



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Miami, Florida

FISCAL YEAR ENDED  
September 30, 2018





# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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# City of Miami, Florida

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2018

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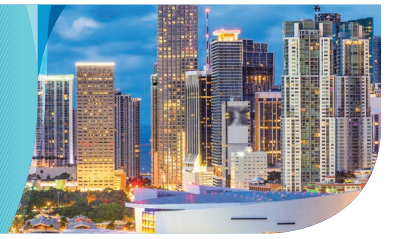
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# INTRODUCTORY SECTION





# CITY OF MIAMI, FLORIDA



**FRANCIS X.  
SUAREZ**  
Mayor



**WIFREDO  
"WILLY"  
GORT**  
Vice-Chairman



**MANOLO  
REYES**  
Commissioner



**EMILIO T.  
GONZALEZ,  
Ph.D.**  
City Manager

**KEN  
RUSSELL**  
Chairman



**JOE  
CAROLLO**  
Commissioner



**KEON  
HARDEMON**  
Commissioner



**VICTORIA  
MÉNDEZ**  
City Attorney



**September 30, 2018**

# CITY ORGANIZATIONAL CHART



## CITY COMMISSION

**Chairman: Ken Russell**  
District 2

**Vice-Chairman:**  
**Wifredo "Willy" Gort**  
District 1

**Commissioner: Joe Carollo**  
District 3

**Commissioner: Manolo Reyes**  
District 4

**Commissioner: Keon Hardemon**  
District 5

**City Attorney**  
Victoria Méndez

**City Clerk**  
Todd B. Hannon

**Independent Auditor General**  
Theodore Guba, CPA

**Francis X. Suarez**  
Executive Mayor

**Emilio T. González, Ph.D.**  
Chief Administrator / City Manager

**Deputy City Manager**  
Joseph F. Napoli

**Assistant City Manager**  
**Chief of Operations**  
Fernando Casamayor

Code Compliance

Human Services

Innovation and  
Technology

Neighborhood  
Enhancement Team

Real Estate and Asset  
Management

Solid Waste

**Assistant City Manager**  
**Chief Financial Officer**  
Sandra Bridgeman, CPA

Finance

General Services  
Administration

Grants Administration

Housing and Community  
Development

Management and Budget

Procurement

Risk Management

**Assistant City Manager**  
**Chief of Infrastructure**  
Nzeribe Ihekwa, Ph.D., PE

Building

Capital Improvements

Parks and Recreation

Planning

Resilience and  
Public Works

Resilience and  
Sustainability

Zoning

Agenda  
Coordination

Communications

Equal Opportunity  
and Diversity  
Programs

Fire-Rescue

Human Resources

Police

Coconut Grove BID

Downtown  
Development  
Authority

Liberty City Trust

Wynwood BID

Fire Fighters' and Police  
Officers' Retirement Trust

General Employees' and  
Sanitation Employees'  
Retirement Trust

Midtown CRA

Omni CRA

Southeast Overtown  
Park West CRA

Bayfront Park  
Management Trust

Civilian  
Investigative Panel

Miami Parking  
Authority

Virginia Key Beach  
Park Trust

Civil Service

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March 29, 2019

To the Honorable Mayor, Members of the Commission, and Citizens of the City of Miami, Florida:

We are pleased to present the City of Miami, Florida's ("the City") Comprehensive Annual Financial Report ("CAFR") as of and for the fiscal year ended September 30, 2018. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's basic financial statements as of and for the fiscal year ended September 30, 2018. The independent auditor's 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.

This report may also be accessed via the internet at <http://www.miamigov.com/finance>.

### ***City Profile & Government Structure***

The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay. It is a main port of entry into Florida. Now 122 years old, the City is part of the nation's eighth largest metropolitan area. Incorporated in 1896, the City is the only municipality conceived and founded by a woman – Julia Tuttle. According to the U.S. Census Bureau, the City's population in 1900 was 1,700 people. Today it is a city rich in cultural and ethnic diversity of approximately 481,333 residents according to the Bureau of Economic and Business Research, University of Florida, 58.0 percent of them foreign born. In physical size, the City is not large, encompassing only 35.87 square miles. In population, the City is the largest of the 34 municipalities that make up Miami-Dade County.

The City Charter was adopted by the electors of the City of Miami at an election held May 17, 1921 and legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. The Florida Legislature, in 1955, approved and submitted to a general election, a constitutional amendment designed to give a new form of government to Miami-Dade County, Florida ("the County"). The County is, in effect, a municipality with governmental powers affecting thirty-five cities, including the City and unincorporated areas. The County has not displaced nor replaced the cities' powers but supplements them. The County can take over activities of the City's operations if the services fall below minimum standards set by the County Commission, or with the consent of the governing body of the City. Accordingly, the County's financial statements are not included in this report.

Since 1997, the City has been governed by a form of government known as the “Mayor-City Commissioner plan.” There are five Commissioners elected from designated districts within the City. City elections are held in November every two years on a non-partisan basis. Candidates for Mayor must run as such and not for the Commission in general. At each election, two or three members of the Commission are elected for four-year terms. Thus, the terms are staggered so that there are always at least two experienced members of the Commission. The Mayor is elected at large every four years.

As official head of the City, the Mayor has veto authority over actions of the Commission. However, the Commission can override a mayoral veto if four-fifths of all Commissioners present votes in favor of a resolution to override a mayoral veto. The Commission action in question shall be deemed enacted or adopted and effective in accordance with its terms; otherwise, the mayoral veto shall be deemed sustained.

The Mayor appoints the City Manager who functions as chief administrative officer. The City Manager serves as the administrative head of the municipal government, charged with the responsibility of managing the City's financial operations and organizing and directing the administrative infrastructure. The City Manager also retains full authority in the appointment and supervision of department directors, preparation of the City's annual budget and initiation of the investigative procedures. In addition, the City Manager takes appropriate action on all administrative matters.

The City provides a full range of services, including police and fire protection; public works activities; refuse collection; building inspections; licenses and permits; vital statistics; the construction and maintenance of streets, and other infrastructure; recreational and cultural activities; and trolley services.

The accompanying financial statements include those of the City and those of its component units. Component units are legally separate organizations for which the City is financially accountable or organizations that should be included in the City's financial statements because of the nature and significance of their relationship with the City. Additional information on all these legally separate entities can be found in the notes to the financial statements.

### ***Budget Process and Control***

The Mayor is required to prepare and deliver a budgetary address annually to the people of the City any time between one to three months preceding the beginning of the fiscal year.

The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30<sup>th</sup> preceding the beginning of the fiscal year on October 1<sup>st</sup>. The annual budget serves as the foundation for the City's financial planning and control.

Budgets are monitored at varying levels of classification detail that include both personnel and operating as appropriation designations; however, budgetary control is legally maintained at the fund level except for the general fund, which is maintained at the departmental operating level.

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted and all non-major governmental funds with appropriated annual budgets.



The major phases of the budget process are detailed in the *Notes to the Required Supplementary Information Section* of this report.

### ***Local Economic Condition and Outlook***

With one of the tallest skylines in the United States, the City of Miami is the heart of South Florida and is a global leader in terms of multicultural growth and business development. It is the most populous city in the Miami metropolitan area and is ranked 9<sup>th</sup> in the U.S. for business activity, human capital, information exchanges, cultural experience and political engagement. With the tropical climate and its close vicinity to PortMiami and Miami International Airport, tourism is a major component of the City's economy. Furthermore, Miami is home to one of the largest concentrations of international banks, with majority of the banks being in the Miami Brickell area.

Local unemployment continues a steady decline from the previous year with Miami reporting a 3.3 percent unemployment rate as of September 2018, which is a decrease from 4.6 percent reported a year ago. A good business climate has been created for the South Florida economy, encouraging growth in construction, motion pictures, financial services, and tourism. With growth in these sectors of the South Florida economy, employment should strengthen, as all indicators point towards steady improvement in the local economy.

The City's housing prices continued its upward trend in 2018. The median sales price for single-family homes in Miami increased 7.5 percent in September 2018, to \$360,000. Condominiums median sales price increased 1.3 percent to \$237,000 from \$234,500 in September 2018. Overall, the number of single-family home sales in Miami-Dade County increased 43 percent compared with September 2017 and condo sales also increased 29.5 percent year-over year, according to a monthly report released by the Miami Association of Realtors. Miami has experienced nearly seven consecutive years of price appreciation. Low mortgage rates continue to make purchasing a home more affordable.

Moody's Investors Service upgraded the City's general obligation limited tax rating from A1 to Aa2 in March 2018 due to its strong financial position. Moody's noted that the outlook reflects the likelihood that the City's credit profile will remain stable over the next several years, because of tax base growth, satisfactory reserve and cash balances which will keep pace with budget growth and the maintenance of a manageable debt burden despite plans for additional borrowing.

The tax base growth is driven by large projects including the Miami Worldcenter, which recently opened its first tower to welcome new residents. The Miami Worldcenter project located just north of downtown Miami is a 27-acre mixed-use development covering 10 blocks. The center will include up to 450,000 square feet of retail, 2,000 residential units, 1,700 hotel rooms, 500,000 square feet of exposition space and 100,000 square feet of parks and public spaces. The project is within walking distance of All Aboard Florida's Central Station, a Brightline train that transports riders from Fort Lauderdale to Miami in 28 minutes; which will also spur additional development in the City.

Brightline is part of the newly built 11-acre mix-use MiamiCentral development. It is in the heart of Downtown Miami. MiamiCentral spans over six downtown City blocks and features retail shops, rental residences and a transit hub providing both local and multi-city transit options. MiamiCentral offers a way to connect with Miami's most popular transportation systems. With Metrorail, Metromover, Tri-Rail and Brightline all converging in the heart of Downtown Miami, locals and visitors will experience a variety of transit options. Within the Miami Central station complex, All Aboard Florida's Brightline passenger train will connect Orlando to downtown Miami.

### Local Government Financial Trend

The table below summarizes and compares General Fund revenues and expenditures and transfers over the last four fiscal years. Some of the reasons for these trends are actions taken by the City and discussed further in this letter under the heading of *Long-Term Financial Planning*.

#### **Summary of General Fund Financial Results by fiscal year**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues and Transfers In	\$ 745,204,594	\$ 706,823,792	\$ 643,541,725	\$ 604,639,526
Expenditures and Transfers Out	<u>717,884,461</u>	<u>678,201,723</u>	<u>659,425,088</u>	<u>569,657,401</u>
Net Change in Fund Balance	27,320,133	28,622,069	-15,883,363	34,982,125
Beginning Fund Balance	160,143,418	131,521,349	147,404,712	112,422,587
Ending Fund Balance	\$ <u>187,463,551</u>	\$ <u>160,143,418</u>	\$ <u>131,521,349</u>	\$ <u>147,404,712</u>

### Employment & Wealth Demographics

The following information was reported by the Bureau of Labor Statistics and the United States Census Bureau. The table provides Miami demographics compared to the State of Florida and the United States.

	<u>Miami</u>	<u>Florida</u>	<u>United States</u>
Unemployment Rate	3.3%	3.4%	3.8%
Median Household Income	\$ 33,999	\$ 50,883	\$ 57,652
Persons Below Poverty Level	25.8%	14.0%	12.3%
High School Graduate or Higher	75.6%	87.6%	87.3%
Bachelor's Degree or Higher	26.3%	28.5%	30.9%

### *Tourism*

Miami is a major tourism hub and ranks second in the nation, after New York City, for international visitors. The City holds major annual events that attract visitors from across the country and world. These annual events include the Miami Open, Miami Marathon, Art Basel, Miami International Boat Show, Calle Ocho Festival, Bayfront Park New Year's Eve Celebration, and the Ultra Music Festival.

In 2020, Miami-Dade County will host the Super Bowl and the event is expected to have a profound effect on the local economy pouring in money into restaurants, hotels, transportation and local vendors.

### *Miami International Airport*

The Miami International Airport ("MIA") is operated by the Miami-Dade Aviation Department and is property of the Miami-Dade County government. MIA reported a total of 44.9 million passengers for fiscal year 2018, representing a 2.7% increase from the 43.7 million passengers reported in fiscal year 2017. MIA remains the premier international gateway to Florida welcoming 60 percent of all international visitors to Florida. In addition, MIA offers more flights to Latin America and the Caribbean than any other U.S airport and serves as the countries number one airport for international freight, transporting a total of 2.3 million tons in fiscal year 2018.

### *PortMiami*

PortMiami, ("the Port") known as the "Cruise Capital of The World," is operated by the Seaport Department of Miami-Dade County. The Port continues to be the world's busiest cruise port and serves as a hub for Caribbean and Latin American commerce. The Port is among America's busiest ports and recognized as a global gateway. The Port is important to Miami Dade County and surrounding areas, contributing more than \$43 billion in economic activity and generating 334,500 direct, indirect and induced jobs.

The Port includes seven cruise terminals that have been designed to quickly move passengers from land to sea. The Port is the closest U.S. East Coast Deepwater container port to the Panama Canal, providing shippers fast access to the entire U.S. market. For the 2018 calendar year, the Port reported 5.6 million passengers and 1.0 million of twenty-foot equivalent units of containerized cargo (TEUs) activity.

### ***Long-Term Financial Planning and Major Initiatives***

To stabilize the financial management of the City's resources and focus on the long-term sustainability, while addressing immediate issues and concerns raised by the changing economic climate and drivers within the community, challenging but necessary decisions were required to be made.

### Financing

During FY2018, the City successfully partially refunded the \$59.3 million Special Obligation Bond, Series 2011A. The City also partially refunded the \$16.6 million Taxable Special Obligation, Special Obligation Bond Series 2010B and \$7.2 million Taxable Pension Special Obligation Bond, Series 2009. In addition, the City obtained a \$11.3 million Lease from Santander Bank, N.A. to replace police fleet vehicles, \$373.9 thousand lease from Dell Financial to upgrade technology equipment, and, \$2.3 million loan from the State of Florida for the Wagner Creek Seybold Canal Project. See Note 8 Long-Term Debt.

Forthcoming, the City of Miami voters approved the \$400 million general obligation Miami Forever Bond in November 2017. The Bond will fund a series of projects that will transform the future of Miami in five key categories: Sea-Level Rise and Flood Prevention (\$192M), Roadway Improvements (\$23M), Parks and Cultural Facilities (\$78M), Public Safety (\$7M) and Affordable Housing (\$100M). In December 2018, The City Commission approved a proposed list of projects for the first tranche in the total maximum principal amount of \$58.6 million.

### Major Initiatives

Miami is a modern and diverse city that is a global leader in technology, innovation and resiliency. The City of Miami is committed to elevating the quality of life of its residents by improving public safety, housing, mobility, diverse shared spaces that foster community, and efficient and transparent government. To achieve this mission, the City of Miami ensures operations are strategically aligned across the organization by developing a Strategic Plan that sets forth priorities that the City will accomplish with public resources.

Some of the major objectives included by priority area are:

#### Public Safety

The ShotSpotter gunfire detection system, which utilizes sensors across deployment areas to identify outdoor firearms discharge was approved by City Commission to expand an additional 10 miles since first installed in 2014. The technology is currently installed in Liberty City, Little Haiti, Overtown and Park West. The expansion would cover Coconut Grove, Little Havana, Allapattah, Model City, Upper Eastside and Downtown. Since its inception, it has been reported that the City's homicide rate has decreased by over 30 percent due to the implementation of the ShotSpotter technology.

