB-qualifying trust.
Currently only data for the fiscal year ending September 30, 2017 is available.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	Police Officers' Retirement Plan									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 7,638,789	\$ 8,056,136	\$ 8,042,692	\$ 8,120,568	\$ 7,760,056	\$ 6,757,964	\$ 6,679,088	\$ 5,792,364	\$ 4,331,376	\$ 4,508,456
Contribution made in relation to the actuarially determined contribution	7,638,789	8,056,136	8,042,692	8,120,568	7,760,056	6,757,964	6,679,088	5,792,364	4,331,376	4,508,456
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll (2)	\$ 11,902,101	\$ 13,104,019	\$ 19,489,816	\$ 19,072,327	\$ 12,703,946	\$ 12,735,212	\$ 12,969,651	\$ 13,032,447	\$ 13,197,668	\$ 11,454,574
Contributions as a percentage of covered employee payroll	64.2%	61.5%	41.3%	42.6%	61.1%	53.1%	51.5%	44.4%	32.8%	39.4%
	Firefighters' Retirement Plan									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 5,871,432	\$ 5,150,913	\$ 5,107,415	\$ 4,843,956	\$ 4,228,032	\$ 3,871,266	\$ 3,617,946	\$ 3,263,701	\$ 3,158,881	\$ 3,103,469
Contribution made in relation to the actuarially determined contribution	5,871,432	5,150,913	5,115,693	4,843,956	4,228,032	3,871,266	3,617,946	3,263,701	3,158,881	3,103,469
Contribution deficiency (excess)	\$ -	\$ -	\$ (8,278)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll (2)	\$ 11,619,697	\$ 11,443,779	\$ 14,719,328	\$ 12,671,151	\$ 10,356,537	\$ 10,149,386	\$ 9,840,908	\$ 9,516,242	\$ 9,885,854	\$ 9,062,451
Contributions as a percentage of covered employee payroll	50.5%	45.0%	34.8%	38.2%	40.8%	38.1%	36.8%	34.3%	32.0%	34.2%
	General Employees' Retirement Plan									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 3,792,128	\$ 3,761,259	\$ 3,745,727	\$ 3,594,261	\$ 3,632,157	\$ 3,804,517	\$ 4,170,161	\$ 3,918,143	\$ 3,603,503	\$ 3,500,405
Contribution made in relation to the actuarially determined contribution	3,792,128	3,767,869	3,745,727	3,594,261	3,632,157	3,804,517	4,170,166	3,918,143	3,609,608	3,500,405
Contribution deficiency (excess)	\$ -	\$ (6,610)	\$ -	\$ -	\$ -	\$ -	\$ (5)	\$ -	\$ (6,105)	\$ -
Covered employee payroll (1)	\$ 16,466,035	\$ 15,909,213	\$ 15,938,891	\$ 14,844,382	\$ 15,013,902	\$ 14,859,096	\$ 15,857,109	\$ 16,445,474	\$ 15,496,532	\$ 14,535,824
Contributions as a percentage of covered employee payroll	23.0%	23.7%	23.5%	24.2%	24.2%	25.6%	26.3%	23.8%	23.3%	24.1%
	Management Retirement Plan									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 2,496,156	\$ 2,099,470	\$ 1,640,338	\$ 1,414,321	\$ 1,301,681	\$ 1,195,531	\$ 1,286,546	\$ 1,067,649	\$ 1,069,856	\$ 538,370
Contribution made in relation to the actuarially determined contribution	2,496,156	2,099,470	1,640,338	1,414,321	1,301,681	1,195,531	1,286,546	1,140,550	1,069,856	772,350
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (72,901)	\$ -	\$ (233,980)
Covered employee payroll (1)	\$ 9,921,128	\$ 9,585,631	\$ 8,344,193	\$ 5,976,124	\$ 5,674,807	\$ 5,446,548	\$ 5,004,568	\$ 5,913,306	\$ 5,566,583	\$ 4,659,002
Contributions as a percentage of covered employee payroll	25.2%	21.9%	19.7%	23.7%	22.9%	22.0%	25.7%	19.3%	19.2%	16.6%

(1) Reflects total pensionable payroll starting with fiscal year ending 2015.

(2) Fiscal Year 2014 and 2015 reflect total payroll. All prior years reflect pensionable earnings.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2017

Notes to Schedule:

Valuation Date: October 1, 2015

Notes: Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in the contribution schedule for 2017.

	General Employees' Retirement Plan 2017	Police Officers' Retirement Plan 2017	Firefighters' Retirement Plan 2017	Management Retirement Plan 2017
Actuarial Method:				
Actuarial cost method	Entry age normal	Entry age normal	Projected unit credit	Entry age normal
Amortization method	Level Percent, closed	Level dollar, closed	Level percent of payroll, closed	Level percent, closed
Remaining amortization period	30 years	30 years	15 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market	Market value
Actuarial assumptions:				
Investment rate of return	7.00%	7.50%	8.25%	7.00%
Assumed annual salary increases *	5.00%-7.50%	5.50%	6.00% per year for the first six (6) years of service and 1.00% per year thereafter - additional increases equal to inflation assumptions	4.00%
Inflation	2.50%	3.00%	3.00%	2.50%
Retirement age	Experience-based table of rates	Experience-based table of rates	Experience-based table of rates	Experience-based table of rates
Mortality rates	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after 2000 to the year 2010 using scale AA	<u>Female Non-Disabled</u> : RP2000 Generational 100% Annuitant White Collar, Scale BB <u>Male Non-Disabled</u> : RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB <u>Female Disabled</u> : 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale <u>Male Disabled</u> : 60% RP2000 Disabled Male set back 4 years/40% Annuitant White Collar with no setback, no projection scale	<u>Female Non-Disabled</u> : RP2000 Generational 100% Annuitant White Collar, Scale BB <u>Male Non-Disabled</u> : RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB <u>Female Disabled</u> : 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale <u>Male Disabled</u> : 60% RP2000 Disabled Male set back 4 years/40% Annuitant White Collar with no setback, no projection scale	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after 2000 to the year 2010 using scale AA

* includes inflation

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS) AND (HIS)
LAST THREE FISCAL YEARS (1) (2)

	Florida Retirement System Plan (FRS)		
	2017	2016	2015
City's proportion of the FRS net pension liability	0.0044265%	0.0018596%	0.0024391%
City's proportionate share of the FRS net pension liability	\$ 1,309,339	\$ 469,540	\$ 315,044
City's covered employee payroll	\$ 180,111	\$ 180,111	\$ 174,368
City's proportionate share of the FRS net pension liability as a percentage of covered employee payroll	727%	261%	181%
FRS plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%

	Health Insurance Subsidy Pension Plan (HIS)		
	2017	2016	2015
City's proportion of the HIS net pension liability	0.0010112%	0.0003620%	0.0004735%
City's proportionate share of the HIS net pension liability	\$ 108,123	\$ 42,195	\$ 48,292
City's covered employee payroll	\$ 180,111	\$ 180,111	\$ 174,368
City's proportionate share of the HIS net pension liability as a percentage of covered employee payroll	60%	23%	28%
HIS plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%

(1) - The amounts presented for each year were determined as of the measurement date, June 30

(2) - Information is not available for years prior to 2015. As information is available it will be presented.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS AND HIS)
LAST THREE FISCAL YEARS (1)

	Florida Retirement System Plan (FRS)		
	2017	2016	2015
Contractually required FRS contribution	\$ 72,466	\$ 70,748	\$ 71,095
FRS contributions in relation to the contractually required contribution	(70,885)	(98,583)	(53,332)
Contribution deficiency (excess)	\$ 1,581	\$ (27,835)	\$ 17,763
City's covered employee payroll	<u>\$ 180,111</u>	<u>\$ 180,111</u>	<u>\$ 174,368</u>
FRS contributions as a percentage of covered employee payroll	<u>40.23%</u>	<u>39.28%</u>	<u>40.77%</u>

	Health Insurance Subsidy Plan (HIS)		
	2017	2016	2015
Contractually required HIS contribution	\$ 2,989	\$ 2,989	\$ 2,894
HIS contributions in relation to the contractually required contribution	(2,989)	(2,989)	(2,894)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered employee payroll	<u>\$ 180,111</u>	<u>\$ 180,111</u>	<u>\$ 174,368</u>
HIS contributions as a percentage of covered employee payroll	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>

(1) - Information is not available for years prior to 2015. As information is available it will be presented.

CITY OF MIRAMAR, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS-OTHER POST-EMPLOYMENT BENEFIT OBLIGATION

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10/1/2012	\$ 29,548	\$ 29,548	0.00%	\$ 49,824	59.31%
10/1/2014	33,788	33,788	0.00%	48,976	68.99%
10/1/2016	43,114	43,114	0.00%	54,941	78.47%

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditures for particular purposes other than debt service or capital projects.

Police Education Fund – This fund was established to pay certain training costs of law enforcement officers.

Federal Grant Fund – This fund was established to account for revenues and expenditures associated with funding from Federal granting agencies which is not recorded in a separate special revenue fund.

Neighborhood Stabilization Program Fund – This fund was established to account for revenues and expenditures associated with the Neighborhood Stabilization Program in order to develop viable urban communities by providing decent housing and a suitable living environment.

Public Safety Outside Service Fund – This fund was established to account for revenues and expenditures associated with services provided by off-duty police officers in private customer details to the various businesses and homeowner associations.

Law Enforcement Trust Fund – This fund was established to account for revenues generated by police department confiscations.

Community Development Block Grant (CDBG) Fund – This fund was established to award money to eligible applicants for minor home repair/weatherization, commercial rehabilitation, and to provide for the cost of equipment and renovations for community parks.

State Housing Initiatives Partnership (S.H.I.P.) Program – This fund was established to award money for deferred loan grants to eligible applicants for minor home repair/weatherization and for purchase assistance programs.

CAPITAL PROJECTS FUNDS

Street Construction and Maintenance Fund – In accordance with State Statute 336.59, this fund was established to account for the City's proportional share of state revenue sharing and local option gas tax funds. Funds are limited to be used for the purchase of transportation facilities and the improvement and maintenance of roads and streets within the City.

Police Capital Improvement Fund – This fund was established to collect police impact fees to be used for the acquisition and development of police facilities.

Fire and EMS Capital Improvement Fund – This fund was established to collect fire impact fees to be used for the acquisition and development of fire facilities.

Park Development Fund – This fund was established to account for the collections of park and recreation impact fees to be used for the acquisition and development of park and recreational facilities and sites.

Capital Projects Fund – This fund was established to account for financial resources used for the acquisition and/or construction of major capital assets within the City, except for those financed by proprietary funds.

CIP Revenue Bonds 2013 Fund- This fund was established to account for the proceeds of the Special Obligation Refunding and Improvement Revenue Bonds, Series 2013. Funds are limited in use on construction of various projects within the City.

CIP Loan 2017 Fund- This fund was established to account for the proceeds of the Special Obligation Revenue Note, Series 2017, to finance the cost of various capital improvements within the City.

CITY OF MIRAMAR, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Pooled cash and cash equivalents	\$ 1,076,128	\$ 3,332,097	\$ 4,818,869	\$ 9,227,094
Pooled Investments	1,252,214	23,819,242	2,286,027	27,357,483
Receivables, net	266,352	-	-	266,352
Due from other governments	325,894	402,475	-	728,369
Prepaid items	15,383	2,026,915	-	2,042,298
Restricted cash with fiscal agent	-	3,329,493	-	3,329,493
TOTAL ASSETS	\$ 2,935,971	\$ 32,910,222	\$ 7,104,896	\$ 42,951,089
LIABILITIES				
Accounts payable	37,197	1,198,647	-	1,235,844
Retainage payable	-	440,410	-	440,410
Accrued liabilities	23,143	-	-	23,143
Due to other funds	427,927	-	-	427,927
Unearned revenue	772,322	-	-	772,322
TOTAL LIABILITIES	1,260,589	1,639,057	-	2,899,646
FUND BALANCES				
Non-spendable:				
Prepaid items	15,383	2,026,915	-	2,042,298
Restricted for:				
Housing	5,149	-	-	5,149
Law enforcement	1,654,850	-	-	1,654,850
Street construction and maintenance	-	2,241,708	-	2,241,708
Park development	-	3,279,185	-	3,279,185
Capital improvement	-	23,723,357	-	23,723,357
Debt Service	-	-	7,104,896	7,104,896
TOTAL FUND BALANCES	1,675,382	31,271,165	7,104,896	40,051,443
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,935,971	\$ 32,910,222	\$ 7,104,896	\$ 42,951,089

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Intergovernmental	\$ 2,107,310	\$ 3,498,763	\$ -	\$ 5,606,073
Charges for services	1,445,672	-	-	1,445,672
Fines and forfeitures	318,089	-	-	318,089
Impact fees	-	2,209,591	-	2,209,591
Interest	14,426	301,754	40,538	356,718
Developer contributions	-	35,000	-	35,000
TOTAL REVENUES	3,885,497	6,045,108	40,538	9,971,143
EXPENDITURES				
Current:				
General government	-	5,433	-	5,433
Public safety	1,703,381	-	-	1,703,381
Social Services	137,359	-	-	137,359
Economic environment	1,088,710	-	-	1,088,710
Grants/aid	52,000	-	-	52,000
Capital outlay	108,610	14,063,930	-	14,172,540
Debt Service	-	-	10,425,329	10,425,329
TOTAL EXPENDITURES	3,090,060	14,069,363	10,425,329	27,584,752
Excess (deficiency) of revenues over (under) expenditures	795,437	(8,024,255)	(10,384,791)	(17,613,609)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	9,408,000	9,408,000
Transfers out	(663,427)	(5,293,820)	-	(5,957,247)
Issuance of debt	-	10,000,000	-	10,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(663,427)	4,706,180	9,408,000	13,450,753
Net changes in fund balances	132,010	(3,318,075)	(976,791)	(4,162,856)
Fund balances, beginning	1,543,372	34,589,240	8,081,687	44,214,299
Fund balances, ending	\$ 1,675,382	\$ 31,271,165	\$ 7,104,896	\$ 40,051,443

CITY OF MIRAMAR, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017

	Police Education Fund	Federal Grant Fund	Neighborhood Stabilization Program Fund	Public Safety Outside Service Fund	Law Enforcement Trust Fund	CDBG Fund	SHIP Program Fund	Total Non- Major Special Revenue Funds
ASSETS								
Pooled cash and cash equivalents	\$ 65,176	\$ -	\$ -	\$ -	\$ 386,609	\$ -	\$ 624,343	\$ 1,076,128
Pooled Investments	-	-	-	-	1,119,321	-	132,893	1,252,214
Receivables, net	-	-	-	266,352	-	-	-	266,352
Due from other governments	693	202,436	-	-	50,547	55,448	16,770	325,894
Prepaid items	-	-	-	-	15,383	-	-	15,383
TOTAL ASSETS	\$ 65,869	\$ 202,436	\$ -	\$ 266,352	\$ 1,571,860	\$ 55,448	\$ 774,006	\$ 2,935,971
LIABILITIES								
Accounts payable	-	-	-	2,840	-	33,262	1,095	37,197
Accrued liabilities	-	-	-	23,143	-	-	-	23,143
Due to other funds	-	197,876	-	207,865	-	22,186	-	427,927
Unearned revenue	-	4,560	-	-	-	-	767,762	772,322
TOTAL LIABILITIES	-	202,436	-	233,848	-	55,448	768,857	1,260,589
FUND BALANCES								
Non-spendable:								
Prepaid items	-	-	-	-	15,383	-	-	15,383
Restricted for:								
Housing	-	-	-	-	-	-	5,149	5,149
Law enforcement	65,869	-	-	32,504	1,556,477	-	-	1,654,850
TOTAL FUND BALANCES	65,869	-	-	32,504	1,571,860	-	5,149	1,675,382
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,869	\$ 202,436	\$ -	\$ 266,352	\$ 1,571,860	\$ 55,448	\$ 774,006	\$ 2,935,971

CITY OF MIRAMAR FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Police Education Fund	Federal Grant Fund	Neighborhood Stabilization Program Fund	Public Safety Outside Service Fund	Law Enforcement Trust Fund	CDBG Fund	SHIP Program Fund	Total Non- Major Special Revenue Funds
REVENUES								
Intergovernmental	\$ -	\$ 949,813	\$ 164,887	\$ -	\$ -	\$ 553,346	\$ 439,264	\$ 2,107,310
Charges for services	-	-	-	1,445,672	-	-	-	1,445,672
Fines and forfeitures	12,237	-	-	-	305,852	-	-	318,089
Interest	145	-	-	-	12,853	-	1,428	14,426
TOTAL REVENUES	12,382	949,813	164,887	1,445,672	318,705	553,346	440,692	3,885,497
EXPENDITURES								
Current:								
Public safety	5,642	153,919	-	1,505,652	38,168	-	-	1,703,381
Social Services	-	31,065	-	-	-	106,294	-	137,359
Economic environment	-	92,989	164,405	-	-	392,052	439,264	1,088,710
Grants/aid	-	-	-	-	42,000	10,000	-	52,000
Capital outlay	-	8,895	-	-	54,715	45,000	-	108,610
TOTAL EXPENDITURES	5,642	286,868	164,405	1,505,652	134,883	553,346	439,264	3,090,060
Excess (deficiency) of revenues over (under) expenditures	6,740	662,945	482	(59,980)	183,822	-	1,428	795,437
OTHER FINANCING USES								
Transfers out	-	(662,945)	(482)	-	-	-	-	(663,427)
TOTAL OTHER FINANCING USES	-	(662,945)	(482)	-	-	-	-	(663,427)
Net changes in fund balances	6,740	-	-	(59,980)	183,822	-	1,428	132,010
Fund balances, beginning	59,129	-	-	92,484	1,388,038	-	3,721	1,543,372
Fund balances, ending	\$ 65,869	\$ -	\$ -	\$ 32,504	\$ 1,571,860	\$ -	\$ 5,149	\$ 1,675,382

CITY OF MIRAMAR, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
SEPTEMBER 30, 2017

	Street Construction and Maintenance Fund	Police Capital Improvement Fund	Fire and EMS Capital Improvement Fund	Park Development Fund	Capital Projects Fund	CIP Revenue Bond 2013	CIP Loan 2017	Total Non-Major Capital Projects Funds
ASSETS								
Pooled cash and cash equivalents	\$ 755,165	\$ 408,045	\$ 296,009	\$ 873,390	\$ 232,843	\$ 642,777	\$ 123,868	\$ 3,332,097
Pooled Investments	897	369,259	10,452	2,405,795	489,595	10,982,216	9,561,028	23,819,242
Due from other governments	402,475	-	-	-	-	-	-	402,475
Prepaid Items	2,026,915	-	-	-	-	-	-	2,026,915
Cash with fiscal agent	1,093,152	-	-	-	2,236,341	-	-	3,329,493
TOTAL ASSETS	\$ 4,278,604	\$ 777,304	\$ 306,461	\$ 3,279,185	\$ 2,958,779	\$11,624,993	\$9,684,896	\$ 32,910,222
LIABILITIES								
Accounts payable	-	17,875	-	-	2,474	569,759	608,539	1,198,647
Retainage payable	9,981	-	7,769	-	3,684	418,976	-	440,410
TOTAL LIABILITIES	9,981	17,875	7,769	-	6,158	988,735	608,539	1,639,057
FUND BALANCES								
Non-spendable:								
Prepaid items	2,026,915	-	-	-	-	-	-	2,026,915
Restricted for:								
Street construction and maintenance	2,241,708	-	-	-	-	-	-	2,241,708
Park development	-	-	-	3,279,185	-	-	-	3,279,185
Capital improvement	-	759,429	298,692	-	2,952,621	10,636,258	9,076,357	23,723,357
TOTAL FUND BALANCES	4,268,623	759,429	298,692	3,279,185	2,952,621	10,636,258	9,076,357	31,271,165
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,278,604	\$ 777,304	\$ 306,461	\$ 3,279,185	\$ 2,958,779	\$11,624,993	\$9,684,896	\$ 32,910,222

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Street Construction and Maintenance Fund	Police Capital Improvement Fund	Fire and EMS Capital Improvement Fund	Park Development Fund	Capital Projects Fund	CIP Revenue Bond 2013	CIP Loan 2017	Total Non-Major Capital Projects Funds
REVENUES								
Intergovernmental	\$ 3,498,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,498,763
Impact fees	-	188,293	223,504	1,797,794	-	-	-	2,209,591
Interest	17,875	4,903	8,844	31,253	27,437	148,439	63,003	301,754
Developer contributions	-	-	-	-	35,000	-	-	35,000
TOTAL REVENUES	3,516,638	193,196	232,348	1,829,047	62,437	148,439	63,003	6,045,108
EXPENDITURES								
Current:								
General government	924	452	402	600	1,090	1,011	954	5,433
Capital outlay	762,912	119,041	1,320,005	1,779,522	2,909,536	6,187,222	985,692	14,063,930
TOTAL EXPENDITURES	763,836	119,493	1,320,407	1,780,122	2,910,626	6,188,233	986,646	14,069,363
Excess (deficiency) of revenues over (under) expenditures	2,752,802	73,703	(1,088,059)	48,925	(2,848,189)	(6,039,794)	(923,643)	(8,024,255)
OTHER FINANCING SOURCES (USES)								
Transfers out	(3,289,020)	(100,000)	(133,500)	(314,300)	(1,457,000)	-	-	(5,293,820)
Issuance of debt	-	-	-	-	-	-	10,000,000	10,000,000
TOTAL OTHER FINANCING SOURCES (USES)	(3,289,020)	(100,000)	(133,500)	(314,300)	(1,457,000)	-	10,000,000	4,706,180
Net changes in fund balance	(536,218)	(26,297)	(1,221,559)	(265,375)	(4,305,189)	(6,039,794)	9,076,357	(3,318,075)
Fund balances, beginning	4,804,841	785,726	1,520,251	3,544,560	7,257,810	16,676,052	-	34,589,240
Fund balances, ending	\$ 4,268,623	\$ 759,429	\$ 298,692	\$3,279,185	\$2,952,621	\$ 10,636,258	\$ 9,076,357	\$ 31,271,165

CITY OF MIRAMAR, FLORIDA
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND
DEBT SERVICE FUND
SEPTEMBER 30, 2017

	<u>Debt Service Fund</u>
ASSETS	
Pooled cash and cash equivalents	\$ 4,818,869
Pooled investments	<u>2,286,027</u>
TOTAL ASSETS	<u><u>\$ 7,104,896</u></u>
 LIABILITIES	
Accounts payable	-
Due to other funds	<u>-</u>
TOTAL LIABILITIES	<u><u>-</u></u>
 FUND BALANCES	
Restricted for:	
Debt service	<u>7,104,896</u>
TOTAL FUND BALANCES	<u><u>7,104,896</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 7,104,896</u></u>

CITY OF MIRAMAR, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUND
DEBT SERVICE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Debt Service Fund
REVENUES	
Interest	\$ 40,538
TOTAL REVENUES	40,538
 EXPENDITURES	
Principal	4,143,025
Interest	6,236,316
Issuance costs	44,224
Fiscal charges	1,764
TOTAL EXPENDITURES	10,425,329
 Deficiency of revenues over expenditures	 (10,384,791)
 OTHER FINANCING SOURCES (USES)	
Transfers in	9,408,000
TOTAL OTHER FINANCING SOURCES	9,408,000
 Net change in fund balance	 (976,791)
 Fund balance, beginning	 8,081,687
Fund balance, ending	\$ 7,104,896