#### Housing

As noted earlier, in November 2017, the Miami voters approved \$400 million general obligation bond to build a stronger, more resilient future for Miami. \$100 million of the bonds is allocated to affordable housing programs. \$15 million was recently approved in the first tranche to include funding for the construction and permanent financing for the development of MLK Residences and Liberty Renaissance. The affordable housing program types include:

Affordable Workforce New Rental Strategy which will provide construction and permanent financing to assist with development of affordable multifamily rental projects to Workforce development income levels;

Homeownership Preservation Strategy will provide rehabilitation assistance to the City homeowners, with repairs necessary in bringing the home to decent, safe and sanitary conditions;

City Acquisition of Land will provide funding for the City to acquire buildable vacant parcels of land suitable for mixed use/mixed income affordable rental or homeownership developments;

Affordable Homeownership Strategy will provide construction and permanent finance to assist with development of affordable single-family units, townhomes and condominiums to eligible individuals and families;

Affordable Rental Housing Preservation Strategy will provide construction and permanent financing to assist with the rehabilitation/preservation of existing affordable multifamily rental projects; and

Affordable New Construction Rental Strategy will provide construction and permanent financing to assist with the development of affordable multifamily rental projects containing units affordable to Extremely Low Income, Very Low Income, Low Income and Workforce Development income level individuals and families.

### *Mobility*

As planned, the Underline project broke ground in the Fall 2018. The project combines green public spaces with paths that connect to transit stations, fully separated from the adjacent street. The Underline will transform the land below Miami's Metrorail into a 10-mile linear park, urban trail and living art destination. The City of Miami has pledged \$50 million of impact fees collected in the respective districts for the park, which will benefit residents living both in the City and the surrounding areas.

In May 2018, the City Commission approved to expand the free Miami Trolley services to add a new Flagami route. By adding a Flagami Route, the overall efficiency of travel for all residents, tourists, and commuters within the Flagami area will increase the overall efficiency of travel. The route operates six (6) days a week at an estimated cost of \$1.2 million a year.

### *Efficient and Transparent Government*

The City officially launched its Safe City Initiative in March 2018. The goal of this collaborative effort is to create green, safe and clean neighborhoods. Unsafe and abandoned structures have been demolished or cleared, ridding these locations of illicit activities and allowing for housing redevelopment in the respective areas. Through task force inspections, landlords are being held accountable to ensure safe and sanitary living conditions within the City's residential areas.



### Capital Improvement Plan

The City's six-year Capital Improvement Plan has earmarked funding estimated at approximately \$622.3 million for 876 projects, 548 active and 328 future projects.

City Funds represent the largest share of funding in the Capital Plan, accounting for 65.9 percent of overall Plan funds. City Bonds represent the second largest funding source, accounting for 22.7 percent of the Plan's funding. Sources derived from State Grants represent 4.4 percent of the Plan. The remaining 7.0 percent of funding are from Federal, Local Units and Private Donations sources.

The tables below summarize the revenues by type and the expenditures by fund within the Capital Improvement Plan:

#### **Capital Improvement Program Revenue by Type**

<b>Description</b>	<b>Amount</b>	<b>Percent</b>
City Funds	\$ 410,304,000	65.9%
City Bonds	140,992,000	22.7%
Private Donations/Other	4,802,000	0.8%
State Grants	27,207,000	4.4%
Federal Grants	4,365,000	0.7%
Miami-Dade County Grants	25,302,000	4.1%
Other Local Units	9,296,000	1.5%
<b>Total</b>	<b><u>\$ 622,268,000</u></b>	

#### **Capital Improvement Program Expenditures by Fund**

<b>Description</b>	<b>Amount</b>	<b>Percent</b>
Streets and Sidewalks	\$ 133,568,000	21.5%
Disaster Recovery	1,567,000	0.3%
General Government	60,988,000	9.8%
Mass Transit	1,219,000	0.2%
Parks and Recreation	201,786,000	32.4%
Public Facilities	97,614,000	15.7%
Public Safety	44,064,000	7.1%
Sanitary Sewers	10,591,000	1.7%
Solid Waste	3,049,000	0.5%
Storm Sewers	67,822,000	10.9%
<b>Total</b>	<b><u>\$ 622,268,000</u></b>	

## ***Relevant Financial Policies***

The City has adopted a comprehensive set of financial policies. The policies are described below.

### **Debt Management Policy**

The City adopted a revised Debt Management Policy on May 26, 2016, to provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the City. Additionally, the Policy will provide guidance for the preparation and implementation necessary to assure compliance. It is the responsibility of the Finance Committee to review and make recommendations regarding the issuance of debt obligations and the management of outstanding debt. The Finance Committee shall consist of seven voting members, consisting of five members from the local business community appointed by the City Commission, the Mayor or his designee, and the City's Finance Director as the City Manager's designee. Others who may be present at meetings of the Finance Committee to provide technical expertise and advice shall include representatives from the City Attorney's office, the Budget Department, the Department to which the proposed debt may relate, the City's Financial Advisor, Bond Counsel and Disclosure Counsel. Meetings will be open to all interested parties and official minutes will be taken and copies made available upon request to the City Clerk.

The City's Finance Committee will consider all issues related to outstanding and proposed debt obligations, and will vote on issues affecting or relating to the credit worthiness, security and repayment of such obligations, including but not limited to procurement of services, structure, repayment terms and covenants of the proposed debt obligation, and issues which may affect the security of the bonds and ongoing disclosure to bondholders and interested parties.

The following policies concerning the issuance and management of debt were established in the Debt Management Policy: (a) the City will not issue debt obligations or use debt proceeds to finance current operations, (b) the City will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life, (c) the City will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten and twenty-year periods. This analysis will consider debt service maturities and payment patterns as well as the City's commitment to a pay as you go budgetary capital allocation, (d) the City will evaluate the long-term operational impact of capital projects to the City's budget and five-year financial plan. Each proposed debt issuance will be accompanied by a statement from the City Manager stating the estimated operational impact of the project being financed, and (e) the City may periodically refinance debt to take advantage of lower interest rates which will result in a Present Value Savings. The City may issue current refunding bonds that result in a minimum of three percent (3%) Net Present Value savings, and advance refunding bonds that result in a minimum of five percent (5%) Net Present Value savings. Refunding bonds shall not extend the final maturity of the bonds being refunded. If the present value savings is less than the threshold, or will result in a present value loss, and/or the maturity is greater than the maturity on the debt obligations to be refunded, the City may issue or enter into refunding Debt obligations but only after a finding by the Commission that a compelling public policy objective

would be achieved by the refunding, such as eliminating restrictive bond covenants or providing additional financial flexibility. The Commission's findings may be based on a report presented with the legislation authorizing the refunding.

The following other provisions shall be applicable to the City each time it considers a debt issuance: (a) the City will issue debt obligations for acquiring, constructing or renovating Capital Improvements or for refinancing existing debt obligations. Projects must be designed as public purpose projects by the City Commission prior to funding, and (b) all debt obligations shall have a maximum maturity of the earlier of: (i) the estimated useful life of the Capital Improvements being financed; or, (ii) thirty years; or, (iii), in the event they are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced, unless a longer term is recommended by the Finance Committee.

As the City periodically addresses its ongoing needs, the City Manager and the City Commission must ensure that the future elected officials will have the flexibility to meet the capital needs of the City. Since neither State law nor the City Charter provides any limits on the amount of debt, which may be incurred (other than the requirement to have General Obligation debt approved in advance by referendum), this policy establishes the following targets and limits which at the same time provide future flexibility: (a) debt service as a percentage of Non-Ad Valorem general fund revenues: less than or equal to 15%; (b) net debt per capita: less than or equal to \$2,000; and (c) net debt to taxable assess value: less than or equal to 5%.

#### Investment Management Policy

The City adopted a detailed written investment policy on February 26, 2015, that applies to all cash and investments held or controlled by the City and identified as “general operating funds.” The Investment Policy does not apply to the City’s Pension Funds, Deferred Compensation & Section 401(a) Plans, and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues which have statutory investment requirements conflicting with the City’s Investment Policy, and funds held by State agencies (e.g. Department of Revenue) are not subject to the provisions of the policy.

The primary objective of the investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or decline of market value. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The portfolios are required to be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Return on Investment is of least importance compared to the safety and liquidity objectives described in the policy.

The policy stipulates that in accordance with the City’s Administrative Policies, the responsibility for providing oversight and direction regarding the management of the investment program resides with the City’s Finance Director, designee or investment advisor approved by the City Commission. The City Manager shall delegate to the Finance Director the responsibility for setting or adjusting policies

and overseeing the City's investments and investment activities. The active management of the City's investments shall be the responsibility of the City's Finance Director, or he may delegate such responsibility, in whole or in part, to Treasurer or Assistant Finance Director or, subject to the approval of the City Commission, an investment advisor experienced in municipal finance that is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934. The City may employ an investment advisor to assist in managing some or all of the City's portfolios. Such investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.

Subject to the exceptions in the City's investment policy, the City may invest in the following types of securities: (a) The Florida Local Government Surplus Funds Trust Fund, (b) United States Government Securities, (c) United States Government Agencies, (d) Federal Instrumentalities, (e) Interest Bearing Time Deposit or Savings Accounts, (f) Repurchase Agreements, (g) Commercial Paper, (h) Corporate Notes, (i) Municipal Securities, (j) Registered Investment Companies (Money Market Funds), (k) Intergovernmental Investment Pool, (l) Agency Mortgage-Backed Securities, (m) Asset-Backed Securities, (n) Supranationals and (o) Foreign Sovereign Governments.

For the year ending September 30, 2018, the City has complied with its Investment and Debt Management Policies.

The investment policy is adopted by City Resolution. The Finance Director, Treasurer, and the Investment Committee shall review the policy annually and the City Commission shall approve any modifications made thereto.

### *Financial Integrity Principles*

On February 10, 2000, the City enacted Ordinance No. 11890 ("Financial Integrity Ordinance") establishing thirteen financial integrity principles. The Financial Integrity Ordinance was enacted as a preventative measure setting forth financial practices that would prevent the recurrence of a financial emergency.

The Financial Integrity Ordinance requires the City to establish three reserves: (1) a "contingency" reserve of \$5 million to fund unanticipated budget issues which arise for potential expenditure overruns which cannot be offset through other sources or actions; (2) an "unassigned" fund balance reserve equal to ten percent of the prior three years average of general revenues (excluding transfers and including the contingency reserves in (1) above) to fund unexpected mid-year revenue shortfalls or for an emergency such as a natural or man-made disaster, which threatens the health, safety and welfare of the City's residents, businesses or visitors; and (3) the "designated" reserve equal to ten percent of the prior three years average of general revenues (excluding transfers) to fund long-term liabilities and commitments of the City, such as compensated absences, self-insurance plan deficits and anticipated adjustments in pension plan payments resulting from market losses. "Designated" fund balance shall be classified as either restricted, committed, or assigned based on standards and guidance established by the Governmental Accounting Standards Board (GASB).

For the 2018 fiscal year, the City's General Fund reserves increased by approximately \$27.5 million and had an ending fund balance of approximately \$187.5 million. Of the ending fund balance, approximately \$82.9 million is restricted, approximately \$2.1 million is non-spendable, approximately \$38.0 is assigned, which includes the \$5.0 million Required Contingency Reserve, and approximately \$64.4 million is unassigned. The City is in accordance with the Financial Integrity Ordinance which requires a minimum General Fund balance equal to 20 percent (10% Designated and 10% Unassigned) of the prior three years average of general revenues (excluding transfers), which equates to \$64.4 million for both "Designated" and "Unassigned" for the 2018 fiscal year.

The City's five-year forecast projects that revenues will not grow as fast as anticipated expenditures. Revenues are forecasted to grow by a total of 16.6 percent, while expenditures are projected to grow by a total of 17.4 percent. However, in FY 2022-23 the City is currently not projected to meet the FIP requirement due to current Collective Bargaining Agreements. The ultimate course will be determined by the City Commission in its review, consideration, and ultimate approval of future budgets submitted by the Administration.

Failure to comply with the Financial Integrity Ordinance is not an event of default under the Ordinance. The City will strive to come into compliance with the Ordinance. However, there can be no assurance that the General Fund Reserves will reach or be maintained at the level required by the Financial Integrity Ordinance. The City continues to recommend balanced budgets, including recommendations to restore General Fund Reserves to required levels as quickly and as reasonably as possible.

#### *Risk Management – Self Insurance Program*

The City administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. The City also offers to its retirees comprehensive medical coverage and life insurance benefits through its self-insurance plan.

The health and life insurance programs are administered by an independent administrator. The City funds the program on a pay as you go basis. Insurance coverage is maintained with independent carriers for property damage to City facilities. The City maintains excess coverage with independent carriers for workers' compensation and general liability. The City allows for cost allocation of pension, health insurance and worker's compensation benefits in the operating departments and a centralized account from which payments are made.

#### ***Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. 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.



In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Miami also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2017. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

### ***Acknowledgements***

The preparation of this 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 audit, and compiling and publishing the CAFR could not have been accomplished without hard work, commitment and personal sacrifice.

We wish to thank all government 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. Lastly, we wish to express our appreciation to the City's General Services Administration for the reproduction of this report.

Respectfully submitted,



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Emilio T. Gonzalez  
*City Manager*



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Sandra Bridgeman, CPA  
*Assistant City Manager/CFO*



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Erica T. Paschal, CPA  
*Finance Director*



Government Finance Officers Association

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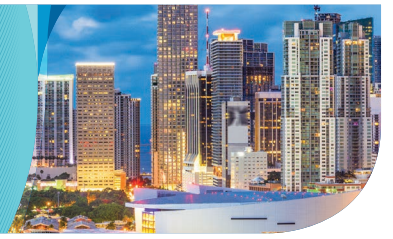
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO

# FINANCIAL SECTION



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## Independent Auditor's Report

The Honorable Mayor and Members of the City Commission  
City of Miami, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Florida (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following component units and funds:

Component Units / Funds	Classification
• Southeast Overtown Park West Redevelopment Agency	nonmajor special revenue fund
• Omni Redevelopment Agency	nonmajor special revenue fund
• Midtown Community Redevelopment Agency	nonmajor special revenue fund
• Virginia Key Beach Park Trust	nonmajor special revenue fund
• Liberty City Community Revitalization District Trusts	nonmajor special revenue fund
• Firefighters' and Police Officers' Retirement Trust	aggregate remaining fund information
• General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts	aggregate remaining fund information
• Miami Sports and Exhibition Authority	discretely presented component unit
• Downtown Development Authority	discretely presented component unit
• Bayfront Park	discretely presented component unit
• Coconut Grove Business Improvement District	discretely presented component unit
• Wynwood Business Improvement District	discretely presented component unit

The component units and funds represent the percentage of assets/deferred outflow of resources and revenue/additions, where applicable, of the respective opinion units listed below:

Reporting Classification	Percentage of,	
	Total Assets/Deferred Outflow of Resources	Total Revenues/Additions
• Governmental Activities	5%	5%
• Discretely Presented Component Units	21%	34%
• Aggregate Remaining Fund Information	88%	75%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the funds and component units referred to above, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Florida, as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 1 to the accompanying financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective October 1, 2017. The net position of the governmental activities as of October 1, 2017 has been restated. Our opinion is not modified with respect to this matter.

As discussed in Note 15 to the accompanying financial statements, the net position of the aggregate remaining fund information for the employee retirement funds as of October 1, 2017 has been restated. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison schedules, and other postemployment benefits and pension related schedules* as listed in the table of contents 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 and other auditors 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, the combining and individual fund financial statements and schedules*, and the *statistical section*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual fund financial statements and schedules* are the responsibility of management and was derived from and relates 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the *combining and individual fund statements and schedules* is 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 29, 2019, under separate cover, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*RSM VS LLP*

Miami, Florida  
March 29, 2019

## Management's Discussion and Analysis

As management of the City of Miami, 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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 6 – 18 of this report.

### **Financial Highlights**

The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the 2018 fiscal year by approximately \$629.47 million (*net position deficit*).

The City total net position increased in fiscal year 2018 by \$49.33 million compared to a decrease in net position of \$171.25 million during fiscal year 2017. Total revenues exceeded total expenses in the current year primarily due to increases in capital grants and contributions and investment earnings and decreases in expenses related to general government, public safety and interest on long-term debt.