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE EDUCATION FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
REVENUES				
Fines and forfeitures	\$ 17,000	\$ 17,000	\$ 12,237	\$ (4,763)
Interest	200	200	145	(55)
TOTAL REVENUES	<u>17,200</u>	<u>17,200</u>	<u>12,382</u>	<u>(4,818)</u>
EXPENDITURES				
Public Safety	<u>17,200</u>	<u>17,200</u>	5,642	11,558
TOTAL EXPENDITURES	<u>17,200</u>	<u>17,200</u>	<u>5,642</u>	<u>11,558</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	6,740	<u>\$ 6,740</u>
Fund balance, beginning			<u>59,129</u>	
Fund balance, ending			<u>\$ 65,869</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FEDERAL GRANT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Intergovernmental	\$ 1,020,394	\$ 1,274,049	\$ 949,813	\$ (324,236)
TOTAL REVENUES	<u>1,020,394</u>	<u>1,274,049</u>	<u>949,813</u>	<u>(324,236)</u>
EXPENDITURES				
Current:				
Public safety	39,557	181,981	153,919	28,062
Social Services	60,156	89,061	31,065	57,996
Economic environment	115,861	115,861	92,989	22,872
Capital outlay	10,000	107,458	8,895	98,563
TOTAL EXPENDITURES	<u>225,574</u>	<u>494,361</u>	<u>286,868</u>	<u>207,493</u>
Excess (deficiency) of revenues over expenditures	<u>794,820</u>	<u>779,688</u>	<u>662,945</u>	<u>(116,743)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(794,820)	(779,688)	(662,945)	116,743
TOTAL OTHER FINANCING USES	<u>(794,820)</u>	<u>(779,688)</u>	<u>(662,945)</u>	<u>116,743</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Intergovernmental	\$ 924,109	\$ 924,109	\$ 164,887	\$ (759,222)
TOTAL REVENUES	924,109	924,109	164,887	(759,222)
EXPENDITURES				
Economic environment	890,114	869,359	164,405	704,954
TOTAL EXPENDITURES	890,114	869,359	164,405	704,954
Excess (deficiency) of revenues over expenditures	33,995	54,750	482	(54,268)
OTHER FINANCING SOURCES (USES)				
Transfers out	(33,995)	(54,750)	(482)	54,268
TOTAL OTHER FINANCING USES	(33,995)	(54,750)	(482)	54,268
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY OUTSIDE SERVICE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
REVENUES				
Charges for services	\$ 1,069,500	\$ 1,445,100	\$ 1,445,672	\$ 572
TOTAL REVENUES	<u>1,069,500</u>	<u>1,445,100</u>	<u>1,445,672</u>	<u>572</u>
EXPENDITURES				
Public safety	1,057,500	1,506,100	1,505,652	448
Grants/aid	12,000	12,000	-	12,000
TOTAL EXPENDITURES	<u>1,069,500</u>	<u>1,518,100</u>	<u>1,505,652</u>	<u>12,448</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (73,000)</u>	(59,980)	<u>\$ 13,020</u>
Fund balance, beginning			<u>92,484</u>	
Fund balance, ending			<u>\$ 32,504</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Fines and forfeitures	\$ -	\$ 305,852	\$ 305,852	\$ -
Interest	3,000	15,853	12,853	(3,000)
TOTAL REVENUES	<u>3,000</u>	<u>321,705</u>	<u>318,705</u>	<u>(3,000)</u>
EXPENDITURES				
Public safety	3,000	56,552	38,168	18,384
Grants/aid	-	59,000	42,000	17,000
Capital outlay	54,716	90,715	54,715	36,000
TOTAL EXPENDITURES	<u>57,716</u>	<u>206,267</u>	<u>134,883</u>	<u>71,384</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (54,716)</u>	<u>\$ 115,438</u>	183,822	<u>\$ 68,384</u>
Fund balance, beginning			<u>1,388,038</u>	
Fund balance, ending			<u>\$ 1,571,860</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CDBG FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Intergovernmental	\$ 1,507,134	\$ 1,545,022	\$ 553,346	\$ (991,676)
TOTAL REVENUES	1,507,134	1,545,022	553,346	(991,676)
EXPENDITURES				
Social Services	107,694	107,694	106,294	1,400
Economic environment	1,243,395	1,281,283	392,052	889,231
Capital outlay	113,545	113,545	45,000	68,545
Grants/aid	42,500	42,500	10,000	32,500
TOTAL EXPENDITURES	1,507,134	1,545,022	553,346	991,676
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHIP PROGRAM FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Intergovernmental	\$ 1,162,702	\$ 1,764,482	\$ 439,264	\$ (1,325,218)
Interest	500	500	1,428	928
TOTAL REVENUES	<u>1,163,202</u>	<u>1,764,982</u>	<u>440,692</u>	<u>(1,324,290)</u>
EXPENDITURES				
Economic environment	1,163,202	1,764,982	439,264	1,325,718
TOTAL EXPENDITURES	<u>1,163,202</u>	<u>1,764,982</u>	<u>439,264</u>	<u>1,325,718</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	1,428	<u>\$ 1,428</u>
Fund balance, beginning			<u>3,721</u>	
Fund balance, ending			<u>\$ 5,149</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STREET CONSTRUCTION AND MAINTENANCE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Intergovernmental	\$ 3,395,800	\$ 3,395,800	\$ 3,498,763	\$ 102,963
Interest	8,000	8,000	17,875	9,875
TOTAL REVENUES	<u>3,403,800</u>	<u>3,403,800</u>	<u>3,516,638</u>	<u>112,838</u>
EXPENDITURES				
General government	1,000	1,000	924	76
Capital outlay	3,746,241	3,746,241	762,912	2,983,329
TOTAL EXPENDITURES	<u>3,747,241</u>	<u>3,747,241</u>	<u>763,836</u>	<u>2,983,405</u>
Excess (deficiency) of revenues over expenditures	<u>(343,441)</u>	<u>(343,441)</u>	<u>2,752,802</u>	<u>3,096,243</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,225,400)	(3,225,400)	(3,289,020)	(63,620)
TOTAL OTHER FINANCING USES	<u>(3,225,400)</u>	<u>(3,225,400)</u>	<u>(3,289,020)</u>	<u>(63,620)</u>
Net change in fund balance	<u>\$ (3,568,841)</u>	<u>\$ (3,568,841)</u>	(536,218)	<u>\$ 3,032,623</u>
Fund balance, beginning			<u>4,804,841</u>	
Fund balance, ending			<u>\$ 4,268,623</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
POLICE CAPITAL IMPROVEMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Impact fees	\$ 136,100	\$ 136,100	\$ 188,293	\$ 52,193
Interest	3,000	3,000	4,903	1,903
TOTAL REVENUES	139,100	139,100	193,196	54,096
EXPENDITURES				
General government	1,000	1,000	452	548
Capital outlay	785,726	785,726	119,041	666,685
TOTAL EXPENDITURES	786,726	786,726	119,493	667,233
Excess (deficiency) of revenues over expenditures	(647,626)	(647,626)	73,703	721,329
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(100,000)	-
TOTAL OTHER FINANCING USES	(100,000)	(100,000)	(100,000)	-
Net change in fund balance	<u>\$ (747,626)</u>	<u>\$ (747,626)</u>	(26,297)	<u>\$ 721,329</u>
Fund balance, beginning			785,726	
Fund balance, ending			<u>\$ 759,429</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE AND EMS CAPITAL IMPROVEMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Impact fees	\$ 158,200	\$ 158,200	\$ 223,504	\$ 65,304
Interest	4,000	4,000	8,844	4,844
TOTAL REVENUES	162,200	162,200	232,348	70,148
EXPENDITURES				
General government	1,200	1,200	402	798
Capital outlay	1,320,832	1,320,832	1,320,005	827
TOTAL EXPENDITURES	1,322,032	1,322,032	1,320,407	1,625
Excess (deficiency) of revenues over expenditures	(1,159,832)	(1,159,832)	(1,088,059)	71,773
OTHER FINANCING SOURCES (USES)				
Transfers out	(133,500)	(133,500)	(133,500)	-
TOTAL OTHER FINANCING USES	(133,500)	(133,500)	(133,500)	-
 Net change in fund balance	 <u>\$ (1,293,332)</u>	 <u>\$ (1,293,332)</u>	 (1,221,559)	 <u>\$ 71,773</u>
 Fund balance, beginning			 1,520,251	
Fund balance, ending			<u>\$ 298,692</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Impact fees	\$ 1,868,100	\$ 1,868,100	\$ 1,797,794	\$ (70,306)
Interest	6,000	6,000	31,253	25,253
TOTAL REVENUES	1,874,100	1,874,100	1,829,047	(45,053)
EXPENDITURES				
General government	1,000	1,000	600	400
Capital outlay	1,961,002	1,961,002	1,779,522	181,480
TOTAL EXPENDITURES	1,962,002	1,962,002	1,780,122	181,880
Excess (deficiency) of revenues over expenditures	(87,902)	(87,902)	48,925	136,827
OTHER FINANCING SOURCES (USES)				
Transfers out	(314,300)	(314,300)	(314,300)	-
TOTAL OTHER FINANCING USES	(314,300)	(314,300)	(314,300)	-
Net change in fund balance	<u>\$ (402,202)</u>	<u>\$ (402,202)</u>	(265,375)	<u>\$ 136,827</u>
Fund balance, beginning			3,544,560	
Fund balance, ending			<u>\$ 3,279,185</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Interest	\$ 15,000	\$ 15,000	\$ 27,437	\$ 12,437
Developer contributions	-	35,000	35,000	-
TOTAL REVENUES	15,000	50,000	62,437	12,437
EXPENDITURES				
General government	2,200	2,200	1,090	1,110
Capital outlay	5,210,213	5,245,213	2,909,536	2,335,677
TOTAL EXPENDITURES	5,212,413	5,247,413	2,910,626	2,336,787
Excess (deficiency) of revenues over expenditures	(5,197,413)	(5,197,413)	(2,848,189)	2,349,224
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,457,000)	(1,457,000)	(1,457,000)	-
TOTAL OTHER FINANCING USES	(1,457,000)	(1,457,000)	(1,457,000)	-
Net change in fund balance	\$ (6,654,413)	\$ (6,654,413)	(4,305,189)	\$ 2,349,224
Fund balance, beginning			7,257,810	
Fund balance, ending			<u>2,952,621</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CIP BONDS 2013 FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Interest	\$ 50,000	\$ 50,000	\$ 148,439	\$ 98,439
TOTAL REVENUES	50,000	50,000	148,439	98,439
EXPENDITURES				
General Government	2,000	2,000	1,011	989
Capital Outlay	16,220,456	16,220,456	6,187,222	10,033,234
TOTAL EXPENDITURES	16,222,456	16,222,456	6,188,233	10,034,223
Excess (deficiency) of revenues over expenditures	<u>\$ (16,172,456)</u>	<u>\$(16,172,456)</u>	(6,039,794)	<u>\$ 10,132,662</u>
Fund balance, beginning			<u>16,676,052</u>	
Fund balance, ending			<u>\$10,636,258</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CIP 2017 LOAN FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Interest	\$ -	\$ 1,000	\$ 63,003	\$ 62,003
TOTAL REVENUES	-	1,000	63,003	62,003
EXPENDITURES				
General government	-	1,000	954	46
Capital outlay	5,499,229	5,499,229	985,692	4,513,537
TOTAL EXPENDITURES	5,499,229	5,500,229	986,646	4,513,583
Excess (deficiency) of revenues over expenditures	(5,499,229)	(5,499,229)	(923,643)	4,575,586
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,499,229	5,499,229	10,000,000	4,500,771
TOTAL OTHER FINANCING SOURCES	5,499,229	5,499,229	10,000,000	4,500,771
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,076,357	<u>\$ 9,076,357</u>
Fund balance, beginning			<u>-</u>	
Fund balance, ending			<u>\$ 9,076,357</u>	

CITY OF MIRAMAR, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget
REVENUES				
Interest	\$ 15,000	\$ 15,000	\$ 40,538	\$ 25,538
TOTAL REVENUES	<u>15,000</u>	<u>15,000</u>	<u>40,538</u>	<u>25,538</u>
EXPENDITURES				
Principal	4,496,500	4,446,500	4,143,025	303,475
Interest	6,267,000	6,267,000	6,236,316	30,684
Issuance costs	6,000	56,000	44,224	11,776
Fiscal charges	3,500	3,500	1,764	1,736
TOTAL EXPENDITURES	<u>10,773,000</u>	<u>10,773,000</u>	<u>10,425,329</u>	<u>347,671</u>
Excess (deficiency) of revenues over expenditures	<u>(10,758,000)</u>	<u>(10,758,000)</u>	<u>(10,384,791)</u>	<u>373,209</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,408,000	9,408,000	9,408,000	-
TOTAL OTHER FINANCING SOURCES	<u>9,408,000</u>	<u>9,408,000</u>	<u>9,408,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,350,000)</u>	<u>\$ (1,350,000)</u>	(976,791)	<u>\$ 373,209</u>
Fund balance, beginning			<u>8,081,687</u>	
Fund balance, ending			<u>\$ 7,104,896</u>	

NON-MAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

Stormwater Fund – To account for the operations of providing stormwater services to City residents and businesses.

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
SEPTEMBER 30, 2017

	Stormwater Fund
ASSETS	
Current assets:	
Pooled cash and cash equivalents	\$ 148,464
Pooled investments	3,996,301
Receivables, net	42,082
Restricted assets:	
Pooled cash and cash equivalents	145,197
Total current assets	4,332,044
Non-current assets:	
Capital assets, not being depreciated	820,306
Capital assets being depreciated, net	7,747,801
Total non-current assets	8,568,107
TOTAL ASSETS	12,900,151
 DEFERRED OUTFLOWS OF RESOURCES	
Pensions (Note 10)	346,155
TOTAL DEFERRED OUTFLOWS OF RESOURCES	346,155
 LIABILITIES	
Current liabilities:	
Accounts payable	205,817
Retainage payable	10,889
Accrued liabilities	77,499
Current portion of long-term obligations	503,478
Total current liabilities	797,683
Non-current liabilities:	
State revolving loans	4,841,633
Compensated absences	39,683
Other post-employment benefits obligation	150,614
Net pension liability	879,101
Total non-current liabilities	5,911,031
TOTAL LIABILITIES	6,708,714
 DEFERRED INFLOWS OF RESOURCES	
Pensions (Note 10)	126,103
TOTAL DEFERRED INFLOWS OF RESOURCES	126,103
 NET POSITION	
Net investment in capital assets	3,228,374
Restricted for debt service	145,197
Unrestricted	3,037,918
TOTAL NET POSITION	\$ 6,411,489

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	<u>Stormwater Fund</u>
Operating revenues:	
Stormwater fees	\$ 4,525,241
Total operating revenues	<u>4,525,241</u>
Operating expenses:	
Flood control/stormwater management	1,908,349
Depreciation and amortization	<u>310,607</u>
Total operating expenses	<u>2,218,956</u>
Operating income	<u>2,306,285</u>
Nonoperating revenues (expenses)	
Interest income	39,504
Interest expense	(142,754)
Fiscal charges	<u>(5,841)</u>
Total nonoperating revenues (expenses)	<u>(109,091)</u>
Income before transfers and capital contributions	2,197,194
Capital contributions	<u>149,662</u>
Change in net position	2,346,856
Net position, beginning of year	<u>4,064,633</u>
Net position, ending	<u><u>\$ 6,411,489</u></u>

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Stormwater Fund
Cash flows from operating activities:	
Cash received from customers	\$ 4,605,476
Cash paid to suppliers	(981,175)
Cash paid to employees	(790,362)
Net cash provided by operating activities	2,833,939
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(698,922)
Proceeds from grant	149,662
Issuance of debt	292,042
Principal paid on long-term debt	(507,452)
Interest paid on long-term debt	(142,754)
Net cash used in capital and related financing activities	(907,424)
Cash flows from investing activities:	
Purchases of investments	(3,000,000)
Sales of investments	300,000
Interest earnings	4,067
Net cash used in investing activities	(2,695,933)
Net increase (decrease) in pooled cash and cash equivalents	(769,418)
Pooled cash and cash equivalents, beginning	1,063,079
Pooled cash and cash equivalents, ending	\$ 293,661
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ 2,306,285
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	310,607
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	80,235
(Increase) decrease in deferred outflows of resources	(108,072)
Increase (decrease) in accounts payable	113,953
Increase (decrease) in accrued expenses	(8,014)
Increase (decrease) in compensated absences	10,011
Increase (decrease) in other post-employment benefit obligation	39,026
Increase (decrease) in net pension liability	70,505
Increase (decrease) in deferred inflows of resources	19,403
Net cash provided by operating activities	\$ 2,833,939
Noncash investing, capital and financing activities:	
Administrative service fee SRF loan	\$ (5,841)
Increase in fair value of investments	35,437

INTERNAL SERVICE FUNDS

Insurance Fund – To account for the City's health and dental plans and self-funded insurance program for automobile liability, general liability, worker's compensation and property coverages.

Fleet Maintenance Fund – To account for the revenues and expenses of the City's maintenance garage facility used to maintain the City's various vehicle fleets.

Management Information Systems Fund – To account for the City's information resources and related information technology services.

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2017

	Insurance Fund	Fleet Maintenance Fund	Management Information Systems	Total
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 4,543,066	\$ 1,283,784	\$ 214,149	\$ 6,040,999
Pooled investments	11,663,516	1,620,457	655,210	13,939,183
Receivables, net	10,650	-	-	10,650
Inventories	-	319,097	-	319,097
Prepaid items	1,088,658	1,428	326,524	1,416,610
Restricted assets:				
Cash with fiscal agent	-	-	1,468,852	1,468,852
Total current assets	17,305,890	3,224,766	2,664,735	23,195,391
Non-current assets:				
Capital assets being depreciated, net	-	4,167,953	1,798,631	5,966,584
TOTAL ASSETS	17,305,890	7,392,719	4,463,366	29,161,975
DEFERRED OUTFLOWS OF RESOURCES				
Pensions (Note 10)	316,256	335,089	484,113	1,135,458
TOTAL DEFERRED OUTFLOWS OF RESOURCES	316,256	335,089	484,113	1,135,458
LIABILITIES				
Current liabilities:				
Accounts payable	2,448,175	200,202	1,550,712	4,199,089
Accrued liabilities	9,413	42,230	42,601	94,244
Current portion of long-term obligations	1,385,318	13,522	466,172	1,865,012
Total current liabilities	3,842,906	255,954	2,059,485	6,158,345
Non-current liabilities:				
Capital leases	-	-	1,283,821	1,283,821
Compensated absences	18,589	70,571	125,505	214,665
Other post-employment benefits obligation	67,167	219,943	224,630	511,740
Net pension liability	939,074	490,600	899,498	2,329,172
Estimate for self-insured losses	8,180,000	-	-	8,180,000
Total non-current liabilities	9,204,830	781,114	2,533,454	12,519,398
TOTAL LIABILITIES	13,047,736	1,037,068	4,592,939	18,677,743
DEFERRED INFLOWS OF RESOURCES				
Pensions (Note 10)	68,647	128,563	62,450	259,660
TOTAL DEFERRED INFLOWS OF RESOURCES	68,647	128,563	62,450	259,660
NET POSITION				
Net investment in capital assets	-	4,167,953	134,853	4,302,806
Unrestricted	4,505,763	2,394,224	157,237	7,057,224
TOTAL NET POSITION	\$ 4,505,763	\$ 6,562,177	\$ 292,090	\$ 11,360,030

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Insurance Fund	Fleet Maintenance Fund	Management Information Systems	Total
OPERATING REVENUES				
Charges for services	\$ 20,618,406	\$ 6,117,678	\$ 4,410,713	\$ 31,146,797
Other	776,476	-	-	776,476
TOTAL OPERATING REVENUES	21,394,882	6,117,678	4,410,713	31,923,273
OPERATING EXPENSES				
General and administrative	20,222,891	2,458,649	4,320,800	27,002,340
Depreciation and amortization	-	819,681	133,252	952,933
TOTAL OPERATING EXPENSES	20,222,891	3,278,330	4,454,052	27,955,273
OPERATING INCOME (LOSS)	1,171,991	2,839,348	(43,339)	3,968,000
NONOPERATING REVENUES(EXPENSES)				
Insurance recoveries	-	4,386	-	4,386
Interest income	118,148	11,934	5,282	135,364
Interest expense	-	-	(4,108)	(4,108)
Loss on disposal of capital assets	-	-	(6,657)	(6,657)
TOTAL NONOPERATING REVENUES (EXPENSES)	118,148	16,320	(5,483)	128,985
Income before transfers	1,290,139	2,855,668	(48,822)	4,096,985
TRANSFERS				
Transfer in	-	707,000	-	707,000
TOTAL TRANSFERS	-	707,000	-	707,000
Changes in net position	1,290,139	3,562,668	(48,822)	4,803,985
Net position, beginning of year	3,215,624	2,999,509	340,912	6,556,045
Net position ending	\$ 4,505,763	\$ 6,562,177	\$ 292,090	\$ 11,360,030

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Insurance Fund	Fleet Maintenance Fund	Management Information Systems	Total
Cash flows from operating activities:				
Cash received from customers	\$ 21,489,846	\$ 6,117,678	\$ 4,410,713	\$ 32,018,237
Cash paid to suppliers	(17,003,968)	(1,130,637)	(774,073)	(18,908,678)
Cash paid to employees	(574,587)	(1,142,365)	(1,744,551)	(3,461,503)
Net cash provided by operating activities	<u>3,911,291</u>	<u>3,844,676</u>	<u>1,892,089</u>	<u>9,648,056</u>
Cash flows from noncapital financing activities:				
Transfers in	-	707,000	-	707,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>707,000</u>	<u>-</u>	<u>707,000</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(2,781,920)	(1,478,701)	(4,260,621)
Issuance of debt	-	-	1,468,788	-
Principal paid on long-term debt	-	-	(40,418)	(40,418)
Interest paid on long-term debt	-	-	(4,108)	(4,108)
Proceeds from insurance on capital assets	-	4,386	-	4,386
Net cash used in capital and related financing activities	<u>-</u>	<u>(2,777,534)</u>	<u>(54,439)</u>	<u>(4,300,761)</u>
Cash flows from investing activities:				
Purchases of investments	(9,050,000)	(1,500,000)	(650,000)	(11,200,000)
Sales of investments	5,399,875	-	391,000	5,790,875
Interest earnings	9,523	3,155	983	13,661
Net cash used in investing activities	<u>(3,640,602)</u>	<u>(1,496,845)</u>	<u>(258,017)</u>	<u>(5,395,464)</u>
Net increase (decrease) in pooled cash and cash equivalents	270,689	277,297	1,579,633	658,831
Pooled cash and cash equivalents, beginning	4,272,377	1,006,487	103,368	5,382,232
Pooled cash and cash equivalents, ending	<u>\$ 4,543,066</u>	<u>\$ 1,283,784</u>	<u>\$ 1,683,001</u>	<u>\$ 6,041,063</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,171,991	\$ 2,839,348	\$ (43,339)	\$ 3,968,000
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	819,681	133,252	952,933
Changes in operating assets and liabilities:				
(Increase) decrease in inventory	-	30,946	-	30,946
(Increase) decrease in accounts receivable	94,964	-	-	94,964
(Increase) decrease in prepaid items	24,665	116,166	199,520	340,351
(Increase) decrease in deferred outflows of resources	(103,018)	(145,007)	(260,867)	(508,892)
Increase (decrease) in accounts payable	1,245,958	16,472	1,493,421	2,755,851
Increase (decrease) in accrued liabilities	858	8,394	11,745	20,997
Increase (decrease) in compensated absences	-	10,506	42,180	52,686
Increase (decrease) in other post-employment benefit obligation	15,010	39,026	54,037	108,073
Increase (decrease) in net pension liability	84,223	81,144	223,019	388,386
Increase (decrease) in self-insured losses/liability	1,360,628	-	-	1,360,628
Increase (decrease) in deferred inflows of resources	16,012	28,000	39,121	83,133
Net cash provided by operating activities	<u>\$ 3,911,291</u>	<u>\$ 3,844,676</u>	<u>\$ 1,892,089</u>	<u>\$ 9,648,056</u>
Noncash investing, capital and financing activities:				
Increase in fair value of investments	\$ 108,625	\$ 8,779	\$ 4,299	\$ 121,703
Loss on disposal of capital asset	-	-	(6,657)	(6,657)
Acquisition of capital assets	-	-	235,408	235,408
Issuance of debt (capital lease)	-	-	(235,408)	(235,408)

PENSION TRUST FUNDS / AGENCY FUND

PENSION TRUST FUNDS

General Employees' Retirement Plan – This fund was established to collect City and employee pension contributions to be used for retirement benefit payments.

Police Officers' Retirement Plan – This fund was established to collect City, employee, and State of Florida pension contributions to be used for retirement benefit payments.

Firefighters' Retirement Plan – This fund was established to collect City, employee, and State of Florida pension contributions to be used for retirement benefit payments.

Management Retirement Plan – This fund was established to collect City and employee pension contributions to be used for retirement benefit payments.

AGENCY FUND

Sanitation Fund – This fund was established to account for the billing, collection and remittance of funds for sanitation services (residential and commercial) provided by an independent contractor.

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2017

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	Management Retirement Plan	Total
ASSETS					
Cash and cash equivalents	\$ 1,661,142	\$ 1,952,911	\$ 683,392	\$ 283,331	\$ 4,580,776
Investments:					
Certificates of deposit	-	-	2,288,057	-	2,288,057
Money market funds	-	-	3,755,851	-	3,755,851
U.S. Government securities	3,863,333	13,100,616	7,440,831	3,766,835	28,171,615
Corporate bonds	11,337,803	6,115,461	6,734,530	3,963,276	28,151,070
Bond fund	-	7,398,829	-	-	7,398,829
Equity securities	55,610,763	67,001,751	95,349,434	22,920,505	240,882,453
Collateralized mortgage obligations	6,793,793	-	949,880	-	7,743,673
International equity	-	22,513,589	-	-	22,513,589
Asset backed securities	831,400	-	1,079,770	268,167	2,179,337
Mutual funds	2,940,278	-	-	1,516,231	4,456,509
Real estate funds	-	24,884,940	12,936,961	4,343,453	42,165,354
Fixed income international funds	-	-	393,158	-	393,158
Commingled funds	-	-	5,260,071	-	5,260,071
Alternative investment	10,409,957	15,528,928	-	-	25,938,885
Receivables:					
Due from broker	-	27,681	423,601	-	451,282
State contributions receivable	-	1,032,724	966,694	-	1,999,418
Prepaid items	340,015	436,620	3,314	191,307	971,256
Accrued investment income	130,321	134,523	121,763	43,894	430,501
TOTAL ASSETS	93,918,805	160,128,573	138,387,307	37,296,999	429,731,684
LIABILITIES					
Accounts payable	62,768	88,114	97,951	-	248,833
Unearned revenue	-	-	198,326	-	198,326
Due to broker	-	29,713	444,774	-	474,487
TOTAL LIABILITIES	62,768	117,827	741,051	-	921,646
NET POSITION					
Net position restricted for pension benefits	\$ 93,856,037	\$ 160,010,746	\$ 137,646,256	\$ 37,296,999	\$ 428,810,038

CITY OF MIRAMAR, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Firefighters' Retirement Plan	Management Retirement Plan	Total
ADDITIONS					
Contributions:					
City	\$ 3,792,128	\$ 7,638,789	\$ 5,871,432	\$ 2,496,156	\$ 19,798,505
Employees	1,812,841	2,757,864	1,337,857	2,498,920	8,407,482
State of Florida	-	1,032,724	966,694	-	1,999,418
Employee buybacks	-	60,110	-	-	60,110
Permissive service credit	-	-	2,386,203	-	2,386,203
Total contributions	<u>5,604,969</u>	<u>11,489,487</u>	<u>10,562,186</u>	<u>4,995,076</u>	<u>32,651,718</u>
Interest and dividends	2,005,001	4,064,300	1,766,465	779,847	8,615,613
Net appreciation in fair value of investments	7,736,759	15,458,751	13,992,494	3,142,906	40,330,910
Less investment expenses	(369,568)	(994,754)	(507,069)	(154,992)	(2,026,383)
Net investment income	9,372,192	18,528,297	15,251,890	3,767,761	46,920,140
Other income	2,647	5,882	1,050	-	9,579
Total additions	<u>14,979,808</u>	<u>30,023,666</u>	<u>25,815,126</u>	<u>8,762,837</u>	<u>79,581,437</u>
DEDUCTIONS					
Pension benefits	4,183,986	6,265,313	3,344,346	2,417,125	16,210,770
Refund of employee contributions	46,475	-	2,073,061	217,512	2,337,048
Administrative expenses	144,690	179,210	199,195	114,287	637,382
Total deductions	<u>4,375,151</u>	<u>6,444,523</u>	<u>5,616,602</u>	<u>2,748,924</u>	<u>19,185,200</u>
Net increase	10,604,657	23,579,143	20,198,524	6,013,913	60,396,237
Net position restricted for pension benefits:					
Beginning of year	83,251,380	136,431,603	117,447,732	31,283,086	368,413,801
End of year	<u>\$ 93,856,037</u>	<u>\$ 160,010,746</u>	<u>\$ 137,646,256</u>	<u>\$ 37,296,999</u>	<u>\$ 428,810,038</u>

CITY OF MIRAMAR, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
SANITATION AGENCY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Balance September 30, 2016	Additions	Reductions	Balance September 30, 2017
ASSETS				
Pooled cash and cash equivalents	\$ 790,733	\$ 16,701,004	\$ 17,010,549	\$ 481,188
Accounts receivable	3,037,949	17,080,074	16,941,863	3,176,160
Total assets	<u>\$ 3,828,682</u>	<u>\$ 33,781,078</u>	<u>\$ 33,952,412</u>	<u>\$ 3,657,348</u>
 LIABILITIES				
Accounts payable	\$ 3,828,682	\$ 25,551,224	\$ 25,722,558	\$ 3,657,348
Total liabilities	<u>\$ 3,828,682</u>	<u>\$ 25,551,224</u>	<u>\$ 25,722,558</u>	<u>\$ 3,657,348</u>



MIRAMAR

BEAUTY AND PROGRESS
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STATISTICAL SECTION

This part of the City of Miramar'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>Pages</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	153-157
Revenue Capacity	
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, their property taxes.</i>	158-162
Debt Capacity	
<i>These schedules present 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 the future.</i>	163-164
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	165-166
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	167-174
<i>Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.</i>	

FINANCIAL TRENDS

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 1 - NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	\$139,120	\$124,078	\$122,562	\$117,464	\$116,691	\$113,707	\$112,125	\$108,146	\$127,446	\$132,029
Restricted	9,752	11,717	16,426	19,513	20,375	30,101	25,768	23,797	21,088	16,145
Unrestricted (deficit)	41,259	37,045	40,519	38,111	28,827	14,365	10,837	(128,207)	(126,334)	(130,798)
Total governmental activities										
net position	<u>190,131</u>	<u>172,840</u>	<u>179,507</u>	<u>175,088</u>	<u>165,893</u>	<u>158,173</u>	<u>148,730</u>	<u>3,736</u>	<u>22,200</u>	<u>17,376</u>
Business-type activities:										
Net investment in capital assets	250,427	263,487	265,090	262,381	262,081	260,595	256,194	252,570	229,158	231,706
Restricted	15,631	14,089	13,896	9,580	6,219	6,011	6,228	3,726	4,469	4,804
Unrestricted (deficit)	6,609	11,044	8,577	15,513	20,059	26,978	31,640	31,794	38,952	45,529
Total business-type activities	<u>272,667</u>	<u>288,620</u>	<u>287,563</u>	<u>287,474</u>	<u>288,359</u>	<u>293,584</u>	<u>294,062</u>	<u>288,090</u>	<u>272,579</u>	<u>282,039</u>
Primary government:										
Net investment in capital assets	389,547	387,565	387,652	379,845	378,772	374,302	368,319	360,716	356,604	363,735
Restricted	25,383	25,806	30,322	29,093	26,594	36,112	31,996	27,523	25,557	20,949
Unrestricted (deficit)	47,868	48,089	49,096	53,624	48,886	41,343	42,477	(96,413)	(87,382)	(85,269)
Total primary government										
net position	<u>\$ 462,798</u>	<u>\$ 461,460</u>	<u>\$ 467,070</u>	<u>\$ 462,562</u>	<u>\$ 454,252</u>	<u>\$ 451,757</u>	<u>\$ 442,792</u>	<u>\$ 291,826</u>	<u>\$ 294,779</u>	<u>\$ 299,415</u>