At the close of the current fiscal year, the City's governmental operating fund (*General Fund*) reported a fund balance of approximately \$187.46 million, an increase of approximately \$27.32 million in comparison with the prior year.

The City's total outstanding long-term liabilities had a net increase of approximately \$143.78 million during the current fiscal year primarily due to an increase in claims payable and net OPEB liabilities.

### **Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three 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 themselves.

#### ***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 private-sector business.

The focus of the statement of net position presents financial information on all of the City's assets and liabilities, and deferred inflows/outflows of resources with the difference reported as net position (deficit). 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. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The information is presented with the intent to summarize and simplify the user's analysis of the cost for the primary government and its component units' governmental activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, planning and development, community development, community redevelopment areas, public works, public safety, public facilities, and parks and recreation.



## **CITY OF MIAMI, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

September 30, 2018

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The government-wide financial statements include not only the City itself (known as the *primary government*), but also its discretely presented component units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidies. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The blended component units, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 38-39 of this report.

#### ***Fund Financial Statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 two categories: governmental 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The City maintains thirty-five individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statements of revenues, expenditures and changes in fund balances for the general fund, special obligation bonds debt service fund, other capital projects fund, and impact fee fund, which are considered major funds. Data from the other thirty governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, and debt service funds. Budgetary comparison schedules have been provided for the general fund, special revenue funds and debt service funds.

The basic governmental fund financial statements can be found on pages 40-43 of this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs and operations.

The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

### ***Notes to the Financial Statements***

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-144 of this report.

### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 145-159 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 165-178 of this report.

## **Government-Wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, the assets and deferred outflows of resources was lower than liabilities and deferred inflows of resources by \$629.47 million at the close of the most recent fiscal year, resulting in a net position deficit. The City's net position reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery and equipment); net of accumulated depreciation, less any related debt used to construct or acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are typically not used to liquidate these liabilities. As of September 30, 2018, the City's net investment in capital assets was approximately \$578.09 million.

An additional portion of the City's net position represents resources that are subject to restrictions on how they may be used. As of September 30, 2018, the City's portion of restricted net position was approximately \$358.41 million.

The remaining portion represents an unrestricted net deficit of approximately \$1.57 billion, which is primarily due to outstanding borrowings for which there are no off-setting assets, along with an increase in claims payable, net pension liability, and OPEB liability.

**CITY OF MIAMI, FLORIDA****MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

September 30, 2018

At the end of the current fiscal year, the City's net position (deficit) decreased from net position deficit of approximately \$678.80 million to approximately a net position deficit of \$629.47 million. The reasons for this overall decrease are discussed in the following sections for governmental activities.

The following schedule reflects a summary of the statement of net position compared to the prior year:

**Summary Statement of Net Position (Deficit) as of  
September 30, 2018 and 2017  
Governmental Activities**

	<b>2018</b>	<b>2017</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Assets</b>				
Current and other assets	\$ 757,464,172	\$ 704,559,791	\$ 52,904,381	7.51%
Capital Assets	1,113,240,897	1,129,305,020	(16,064,123)	-1.42%
<b>Total Assets</b>	<b>1,870,705,069</b>	<b>1,833,864,811</b>	<b>36,840,258</b>	<b>2.01%</b>
<b>Deferred Outflows of Resources</b>	<b>222,220,447</b>	<b>111,190,591</b>	<b>111,029,856</b>	<b>99.86%</b>
Other Liabilities	240,309,985	215,550,534	24,759,451	11.49%
Long-Term Liabilities	2,345,727,412	2,201,951,781	143,775,631	6.53%
<b>Total Liabilities</b>	<b>2,586,037,397</b>	<b>2,417,502,315</b>	<b>168,535,082</b>	<b>6.97%</b>
<b>Deferred Inflows of Resources</b>	<b>136,356,671</b>	<b>33,279,788</b>	<b>103,076,883</b>	<b>309.73%</b>
<b>Net Position (Deficit):</b>				
Net Investment in Capital Assets	578,092,580	627,800,618	(49,708,038)	-7.92%
Restricted	358,414,955	297,600,108	60,814,847	20.44%
Unrestricted (Deficit)	(1,565,976,087)	(1,431,127,427)	(134,848,660)	9.42%
<b>Total Net Position (Deficit)</b>	<b>\$ (629,468,552)</b>	<b>\$ (505,726,701)</b>	<b>\$ (123,741,851)</b>	<b>24.47%</b>

**CITY OF MIAMI, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
September 30, 2018

The following table provides a summary of the City's changes in the statement of net position (deficit) for the fiscal years ended September 30, 2018 and 2017:

<b>Changes in Net Position (Deficit)</b>				
<b>Governmental Activities</b>				
	<b>2018</b>	<b>2017</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Revenues:</b>				
Program revenues				
Charges for Services	\$ 274,602,207	\$ 263,222,830	\$ 11,379,377	4.32%
Operating Grants and Contributions	95,524,077	81,114,292	14,409,785	17.76%
Capital Grants and Contributions	9,069,762	1,078,796	7,990,966	740.73%
General revenues:				
Property Taxes	397,247,874	363,439,702	33,808,172	9.30%
Franchise Taxes	49,741,913	49,207,879	534,034	1.09%
State Revenue Sharing - Unrestricted	16,380,921	15,687,260	693,661	4.42%
Sales and Other Use Taxes	35,786,997	33,521,269	2,265,728	6.76%
Public Service Taxes	64,250,989	62,532,940	1,718,049	2.75%
Investment Earnings/(Losses) - Unrestricted	9,681,342	4,544,604	5,136,738	113.03%
<b>Total Revenues</b>	<b>952,286,082</b>	<b>874,349,572</b>	<b>77,936,510</b>	<b>8.91%</b>
<b>Expenses:</b>				
General Government	190,825,241	174,982,174	15,843,067	9.05%
Planning and Development	22,721,335	19,462,678	3,258,657	16.74%
Community Development	28,371,102	29,443,452	(1,072,350)	-3.64%
Community Redevelopment Areas	35,272,784	34,616,272	656,512	1.90%
Public Works	123,517,711	95,595,175	27,922,536	29.21%
Public Safety	387,651,947	579,366,645	(191,714,698)	-33.09%
Public Facilities	22,371,164	19,086,773	3,284,391	17.21%
Parks and Recreation	66,817,655	63,380,712	3,436,943	5.42%
Interest on Long-Term Debt	25,405,481	29,663,407	(4,257,926)	-14.35%
<b>Total Expenses</b>	<b>902,954,420</b>	<b>1,045,597,288</b>	<b>(142,642,868)</b>	<b>-13.64%</b>
Change in Net Position	49,331,662	(171,247,716)	220,579,378	-128.81%
<b>Net Position (Deficit) - Beginning</b>	<b>(678,800,214)</b>	<b>(334,478,985)</b>	<b>(344,321,229)</b>	<b>102.94%</b>
<b>Net Position (Deficit) - Ending</b>	<b>\$ (629,468,552)</b>	<b>\$ (505,726,701)</b>	<b>\$ (123,741,851)</b>	<b>24.47%</b>

\*The City implemented GASB statement 75 as of October 1, 2017.

\*The information was not available to implement the restatement for the prior periods presented in the MD&A.

**Governmental Activities**

As noted earlier, the City's net position increased by approximately 49.33 million compared to prior fiscal year. The major changes are as follows:

Total revenues for governmental activities increased over the prior year and were greater than the total expenses for the governmental activities. Specifically, the charges for services and property taxes increased

**CITY OF MIAMI, FLORIDA****MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**September 30, 2018

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over the prior year by \$11.38 million and \$33.80 million, respectively. The charges for services and property tax increases reflect the economic recovery in the City. Strong growth in the construction industry resulted in increased permit fees and assessments, which are included in charges for services. Property taxes increased 9.30 percent, which is primarily attributed to an increase in property values.

Other significant increases in revenue are primarily attributed to increases in operating grants and contributions and capital grants and contributions. The increase in operating grants and contributions of \$14.41 million is the result of increases in funding received in the current year relative to the prior year; primarily related to an increase in Public Works. The increase in capital grants and contributions of \$7.99 million is the result of increases in funding received in the current year relative to the prior year; primarily related to State funding for Wagner Creek and Seybold Canal projects and funding from Miami-Dade County for capital improvements citywide including Coconut Grove BID and streets and sidewalks related projects.

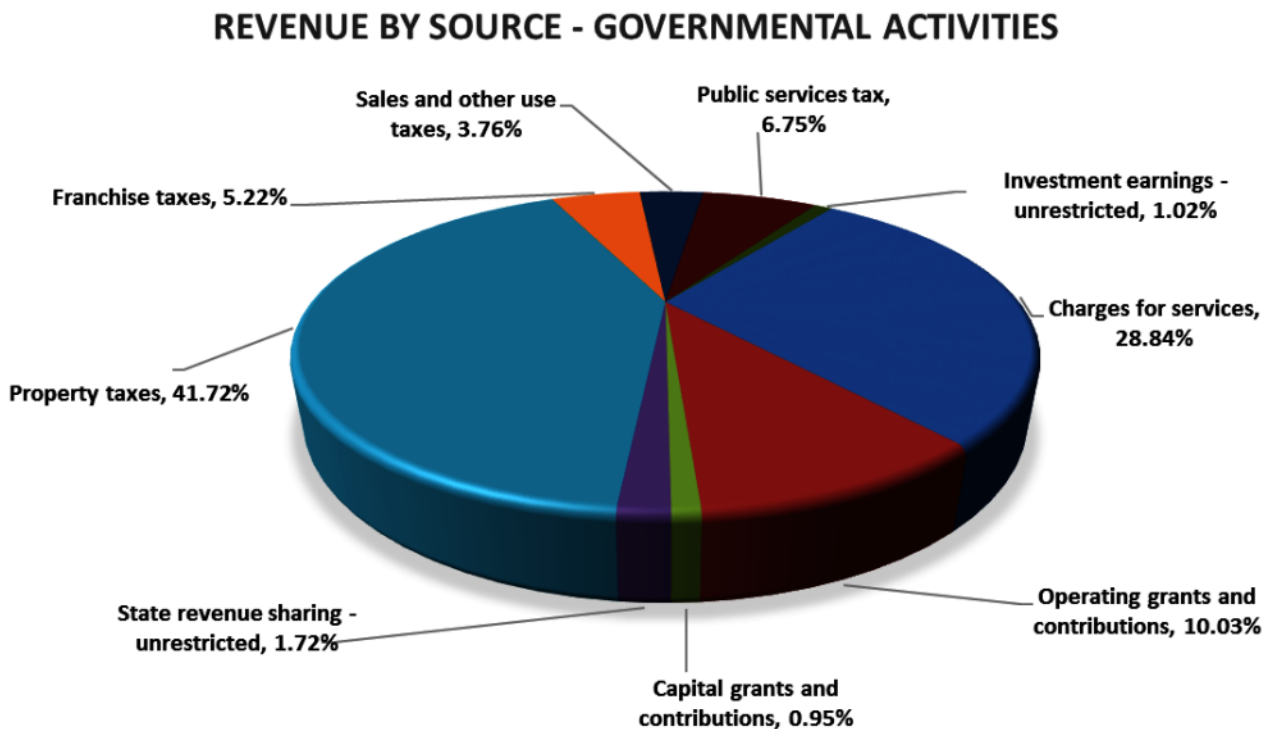
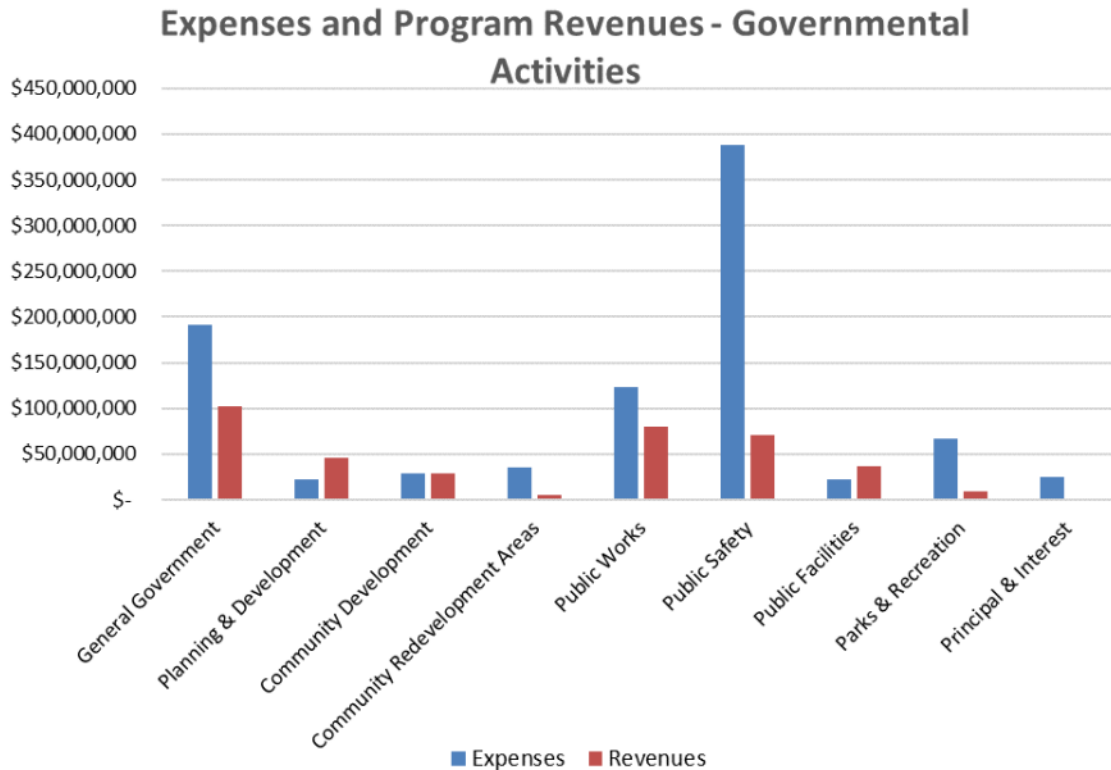
Revenues from investment earning also increased over the prior year by \$5.14 million (or 113 percent) primarily due to increases in the federal interest rate from 1.00 – 1.25 percent as of September 2017 to 2.00-2.25 percent as of September 2018.

During fiscal year 2018, expenses for governmental activities decreased by \$142.64 million. Expenses for Public Safety experienced the most significant decrease of \$191.71 million or 33.09 percent during the current fiscal year. This decrease is primarily due to implementation of GASB Statement No. 75 which required the City to restate the net position and to report a total OPEB liability, related deferred outflows of resources and OPEB expenses for the OPEB plan and a change in benefits that resulted in a \$122 million reduction in expenses. The change resulted from settlements entered into between the City and the Firefighters and Police Officers Retirement Trust (FIPO).

The City's interest expense also decreased \$4.26 million when compared to last fiscal year due to defeasance of certain debt involving advance refunding.

Planning and Development, Public Works, and Public Facilities expenses increased by \$3.26 million, \$27.92 million, and \$3.28 million, respectively. The increase in Planning and Development expenses is mainly attributed to renovation of the Building Department at the Miami Riverside Center. The increase in expenses for Public Works is mainly due to Hurricane Irma debris removal. The increase in Public Facilities expenses is mainly attributed to a reconciliation settlement agreement with Hyatt Regency.

The following charts provide a visual representation of the expenses and revenues for the governmental activities for fiscal year ended September 30, 2018:



## **Financial Analysis of Governmental Funds**

### ***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 fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the City's total General Fund balance was \$187.46 million. Of this amount, the City has approximately \$123.05 million retained as designated fund balance, which includes 82.88 million as restricted, approximately \$2.15 million is recorded as non-spendable for prepaid expenses, approximately \$38.02 million is designated as assigned fund balance, and approximately \$64.41 million is unassigned fund balance in accordance with the City's Financial Integrity Ordinance.