(1) In fiscal year 2015, the City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 2-CHANGES IN NET POSITION (UNAUDITED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 7,184	\$ 18,680	\$ 17,250	\$ 21,269	\$ 21,725	\$ 23,101	\$ 20,588	\$ 21,190	\$ 21,421	\$ 24,841
Public safety (1)	68,626	62,043	68,207	70,868	71,449	81,686	74,403	76,121	81,507	90,343
Physical environment (2)	27,791	12,610	10,898	9,951	10,272	4,075	3,068	3,061	3,407	5,679
Transportation (2)	-	-	-	-	-	6,898	4,526	3,769	4,022	4,425
Cultural arts (4)	1,785	-	-	-	-	-	-	-	3,651	3,723
Community services (1)	-	11,088	13,874	12,381	12,965	-	-	-	-	-
Social services (4)	-	2,386	2,932	1,575	1,813	1,992	2,613	2,869	5,844	6,390
Economic environment (1)	-	-	-	-	-	3,741	3,189	3,114	3,584	2,363
Parks and recreation (1)	-	-	-	-	-	10,092	10,934	12,559	13,429	16,158
Interest on long-term debt	4,435	4,857	4,971	4,895	4,803	4,547	7,085	7,506	5,726	5,883
Total governmental activities expenses	\$ 109,821	\$ 111,664	\$ 118,132	\$ 120,939	\$ 123,027	\$ 136,132	\$ 126,406	\$ 130,189	\$ 142,591	\$ 159,805
Business-type activities:										
Utility	\$ 33,852	\$ 36,384	\$ 36,228	\$ 34,405	\$ 35,081	\$ 33,349	\$ 37,630	\$ 37,627	\$ 38,830	\$ 38,513
Cultural Arts (4)	-	2,379	2,349	2,098	3,044	3,475	4,084	4,200	-	-
Early Childhood (4)	-	2,245	2,164	1,924	1,665	1,885	1,979	2,201	-	-
Stormwater (3)	-	-	-	-	-	1,741	1,917	2,186	2,191	2,367
Total business-type activities	33,852	41,008	40,741	38,427	39,790	40,450	45,610	46,214	41,021	40,880
Total primary government expenses	\$ 143,673	\$ 152,672	\$ 158,873	\$ 159,366	\$ 162,817	\$ 176,582	\$ 172,016	\$ 176,403	\$ 183,612	\$ 200,685
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 5,048	\$ 6,247	\$ 6,436	\$ 7,042	\$ 7,167	\$ 12,377	\$ 7,824	\$ 8,059	\$ 8,521	\$ 10,129
Public safety (1)	9,151	12,156	13,401	13,725	12,991	19,765	22,873	24,776	28,755	31,621
Physical environment (2)	4,518	3,351	2,308	2,286	2,496	33	278	392	399	1,003
Transportation (2)	-	-	-	-	-	-	-	-	-	-
Cultural arts (4)	3,508	-	-	-	-	-	-	-	1,093	1,224
Community services (1)	-	1,367	1,475	935	998	-	-	-	-	-
Social services (4)	-	-	-	143	2	-	-	179	1,925	1,788
Economic environment (1)	-	-	-	-	-	-	-	-	-	-
Parks and recreation (1)	-	-	-	-	-	2,816	2,842	1,689	1,858	3,039
Operating grants and contributions	11,197	4,498	18,032	18,217	15,549	14,912	5,829	5,380	6,732	7,523
Capital grants and contributions	7,418	2,349	1,390	414	1,433	-	-	-	-	35
Total governmental activities program revenues	\$ 40,840	\$ 29,968	\$ 43,042	\$ 42,762	\$ 40,636	\$ 49,903	\$ 39,646	\$ 40,475	\$ 49,283	\$ 56,362
Business-type activities:										
Charges for services:										
Utility	\$ 29,394	\$ 27,092	\$ 31,933	\$ 34,039	\$ 34,905	\$ 35,725	\$ 35,947	\$ 39,835	\$ 40,428	\$ 43,300
Cultural Arts (4)	-	209	242	331	498	587	1,048	1,143	-	-
Early Childhood (4)	-	1,937	1,791	1,687	1,667	1,557	1,522	1,692	-	-
Stormwater (3)	-	-	-	-	-	2,861	2,871	3,181	3,206	4,525
Operating grants and contributions	-	10	-	-	-	-	-	100	190	-
Capital grants and contributions	8,725	6,758	3,192	266	1,222	1,562	1,351	1,738	388	1,972
Total business-type activities program revenues	38,119	36,006	37,158	36,323	38,292	42,292	42,739	47,689	44,212	49,797
Total primary government program revenues	\$ 78,959	\$ 65,974	\$ 80,200	\$ 79,085	\$ 78,928	\$ 92,195	\$ 82,385	\$ 88,164	\$ 93,495	\$ 106,159
Net (expense)/revenue										
Governmental activities	\$ (68,981)	\$ (81,696)	\$ (75,090)	\$ (78,177)	\$ (82,391)	\$ (86,229)	\$ (86,760)	\$ (89,714)	\$ (93,308)	\$ (103,443)
Business-type activities	4,267	(5,002)	(3,583)	(2,104)	(1,498)	1,842	(2,871)	1,475	3,191	8,917
Total primary government net expenses	\$ (64,714)	\$ (86,698)	\$ (78,673)	\$ (80,281)	\$ (83,889)	\$ (84,387)	\$ (89,631)	\$ (88,239)	\$ (90,117)	\$ (94,526)

- (1) Beginning in fiscal year 2013, revenues and expenses previously classified under community services were reclassified to parks and recreation, economic environment, and public safety.
- (2) Beginning in fiscal year 2013, revenues and expenses previously classified under physical environment were reclassified to transportation.
- (3) Prior to fiscal year 2013, stormwater was included with utility.
- (4) Beginning in fiscal year 2016, Cultural Arts and Early Childhood operations were transferred to the General Fund and are included under the functional classifications of cultural arts and social services, respectively, in governmental activities.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 2 - CHANGES IN NET POSITION (UNAUDITED) - (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 55,718	\$ 50,433	\$ 49,849	\$ 42,566	\$ 41,592	\$ 41,180	\$ 43,293	\$ 47,874	\$ 51,747	\$ 56,236
Utility and local option gas tax	8,931	6,993	7,690	7,768	8,084	10,721	11,704	12,161	12,411	12,845
Communication service tax	6,711	5,961	5,380	5,202	5,179	5,346	4,986	5,005	4,535	4,381
Franchise fees based on gross receipts	2,305	8,810	8,486	8,519	7,851	7,793	8,487	8,708	8,580	8,910
Unrestricted intergovernmental revenues	9,301	10,167	9,944	10,173	11,203	13,206	11,060	12,128	12,571	13,213
Unrestricted investment earnings	2,452	2,998	1,826	1,028	459	198	389	674	535	940
Miscellaneous	898	787	715	255	1,059	3,359	2,765	4,999	2,436	2,003
Transfers	(200)	(21,743)	(2,133)	(1,753)	(2,229)	(3,294)	(3,698)	(3,396)	1,894	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	91
Special Item (Note 14)	-	-	-	-	-	-	-	-	17,063	-
Total governmental activities	<u>\$ 86,116</u>	<u>\$ 64,406</u>	<u>\$ 81,757</u>	<u>\$ 73,758</u>	<u>\$ 73,198</u>	<u>\$ 78,509</u>	<u>\$ 78,986</u>	<u>\$ 88,153</u>	<u>\$ 111,772</u>	<u>\$ 98,619</u>
Business-type activities:										
Unrestricted investment earnings	\$ 4,206	\$ 1,632	\$ 384	\$ 223	\$ 146	\$ 82	\$ 112	\$ 301	\$ 255	\$ 543
Miscellaneous	1,115	34	9	40	8	7	-	-	-	-
Transfers	200	21,743	2,133	1,753	2,229	3,294	3,698	3,396	(1,894)	-
Special Item (Note 14)	-	-	-	-	-	-	-	-	(17,063)	-
Total business-type activities	<u>5,521</u>	<u>23,409</u>	<u>2,526</u>	<u>2,016</u>	<u>2,383</u>	<u>3,383</u>	<u>3,810</u>	<u>3,697</u>	<u>(18,702)</u>	<u>543</u>
Total primary government	<u>\$ 91,637</u>	<u>\$ 87,815</u>	<u>\$ 84,283</u>	<u>\$ 75,774</u>	<u>\$ 75,581</u>	<u>\$ 81,892</u>	<u>\$ 82,796</u>	<u>\$ 91,850</u>	<u>\$ 93,070</u>	<u>\$ 99,162</u>
Changes in net position										
Governmental activities	\$ 17,135	\$ (17,290)	\$ 6,667	\$ (4,419)	\$ (9,193)	\$ (7,720)	\$ (7,774)	\$ (1,561)	\$ 18,464	\$ (4,824)
Business-type activities	9,788	18,407	(1,057)	(88)	885	5,225	939	5,172	(15,511)	9,460
Total primary government	<u>\$ 26,923</u>	<u>\$ 1,117</u>	<u>\$ 5,610</u>	<u>\$ (4,507)</u>	<u>\$ (8,308)</u>	<u>\$ (2,495)</u>	<u>\$ (6,835)</u>	<u>\$ 3,611</u>	<u>\$ 2,953</u>	<u>\$ 4,636</u>

Beginning in fiscal year 2016, Cultural Arts and Early Childhood operations, previously accounted for as business-type activities, were transferred to governmental activities.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 3 - FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESS IN THOUSANDS)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 436	\$ 2,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	39,245	43,271	-	-	-	-	-	-	-	-
Non-spendable	-	-	2,982	1,149	970	109	99	210	153	123
Committed	-	-	-	-	-	-	14,620	15,115	16,309	18,340
Assigned	-	-	29,961	34,991	20,045	18,275	5,092	4,993	9,527	6,922
Unassigned	-	-	18,012	7,090	5,937	9,437	5,075	8,923	12,026	10,684
Total General Fund	<u>39,681</u>	<u>45,734</u>	<u>50,955</u>	<u>43,230</u>	<u>26,952</u>	<u>27,821</u>	<u>24,886</u>	<u>29,241</u>	<u>38,015</u>	<u>36,069</u>
All other governmental funds										
Reserved	10,662	11,404	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,199	9	-	-	-	-	-	-	-	-
Capital projects funds	4,554	9,873	-	-	-	-	-	-	-	-
Non-spendable	-	-	2,607	1,541	39	207	4	1	-	3,895
Restricted	-	-	21,438	25,877	31,318	86,523	79,999	65,819	44,214	38,009
Assigned	-	-	-	-	9,986	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	(358)	(26)	(2)	(9)	(4)	(1)	-	(1,853)
Capital projects funds	-	-	(1,843)	(375)	-	-	-	-	-	-
Total all other governmental funds	<u>17,415</u>	<u>21,286</u>	<u>21,844</u>	<u>27,017</u>	<u>41,341</u>	<u>86,721</u>	<u>79,999</u>	<u>65,819</u>	<u>44,214</u>	<u>40,051</u>
Total governmental funds	<u>\$ 57,096</u>	<u>\$ 67,020</u>	<u>\$ 72,799</u>	<u>\$ 70,247</u>	<u>\$ 68,293</u>	<u>\$ 114,542</u>	<u>\$ 104,885</u>	<u>\$ 95,060</u>	<u>\$ 82,229</u>	<u>\$ 76,120</u>

1) The City implemented GASB Statement No. 54 beginning fiscal year ended September 30, 2010.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 4 - CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 70,255	\$ 72,718	\$ 71,586	\$ 63,465	\$ 62,889	\$ 62,920	\$ 66,325	\$ 71,479	\$ 74,942	\$ 79,924
Special assessments	6,088	7,753	10,317	10,585	10,604	15,955	15,714	16,321	19,150	20,577
Licenses and permits	6,081	4,914	3,907	4,118	3,994	6,261	4,161	5,090	5,062	6,934
Intergovernmental revenues	26,852	16,144	27,279	25,598	24,422	29,935	19,711	20,545	22,174	23,468
Charges for services	9,451	7,458	8,714	8,856	8,489	9,773	10,328	10,877	15,497	17,120
Fines and forfeitures	863	683	736	930	973	1,301	952	1,017	1,058	1,080
Impact fees	2,486	160	249	1,753	1,390	1,959	1,769	910	737	2,210
Interest income	3,119	2,804	1,700	908	341	198	388	674	535	939
Developer contributions	-	-	-	-	-	-	-	-	-	35
Miscellaneous revenues	518	2,057	2,508	2,455	3,052	3,472	2,937	5,112	2,943	2,628
Total revenues	125,713	114,691	126,996	118,668	116,154	131,774	122,285	132,025	142,098	154,915
Expenditures										
General government	9,351	10,477	10,112	11,361	11,103	19,107	20,063	20,218	21,641	26,555
Public safety (1)	62,345	58,234	59,097	63,395	65,389	68,500	71,272	71,211	73,336	81,083
Physical environment (2)	5,558	7,556	7,566	7,653	7,982	2,111	1,198	1,321	1,391	3,581
Transportation (2)	-	-	-	-	-	3,355	4,159	3,285	3,205	3,568
Economic environment (1)	-	-	-	-	-	1,944	2,673	2,914	3,267	2,043
Community services (1)	14,978	13,707	11,305	12,308	12,698	-	-	-	-	-
Social services (4)	2,257	2,386	1,343	1,520	1,757	1,540	2,057	2,414	5,196	5,794
Cultural arts (4)	-	-	-	-	-	-	-	-	3,133	3,173
Parks and recreation (1)	-	-	-	-	-	8,022	8,516	10,326	11,086	13,126
Non-departmental	3,193	4,958	5,369	2,496	2,757	-	-	-	-	-
Grants and aid	2,651	1,761	11,909	9,852	8,490	11,129	123	230	105	119
Capital outlay	37,617	12,003	5,628	4,479	8,845	7,992	8,716	14,733	28,207	22,910
Debt service:										
Principal (3)	1,517	917	1,775	1,435	3,843	13,156	3,634	91,130	2,139	4,266
Interest	4,454	2,413	4,977	4,911	4,893	5,066	5,648	6,996	6,346	6,237
Issuance Costs	-	-	-	-	-	-	-	474	-	44
Fiscal charges	3	57	1	1	1	1,196	167	5	3	2
Total expenditures	143,924	114,469	119,082	119,411	127,758	143,118	128,226	225,257	159,055	172,501
Excess (deficiency) of revenues over expenditures	(18,211)	222	7,914	(743)	(11,604)	(11,344)	(5,941)	(93,232)	(16,957)	(17,586)
Other financing sources (uses):										
Transfers in	19,252	16,532	8,156	14,010	26,247	27,987	12,686	11,276	15,511	13,006
Transfers out	(19,452)	(18,103)	(10,290)	(15,820)	(24,476)	(30,398)	(16,402)	(14,673)	(13,617)	(13,713)
Issuance of debt (3)	-	11,272	-	-	7,879	59,815	-	79,595	2,232	11,999
Premium on issuance of debt (3)	-	-	-	-	-	190	-	7,209	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	185
Total other financing sources (uses)	(200)	9,701	(2,134)	(1,810)	9,650	57,594	(3,716)	83,407	4,126	11,477
Net change in fund balances	\$ (18,411)	\$ 9,923	\$ 5,780	\$ (2,553)	\$ (1,954)	\$ 46,250	\$ (9,657)	\$ (9,825)	\$ (12,831)	\$ (6,109)
Debt service as a percentage of non-capital expenditures	5.62%	3.31%	5.95%	5.52%	7.35%	13.19%	7.72%	45.8%	6.32%	6.82%

- (1) Beginning in fiscal year 2013, revenues and expenditures previously classified under community services were reclassified to parks and recreation, economic environment, and public safety
- (2) Beginning in fiscal year 2013, revenues and expenditures previously classified under physical environment were reclassified to transportation.
- (3) In FY15, \$79.6 million in Capital Improvement Refunding Revenue Bonds, Series 2015 were issued to current refund \$3.6 million and \$83.9 million in then outstanding Public Service Tax Revenue Bonds, Series 2003, and Capital Impr. Revenue Bonds, Series 2005, respectively.
- (4) Beginning in fiscal year 2016, Cultural Arts and Early Childhood operations were transferred to the General Fund and are included under the functional classifications of cultural arts and social services, respectively.