The General Fund's fund balance had a net increase of approximately \$27.32 million during the current fiscal year. Although revenues saw an increase of \$44.79 million, expenditures also increased by \$27.68 million and transfers in decreased by \$5.90 million. Significant revenue increases included property taxes (10.3 percent) and intergovernmental revenues (4.53 percent). These revenue increases reflect an improvement in the local economy which appears to have now fully recovered. Investment earnings also increased significantly (94.5 percent) reflecting an improvement in market conditions and higher federal interest rates. Expenditure increases are seen in the general fund functions, General Government, Planning and Development, Public Works, and Public Safety. In each of these areas the increased expenditures are primarily attributed to increases in retirement contributions and payroll related expenditures.

Financial highlights of the City's other major governmental funds are as follows:

The Impact Fee Fund has a fund balance of \$88.45 million. The increase in fund balance of \$7.61 million from the prior year resulted primarily from impact fees associated with an increase in High Rise Residential Units.

The Other Capital Project Fund has a fund balance of \$141.14 million. This represents an increase of approximately \$25.30 million. The increase can be attributed to issuance of debt to fund the vehicle lease program and transfers from the General Fund to fund capital projects.

The Emergency Services Fund has a fund balance of approximately \$17.47 million deficit. This represents a decrease of approximately \$17.25 million. The decrease is attributed to expenditures related to Hurricane Irma.

### **General Fund Budgetary Highlights**

The FY2018 Adopted Budget maintains funding for current City services, and allows for expanded services in some categories while lowering the overall millage rate from 8.2900 to 8.0300. The Adopted Budget includes a lowered overall property tax rate for the seventh year in a row and funds certain strategic enhancements without reducing services.

The FY2018 City's Adopted General Fund Budget totaled approximately \$726.8 million. During the fiscal year, the general fund budget was amended at mid-year and at year-end. These amendments increased the previously adopted budget by approximately \$8.9 million to a revised total of approximately \$735.7 million. This increase in the general fund is primarily due to higher than budgeted expenditures in a few departments and the allocation of additional resources to Capital. Capital highlights from the FY2018 Adopted Budget included \$24 million of new funding for parks including: the Underline, Virginia Key Northpoint Park, and Little Haiti Cultural Complex, among others, Citywide repairs, replacements, and remodeling; \$15 million of Technology Projects including \$12 million for the First Responder Radio System and \$2 million to modernize and make safe the City's data servers; and funding to purchase new vehicles and heavy equipment for the Fire-Rescue, Police, Solid Waste, and Public Works Departments.

The City of Miami utilizes a five-year financial forecast to assist with the strategic decision process and to identify and prepare for future challenges. The Five-Year Financial Forecast projects that revenues will not grow as fast as anticipated expenditures over the forecast period. Overall, general fund revenues are projected to grow by 16.6 percent over the next five years and general fund expenditures are projected to grow by 17.4 percent over the same period. With the projected fund balance of \$195.063 million for FY2018-19, the City will meet the Financial Integrity Principle (FIP) requirement estimated for that year. However, in FY2021-22 the City is currently not projected to meet the FIP requirement. The City's Administration is committed to continuing to restore fund balance levels over time to achieve compliance with the reserve policies outlined in the Financial Integrity Ordinance.



## **Capital Assets and Debt Administration**

### ***Capital Assets***

The City's capital assets as of September 30, 2018 were \$1.1 billion. Capital assets include land, buildings, improvements, machinery, equipment and infrastructure. The total decrease in capital assets from the end of prior year is approximately 1.42 percent.

### **Capital Assets at Year End (Net of Depreciation)**

	<b>Governmental Activities</b>			
	<b>2018</b>	<b>2017</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Land	\$ 111,388,474	\$ 103,511,914	\$ 7,876,560	7.61%
Construction-in-Progress	104,174,459	83,996,468	20,177,991	24.02%
Buildings	216,395,682	220,697,166	(4,301,484)	-1.95%
Improvements	92,994,564	106,568,892	(13,574,328)	-12.74%
Machinery and Equipment	70,659,296	71,495,826	(836,530)	-1.17%
Infrastructure	517,628,422	543,034,754	(25,406,332)	-4.68%
Total	<u>\$ 1,113,240,897</u>	<u>\$ 1,129,305,020</u>	<u>\$ (16,064,123)</u>	<u>-1.42%</u>

Major capital asset events during the current fiscal year included the following:

Land increased approximately \$7.9 million. The increase is attributed in large part to the City acquiring four properties valued at \$2.1 million and CRA Omni acquiring 3 properties valued at \$5.8 for fiscal year 2018.

Construction in progress increased approximately \$20.2 million. The total transfers out of construction in progress amounted to approximately \$28.1 million; however, there was an addition of approximately \$48.3 million in new expenditures during fiscal year 2018.

Buildings decreased by approximately \$4.3 million. The decrease is in large part attributed to \$4.0 million in completed construction in progress projects and building acquisitions which includes a new community building at Antonio Maceo Park offset by \$8.3 million in depreciation expense.

Improvements decreased by approximately \$13.6 million. The projects completed during the fiscal year and transferred from construction in progress, included \$3.2 million in building improvements and \$4.1 million in land improvements. There was also an addition of \$852 thousand in improvements for City parks and Public Facilities. These transfers and additions are offset by depreciation expense and retirements incurred for the current fiscal year which net to \$21.7 million.

Machinery and Equipment decreased by approximately \$0.8 million. There was \$23.0 million in additions and transfers, primarily attributed to the acquisition of computers, and communication equipment for several departments, New Computer Software, Audiovisual and Surveillance Equipment for the Police Department and operating equipment including heavy duty vehicles for the Fire and Solid Waste Departments, Cars and Weapons for the Police Department, Medical Equipment for the Fire

**CITY OF MIAMI, FLORIDA****MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

September 30, 2018

Department these expenditures are offset by \$7.2 million in retirements and approximately \$16.6 million in depreciation expense for the current fiscal year.

Infrastructure decreased by approximately \$25.4 million. There was \$9.2 million in transfers primarily attributed to roadway improvements. These transfers were offset by \$34.6 million in depreciation expense for the current fiscal year.

Additional information on the City's capital assets can be found in Note 1 and Note 5 in the notes to the financial statements.

***Long-Term Debt***

At the end of the current fiscal year, the City had a total debt outstanding of \$665.7 million. Of this amount, \$154.4 million is backed by the Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation, Revenue bonds and loans secured solely by Non-Ad Valorem revenue sources.

The City's net debt decreased during the current fiscal year by \$4.9 million or 0.73 percent.

**Outstanding Debt  
General Obligation Bonds, Special Obligations  
and Revenue Bonds and Loans**

	<b>Governmental Activities</b>			
	<b>2018</b>	<b>2017</b>	<b>\$ Change</b>	<b>% Change</b>
General Obligation Bonds	\$ 154,385,000	\$ 174,640,000	\$ 20,255,000	11.60%
Special Obligation,				
Revenue Bonds and Loans	511,328,092	486,221,380	25,106,712	5.16%
Total	\$ 665,713,092	\$ 660,861,380	\$ 4,851,712	0.73%

The City's current ratings for all of the various types of debt are shown below:

**City of Miami  
Bond Ratings**

<b>Issue</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Limited General Obligation Bonds	Aa2	AA-	A-
Marlins Garage	Aa3	AA-	A+
Special Obligation (NAV)	Aa3	AA-	A+
Street and Sidewalks	A2	A	AA-

On February 5, 2019, Moody's Investors Service upgraded the Marlins Garage rating from A2 to Aa3. The rating upgrade is a correction of prior years.

Additional information on the City's long-term liabilities can be found in Note 8 in the notes to the financial statements.

## **Economic Factors and Next Year's Budget and Rates**

The budget is developed based on needs and performance, and follows the direction of policy as set by the elected officials. The process begins with the preparation of the financial outlook, a comprehensive review of allocation needs that are expected to be required by the City for its operations. These allocations include a review of salaries and wages (growth as dictated by negotiated union contracts); pension requirement needs, anticipated insurance premium increases, etc. These allocation needs are then compared to the City's anticipated revenue inflows to determine whether these needs can be satisfied. It is with this analysis, along with the Mayor and City Commissioners' feedback, and the City's comprehensive strategic plan, that the guidelines for preparing the budget toolkit are determined and compiled into an all-inclusive instructional booklet that is then distributed to departments for their use in preparing their budget submissions. The City's elected and appointed officials considered many factors when adopting the fiscal year 2018 budget. Included among these factors were uncertainties regarding pension costs, health insurance costs, other post employment benefit costs, and other various economic indicators.

The City of Miami, like many municipalities throughout the State, is slowly recovering from the economic downturn of the previous years. Recently approved State legislation along with a constitutional amendment passed by Florida voters, lowered the City's taxable values while establishing controls on its millage rate (discussed below). This legislation and amendment was also a clear indication by the people of the State of Florida that not enough was done in the previous year to provide property owners with tax relief.

Between FY 2018-19 and FY 2022-23, General Fund revenues are forecasted to grow by a total of 16.6 percent. The largest components of General Fund revenues are Property Taxes (47.1 percent of FY 2018-19 General Fund revenues), Franchise Fees and Other Taxes (15.2 percent), Charges for Services (15.5 percent), Licenses and Permits (8.8 percent), and Intergovernmental Revenues (10.2 percent). Interest, Fines and Forfeitures, Other Revenues, and Transfers-In comprise the remaining 3.2 percent.

In fiscal year 2019, the total adopted property tax rate is 8.0300 mills, which remained the same as last year's total tax rate. The FY 2018-19 Budget for General Fund property tax revenue is \$359.68 million. This budget is based on an assessed valuation of \$53.07 billion and a General Fund millage rate of 7.5865. The millage rate is assumed to remain flat over the five-year period. Taxable property values are projected to increase by 7.0 percent each year of the forecast through FY 2022-23. This assumption is based on the expectation that the development activity in the City has leveled out and will remain flat through the end of the five-year period.

### ***Requests for Information***

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Miami's Finance Department – Director, 444 Southwest 2<sup>nd</sup> Avenue, Suite 618, Miami, Florida 33130, or visit the City's web site at [www.miamigov.com](http://www.miamigov.com).

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**City of Miami, Florida**  
**Statement of Net Position (Deficit)**  
**September 30, 2018**

	<b>Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 464,242,616	\$ 24,937,391
Receivable - Net	37,482,298	2,743,332
Accrued Interest	1,305,079	-
Due From Other Governments	43,317,528	555,342
Land Held for Resale	90,971	-
Prepays	2,181,065	779,862
Other Assets	512,453	9,487,728
Restricted Cash, Cash Equivalents, and Investments		
Related to Bond Proceeds	49,840,841	-
Restricted Cash, Cash Equivalents, and Investments	158,491,321	28,972,592
Capital Assets:		
Non-Depreciable	215,562,933	12,808,617
Depreciable - Net	897,677,964	48,871,934
<b>Total Assets</b>	<u>1,870,705,069</u>	<u>129,156,798</u>
<b>Deferred Outflows of Resources</b>		
Deferred Loss on Refunding Bonds	11,149,020	1,004,684
Outflow Related to Pension	211,071,427	1,084,399
Outflow Related to OPEB	-	28,304
<b>Total Deferred Outflows of Resources</b>	<u>222,220,447</u>	<u>2,117,387</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	78,942,756	6,157,193
Due to Other Governments	1,905,582	1,280,431
Unearned Revenue	18,209,284	682,505
Deposits	13,708,231	726,562
Accrued Interest Payable	5,994,824	1,578,727
Non-Current Liabilities:		
Due Within One Year:		
Bonds and Loans Payable	55,718,125	1,820,000
Compensated Absences	10,845,920	15,511
Claims Payable	54,985,263	-
Due In More Than One Year:		
Bonds and Loans Payable	614,864,769	62,111,407
Compensated Absences	46,762,358	445,152
Claims Payable	226,381,310	-
Other Post Employment Benefits	596,966,515	509,433
Net Pension Liability	860,752,460	-
<b>Total Liabilities</b>	<u>\$ 2,586,037,397</u>	<u>\$ 75,326,921</u>
<b>Deferred Inflows of Resources</b>		
Revenue Received in Advance	15,691,272	-
Inflow Related to Pension	57,102,112	780,309
Inflow Related to OPEB	63,563,287	16,399
<b>Total Deferred Inflows of Resources</b>	<u>\$ 136,356,671</u>	<u>\$ 796,708</u>
<b>Net Position (Deficit)</b>		
Net Investment in Capital Assets	578,092,580	4,439,409
Restricted for:		
Capital Projects	158,640,310	12,147,594
Debt Service	44,085,896	1,682,936
Pension Benefits	-	1,152,952
Parking Waiver and Transportation	9,511,610	773,947
Parking Surcharge	-	438,876
Building	77,086,917	-
Housing Assistance and Economic Development	33,169,094	-
Law Enforcement	977,259	-
Community Redevelopment	30,355,509	-
Choice Housing Voucher Program	86,713	-
E-911	4,501,647	-
Unrestricted (Deficit)	(1,565,976,087)	34,514,842
<b>Total Net Position (Deficit)</b>	<u>\$ (629,468,552)</u>	<u>\$ 55,150,556</u>

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

**City of Miami, Florida**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2018**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
<b>Functions/Programs:</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 190,825,241	\$ 79,797,773	\$ 15,466,760	\$ 7,295,726	\$ (88,264,982)	\$ -
Planning and Development	22,721,335	45,574,467	-	-	22,853,132	-
Community Development	28,371,102	538,541	28,981,482	-	1,148,921	-
Community Redevelopment Areas	35,272,784	4,332,416	1,262,562	-	(29,677,806)	-
Public Works	123,517,711	61,719,832	18,092,478	-	(43,705,401)	-
Public Safety	387,651,947	39,758,747	30,492,751	-	(317,400,449)	-
Public Facilities	22,371,164	35,922,411	93,730	1,189,708	14,834,685	-
Parks and Recreation	66,817,655	6,958,019	1,134,314	584,328	(58,140,994)	-
Interest on Long-Term Debt	25,405,481	-	-	-	(25,405,481)	-
<b>Total Primary Government</b>	<b>\$ 902,954,420</b>	<b>\$ 274,602,206</b>	<b>\$ 95,524,077</b>	<b>\$ 9,069,762</b>	<b>\$ (523,758,375)</b>	<b>\$ -</b>
<b>Component Units:</b>						
Miami Sports and Exhibition Authority	\$ 142,217	\$ 144,765	\$ -	\$ -	\$ -	\$ 2,548
Department of Off-Street Parking	31,816,774	34,244,848	-	-	-	2,428,074
Downtown Development Authority	7,547,112	-	-	-	-	(7,547,112)
Bayfront Park Management Trust	6,201,049	6,136,831	-	-	-	(64,218)
Coconut Grove BID	1,672,919	1,706,582	-	-	-	33,663
Wynwood BID	787,042	1,464,153	-	-	-	677,111
Civilian Investigative Panel	785,685	-	1,124,000	-	-	338,315
<b>Total Component Units</b>	<b>\$ 48,952,798</b>	<b>\$ 43,697,179</b>	<b>\$ 1,124,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,131,619)</b>

**General Revenues:**

Taxes:		
Property Taxes, levied for general purposes	\$ 369,230,063	\$ 8,223,153
Property Taxes, levied for debt service	28,017,811	-
Franchise Taxes	49,741,913	-
State Revenue Sharing - Unrestricted	16,380,921	-
Sales and Other Use Taxes	35,786,997	-
Public Service Taxes	64,250,989	-
Investment Earnings - Unrestricted	9,681,343	12,842
Other General Revenues	-	148,984
Total General Revenues	573,090,037	8,384,979
Change in Net Position	49,331,662	4,253,360
Net Position - Beg.(Deficit) as restated (Note 1)	(678,800,214)	50,897,196
Net Position - Ending (Deficit)	\$ (629,468,552)	\$ 55,150,556