REVENUE CAPACITY

This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenues.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 5 - ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Rate	Estimated Actual Taxable Value (1)	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value (1)
2008	2007	\$ 13,679,810,530	\$ 320,121,617	\$ 4,478,415,287	\$ 9,521,516,860	6.5500	\$ 11,201,784,541	85%
2009	2008	13,285,777,970	363,192,320	4,307,232,861	9,341,737,429	5.4797	10,990,279,328	85%
2010	2009	10,742,827,900	351,867,691	3,066,761,857	8,027,933,734	5.4797	9,444,627,922	85%
2011	2010	8,821,363,400	379,214,200	2,465,010,021	6,735,567,579	6.4654	7,924,197,152	85%
2012	2011	8,749,193,160	369,847,633	2,539,992,246	6,579,048,547	6.4654	7,487,594,265	88%
2013	2012	8,749,870,800	385,489,368	2,483,662,029	6,651,698,139	6.4654	7,361,313,792	90%
2014	2013	8,619,600,040	427,650,646	2,093,194,689	6,954,055,997	6.4654	7,707,457,008	90%
2015	2014	9,098,857,180	439,650,107	2,111,708,413	7,426,798,874	6.7654	8,251,998,749	90%
2016	2015	9,772,152,930	470,714,004	2,283,275,830	7,959,591,104	6.7654	8,843,990,116	90%
2017	2016	10,469,255,890	491,033,890	2,318,042,464	8,642,247,316	6.7654	9,602,497,018	90%

(1) Property in Broward County is reassessed once every year, on average. The County assesses property at approximately 85-100% of actual value for commercial and industrial property and 85-100% for residential property, as required by Florida law. Estimated actual taxable value is calculated by dividing taxable value by those percentages. Tax rates are per \$1,000 of assessed value.

Source: Broward County Property Appraiser

CITY OF MIRAMAR, FLORIDA
SCHEDULE 6 - DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	City of Miramar (1)	Overlapping Rates					Total Direct & Overlapping Rates
			Broward County Operating	Broward County Debt	Broward County School District	South Broward Hospital District	Other	
2008	2007	5.30%	4.89%	0.40%	7.65%	1.16%	1.01%	20.41%
2009	2008	5.48%	4.89%	0.43%	7.42%	1.19%	1.03%	20.43%
2010	2009	6.47%	4.89%	0.50%	7.43%	1.27%	1.08%	21.64%
2011	2010	6.47%	5.10%	0.45%	7.63%	1.27%	1.12%	22.04%
2012	2011	6.47%	5.19%	0.37%	7.42%	0.75%	0.95%	21.14%
2013	2012	6.47%	5.26%	0.30%	7.46%	0.60%	0.95%	21.03%
2014	2013	6.47%	5.44%	0.28%	7.48%	0.40%	0.93%	21.00%
2015	2014	6.76%	5.46%	0.26%	7.44%	0.19%	0.91%	21.02%
2016	2015	6.76%	5.47%	0.25%	7.27%	0.18%	0.88%	20.81%
2017	2016	6.76%	5.45%	0.22%	6.91%	0.16%	0.85%	20.35%

(1) The City of Miramar's direct tax rate is only comprised of an operating millage.

Note: Property tax rates are based on each \$1,000 of net assessed value.

Source: Broward County, Florida Property Appraiser

CITY OF MIRAMAR, FLORIDA
SCHEDULE 7 - PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sunbeam Properties Inc	\$ 196,404,080	1	2.27%	\$ 157,860,000	2	1.66%
Sunbeam Development Corp	172,482,150	2	2.00%	160,640,550	1	1.69%
MTC Property Corp	105,728,507	3	1.22%	-		-
11700 Southwest 26 ST Apartments	85,605,731	4	0.99%	87,040,000	3	0.91%
Florida Power & Light CO Property Tax Dept.	70,895,675	5	0.82%	43,927,180	5	0.46%
IMT Capital II Miramar LLC	67,038,123	6	0.78%	-		-
PPF AMLI Miramar Blvd LLC	61,515,160	7	0.71%	-		-
Windsor AT Miramar I LLC	55,352,236	8	0.64%	-		-
ICON Owner Pool 5 South FL LLC	53,085,220	9	0.61%	-		-
EQR-Miramar Lakes LLC	42,176,004	10	0.49%	-		-
DB AVENTINE LLC % PACIFICA COMPANIES	-		-	69,982,610	4	0.73%
SAP II LLC	-		-	42,927,130	6	0.45%
Fairfield Pier Club LLC	-		-	39,788,530	7	0.42%
New Park Tower LLC	-		-	37,886,400	8	0.40%
Miramar Investors LLC	-		-	36,000,000	9	0.38%
City National Bank of Florida	-		-	34,320,500	10	0.36%
	<u>\$ 910,282,886</u>		<u>10.53%</u>	<u>\$ 710,372,900</u>		<u>7.46%</u>

Source: Broward County, Florida, Department of Revenue

CITY OF MIRAMAR, FLORIDA
SCHEDULE 8 - PROPERTY TAX LEVIES AND COLLECTION (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 49,323,242	\$ 49,052,805	99.45%	\$ 112,911	\$ 49,165,716	99.68%
2009	51,256,426	49,382,828	96.34%	338,987	49,721,815	97.01%
2010	51,655,608	49,599,612	96.02%	308,746	49,908,358	96.62%
2011	44,209,533	41,453,670	93.77%	131,958	41,585,628	94.06%
2012	42,775,713	40,888,853	95.59%	55,210	40,944,063	95.72%
2013	43,025,597	41,216,497	95.80%	35,857	41,252,354	95.88%
2014	44,985,950	43,231,304	96.10%	1,331,836	44,563,140	99.06%
2015	50,266,100	48,049,334	95.59%	24,312	48,073,646	95.64%
2016	53,868,885	51,631,178	95.85%	13,396	51,644,574	95.87%
2017	58,501,360	56,146,772	95.98%	-	56,146,772	95.98%

CITY OF MIRAMAR, FLORIDA
SCHEDULE 9 - SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	Assessments Due	Assessments Collected	Ratio of Collections to Amounts Due (1)	Total Outstanding Assessments
2008	\$ 538,560	\$ 893,768	(2) 166.0%	\$ 4,501,964
2009	454,049	523,929	(3) 115.4%	4,069,765
2010	19,423	19,423	(4) 100.0%	4,050,342
2011	-	-	-	4,050,342
2012	1,888	1,888	100.0%	4,048,454
2013	148,943	148,943	(5) 100.0%	3,899,511
2014	8,328	8,328	(6) 100.0%	3,891,183
2015	230,114	230,114	(7) 100.0%	3,661,070
2016	2,832	2,832	(8) 100.0%	3,658,238
2017	202,905	202,905	(9) 100.0%	3,455,333

- (1) Ratio is shown net of prepayments
- (2) Includes mandatory prepayments of \$413,675.
- (3) Includes mandatory prepayments of \$70,146.
- (4) An allowance has been set up in the amount of \$3,643,365.
- (5) An allowance has been set up in the amount of \$3,492,535.
- (6) An allowance has been set up in the amount of \$3,484,207.
- (7) An allowance has been set up in the amount of \$3,254,093.
- (8) An allowance has been set up in the amount of \$3,251,261.
- (9) An allowance has been set up in the amount of \$3,048,356.

Source: City of Miramar, Florida Finance Department

DEBT CAPACITY

The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 10 - RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS (1)
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

Fiscal Year	Governmental Activities				Business-type Activities					Percentage of		
	Revenue Bonds	Special Assessments	Notes Payable	Capital Leases	Revenue Bonds	Special Assessments	Notes Payable	Revolving Loan	Capital Leases	Total Government	Primary Income	Personal Per capita
2008	\$ 98,625	\$ 559	\$1,824	\$ 1,410	\$ 46,040	\$ 2,250	\$ 13,986	\$ 17,410	\$ -	\$ 182,104	6.77%	\$ 1,585
2009	98,380	457	11,112	1,509	59,570	-	278	16,515	115	187,936	6.61%	1,625
2010	98,130	351	10,376	1,527	58,940	-	94	15,680	92	185,190	6.31%	1,517
2011	97,875	239	10,000	777	58,615	-	-	14,826	121	182,453	6.22%	1,484
2012	95,420	122	16,195	1,180	57,345	-	-	13,954	78	184,294	5.93%	1,493
2013	153,935	-	6,087	784	55,876	-	-	13,062	34	229,778	7.64%	1,817
2014	151,265	-	5,407	445	54,507	-	-	12,151	-	223,775	7.00%	1,742
2015	146,594	-	4,711	286	53,377	-	-	11,329	-	216,297	7.04%	1,637
2016	145,128	-	4,000	2,204	51,799	-	-	10,660	-	213,791	5.97%	1,595
2017	135,595	-	12,864	5,437	50,235	-	-	10,028	-	214,159	6.44%	1,572

(1) See Schedule 12, Demographic and Economic Statistics, for personal income and population data.

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

Source: City of Miramar, Florida, Finance Department

CITY OF MIRAMAR, FLORIDA
SCHEDULE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
SEPTEMBER 30, 2017

Governmental Unit	Net Debt Outstanding September 30, 2017		Percentage Applicable to City of Miramar	Amount Applicable to City of Miramar
Debt repaid with property taxes:				
Broward County	\$ 221,269,000	(1)	5.31%	\$ 11,741,070
Broward County School Board	156,361,000	(2)	4.83%	7,557,504
Other debt:				
Broward County Special Obligation Bonds	313,314,000		5.31%	16,625,201
Broward County Capital Leases	5,222,000		5.31%	277,092
Broward County Loans Payable and Other Obligations	5,026,000		5.31%	266,692
Broward County School Board Capital Outlay Bonds	15,763,000		4.83%	761,884
Broward County School Board Certificates of Participation	1,578,952,000		4.83%	76,316,571
Broward County School Board Capital Leases	56,079,000		4.83%	2,710,505
Subtotal, overlapping debt				<u>116,256,518</u>
City direct debt:				
City of Miramar	\$160,377,969		100.00%	160,377,969
Total direct and overlapping debt				<u><u>\$ 276,634,487</u></u>

(1) Source: Broward County, Florida

(2) Source: School Board of Broward County, Florida

Note: The percentage of overlapping debt is estimated using taxable assessed property values. Value that is within the City boundaries are divided by the County's and School Board's total taxable assessed value.

DEMOGRAPHIC/ECONOMIC

This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 12 - DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Median Household Income (4)	Per Capita Personal Income (4)	Median Age (4)	School Enrollment (2)	Unemployment Rate (3)
2008	114,889	\$ 65,179	\$ 23,400	32	20,365	5.00%
2009	115,605	67,412	24,611	32	21,136	11.00%
2010	122,041	64,547	24,062	32	23,839	10.10%
2011	122,982	45,324	23,836	34	23,937	9.10%
2012	123,478	60,851	25,179	36	23,857	15.30%
2013	126,619	64,907	23,770	35	23,857	9.30%
2014	128,432	62,649	24,901	35	23,718	6.30%
2015	132,096	67,291	23,269	35	23,589	4.70%
2016	134,037	70,133	26,723	37	23,093	4.60%
2017	136,246	61,767	24,408	39	22,675	3.80%

(1) Source: U.S. Bureau of Census in 2010. From 2011 to current, University of Florida, Bureau of Economic and Business Research

(2) Source: School Board of Broward County

(3) Source: State of Florida LAUS

(4) Source: American Fact Finder ACS, U.S. Bureau of Census

CITY OF MIRAMAR, FLORIDA
SCHEDULE 13 - PRINCIPAL EMPLOYERS (UNAUDITED)
CURRENT YEAR AND NINE YEARS AGO

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment (1)
Strayer University	1,401	1	4.25%	-	-	-
Memorial Hospital Miramar	1,100	2	3.34%	-	-	-
Comcast of South Florida	950	3	2.88%	560	4	2.07%
City of Miramar	928	4	2.82%	-	-	-
Southern Glazer's Wine and Spirits, LLC	750	5	2.28%	420	9	1.55%
Interactive Response Technologies Inc.	707	6	2.15%	625	2	2.31%
Carnival Corporation	650	7	1.97%	515	6	1.91%
Royal Caribbean Cruises Ltd.	600	8	1.82%	810	1	3.00%
Humana Medical Plan, Inc.	531	9	1.61%	538	5	1.99%
Spirit Airlines, INC	521	10	1.58%	-	-	-
Premier Beverage Co, LLC	-	-	-	585	3	2.17%
Caremark Miramar Pharmacy, LLC	-	-	-	444	7	1.64%
Quest Diagnostic Inc.	-	-	-	423	8	1.57%
American Express Company	-	-	-	384	10	1.42%
Totals	8,138		24.70%	5304		19.63%

Source: City of Miramar business tax division

(1) Total City employment for 2008 is not available.