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

**City of Miami, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2018**

	<b>Major Funds</b>				<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Other Capital Projects</b>	<b>Impact Fee</b>	<b>Emergency Services</b>		
<b>Assets</b>						
Pooled Cash, Cash Equivalents, and Investments	\$ 194,342,429	\$ 157,741,752	\$ -	\$ -	\$ 112,158,435	\$ 464,242,616
Restricted Cash, Cash Equivalents, and Investments	-	-	92,689,507	-	115,642,655	208,332,162
Receivables (Net of Allowance for Uncollectibles):						
Loans Receivable	-	-	-	-	1,794	1,794
Accounts Receivable	30,702,858	1,600	-	-	3,894,670	34,599,128
Property Tax	2,664,532	-	-	-	216,844	2,881,376
Due From Other Governments	6,912,043	16,103,469	-	6,444,780	13,857,236	43,317,528
Due From Other Funds	33,389,474	-	-	-	-	33,389,474
Accrued Interest	979,382	4,109	108,618	-	212,970	1,305,079
Prepays	2,154,528	-	-	-	26,537	2,181,065
Other Assets	195,024	-	-	-	317,429	512,453
<b>Total Assets</b>	<b>\$ 271,340,270</b>	<b>\$ 173,850,930</b>	<b>\$ 92,798,125</b>	<b>\$ 6,444,780</b>	<b>\$ 246,328,570</b>	<b>\$ 790,762,675</b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts Payable and Accrued Liabilities	40,960,966	14,632,375	4,348,009	2,173,065	15,147,642	77,262,057
Other Liabilities	1,676,475	-	-	-	4,224	1,680,699
Due to Other Funds	-	7,823,188	-	21,745,950	3,820,336	33,389,474
Due to Other Governments	286,092	-	-	-	1,619,490	1,905,582
Unearned Revenue	9,104,531	9,104,753	-	-	-	18,209,284
Deposits	13,492,851	-	-	-	215,380	13,708,231
<b>Total Liabilities</b>	<b>65,520,915</b>	<b>31,560,316</b>	<b>4,348,009</b>	<b>23,919,015</b>	<b>20,807,072</b>	<b>146,155,327</b>
<b>Deferred Inflows of Resources</b>						
Revenue Received in Advance	15,691,272	-	-	-	-	15,691,272
Unavailable Revenue - Other	2,664,532	1,148,411	-	-	3,133,844	6,946,787
<b>Total Deferred Inflows of Resources</b>	<b>18,355,804</b>	<b>1,148,411</b>	<b>-</b>	<b>-</b>	<b>3,133,844</b>	<b>22,638,059</b>
<b>Fund Balances:</b>						
Non-Spendable Fund Balance						
Non Spendable	2,154,528	-	-	-	1,026,537	3,181,065
Spendable Fund Balance						
Restricted	82,882,117	47,939,319	88,450,116	-	182,460,427	401,731,979
Committed	-	71,028,576	-	-	36,618,001	107,646,577
Assigned	38,015,621	22,174,308	-	-	2,315,463	62,505,392
Unassigned (deficit)	64,411,285	-	-	(17,474,235)	(32,774)	46,904,276
<b>Total Fund Balances (deficit)</b>	<b>187,463,551</b>	<b>141,142,203</b>	<b>88,450,116</b>	<b>(17,474,235)</b>	<b>222,387,654</b>	<b>621,969,289</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 271,340,270</b>	<b>\$ 173,850,930</b>	<b>\$ 92,798,125</b>	<b>\$ 6,444,780</b>	<b>\$ 246,328,570</b>	<b>\$ 790,762,675</b>

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

**City of Miami, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**For the Fiscal Year Ended September 30, 2018**

Fund Balances - Total Governmental Funds	\$ 621,969,289
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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	2,585,935,790	
Less: Accumulated Depreciation	<u>(1,472,694,893)</u>	1,113,240,897

Inventory for land held for resale are not financial resources and therefore are not reported in the governmental funds.	90,971
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Deferred inflow and outflow related to the City's Pension Plans and Other Post Employment Benefit Plans (OPEB) are amortized in future periods and are therefore not reported in the governmental funds:

Deferred outflows related to pensions	211,071,427	
Deferred inflow related to pensions	(57,102,112)	
Deferred inflow related to OPEB plan	<u>(63,563,287)</u>	90,406,028

Loss on refunding of debt is recognized in the statement of Net Position and amortized over the term of the bond	11,149,020
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Grant receivables are reported as deferred inflows in the fund financial statements due to amounts being unavailable; under full accrual accounting they are reported as revenues.	4,065,411
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Tax receivables are reported as deferred inflows in the fund financial statements due to amounts being unavailable; under full accrual accounting they are reported as revenues.	2,881,376
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds, Notes, and Loans Payable	(670,582,894)	
Compensated Absences	(57,608,278)	
Claims Liability	(281,366,573)	
Total OPEB Liability	(596,966,515)	
Net Pension Liability	(860,752,460)	
Accrued Interest Payable	<u>(5,994,824)</u>	<u>(2,473,271,544)</u>

Net Position (Deficit) of Governmental Activities	<u><u>\$ (629,468,552)</u></u>
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**City of Miami, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	<b>Major Funds</b>				<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Other Capital Projects</b>	<b>Impact Fee</b>	<b>Emergency Services</b>		
<b>Revenues</b>						
Property Taxes	\$ 325,267,816	\$ -	\$ -	\$ -	\$ 71,980,058	\$ 397,247,874
Franchise and Other Taxes	113,992,902	-	-	-	-	113,992,902
Licenses and Permits	73,313,619	-	-	-	443,167	73,756,786
Fines and Forfeitures	13,887,391	-	-	-	1,751,137	15,638,528
Intergovernmental Revenues	69,954,774	9,069,762	-	7,871,353	69,453,410	156,349,299
Charges for Services	117,481,066	293,789	-	-	15,957,803	133,732,658
Investment Earnings (Loss)	5,808,378	-	1,343,045	-	2,529,919	9,681,342
Impact Fees	-	-	20,861,463	-	-	20,861,463
Other	19,057,070	7,840	-	6,026,328	5,521,533	30,612,771
<b>Total Revenues</b>	<b>738,763,016</b>	<b>9,371,391</b>	<b>22,204,508</b>	<b>13,897,681</b>	<b>167,637,027</b>	<b>951,873,623</b>
<b>Expenditures</b>						
Current Operating:						
General Government	104,803,715	1,472,090	5,355	94,791	10,847,257	117,223,208
Planning and Development	20,566,954	910,416	-	242	1,048,929	22,526,541
Community Development	1,566,902	76,967	-	2,286	26,685,844	28,331,999
Community Redevelopment Areas	-	-	-	-	33,972,903	33,972,903
Public Works	77,187,997	1,359,266	79,526	20,471,907	14,151,274	113,249,970
Public Safety	370,435,719	703,198	948,037	8,136,092	18,108,149	398,331,195
Public Facilities	11,690,124	979,204	-	940,713	4,488,059	18,098,100
Parks and Recreation	46,354,888	2,173,032	2,484,720	1,060,619	1,898,365	53,971,624
Debt Service:						
Principal	-	-	-	-	53,599,962	53,599,962
Interest and Other Charges	-	-	-	-	35,299,145	35,299,145
Capital Outlay	2,625,162	43,144,617	11,077,252	447,004	23,527,631	80,821,666
<b>Total Expenditures</b>	<b>635,231,461</b>	<b>50,818,790</b>	<b>14,594,890</b>	<b>31,153,654</b>	<b>223,627,518</b>	<b>955,426,313</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>103,531,555</b>	<b>(41,447,399)</b>	<b>7,609,618</b>	<b>(17,255,973)</b>	<b>(55,990,491)</b>	<b>(3,552,690)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	6,163,609	42,706,976	-	-	69,886,943	118,757,528
Transfers Out	(82,653,000)	(476,000)	-	-	(35,628,527)	(118,757,527)
Proceeds from Sale of Property	277,969	-	-	-	-	277,969
Proceeds Received from Refunding	-	-	-	-	83,045,000	83,045,000
Payment To Escrow Agent For Refunding	-	-	-	-	(74,105,000)	(74,105,000)
Issuance of Debt	-	24,511,675	-	-	25,000,000	49,511,675
<b>Total Other Financing Sources (Uses)</b>	<b>(76,211,422)</b>	<b>66,742,651</b>	<b>-</b>	<b>-</b>	<b>68,198,416</b>	<b>58,729,645</b>
<b>Net Changes in Fund Balances (Deficit)</b>	<b>27,320,133</b>	<b>25,295,252</b>	<b>7,609,618</b>	<b>(17,255,973)</b>	<b>12,207,925</b>	<b>55,176,955</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>160,143,418</b>	<b>115,846,951</b>	<b>80,840,498</b>	<b>(218,262)</b>	<b>210,179,729</b>	<b>566,792,334</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 187,463,551</b>	<b>\$ 141,142,203</b>	<b>\$ 88,450,116</b>	<b>\$ (17,474,235)</b>	<b>\$ 222,387,654</b>	<b>\$ 621,969,289</b>

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

**City of Miami, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended September 30, 2018**

Net Changes in Fund Balances - Total Governmental Funds \$ 55,176,956

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

Grant revenues are reported as deferred inflows in the fund financial statements due to amounts being unavailable, under full accrual accounting they are reported as revenues. 106,640

Tax revenues are reported as deferred inflows in the fund financial statements due to amounts being unavailable, under full accrual accounting they are reported as revenues. 305,818

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is depreciated over their estimated useful lives.

Expenditures for capital assets	80,821,666	
Less: current year depreciation	<u>(88,054,565)</u>	(7,232,899)

The net effect of various transactions involving capital assets (i.e. sales and disposals) is to decrease net position. (8,831,224)

The issuance of long-term debt provides current financial resources and the payment of the principal on long-term debt consumes the resources of the governmental funds.

Principal paid on bonds and loans	53,599,962	
Net effect of deferring and amortizing premiums, discounts, and accretion	1,566,708	
Issuance of debt-special obligation	(25,000,000)	
Issuance of debt-capital lease	(11,643,949)	
Issuance of debt -state revolving loan	(12,867,726)	
The net increase in the loss on debt refunding	8,229,399	
Issuance of debt-refunding of bonds	(83,045,000)	
Payment to escrow agent for refunding	<u>74,105,000</u>	4,944,394

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(7,593,030)	
Claims payable	(71,940,144)	
Total OPEB liability and related deferred inflows and outflows	(30,131,289)	
Net pension liability and related deferred inflows and outflows	114,428,883	
Accrued interest payable	<u>97,557</u>	4,861,977

Change in Net Position (Deficit) of Governmental Activities \$ 49,331,662

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

**City of Miami, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2018**

	<b>Employee Retirement Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 52,502,864
Accounts Receivable	8,226,492
Capital Assets, Net	<u>3,182,267</u>
	<u>63,911,623</u>
 Investments:	
U.S. Government Obligations	230,621,355
Corporate Bonds	318,037,236
Corporate Stocks	980,830,387
Money Market Funds and Commercial Paper	30,032,445
International Equity	258,016,522
Real Estate	179,279,484
Private Equity	156,839,046
Absolute Return Funds	<u>75,013,697</u>
<b>Total Investments</b>	<u>2,228,670,172</u>
 Securities Lending Collateral	<u>143,720,934</u>
<b>Total Assets</b>	<u>2,436,302,729</u>
 <b>Liabilities</b>	
Obligations Under Security Lending Transactions	143,720,934
Accounts Payable	899,053
Accrued Liability	1,250,601
Payable for Securities Purchased	<u>7,754,716</u>
<b>Total Liabilities</b>	<u>153,625,304</u>
 <b>Net Position</b>	
Restricted for Pension Benefits	<u><u>\$ 2,282,677,425</u></u>

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

**City of Miami, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 99,296,827
Plan Members	25,138,857
<b>Total Contributions</b>	<u>124,435,684</u>
Investment Earnings:	
Net Increase in Fair Value of Investments	135,153,848
Interest	22,598,381
Dividends	14,149,756
Other	268,270
<b>Total Investment Earnings</b>	<u>172,170,255</u>
Security Lending Activities:	
Security Lending Income	646,466
Security Lending Fees and Rebates	(161,508)
<b>Net Income From Security Lending Activities</b>	<u>484,958</u>
Less Investment Expenses	(9,564,800)
<b>Net Investment Earnings</b>	<u>163,090,413</u>
Reimbursement from City for Administrative Costs	3,176,005
<b>Total Additions</b>	<u>290,702,102</u>
<b>Deductions</b>	
Benefit Payments	204,579,055
Refunds upon Resignation, Death, Other	2,540,479
Distribution to Retirees	25,279,985
Administrative Expenses and Other Expenses	5,595,292
<b>Total Deductions</b>	<u>237,994,811</u>
<b>Change in Net Position</b>	52,707,291
<b>Net Position Restricted for Pension Benefits - Beginning of Year, As Restated (Note 15)</b>	<u>2,229,970,134</u>
<b>Net Position Restricted for Pension Benefits - End of Year</b>	<u><u>\$ 2,282,677,425</u></u>

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

**City of Miami, Florida**  
**Statement of Net Position**  
**Discretely Presented Component Units**  
**September 30, 2018**

	<b>Miami Sports and Exhibition Authority</b>	<b>Department of Off-Street Parking</b>	<b>Downtown Development Authority</b>	<b>Bayfront Park Management Trust</b>
<b>Assets</b>				
Cash, Cash Equivalent and Investments	\$ 775,880	\$ 7,596,900	\$ 5,261,950	\$ 3,150,855
Receivables (Net of uncollectible accounts)	-	677,882	435,901	7,972
Due From Other Governments	-	555,342	-	-
Prepays	8,821	604,119	117,451	42,537
Other Assets	-	8,985,935	-	501,793
Restricted Assets:				
Cash, Cash Equivalents, and Investments	-	28,972,592	-	-
Capital Assets:				
Non-Depreciable	-	12,292,488	-	516,129
Depreciable, Net	-	41,931,406	223,788	6,157,708
<b>Total Assets</b>	<u>784,701</u>	<u>101,616,664</u>	<u>6,039,090</u>	<u>10,376,994</u>
<b>Deferred Outflows of Resources</b>				
Deferred Loss on Refunding Bonds	-	1,004,684	-	-
Outflow Related to Pension	-	1,084,399	-	-
Outflow Related to OPEB	-	28,304	-	-
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>2,117,387</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	9,459	4,815,697	1,044,341	76,909
Due to Other Governments	-	1,280,431	-	-
Unearned Revenue	-	465,527	-	216,978
Deposits	250,000	364,847	-	111,715
Accrued Interest Payable	-	1,578,727	-	-
Non-Current Liabilities				
Due Within One Year:				
Bonds and Loans Payable	-	1,820,000	-	-
Compensated Absences	-	-	15,511	-
Due In More Than One Year:				
Bonds and Loans Payable	-	62,111,407	-	-
Compensated Absences	-	341,470	103,682	-
Other Post Employment Benefits	-	509,433	-	-
<b>Total Liabilities</b>	<u>259,459</u>	<u>73,287,539</u>	<u>1,163,534</u>	<u>405,602</u>
<b>Deferred Inflows of Resources</b>				
Inflow Related to Pension	-	780,309	-	-
Inflow Related to OPEB	-	16,399	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>796,708</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	-	(3,017,248)	223,788	6,673,837
Restricted for:				
Capital Projects	-	12,147,594	-	-
Debt Service	-	1,682,936	-	-
Pension Benefits	-	1,152,952	-	-
Parking Waiver and Transportation	-	-	-	-
Parking Surcharge	-	-	-	-
Unrestricted	525,242	17,683,570	4,651,768	3,297,555
<b>Total Net Position</b>	<u>\$ 525,242</u>	<u>\$ 29,649,804</u>	<u>\$ 4,875,556</u>	<u>\$ 9,971,392</u>

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

**City of Miami, Florida**  
**Statement of Net Position**  
**Discretely Presented Component Units**  
**September 30, 2018**

	<b>Coconut Grove BID</b>	<b>Wynwood BID</b>	<b>Civilian Investigative Panel</b>	<b>Total</b>
<b>Assets</b>				
Cash, Cash Equivalent and Investments	\$ 6,924,080	\$ 810,934	\$ 416,792	\$ 24,937,391
Receivables (Net of uncollectible accounts)	576,886	1,044,691	-	2,743,332
Due From Other Governments	-	-	-	555,342
Prepays	6,658	-	276	779,862
Other Assets	-	-	-	9,487,728
Restricted Assets:				
Cash, Cash Equivalents, and Investments	-	-	-	28,972,592
Capital Assets:				
Non-Depreciable	-	-	-	12,808,617
Depreciable, Net	559,032	-	-	48,871,934
<b>Total Assets</b>	<u>8,066,656</u>	<u>1,855,625</u>	<u>417,068</u>	<u>129,156,798</u>
<b>Deferred Outflows of Resources</b>				
Deferred Loss on Refunding Bonds	-	-	-	1,004,684
Outflow Related to Pension	-	-	-	1,084,399
Outflow Related to OPEB	-	-	-	28,304
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,117,387</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	164,938	10,000	35,849	6,157,193
Due to Other Governments	-	-	-	1,280,431
Unearned Revenue	-	-	-	682,505
Deposits	-	-	-	726,562
Accrued Interest Payable	-	-	-	1,578,727
Non-Current Liabilities				
Due Within One Year:				
Bonds and Loans Payable	-	-	-	1,820,000
Compensated Absences	-	-	-	15,511
Due In More Than One Year:				
Bonds and Loans Payable	-	-	-	62,111,407
Compensated Absences	-	-	-	445,152
Other Post Employment Benefits	-	-	-	509,433
<b>Total Liabilities</b>	<u>164,938</u>	<u>10,000</u>	<u>35,849</u>	<u>75,326,921</u>
<b>Deferred Inflows of Resources</b>				
Inflow Related to Pension	-	-	-	780,309
Inflow Related to OPEB	-	-	-	16,399
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>796,708</u>
<b>Net Position</b>				
Net Investment in Capital Assets	559,032	-	-	4,439,409
Restricted for:				
Capital Projects	-	-	-	12,147,594
Debt Service	-	-	-	1,682,936
Pension Benefits	-	-	-	1,152,952
Parking Waiver and Transportation	703,147	70,800	-	773,947
Parking Surcharge	438,876	-	-	438,876
Unrestricted	6,200,663	1,774,825	381,219	34,514,842
<b>Total Net Position</b>	<u>\$ 7,901,718</u>	<u>\$ 1,845,625</u>	<u>\$ 381,219</u>	<u>\$ 55,150,556</u>

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

**City of Miami, Florida**  
**Discretely Presented Component Units**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2018**

		<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Miami Sports and Exhibition Authority</b>
<b>Miami Sports and Exhibition Authority</b>					
Culture and Recreation	\$ 142,217	\$ 144,765	\$ -	\$ -	\$ 2,548
<b>Total Miami Sports Exhibition Authority</b>	<u>142,217</u>	<u>144,765</u>	<u>-</u>	<u>-</u>	<u>2,548</u>
<b>Department of Off-Street Parking</b>					
Transportation	31,816,774	34,244,848	-	-	-
<b>Total Department of Off-Street Parking</b>	<u>31,816,774</u>	<u>34,244,848</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Downtown Development Authority</b>					
Economic Development	7,547,112	-	-	-	-
<b>Total Downtown Development Authority</b>	<u>7,547,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Bayfront Park</b>					
Parks and Recreation	6,201,049	6,136,831	-	-	-
<b>Total Bayfront Park</b>	<u>6,201,049</u>	<u>6,136,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Coconut Grove BID</b>					
General Government	1,672,919	1,706,582	-	-	-
<b>Total Coconut Grove BID</b>	<u>1,672,919</u>	<u>1,706,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Wynwood BID</b>					
General Government	787,042	1,464,153	-	-	-
<b>Total Wynwood BID</b>	<u>787,042</u>	<u>1,464,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Civilian Investigate Panel</b>					
General Government	785,685	-	1,124,000	-	-
<b>Total Civilian Investigate Panel</b>	<u>785,685</u>	<u>-</u>	<u>1,124,000</u>	<u>-</u>	<u>-</u>
<b>Total Component Units</b>	<u>\$ 48,952,798</u>	<u>\$ 43,697,179</u>	<u>\$ 1,124,000</u>	<u>\$ -</u>	<u>\$ 2,548</u>

**General Revenues:**

Taxes:

Property Taxes	-
Investment Earnings (Loss)	611
Other General Revenues	-
<b>Total General Revenue</b>	<u>611</u>

Change in Net Position	3,159
Net position - Beg. as restated (Note 1)	522,083
<b>Net position - Ending</b>	<u>\$ 525,242</u>

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

**City of Miami, Florida**  
**Discretely Presented Component Units**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2018**

Net (Expense) Revenue and Changes in Net Position						
Department of Off-Street Parking	Downtown Development Authority	Bayfront Park Management Trust	Coconut Grove BID	Wynwood BID	Civilian Investigative Panel	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,548
-	-	-	-	-	-	2,548
2,428,074	-	-	-	-	-	2,428,074
2,428,074	-	-	-	-	-	2,428,074
-	(7,547,112)	-	-	-	-	(7,547,112)
-	(7,547,112)	-	-	-	-	(7,547,112)
-	-	(64,218)	-	-	-	(64,218)
-	-	(64,218)	-	-	-	(64,218)
-	-	-	33,663	-	-	33,663
-	-	-	33,663	-	-	33,663
-	-	-	-	677,111	-	677,111
-	-	-	-	677,111	-	677,111
-	-	-	-	-	338,315	338,315
-	-	-	-	-	338,315	338,315
\$ 2,428,074	\$ (7,547,112)	\$ (64,218)	\$ 33,663	\$ 677,111	\$ 338,315	\$ (4,131,619)
-	8,223,153	-	-	-	-	8,223,153
-	9,057	3,174	-	-	-	12,842
-	148,984	-	-	-	-	148,984
-	8,381,194	3,174	-	-	-	8,384,979
2,428,074	834,082	(61,044)	33,663	677,111	338,315	4,253,360
27,221,730	4,041,474	10,032,436	7,868,055	1,168,514	42,904	50,897,196
\$ 29,649,804	\$ 4,875,556	\$ 9,971,392	\$ 7,901,718	\$ 1,845,625	\$ 381,219	\$ 55,150,556

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



**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**NOTE 1. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City, which is located in the county of Miami-Dade, was incorporated in 1896, and has a population of 481,333. The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay and is a main port of entry into Florida and is the county seat of Miami-Dade County, Florida. The City comprises 35.87 square miles of land and 19.42 square miles of water.

The City's Charter was adopted by the electors of the City of Miami at an election held on May 17, 1921 and was legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. During fiscal year 1997, the residents of the City voted on a referendum that created single-member districts and an Executive Mayor form of government. The City continues to operate under the Commission/City Manager form of government and provides the following services: police and fire protection, public works activities, refuse collection, parks and recreational facilities, planning and development, community development, financial services, and general administrative services.

The Florida Legislature, in 1955, approved and submitted to a general election, a constitutional amendment designed to give a new form of government to Miami-Dade County, Florida (the "County"). The County is, in effect, a municipality with governmental powers affecting thirty-five cities and unincorporated areas, including the City. The County has not displaced nor replaced the City's powers, but supplements them. The County can take over particular activities of the City's operations if (1) the services fall below minimum standards set by the County Commission or (2) with the consent of the governing body of the City. Accordingly, the County's financial statements are not included in this report.

The accompanying financial statements include those of the City (the primary government) and those of its component units. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government.

GASB Codification of Governmental Accounting and Financial Reporting Standards Section 2100 provides guidance for the inclusion of a legally separate entity as a component unit of an entity. The application of this guidance provides for identification of any entities for which the City is financially accountable or organizations that the nature and significance of their relationship with the City are such that exclusions would cause the City's basic financial statements to be misleading or incomplete. Based upon the application of GASB Codification Section 2100, the financial statements of the component units listed on the following pages have been included in the City's reporting entity as either blended or discretely presented component units.

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that they are legally separate from the City. The financial balances and activities for each blended and discretely presented component unit are as of and for the year ended September 30, 2018.

### **Blended Component Units**

**SOUTHEAST OVERTOWN PARK WEST COMMUNITY REDEVELOPMENT AGENCY (“SEOPW CRA”)** – SEOPW CRA is an Agency established by the City in 1983 under the authority of Section 163.330, Florida Statutes and City Resolution No. 82-755. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Southeast Overtown Park West area. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the separate SEOPW CRA accounts. The members of the City Commission are also the Board of Directors of the SEOPW CRA. Additionally, under the interlocal agreement the City handles the disbursement, accountability, management, and proper application of all monies in the SEOPW accounts. The funds of the SEOPW CRA are included within the reporting entity as a special revenue fund (SEOPW CRA), a debt service fund (SEOPW CRA - Other Special Obligation Bonds), and a capital projects fund (SEOPW Community Redevelopment Agency).

**OMNI COMMUNITY REDEVELOPMENT AGENCY (“OMNI CRA”)** – OMNI CRA is an Agency established by the City in 1986 under the authority of Section 163.330, Florida Statutes and City Resolution No. 86-868. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Omni area. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the separate OMNI CRA accounts. The members of the City Commission are the Board of Directors of the OMNI CRA. Additionally, under the interlocal agreement the City handles the disbursement, accountability, management, and proper application of all monies in the OMNI CRA accounts. The OMNI CRA is included within the reporting entity as a special revenue fund (OMNI CRA).

**MIDTOWN COMMUNITY REDEVELOPMENT AGENCY (“MIDTOWN CRA”)** – MIDTOWN CRA is an Agency established by the City in 2005 under the provisions of Section 163.330, Florida Statutes and City Resolution No. 05-002. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Midtown area. The MIDTOWN CRA entered into an interlocal agreement with the City, Miami-Dade County, and the Midtown Community Development District whereby tax increments would be deposited into the separate MIDTOWN CRA accounts. The members of the City Commission are the Board of Directors of the MIDTOWN CRA. Additionally, under the interlocal agreement the City handles the disbursement, accountability, management, and proper application of all monies in the MIDTOWN CRA accounts. The MIDTOWN CRA is included within the reporting entity as a special revenue fund (MIDTOWN CRA).

**VIRGINIA KEY BEACH PARK TRUST (“VKBPT”)** – On December 14, 2000 (and effective January 2001), via sections 38-230 through 38-242 of Chapter 38 of the Code of the City of Miami Ordinance 12003, the VKBPT was established and acts as a limited agency and instrumentality of the City of Miami. Its general purposes, in cooperation with City of Miami, are to preserve, restore, and maintain the Historic Virginia Key Beach Park in a manner consistent with environmental health, the historical importance of the Park and the aspirations of the African American Community, make it accessible to the general public, propose policy, planning, and design to ensure maximum community utilization and enjoyment. The City Commission must approve VKBPT’s board membership and operating budget. The City considers itself the exclusive recipient of the services provided by VKBPT and therefore its operations are blended in the reporting entity as a special revenue fund (Virginia Key Beach Park Trust).

**LIBERTY CITY COMMUNITY REVITALIZATION TRUST (“Liberty City”)** – On July 10, 2001, via section 2-892 of Chapter 2 of the Code of the City of Miami Ordinance 12082, Liberty City was established and acts as a limited agency and instrumentality of the City and provides services entirely or almost entirely to the primary government. Liberty City, in cooperation with the Department of Housing and Community Development and other City departments, is responsible for oversight of and facilitating the City’s revitalization efforts for the redevelopment of the Liberty City Community Revitalization District in a manner consistent with the strategy identified in the Five-Year Consolidated Plan, adopted by the City Commission in August, 1999. Liberty City’s specific purpose is to purchase land and renovate capital assets that belong to the City of Miami within the Liberty City area. The City Commission must approve Liberty City’s board membership and operating budget. The City considers itself the exclusive recipient of the services provided by Liberty City and therefore its operations are blended in the reporting entity as a special revenue fund (Liberty City Revitalization Trust).

#### **Discretely Presented Component Units**

**MIAMI SPORTS AND EXHIBITION AUTHORITY (“MSEA”)** – The MSEA was created by the City in 1983 pursuant to Chapter 212.0305, Florida Statutes and City Ordinance No. 9662 adopted by the City Commission (as amended by City Ordinance No. 11155) and Section 213.0305 of the Florida Statutes to promote the development of sports, convention and exhibition facilities within the City, and attracting professional sports franchises and exhibitions to utilize the City’s and/or Authorities’ facilities. The City Commission must approve MSEA’s board membership and operating budget. Therefore, the MSEA is fiscally dependent and the City is discretely presenting the MSEA in the accompanying financial statements.

**DEPARTMENT OF OFF-STREET PARKING OF THE CITY OF MIAMI, FLORIDA, d/b/a MIAMI PARKING AUTHORITY (“DOSP”)** – The DOSP was originally created in 1955 by a special act of the Florida State Legislature (Laws of Florida Chapter 30.997, as amended) and subsequently incorporated into the City’s Charter in 1968. The DOSP is an agency and instrumentality of the City which owns and operates parking facilities within the City. The City Commission has reserved the right to confirm new members of the DOSP Board, to establish and fix rates and charges for parking services, to approve the DOSP’s operating budget and to authorize the issuance of revenue bonds. Therefore, the DOSP is fiscally dependent and the City is discretely presenting the DOSP in the accompanying financial statements.

**DOWNTOWN DEVELOPMENT AUTHORITY (“DDA”)** – The DDA was created by the City in 1965 pursuant to Chapter 65-1090 of the General Laws of Florida and City Code Section 14-25. The DDA is governed by a board appointed by the City Commission and was established for the purpose of furthering the development of the Downtown Miami area by promoting economic growth in the region and strengthening downtown’s appeal as a livable city as well as a regional, national and international center for commerce and culture. The City Commission must approve the DDA’s operating budget and the millage levied on the special taxing district established to fund the DDA. Therefore, the DDA is fiscally dependent and the City is discretely presenting the DDA in the accompanying financial statements.

**BAYFRONT PARK MANAGEMENT TRUST (“BFP”)** – The BFP was established by the City in 1987 under the authority of City of Miami Resolution No. 10348. The BFP was created for the purpose of managing and operating the events held at Bayfront and Bicentennial Park and the daily maintenance and upkeep of the grounds, its various amenities including the amphitheater and the Mildred and Claude Pepper Fountain. The governing body of the BFP consists of nine appointed members serving initial

terms of one to three years. Upon expiration of an initial term, each successor member may be appointed by the City Commission for terms of one to three years. The BFP has appointed an executive director to act as the chief executive officer, subject to policy directives. The BFP prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the BFP is fiscally dependent and the City is discretely presenting the BFP in the accompanying financial statements.

**CIVILIAN INVESTIGATIVE PANEL (“CIP”)** – The CIP was established by the City of Miami Commission Ordinance Number 12188 on February 14, 2002 for the purpose of creating an independent citizen’s oversight panel to conduct investigations related to allegations of police misconduct, review policies, practices and procedures of the police department and perform community outreach programs. The CIP consists of thirteen members who were originally appointed as follows: a) the Miami City Commission selects and appoints nine members, b) the Mayor selects three members whose names are ratified and appointed by the City Commission, and c) the Chief of Police of the City of Miami appoints one member, who serves at the will of the Chief of Police. The CIP prepares and submits an annual budget request to the City Commission for its approval for each fiscal year and is funded by the City of Miami. Therefore, the CIP is fiscally dependent and the City is discretely presenting the CIP in the accompanying financial statements.