Percentage is based on 2009 total City employment.

OPERATING INFORMATION

This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

CITY OF MIRAMAR, FLORIDA
SCHEDULE 14 - FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011
City Commission	-	6.0	6.0	6.0
Mayor's Office	1.0	-	-	-
City Manager's Office	3.0	2.0	2.0	2.0
Administration	-	2.0	2.0	2.0
Marketing and Public Relations	-	-	-	-
City Clerk's Office	4.0	5.0	5.0	5.0
Administration	-	-	-	-
Passport Services	-	-	-	-
Municipal Election	-	-	-	-
Finance				
Administration	6.0	9.0	9.0	8.0
Accounting	24.0	30.0	30.0	30.0
Utility Billing	8.0	8.0	9.0	8.5
Procurement	-	-	-	-
Budget	3.0	3.0	3.0	3.0
Procurement	4.0	6.0	7.0	8.5
Procurement Operations	-	-	-	-
Mailroom Operations	-	-	-	-
Human Resources	5.0	7.0	10.0	11.5
Administration	-	-	-	-
HR Operations	-	-	-	-
Retirement Administration	-	-	-	-
Risk Management	4.0	4.0	4.0	1.0
Liability Risk Management	-	-	-	2.5
Cultural Affairs	2.0	2.0	7.0	7.0
Administration	-	-	-	-
Client Management Services	-	-	-	-
Marketing & Sales	-	-	-	-
Education & Gallery	-	-	-	-
Food & Beverage	-	-	-	-
Community Development				
Administration	9.0	7.0	7.0	7.0
Planning and Zoning	10.0	10.0	9.0	9.0
Environmental Planning	-	-	-	-
Geographic Information Systems	-	-	-	-
Building	23.0	22.0	21.0	20.0
Economic Development & Revitalization	5.0	-	-	-
Office of Marketing Communication	-	3.0	6.0	6.0
Redevelopment and Housing	-	3.0	3.0	2.0
Business Development	-	2.0	2.0	2.0
Engineering	9.0	-	-	-
Development Management	-	9.0	10.0	8.0
Construction Management	6.0	6.0	5.0	5.0

CITY OF MIRAMAR, FLORIDA
SCHEDULE 14 - FULL TIME EQUIVALENT GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011
MIS	11.0	14.0	13.0	13.0
Data Services	-	-	-	-
Network Services	-	-	-	-
Helpdesk	-	-	-	-
Audio Visual Event Management	-	-	-	-
Parks and Recreation				
Administration	7.0	7.0	9.0	10.0
Park Maintenance	6.0	-	-	-
Recreation	27.0	80.0	78.0	82.0
Special Events	-	3.0	3.0	2.5
Miramar Youth Enrichment Center	12.0	-	-	-
Athletics				
Fairway Park	-	-	-	-
Sunset Lakes	-	-	-	-
Miramar Regional Park	-	-	-	-
Aquatics	-	-	-	-
Ansin Sports Complex	-	-	-	-
Vizcaya Park	-	-	-	-
Early Childhood	-	-	-	-
Social Services				
Administration	2.0	2.0	2.0	2.0
Senior Transportation	7.0	16.0	6.0	6.0
Senior Services	11.0	11.0	12.0	11.5
Fairway Childcare	-	-	-	-
Community Outreach	-	2.0	2.0	2.0
Early Childhood (Childcare Program)	-	38.0	38.0	37.5
Public Works				
Administration	6.0	6.0	6.0	6.0
Building Maintenance	10.0	12.0	12.0	12.5
Field Operations	10.0	12.0	12.0	20.5
Streets Repair & Maintenance	-	18.0	18.0	-
Street Row Maintenance	21.0	-	-	-
Transit Operations	-	-	10.0	10.0
Solid Waste Management	-	11.0	21.0	1.0
Fleet	24.0	13.0	25.0	13.0
Utilities				
Administration	-	-	-	20.5
Office of Operational Services	-	-	-	-
Stormwater Maintenance	22.0	25.0	28.0	21.5
Water Treatment/Quality Control	24.0	28.0	4.0	28.0
Electrical Support	4.0	4.0	34.0	4.0
Wastewater Treatment/Collection Maint	33.0	34.0	8.0	34.0
Plant Maintenance	8.0	8.0	11.0	8.0
Water & Wastewater Quality Control	-	-	-	-

CITY OF MIRAMAR, FLORIDA
SCHEDULE 14 - FULL TIME EQUIVALENT GOVERNMENT EMPLOYEES
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011
Water Treatment & Supply	-	-	-	-
Wastewater Treatment & Disposal	-	-	-	-
Water Accountability	-	-	-	-
Transmission and Distribution	16	18	7	11
Meters	-	-	-	7
Facilities & Property Management	-	-	-	-
Construction & Facilities Management				
Administration	-	-	-	-
Development Engineering	-	-	-	-
Construction & Facilities Management	-	-	-	-
Police Law Enforcement Trust	-	-	-	-
Police				
Police officers	168	189	199	200.5
Civilians	62	52	56	57
Community Standards/Code Compliance	13	-	-	13
Office of the Chief	-	13	13	-
Community Oriented Policing	-	-	-	-
Specialized Support	-	-	-	-
Criminal Investigations	-	-	-	-
Property & Evidence	-	-	-	-
Strategic Investigations	-	-	-	-
Support Services	-	-	-	-
Fire Rescue SAFER Grant	-	-	-	-
Fire				
Firefighters	115	128	128	126
Civilians	36	32	31	29
Administration	-	-	-	-
Logistics	-	-	-	-
Life Safety	-	-	-	-
Fire Protection	-	-	-	-
Fire-Rescue Training	-	-	-	-
Emergency Management	-	-	-	-
Emergency Medical Services	-	-	-	-
Total	781	922	943	943

Source: Budget Division

CITY OF MIRAMAR, FLORIDA
SCHEDULE 14- FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017
City Commission	6.0	7.5	7.5	10.0	10.0	10.0
Mayor's Office	-	-	-	-	-	-
City Manager's Office	2.0	1.0	9.0	10.0	10.0	10.0
Administration	2.0	2.0	-	-	-	-
Marketing and Public Relations	-	-	-	8.0	8.0	10.0
City Clerk's Office	4.0	4.0	-	-	-	-
Administration	-	-	2.2	3.15	3.15	2.2
Passport Services	-	-	1.4	1.35	1.35	1.3
Municipal Election	-	-	0.4	0.5	0.5	0.5
Finance						
Administration	5.0	7.0	7.0	3.0	3.0	3.0
Accounting	30.0	31.0	31.0	29.0	29.0	29.0
Report and Training	-	-	-	2.0	2.0	1.0
Grants Administration	-	-	-	3.0	3.0	3.0
Utility Billing	8.5	8.5	9.5	8.5	8.5	8.5
Procurement	-	-	-	-	-	-
Budget	5.0	5.0	6.0	-	-	-
Budget and Capital Project	-	-	-	4.65	4.65	5.65
Strategic Planning & Performance Mgmt	-	-	-	1.8	1.8	1.8
Fiscal & Structural Innovation	-	-	-	1.55	1.55	1.55
Procurement	9.0	-	-	-	-	-
Procurement Operations	-	7.5	8.0	7.0	7.0	8.0
Mailroom Operations	-	2.0	2.0	2.0	2.0	2.0
Human Resources	13.5	-	-	-	-	-
Administration	-	7.5	5.5	3.5	3.5	6.5
HR Operations	-	3.5	6.5	8.5	8.5	7.5
Retirement Administration	-	1.0	2.0	-	-	-
Risk Management	1.0	3.0	3.0	-	3.0	2.0
Benefits Administration	-	-	-	-	3.0	3.0
Liability Risk Management	2.5	-	-	-	-	-
Cultural Affairs	9.0	-	-	-	-	-
Administration	-	2.0	6.5	4.5	4.5	2.25
Client Management Services	-	5.65	8.35	4.45	4.45	-
Marketing & Sales	-	1.5	2.0	1.0	1.0	1.0
Education & Gallery	-	2.0	3.5	3.0	3.0	3.25
Food & Beverage	-	6.85	4.65	1.55	1.55	2.75
Theatre Production	-	-	-	-	-	5.0
Theatre Facilities	-	-	-	-	-	0.75
Community Development	-	-	36.5	-	-	-
Administration	7.0	7.8	-	5.0	5.0	5.0
Planning and Zoning	7.0	3.15	-	4.75	4.75	13.0
Sustainable Planning	-	0.6	-	2.25	2.25	-
Geographic Information Systems	-	0.8	-	1.0	1.0	-
Building Permits & Inspections	18.5	22.65	-	24.5	24.5	25.5
Economic Development & Revitalization	-	-	12.5	-	-	-
Office of Marketing Communication	7.5	5.75	-	-	-	-
Housing & Community Development	1.5	3.0	-	2.0	2.0	-
Business Development	2.0	2.25	-	2.5	2.5	-
Engineering						
Development Management	7.0	4.5	-	-	-	-
Construction Management	3.0	6.5	-	-	-	-

CITY OF MIRAMAR, FLORIDA
SCHEDULE 14 - FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017
MIS	13.5	-	-	-	-	-
Administration	-	-	-	3	3	3
Data Services	-	6.7	7.25	4	4	5
Network Services	-	3.75	3.75	3	3	3
Helpdesk	-	4.55	4.95	4	4	4
Audio Visual Event Management	-	0.5	0.55	-	-	-
Cyber Security	-	-	-	3	3	3
Parks and Recreation						
Administration	10	19	19	15	15	7
Park Maintenance	-	4	4	19	19	19
Recreation	96	-	-	-	-	-
Special Events	2	2.5	2.5	2.5	2.5	10.5
Miramar Youth Enrichment Center	-	11.5	11.5	11.5	11.5	12
Athletics	-	-	2	2	2	2
Fairway Park	-	11	-	-	-	-
Sunset Lakes	-	13	12.5	11	11	11.5
Miramar Regional Park	-	14	18	18	18	17.5
Aquatics	-	24	24	27.5	27.5	27.5
Ansin Sports Complex	-	7	9	7	7	6
Vizcaya Park	-	6	6	7	7	8
Early Childhood	35	37	35	-	-	-
Social Services						
Administration	2	1.65	2	4	4	5
Senior Transportation	6	8	11.5	-	-	-
Senior Services	11.5	12.35	14.5	17	17	17.5
Fairway Childcare	-	-	10	-	-	-
Community Outreach (CDBG)	2	2	2	-	2	2
Childcare Services	-	-	-	43	43	39
Adult Daycare Center	-	-	-	6.5	6.5	6.5
Public Works						
Administration	7	7.5	6	4.2	4.2	4.2
Building Maintenance	13.5	15.5	15	18	18	19.5
Field Operations	11	12	16.5	-	-	-
Streets Repair & Maintenance	15	15.5	18.5	12	12	9.25
Landscape Maintenance	-	-	-	11	11	12.25
Transit Operations	10	8	8	17	17	16.4
Solid Waste Management	1	2	6	6	6	5
Fleet Maintenance	13	9	10	-	14.4	13.5
Utilities						
Administration	28.5	28	13	13	14	14
Office of Operational Services	-	-	11.5	12.5	12.5	12
Stormwater Maintenance	13.5	11.5	13.5	-	13.4	13.4
Water Treatment/Quality Control	29	35	-	-	-	-
Electrical Instrumentation & Control	4	6	6	5	5	5
Wastewater Treatment/Collection Maint	35	35	22	26	25	25
Plant Maintenance	7	7	8	7	7	7
Water & Wastewater Quality Control	-	-	7	7	7	7

CITY OF MIRAMAR, FLORIDA
SCHEDULE 14 -FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY PROGRAM/FUNCTION (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017
Water Treatment & Supply	-	-	23	23	23	23
Wastewater Treatment & Disposal	-	-	14	14	14	14
Water Accountability	-	-	7	9	9	8
Transmission and Distribution	10	10	10	10	10	11
Meters	7	-	-	-	-	-
Facilities & Property Management	-	-	4	-	-	-
Construction & Facilities Management	-	-	-	-	-	-
Administration	-	-	-	5.5	5.5	6.5
Development Engineering	-	-	6	7	7	7
Construction & Facilities Management	-	-	12	8	8	5
Police Law Enforcement Trust	-	-	1	-	-	-
Police						
Police officers	199.5	-	-	-	-	-
Civilians	54	-	-	-	-	-
Community Standards/Code Compliance	15	15	15	15	15	15
Office of the Chief	-	14	13	10	10	11
Community Oriented Policing	-	119.5	123.5	138.5	138.5	146
Specialized Support	-	36	37	31	31	30
Criminal Investigations	-	32	30	31	31	32
Property & Evidence	-	7	7	8	8	8
Strategic Investigations	-	17	18	21	21	23
Support Services	-	28	27	29	29	30.5
Fire Rescue SAFER Grant	-	-	12	-	-	-
Fire						
Firefighters	125	-	-	-	-	-
Civilians	25	-	-	-	-	-
Administration	-	8.5	7.25	9	9	10
Logistics	-	6	6	6	6	6
Life Safety	-	6	5.75	7	7	7
Fire Protection	-	70	60	64	64	70.5
Fire-Rescue Training	-	4	4	3.5	3.5	3
Emergency Management	-	6	3	2.5	2.5	4
Emergency Medical Services	-	53	55	59	59	65.5
Total	952	978	1036.5	1021.7	1057.5	1083.5
	952	978	1036.5	1021.7	1057.5	1083.5