**COCONUT GROVE BUSINESS IMPROVEMENT DISTRICT (“CGBID”)** – In July 2004, pursuant to Resolution No. 12564, the City of Miami approved the establishment of the Coconut Grove Business Improvement Committee (“BIC”). The BIC was formed as an advisory committee to the City. During November 2008, the City tabulated the results of a special election for the creation of the Coconut Grove Business Improvement District (“BID”), where the BID was deemed to be approved by a majority of the affected property owners. During March 2009, under City Ordinance No. 13059, the City approved to repeal the BIC and establish a new Coconut Grove Business Improvement District Board (“BID Board”) to stabilize and improve retail and other businesses in the BID area through promotion, management, marketing and other similar services, including, but not limited to, coordination, funding, implementation and maintenance of all infrastructure improvement, and other projects, utilizing BID assessment proceeds and other funds identified. The BID prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the BID is fiscally dependent and the City is discretely presenting the BID in the accompanying financial statements.

**WYNWOOD BUSINESS IMPROVEMENT DISTRICT (“WBID”)** – On June 4, 2013, the City through its Office of the City Clerk tabulated the results of a special election for the creation of the Wynwood Business Improvement District (“BID”), where the BID was deemed to be approved by a majority of the affected property owners. During July 2013, under City Ordinance No. 13-00831, the City approved to establish a new Wynwood Business Improvement District Board (“BID Board”) to manage the BID in stabilizing and improving retail and other businesses in the BID area through promotion, management, marketing and other similar services, including, but not limited to, coordination, funding, implementation and maintenance of all infrastructure improvement, and other projects, utilizing BID assessment proceeds and other funds identified. The BID prepares and submits an annual budget request to the City Commission for its approval for each fiscal year. Therefore, the BID is fiscally dependent and the City is discretely presenting the BID in the accompanying financial statements.

HEALTH FACILITY AUTHORITY (“HFA”) – The HFA is an agency established by the City in 1979 under the authority of Chapter 154, Florida Statutes and City Resolution No. 79-93 to serve as a conduit to issue revenue bonds. The City Commission must approve the HFA’s board membership and operating budget. Therefore, the HFA is fiscally dependent and the City is discretely presenting the HFA in the accompanying financial statements. The HFA does not issue stand-alone audited financial statements.

Complete financial information of the individual component units may be obtained at the entity's respective administrative offices as follows:

SEOPW CRA 819 NW 2 <sup>nd</sup> Ave. 3 <sup>rd</sup> Floor Miami, Florida 33136	Dept. Off Street Parking 40 NW 3 <sup>rd</sup> Street Suite 1103 Miami, Florida 33128	Coconut Grove BID 3390 Mary Street Suite 130 Miami, Florida 33133
OMNI/MIDTOWN CRA 1401 North Miami Ave. 2 <sup>nd</sup> Floor Miami, Florida 33136	Downtown Develop. Authority 200 S. Biscayne Blvd. Suite 2929 Miami, Florida 33131	Wynwood BID 310 NW 26 <sup>th</sup> Street Suite 1 Miami, Florida 33127
Virginia Key Beach Park Trust 4020 Virginia Beach Drive Miami, Florida 33149	Civilian Investigative Panel 970 SW 1 <sup>st</sup> Street Suite 305 Miami, Florida 33130	Liberty City Community Revitalization Trust 4800 NW 12 <sup>th</sup> Avenue Miami, Florida 33127-2218
Miami Sports & Exhibition Authority 3500 Pan American Drive Miami, Florida 33133		Bayfront Park Mgmt. Trust 301 N. Biscayne Blvd. Miami, Florida 33132-2226

## **B. Government-Wide Financial Statements**

The accompanying financial statements of the City of Miami, Florida (the “City”) have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

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 and its component units. The primary government is reported separately from the legally separate discrete component units. The statement of net position presents the financial position of the City and its discretely presented component units at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment and indirect expenses (claims payable, compensated absences, pension benefits, and other post-employment benefits) are allocated to activities based on each activities pro-rata share of the cost incurred. 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 that are not deemed to be program revenues are reported instead as general revenues

### C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, deferred outflows/inflows of resources, fund balances/net position, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, and non-major funds are aggregated and presented in a single column. The City maintains fiduciary funds which are used to account for assets held by the City in a trustee capacity. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to transform the fund-level financial statements into the governmental activities column of the government-wide presentation. The City reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, and capital improvement costs not paid through other funds are paid from this fund.

**Other Capital Projects** – This capital fund is used to account for and report on funds received from various resources (primarily from current revenues, Federal and State Grants) designated for construction projects.

**Impact Fee** – This capital fund is used to account for the collection of impact fees and the cost of capital improvement projects for the type of improvement for which the impact fee was imposed.

**Emergency Fund** – This special revenue fund is used to account for grant expenditures and FEMA reimbursements related to disasters. Additionally, this fund accounts for non-disaster related reimbursable expenditures.

Additionally, the City reports the following fiduciary fund type:

**Pension Trust Funds** – The Pension Trust Funds account for the City of Miami Fire Fighters' and Police Officers' Retirement Trust ("FIPO"), the City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE") and Other Managed Trusts (Members, Excess Plan, Staff Plan, and Staff Excess Plan), and the Elected Officers' Retirement Trust ("EORT"). The Pension Trust Funds accumulate resources for pension benefit payments to qualified employees.

#### **D. Measurement Focus and the Financial Statement Presentation**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 program revenues. Likewise, general revenues include all taxes.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal period, except for grant revenues which are considered to be available if collected within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to legal fees, compensated absences, insurable claims, pollution remediation obligations, pension benefits and other post-employment benefits are recorded only when payment is due or when City has made a decision to fund these obligations with current available resources.

Certain revenues associated with the current fiscal period are considered measurable and are recognized as revenues of the current fiscal period when available. These include:

- Property taxes
- Intergovernmental revenue
- Sales tax, franchise and utility taxes
- Charges for services, and
- Interest

All other revenue items are considered to be measurable only when cash is received by the City.

#### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **Deposits and Investments**

The City has defined “cash, cash equivalents and investments” to include cash on hand, demand deposits, money market funds, debt securities, and cash with fiscal agents. Each fund’s equity in the City’s investment pool is considered to be a cash equivalent since funds can be deposited or effectively withdrawn at any time without prior notice or penalty. In addition, the City considers all highly liquid investments with a maturity of three months or less when purchased, to be a cash equivalent.

All investments, including those of the Pension Trust Funds, are recorded at 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. The City and the Pension Trust Funds categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs 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. In addition, certain investments of the Pension Trust Funds are measured at the net asset value (“NAV”) per share (or its equivalent). See Note 2 for more detail regarding methods used to measure the fair value of investments.

### **Interfund Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds”.

### **Receivables**

Receivables include amounts due from other governments and others for services provided by the City and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. The City fully reserves for all receivables greater than 60 days with the exception of grant receivables and other accounts that are in the collection process, which are based on historical collection experience and other factors.

### **Prepays**

Prepaid items of both government-wide and governmental fund statements are recorded under the consumption method. Prepaid expenses consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are equally offset by non-spendable fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Long term service agreements, other than insurance policies, are expensed in the year of renewal. The City uses the “Alternate Expense Recognition” method for long term service agreements covering one or more fiscal period.

### **Inventory and Assets Held for Resale**

There are no inventory values presented in the governmental funds. Purchases considered inventoriable items are recorded as expenditures/expenses at the time of purchase since the year-end balances are not material. The government-wide financial statements present inventory values of the City, which are properties held by the Housing and Community Development Department for resale. Such balances are recorded at lower of cost or net realizable value.

### **Restricted Assets**

Certain proceeds from bonds, loans and deposits are classified as restricted assets because their use is limited by applicable bond indentures, contracts, agreements, and other externally imposed constraints.



## Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g. roads, sidewalks, drainage, and similar items), are reported in the governmental activities column in the government-wide financial statements and fiduciary fund and discrete component unit financial statements. Capital assets are defined by the City as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of the donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, equipment, and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset</b>	<b>Years</b>
Buildings	20 - 50
Improvements	10 - 30
Machinery and equipment	3 - 15
Infrastructure	15 - 75

## Compensated Absences

Under terms of Civil Service regulations, labor contracts and administrative policy, City employees are granted vacation and sick leave in varying amounts. Additionally, certain overtime hours can be accrued and carried forward as earned time off. Unused vacation and sick time is payable upon separation from service, subject to various limitations depending upon the employee's seniority and civil service classification. The City accrues a liability for compensated absences as well as certain other salary related costs associated with the payment of compensated absences. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The fund-level liability for compensated absences includes salary-related payments, paid sixty days subsequent to year end.

## Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s). The City has three items that qualifies for reporting in this category. The first two items are deferred outflow of resource related to pension benefits and other post-employment benefits (OPEB). 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 and OPEB also include the difference between expected and actual experience with regard to economic, or demographic factors. These are amortized over the average expected remaining service lives of all employees that are provided with pensions and OPEB through each plan. Employer contributions to pension and OPEB plans made subsequent to the measurement date are also deferred and reduce net pension liability and total OPEB liability in the subsequent year. The third item is a deferred charge on refunding, which is the difference between the carrying value of the refunded

debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as unavailable (a deferred inflow of resources) in the governmental fund financial statements. In addition, amounts received in advance, for which time requirements are not met for revenue recognition are reported as a deferred inflow at both the fund level and the government-wide level.

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. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Deferred Inflow of Resources related to OPEB arise from changes in actuarial assumptions. This amount is amortized over a period equal to the average of the expected remaining service lives (in years) of all employees that are provided with benefits through the OPEB plan.

**Employee Benefit Plans and Net Pension Obligation** - The City provides separate defined benefit pension plans for general employees, sanitation employees and for uniformed police and fire department personnel, as well as a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) primarily for directors and other unclassified administrator employees. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457.

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 defined benefit pension 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 and investments are reported at fair value.

**Post-Employment Benefits Other Than Pensions (OPEB)** - Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retired police officers are offered coverage at a discounted premium under the FOP Health Trust that is administered separately from the City's health care plan. For non-police retirees (fire fighters, general employees, sanitation employees and elected officials) and their dependents, the City subsidizes health care coverage and life insurance at a premium equal to the blended group rate.

The City is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City recorded the total OPEB liability in its government-wide financial statements related to the implicit subsidy. The total OPEB liability is measured and reported in

accordance with the requirements of GASB 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions.

### **Unearned Revenues**

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental fund financial statements.

Unearned revenues in the government-wide and governmental funds financial statements at September 30, 2018 are as follows:

<b>Source</b>	<b>Balance</b>
College of Policing - Lease Income	\$ 9,104,753
Skyrise Miami - Lease Income	9,104,531
<b>Total</b>	<b>\$ 18,209,284</b>

### **Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bonds payable as reported includes, bond premiums or discounts. Bond premiums, discounts and prepaid insurance cost are amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 and payment of debt principal, are reported as debt service expenditures.

Under GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations, a pollution remediation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as assessments and clean-ups.

### **Risk Management**

Under the protection of the sovereign immunity limit, Florida Statutes 768.28 and Chapter 440, Florida Statutes covering Workers' Compensation, the City has established a self-insured program to provide coverage for almost all areas of liability including Workers' Compensation, General Liability, Automotive Liability, Police Professional Liability, Public Officials' Liability, and Employment Practices Liability. Section 768.28, Florida Statutes, provides for waiver of sovereign immunity in tort actions or claims against the state and its agencies and subdivisions. The present limit of recovery in the absence of special relief granted by the Florida legislature is \$200,000 per person per claim or judgment. The limit of recovery for all claims or judgments arising out of the same incident or occurrence is \$300,000. The City also provides group health benefits for its active employees, retirees, and their dependents through a fully self-funded health insurance program and uses a commercial carrier as the administrator. The City records a liability for Workers' Compensation, General Liability, Employee Health Programs, Automotive Liability, Police Professional Liability, Public Officials' Liability, and Employment Practices Liability.

## **Net Position**

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investments in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Deferred outflow and inflow of resources that are attributable to acquisition of those assets or related debt are included in this component of net position. Net position is reported as restricted when there are legal limitations imposed on its use by State Statutes, City legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all items that do not meet the definition of either of the other two components. As of fiscal year end the City reported an unrestricted net deficit, which will require future funding to eliminate this deficit amount.

When restricted resources are available for use, it is the City's policy to use restricted resources first as they are needed. Similarly, within fund balance categories committed amounts are reduced first, followed by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of these fund balance classifications could be used.

## **Fund Balance**

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, established the accounting and financial reporting standards for government entities to report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following is a description of the classifications used by the City.

*Nonspendable Fund Balance* – This amount includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of this would be inventory, prepaid assets, and permanent endowments.

*Restricted Fund Balance* – This amount includes amounts that are restricted to specific purposes as stipulated by (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – This amount includes amounts that can only be used for specific purposes pursuant to constraints imposed by the City's highest level of decision making authority which is the City Commission. The commitment can only be revised or removed by adoption of a new resolution.

*Assigned Fund Balance* – This amount includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made directly by formal action of the City Commission.

*Unassigned Fund Balance* – This amount is the residual classification for the general fund. This classification 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. An assigned fund balance cannot result in an unassigned fund balance deficit.

**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

The following schedule classifies the City's fund balances as of fiscal year end September 30, 2018:

<b>City of Miami, Florida</b> <b>Fund Balance Classification</b> <b>Major Governmental Funds</b> <b>September 30, 2018</b>							
	<b>Major Funds</b>				<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>	
	<b>General</b>	<b>Other Capital Projects</b>	<b>Impact Fee</b>	<b>Emergency Services</b>			
<b>FUND BALANCES</b>							
<b>Non Spendable:</b>							
Recycling Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	
Prepaid Items	2,154,528	-	-	-	26,537	2,181,065	
	<u>2,154,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026,537</u>	<u>3,181,065</u>	
<b>Spendable:</b>							
<b>Restricted for:</b>							
Debt Service (Required by Debt Covenants)	-	-	-	-	44,085,896	44,085,896	
Physical Environment	-	-	-	-	84,472	84,472	
Water Sewer Combination	-	6,293,364	-	-	-	6,293,364	
Park Projects	-	10,057,062	-	-	4,153,218	14,210,280	
Capital Improvements	-	9,819,081	88,450,116	-	1,520,713	99,789,910	
Transportation and Transit	5,795,200	14,517,478	-	-	40,800,295	61,112,973	
Housing and Urban Development	-	-	-	-	18,622,080	18,622,080	
Public Safety	-	1,999,251	-	-	7,344,853	9,344,104	
Building	77,086,917	-	-	-	-	77,086,917	
Other Facilities Improvement	-	5,253,083	-	-	4,610,058	9,863,141	
Community Redevelopment Agencies	-	-	-	-	55,393,801	55,393,801	
Other	-	-	-	-	5,845,041	5,845,041	
	<u>82,882,117</u>	<u>47,939,319</u>	<u>88,450,116</u>	<u>-</u>	<u>182,460,427</u>	<u>401,731,979</u>	
<b>Committed to:</b>							
Housing and Urban Development	-	-	-	-	5,511,377	5,511,377	
Capital Improvement	-	5,317,984	-	-	3,899,363	9,217,347	
Transportation Projects	-	14,931,101	-	-	14,920,989	29,852,090	
Public Safety	-	570,790	-	-	3,602,985	4,173,775	
Public Works	-	3,338,969	-	-	-	3,338,969	
Physical Environment	-	3,188,600	-	-	-	3,188,600	
Facilities Improvement	-	7,141,893	-	-	-	7,141,893	
Parks Projects	-	11,696,294	-	-	1,123,741	12,820,035	
Emergency and Disaster Relief	-	14,350,885	-	-	-	14,350,885	
Other	-	10,492,060	-	-	7,559,546	18,051,606	
	<u>-</u>	<u>71,028,576</u>	<u>-</u>	<u>-</u>	<u>36,618,001</u>	<u>107,646,577</u>	
<b>Assigned to:</b>							
Parks Projects	-	2,000,069	-	-	438,907	2,438,976	
Planning Projects	-	-	-	-	59,938	59,938	
Public Facilities Projects	-	12,010,154	-	-	-	12,010,154	
Transportation Projects	-	7,618,855	-	-	-	7,618,855	
Post-Retirement Benefits, Self-Insurance Claims and Other	38,015,621	-	-	-	-	38,015,621	
Other	-	545,230	-	-	1,816,618	2,361,848	
	<u>38,015,621</u>	<u>22,174,308</u>	<u>-</u>	<u>-</u>	<u>2,315,463</u>	<u>62,505,392</u>	
<b>Unassigned:</b>							
Other (deficit)	64,411,285	-	-	(17,474,235)	(32,774)	46,904,276	
<b>Total Fund Balance (deficit)</b>	<u>\$ 187,463,551</u>	<u>\$ 141,142,203</u>	<u>\$ 88,450,116</u>	<u>\$ (17,474,235)</u>	<u>\$ 222,387,654</u>	<u>\$ 621,969,289</u>	

The City's Financial Integrity Principles require the City to maintain a minimum General Fund balance equal to twenty percent, (10% Designated and 10% Unassigned) of the prior three years average of general revenues (excluding transfers). The average three years revenues for fiscal years 2015, 2016, and 2017 were approximately \$644.1 million. Based on this, the City is required to individually retain a designated and unassigned fund balance of approximately \$64.4 million each. The designated Fund Balance may consists of amounts classified as either restricted, committed, or assigned and such designation shall be based on the standard and guidance established, and amended from time to time, by the Governmental Accounting Standards Board (GASB). As of September 30, 2018, the City has approximately \$123.0 million of fund balance which meets the above designated fund balance criteria, and has reported also, an unassigned fund balance of \$64.4 million as required in accordance with the City's Financial Integrity Ordinance for a total Fund Balance of \$187.5 million.