Source: Budget Division

CITY OF MIRAMAR, FLORIDA
SCHEDULE 15 - OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Occupational licenses issued	2,348	2,458	2,559	2,452	2,334	2,479	2,375	2,405	2,763	2,824
New accounts occupational licenses	499	472	369	287	293	236	267	267	545	468
Number of passports processed	1,200	1,400	1,419	1,440	1,885	1,696	1,585	2,176	3,082	2,514
Public safety:										
Police:										
Calls for service	78,740	75,893	76,055	76,140	76,056	78,295	72,305	74,606	77,517	88,233
Physical arrests	2,898	2,774	2,947	2,838	2,680	2,408	2,087	2,288	2,352	2,054
Parking violations	8,350	1,503	1,733	1,759	1,347	718	756	679	620	873
Traffic violations	21,046	22,322	22,147	21,665	17,869	18,883	20,370	11,967	11,944	12,292
Fire:										
Calls for service	10,475	10,939	10,602	10,308	10,465	10,916	11,475	11,298	13,977	12,145
Unit responses (2)	-	-	-	16,710	17,328	16,492	19,623	20,442	22,338	20,956
Inspections	2,224	2,308	2,688	3,086	2,640	3,040	4,306	4,690	10,434	6,735
Number of fire alarms	987	1,025	775	684	896	432	1,327	3,098	940	756
Community development:										
Residential permits issued	453	3,035	3,654	3,631	3,769	5,189	5,764	4,329	4,182	4,413
Commercial permits issued	264	1,745	1,411	1,285	1,222	1,271	1,547	1,448	1,226	1,565
Miscellaneous permits issued	5,950	379	436	437	933	586	145	444	333	275
Culture and recreation:										
Athletic programs	4	4	8	23	40	36	33	35	35	35
Athletic program participants	4,050	4,050	4,930	8,200	13,400	21,000	15,500	15,550	19,248	20,210
Facility rentals	95	95	80	650	163	700	652	687	1,064	1,229
Recreation program	39	39	40	34	26	36	24	26	26	26
Recreation program participants (1)	-	-	-	-	1,160	2,955	3,200	3,250	3,330	3,255
Summer camp participants	324	324	270	270	210	190	200	200	200	226
Water:										
Meters installed	213	139	68	157	51	204	243	164	89	66
Total City meters	32,598	32,762	32,832	33,009	33,045	33,364	33,618	33,790	33,908	34,025
Water main breaks	356	24	44	15	16	11	5	3	10	27
Average daily consumption (millions of gallons)	10	10	11	11	12	13	14	13	13	12

(1) Information for fiscal years ended September 30, 2008 through 2011 is unavailable.

(2) Information for fiscal years ended September 30, 2008 through 2010 is unavailable.

Source: City Departments

CITY OF MIRAMAR, FLORIDA
SCHEDULE 16 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS (1)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
High schools	2	2	2	2	2	2	2	2	2	2
Middle schools	3	3	3	3	3	3	3	3	3	3
Elementary schools	11	11	11	11	11	11	11	11	11	11
Special education programs	1	1	1	1	1	1	1	1	1	1
Public safety										
Police:										
Police officers (patrol)	189	198	199	199	199	202	205	205	211	216
Police officers	-	84	-	-	-	-	-	-	-	-
Stations	3	2	2	2	2	2	2	2	2	2
Patrol units and motorcycle units	116	116	117	117	117	177	180	180	133	148
Fire:										
Firefighters	125	128	126	125	125	138	140	138	138	151
Fire civilians	29	31	29	22	22	12	13	13	13	15
Stations	4	4	4	4	4	5	5	5	5	5
Trucks	7	7	7	7	7	8	8	8	8	8
ALS Rescue Units	8	8	8	8	8	8	8	8	8	8
Streets										
Streets (miles)	394	402	394	394	396	401	402	402	410	408
Streetlights	-	3,701	3,704	3,728	3,728	3,736	3,736	3,736	4,332	4,332
Culture and recreation										
Baseball/softball diamonds	-	16	16	16	16	9	11	11	11	11
Basketball courts	-	20	20	20	21	14	22	22	22	22
Community centers	6	6	6	6	8	4	4	4	4	4
Libraries	-	1	1	1	1	1	1	1	1	1
Parks	36	47	40	40	40	41	40	40	45	45
Parks acreage	143	705	577	577	385	405	405	405	405	405
Pavilions	-	17	17	17	19	21	21	21	23	24
Playgrounds	-	20	21	21	22	23	23	23	23	24
Soccer/football fields	-	16	16	16	17	18	18	18	18	19
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	25	34	34	34	30	24	29	29	29	29
Water										
Water plants	2	2	2	2	2	2	2	2	2	2
Water mains (miles)	403	404	410	420	423	428	442	455	457	457
Water well sites	7	15	15	15	15	15	15	15	15	15
Water storage tanks	6	4	4	4	4	4	4	4	4	4
Fire hydrants	3,906	4,101	4,246	4,292	4,297	4,396	4,432	4,522	4,538	4,541
Storage capacity (thousands of gallons)	-	10	10	10	10	10	10	10	10	10
Wastewater										
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	244	248	251	253	254	261	261	262	263	263
Forcemain sewers (miles)	80	81	81	81	81	81	80	80	81	82
Sewer manholes	6,062	6,163	6,316	6,342	6,369	6,536	6,534	6,570	6,736	6,739
Booster stations	1	1	1	1	1	1	1	1	1	1
City lakes and canals (acres)	72	73	73	73	73	102	102	102	102	102
Treatment capacity (thousands of gallons)	-	10	10	10	10	13	13	13	13	10

Source: City Departments



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COMPLIANCE SECTION

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 Commission
City of Miramar, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miramar, Florida (the "City"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2018. Our report includes reference to other auditors who audited the financial statements of the Pension Trust Funds for the General Employees', Police Officers', Firefighters', and Management Retirement Plans, as described in our report on the City's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Caballero Fierman Llerena + Garcia, LLP

Caballero Fierman Llerena + Garcia, LLP
Miramar, Florida
March 31, 2018



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT, AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Mayor and Members of the City Commission
City of Miramar, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the City of Miramar, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2017. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and state financial assistance.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2017.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

Caballero Fierman Llerena + Garcia, LLP

Caballero Fierman Llerena + Garcia, LLP
Miramar, Florida
March 31, 2018

CITY OF MIRAMAR, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2017

Federal Agency/Pass-Through Entity/Program Title	CFDA Number	Grant / Contract Number	Expenditures
U.S. Department of Health and Human Services			
Pass-Through State of Florida Department of Health and Rehabilitative Services			
Special Program for the Aging, Title III, Part B, Part D & Part E			
Area-wide Council on Aging of Broward County, Inc.:			
Area Agency on Aging	93.043	JA116-05-2016	\$ 2,576
Area Agency on Aging	93.043	JA117-05-2017	19,732
			<u>22,308</u>
Special Program for the Aging, Title III, Part B	93.044	JA116-05-2016	79,085
Special Program for the Aging, Title III, Part B	93.044	JA117-05-2017	397,719
Subtotal - Aging Cluster			<u>476,804</u>
Area Agency on Aging	93.052	JA116-05-2016	1,524
Area Agency on Aging	93.052	JA117-05-2017	20,565
			<u>22,089</u>
Low Income Home Energy Assistance 2016-2017	93.568	JP116-05-2017	30,549
Low Income Home Energy Assistance 2017-2018	93.568	JA117-05-2018	19,803
			<u>50,352</u>
Total U.S. Department of Health and Human Services			<u>571,553</u>
U.S. Department of Homeland Security			
Pass-through City of Miami, Florida:			
FY 2014 Urban Areas Security Initiative (UASI)	97.067	16-DS-U7-11-23-02-368	117,635
Total U.S. Department of Homeland Security			<u>117,635</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B12MC120047	3,997
Community Development Block Grant	14.218	B13MC120047	18,925
Community Development Block Grant	14.218	B14MC120047	135,274
Community Development Block Grant	14.218	B15MC120047	69,358
Community Development Block Grant	14.218	B16MC120047	325,793
Neighborhood Stabilization Program	14.218	B08MN120018	164,887
Subtotal CDBG - Entitlement Grants Cluster Direct Programs			<u>718,234</u>
Pass-Through Broward County, Florida:			
HOME Investment Partnerships Program	14.239	ILA 2015-2016	92,989
Subtotal indirect programs			<u>92,989</u>
Total U.S. Department of Housing and Urban Development			<u>811,223</u>
U.S. Department of Justice			
Pass-Through Office of the Attorney General:			
Victims of Crime Act 2016-2017	16.575	VOCA-2016-City of Miramar-00525	41,494
			<u>41,494</u>
Pass-Through Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-JAGC-BROW-8-R3-252	5,405
			<u>5,405</u>
Pass-Through Broward County Sheriff's Office:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-DJ-BX-0394	34,019
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-1021	11,160
Subtotal indirect programs			<u>45,179</u>
Total U.S. Department of Justice			<u>92,078</u>
U.S. Environmental Protection Agency			
Pass-Through Florida Department of Environmental Protection:			
Clean Water SRF - Wastewater	66.458	WW060801	131,840
Clean Water SRF - Stormwater	66.458	WW060801	129,621
			<u>261,461</u>
Drinking Water SRF	66.468	DW060820	841,637
			<u>841,637</u>
Total U.S. Environmental Protection Agency			<u>1,103,098</u>
Federal Emergency Management Agency			
Pass-Through City of Miami, Florida:			
Disaster Relief (US&R Deployment) Hurricane Matthew	97.036	None	3,687
Total Federal Emergency Management Agency			<u>3,687</u>
Total Expenditures of Federal Awards			<u>\$ 2,699,274</u>

See notes to schedule of expenditures of federal awards

CITY OF MIRAMAR, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2017

<u>State Agency/Pass-Through Entity/State Project</u>	<u>CSFA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program 2014-2015	40.901	None	\$ 13,879
State Housing Initiatives Partnership Program 2015-2016	40.901	None	206,316
State Housing Initiatives Partnership Program 2016-2017	40.901	None	202,299
State Housing Initiatives Partnership Program 2017-2018	40.901	None	16,770
Total Florida Housing Finance Corporation			<u><u>439,264</u></u>
State of Florida Department of Elder Affairs			
Pass-Through Areawide Council on Aging of Broward County, Inc.:			
Local Services Program 2016-2017	65.009	JL116-05-2017	62,233
Local Services Program 2017-2018	65.009	JL117-05-2017	22,311
Total State of Florida Department of Elder Affairs			<u><u>84,544</u></u>
State of Florida Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP06085	309,876
Miramar Historic Drainage System Improvement Project	37.039	LP06083	245,396
			<u>555,272</u>
Wastewater Treatment Facility Construction	37.077	SW060810	4,719
Wastewater Collection & Stormwater	37.077	SW060840	143,221
Subtotal Water Treatment Cluster			<u>147,940</u>
Total State of Florida Department of Environmental Protection			<u><u>703,212</u></u>
State of Florida Department of State			
General Program Support	45.061	17.6.180.092	75,319
Cultural Facilities Program	45.014	17.9.300.545	500,000
Total State of Florida Department of State			<u><u>575,319</u></u>
State of Florida Department of Health			
Emergency Medical Services (EMS) Matching Grant	64.003	M4279	32,055
Total State of Florida Department of Health			<u><u>32,055</u></u>
State of Florida Department of Transportation			
Florida Highway Beautification Council Grant	55.003	ARW60	97,542
Subtotal direct programs			<u>97,542</u>
Pass-Through Broward County			
Pembroke Road Widening	55.008	None	114,425
Subtotal indirect programs			<u>114,425</u>
Total State of Florida Department of Transportation			<u><u>211,967</u></u>
Total State Financial Assistance			<u><u>\$ 2,046,361</u></u>

See notes to schedule of expenditures of federal awards

CITY OF MIRAMAR, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of the City of Miramar for the fiscal year ended September 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City of Miramar, it's not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City of Miramar.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Rules of the Department of Financial Services of the State of Florida and Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE 4 - INDIRECT COST RECOVERY

The City has elected not to use the 10 percent to minimize indirect cost rate allowed under the Uniform Guidance.

CITY OF MIRAMAR, FLORIDA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	<i>Unmodified Opinion</i>
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiencies identified not considered to be material weakness?	___ yes <u>X</u> None reported
Non-compliance material to financial statements noted?	___ yes <u>X</u> no

Federal Awards Programs and State Financial Assistance

Internal control over major federal awards programs and state financial assistance:	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiencies identified not considered to be material weakness?	___ yes <u>X</u> None reported

Type of auditors' report issued on compliance for major federal awards programs and state financial assistance:	<i>Unmodified Opinion</i>
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Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?	___ yes <u>X</u> no
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Identification of major programs:

<u>Federal Awards Program</u>	<u>Federal CFDA No.</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468
<u>State Financial Assistance</u>	<u>State CFSA No.</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039
Cultural Facilities Program	45.014

Dollar threshold used to distinguish between Type A and Type B programs:	Federal \$750,000 State \$300,000
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Auditee qualified as low risk auditee for audit of federal awards programs?	<u>X</u> yes ___ no
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CITY OF MIRAMAR, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III – CURRENT YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – CURRENT YEAR STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

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

Honorable Mayor and Members of the City Commission
City of Miramar, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Miramar (the "City"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 31, 2018.

Auditors' Responsibility

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

Other Reporting Requests

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Financial Assistance Project, and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

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

Purpose of this Letter

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

Caballero Fierman Llerena + Garcia, LLP

Caballero Fierman Llerena + Garcia, LLP
Miramar, Florida
March 31, 2018

CITY OF MIRAMAR, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Status of Prior Year's Findings and Recommendations to Improve Financial Management

Prior Year's Observations

ML 2016-02 – Access to Programs and Data

Current Year Status

Observation is no longer relevant

ML 2016-02 – Change Management

Current Year Status

Observation is no longer relevant

ML 2016-03 – IT Governance

Current Year Status

Observation is no longer relevant

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

Honorable Mayor and Members of the City Commission
City of Miramar, Florida

We have examined City of Miramar, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2016 to September 30, 2017. Management of the City is responsible for The City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2016 to September 30, 2017.

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

Caballero Fierman Llerena + Garcia, LLP

Caballero Fierman Llerena + Garcia, LLP
Miramar, Florida
March 31, 2018



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