### **Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflow/outflow of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

### **Excess of Expenditures over Appropriations**

The following funds' actual expenditures exceeded appropriations for the year ended September 30, 2018:

<b>Fund</b>	<b>Exceeds Budget Authorization</b>
General:	
City Clerk	\$ 28,705
Innovation and Technology Department	169,794
Capital Improvements and Transportation	75,043
Risk Management	6,977
Building	245,097
Planning	49,945
General Service Administration	510,396
Public Works and Sustainability	534,624
Parks Department	509,057
Special Revenue:	
Midtown CRA	1,800
Debt Service:	
CRA Other Special Obligation Bonds	5,432,176

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level. City departments will work closely with the Budget Department to minimize these instances in the ensuing fiscal year.

## Fund Deficits

The following funds had fund balance deficits in the amounts indicated as of September 30, 2018:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Emergency Special Revenue Fund	\$17,474,235
Homeless Services Special Revenue Fund	32,537
Public Facilities Special Revenue Fund	237

The fund deficit reported as of September 30, 2018, for the Emergency Services Special Revenue Fund is attributed to expenditures exceeding grant reimbursement in the current fiscal year related to Hurricane Irma. The City expects to receive grant reimbursements in the ensuing fiscal year to eliminate the deficit fund balance.

## New Accounting Pronouncements

The following new pronouncements effective for the year ending September 30, 2018 were adopted by the City:

**GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (OPEB)***, the scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers.

The Department of Off-Street Parking (the Authority) implemented GASB Statement No.75 effective October 1, 2017. The Authority has a single-employer OPEB plan that offers post-retirement benefits to eligible employees. GASB Statement No. 75 requires the employer to report the employer's total OPEB liability and OPEB expense, along with the related deferred outflows and inflows of resources of the OPEB plan.

The implementation of GASB Statement No.75 required the Authority to restate the net position and to report the Authority's total OPEB liability and related deferred outflows of resources for the OPEB plan.

Beginning net position has been restated as follows:

Total net position - October 1, 2017, as reported	\$27,597,295
Restatement - GASB Statement No.75 Implementation	(375,565)
Total net position - October 1, 2017, as restated	<u><u>\$27,221,730</u></u>

The implementation of GASB Statement No.75 resulted in the Authority recording deferred outflows of resources of \$27,754 and increasing the total OPEB liability from \$122,928 to \$526,247 as of October 1, 2017 due to the transitioning in the valuation methods under GASB Statement No.45 to GASB Statement No. 75.

The City also implemented GASB Statement No.75 effective October 1, 2017. The City has two separate single-employer OPEB plans that offers post-retirement benefits to eligible retirees.

The implementation of GASB Statement No.75 required the City to restate the net position and to report a total OPEB liability and related deferred outflows of resources for the OPEB plan.

Beginning net position has been restated as follows:

Total net position (deficit) - October 1, 2017, as reported	\$(505,726,701)
Restatement - GASB Statement No.75 Implementation	<u>(173,073,513)</u>
Total net position (deficit) - October 1, 2017, as restated	<u><u>\$(678,800,214)</u></u>

**GASB Statement No. 81, Irrevocable Split-Interest Agreements**, the objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The adoption resulted in no financial impact to the City.

**GASB Statement No. 82, Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73**, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption resulted in no financial impact to the City.

**GASB Statement No. 85, Omnibus 2017**. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption resulted in no financial impact to the City.

**GASB issued Statement No. 86, Certain Debt Extinguishment Issues**. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources; that is, resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The adoption resulted in no financial impact to the City.



## NOTE 2. – DEPOSITS AND INVESTMENTS

### Pooled Cash

The City (excluding the Pension Trust Funds and restricted cash balances) maintains a cash management pool for its cash, cash equivalents, and investments in which each fund and/or account or sub-account of a fund participates on a dollar equivalent and daily transaction basis. Interest income (which includes unrealized gains and losses) is distributed monthly to all eligible funds, accounts and/or sub-account, based on the available cash balance at month end. The yield is determined for these eligible funds, based on the amount of time they are available for investing. A cash balance that is needed within a three month period will receive the yield on a 3 month treasury bill as determined by the current bond market.

### Deposits

**Custodial Credit Risk** – This is the risk in the event of a financial institution failure, the City’s deposits may not be recoverable. In addition to insurance provided by the Federal Deposit Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of Florida to hold public funds. The City’s adopted policy is governed by Florida Statutes Chapter 280, *Security for Public Deposits*, which requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### Investments

As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City Commission.

The City Code authorizes the Director of Finance and/or a designee in his/her absence to purchase and invest idle funds prudently in US Treasuries and obligations of agencies of the United States – provided such are guaranteed by the United States or by the issuing agency; general obligations of states, municipalities, school districts, or other political subdivisions; revenue and excise tax bonds of the various municipalities of the State of Florida – provided none of such securities have been in default within five years prior to date of purchase; negotiable certificates of deposit, bankers acceptance drafts, money market investments, the State Board of Administration Investment Pool, and prime commercial paper.

The State Board of Administration administers the Local Government Surplus Funds Trust Fund which is governed by Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the State of Florida Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission; however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund. These investments are valued using the pooled share price, which is based on amortized cost. The value of the position in the external investment pool is the same as the value of the pool shares.

**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2018

At September 30, 2018, pooled cash, cash equivalents and investments including restricted amounts of the primary government, exclusive of the Pension Trust Funds and discrete component units balances, consisted of the following:

<b>Investment Type</b>	<b>Balance</b>
United States Treasury Notes	\$ 168,093,083
Federal Home Loan Mortgage Corporation	22,286,455
Federal Home Loan Bank	87,708,060
Corporate Notes	45,597,823
Supranational Notes	18,489,562
Commercial Paper	86,827,913
Money Market Fund	7,236,034
Total Investments	436,238,930
Bank Deposits	236,335,848
Total Pooled Cash, Cash Equivalents and Investments	\$ 672,574,778

**Custodial Credit Risk** – This is the risk 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 in the possession of an outside party. The City’s investment policy requires securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City’s name.

As of September 30, 2018, \$49.8 million of the total balance listed above relates to unspent bond and lease proceeds restricted for capital projects. Unspent bond and lease proceeds by debt issue consisted of the following:

<b>Debt Issue</b>	<b>Unspent Debt Proceeds</b>
2009 Homeland Defense	\$ 1,499,776
2009 Streets & Sidewalks	8,491,411
2010B Marlins Garage Taxable	489,314
2014A-1 CRA SEOPW Tax Increment Rev	2,617,048
2014A-2 CRA SEOPW Tax Increment Rev	5,959,549
2018A CRA OMNI Tax Increment Rev	8,883,775
2018B CRA OMNI Tax Increment Rev	7,342,508
2017 Special Obligation Bond	4,146,880
Citywide Radio Equipment Lease	10,410,580
<b>Total</b>	<b>\$ 49,840,841</b>

The City also has an additional \$7.2 million of cash, cash equivalents, and investments restricted for debt service payments.

**Interest Rate Risk** – Interest rate risk is the risk that changes in market 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 the market interest rates.

The City's policy limits the maturity of an investment to a maximum of five years. As of September 30, 2018, the City had the following investments with the respective weighted average maturity in years. The respective weighted average maturities were based on the securities' maturity date.

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity in Years</b>
United States Treasury Notes	\$ 168,093,083	0.54
Federal Home Loan Mortgage Corporation	22,286,455	0.97
Federal Home Loan Bank	87,708,060	0.44
Corporate Notes	45,597,823	1.00
Supranational Notes	18,489,562	1.44
Commercial Paper	86,827,913	0.19
Money Market Fund	7,236,034	Less than 1 year
<b>Total</b>	<b>\$ 436,238,930</b>	

The City's portfolio of Corporate Notes securities includes callable securities. If a callable investment is purchased at a discount or premium, the maturity date is assumed to be the maturity date of the investment. As of September 30, 2018, the City owned callable securities with a fair value of \$6.7 million.

The portfolio's overall weighted average duration was 0.56 years. The City's investment policy dictates the overall weighted average duration of the City's portfolio shall be three (3) years or less at the time of purchase. As of September 30, 2018, the City recorded an unrealized loss of approximately \$0.72 million.

**Credit Risk** – Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy (the Policy), minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. The credit ratings below were consistent among the two major rating agencies (Standard & Poor's and Moody's). The table that follows summarizes the investments by credit rating at September 30, 2018:

<b>Investment Type</b>	<b>Standard &amp; Poor Credit Rating</b>	<b>Moody's Credit Rating</b>	<b>Balance</b>
Federal Home Loan Mortgage Corp.	AA+	Aaa	\$ 22,286,455
Federal Home Loan Bank	AA+	Aaa	87,708,060
Corporate Notes	A-	A3	45,597,823
Commercial Paper	A-1	P-1	86,827,913
Supranational Notes	AAA	Aaa	18,489,562
Money Market Fund	AAAm	Aaa-mf	7,236,034

**Concentration of Credit Risk** – The City’s policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk.

The City’s investment policy allows investment in the following instruments:

<b>Sector</b>	<b>Sector Maximum (%)</b>	<b>Per Issuer Maximum (%)</b>	<b>Minimum Ratings Requirement</b>
U.S. Treasury	100%	100%	Not Applicable
GNMA		40%	
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%	
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB	75%	40%	Not Applicable
Federal Agency/GSE other than those above		10%	
Supranationals where U.S. is a shareholder and voting member	25%	10%	Highest ST or LT Rating Category (A-1/P-1, AAA-/Aaa3, or equivalent)
Foreign Sovereign Governments (OECD countries only) and Canadian Provinces	5%	2%	Highest ST or Two Highest LT Rating Categories (A-1/P-1, AA-/Aa3, or equivalent)
Corporates	25%	5%	Highest ST or Two Highest LT Rating Categories (A-1/P-1, A-/Aa3, or equivalent)
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)
Agency Mortgage-Backed Securities (MBS)	5%	40%	Not Applicable
Asset-Backed Securities (ABS)	5%	5%	Highest ST or LT Rating (A-1+/P-1, AAA/Aaa, or equivalent)
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	10%	None, if fully collateralized	None, if fully collateralized.
Commercial Paper (CP)	35%	5%	Highest ST Rating Category (A-1/P-1, or equivalent)
Repurchase Agreements (Repo or RP)	20%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty’s parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required
Money Market Funds (MMFs)	25%	25%	Highest Fund Rating by all NRSROs that rate the fund (AAAm/Aaa-mf, or equivalent)
Intergovernmental Pools (LGIPs)	25%	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs that rate the LGIP, (AAAm/AAAf, S1, or equivalent)
Florida Local Government Surplus Funds Trust Funds (“Florida Prime” or “SBA”)	25%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)

As of September 30, 2018, the following issuers represent 5 percent or more of the City's investment portfolio:

<b>Issuer</b>	<b>Percentage</b>
United States Treasury Notes	39%
Federal Home Loan Bank (FHLB)	20%
Federal Home Loan Mortgage Corporation (FHLMC)	5%

**Fair Value Measurements** – The City categorizes its investments within the fair value hierarchy levels established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments measured and reported at fair value are classified and disclosed in one of the following categories. Level 1 inputs are investments traded in an active market with available quoted prices for identical assets as of the reporting date. Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for an asset or liability, either directly or indirectly, as of the reporting date. Level 3 inputs are investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date. All of the City's investments are categorized as Level 2.

The following table summarizes the valuation of the City's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2018:

		<b>Fair Value Measurements Using</b>
<b>Investments by Level:</b>	<b>Fair Value</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>Debt Securities:</b>		
United States Treasury Notes	\$ 168,093,083	\$ 168,093,083
Federal Home Loan Mortgage Corp.	22,286,455	22,286,455
Federal Home Loan Bank	87,708,060	87,708,060
Corporate Notes	45,597,823	45,597,823
Supranational Notes	18,489,562	18,489,562
Commercial Paper	86,827,913	86,827,913
Money Market Fund	7,236,034	7,236,034
<b>Total Investments by fair value level</b>	<b>\$ 436,238,930</b>	<b>\$ 436,238,930</b>

**City of Miami Firefighters and Police Officers Retirement Trust (FIPO)**

FIPO's investment policy is determined by its Board of Trustees and has engaged outside investment professionals to manage the assets of the Trust. 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 property, real, personal or mixed and investments specifically including, bonds, debentures and other corporate obligations, and stocks, preferred or common.

Alternative investments of FIPO include private equity, private debt, venture capital and equity real estate investments where no readily ascertainable market value exists. Management, in consultation with the general partner and investment advisors, have determined the fair values for the individual investments based upon net asset value per the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2018. Please refer to Pension Note 10 for additional detail regarding FIPO.

FIPO has adopted the following asset allocation policy as of September 30, 2018:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>
Core Fixed Income	29%
Domestic Equity	26%
International Equity	17%
Real Estate	11%
Absolute Return	11%
Infrastructure	2%
Private Equity	4%
	<u>100%</u>

**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, FIPO 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 fair values of FIPO's investments to market interest rate fluctuations is provided by the following table that shows the distribution of FIPO's investments by maturity at September 30, 2018:

	<u>U.S Treasuries</u>	<u>U.S Agencies</u>	<u>Corporate Bonds</u>	<u>Total</u>
Fair Value	\$ 42,785,559	\$ 77,387,186	\$ 248,446,185	\$ 368,618,930
Investment Maturities:				
Less than 1 Year	482,519	10	9,671,718	10,154,247
1 to 5 year	30,687,534	548,964	69,410,745	100,647,243
6 to 10 year	4,857,405	4,108,634	143,105,676	152,071,715
More than 10 Years	6,758,101	72,729,578	26,258,046	105,745,725

**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. FIPO's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings, at September 30, 2018:

<u>Investment Type/ Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. Agencies	\$ 77,387,186	20.99%
U.S. Treasuries	42,785,559	11.61%
U.S. Government guaranteed*	120,172,745	32.60%
Credit risk debt securities:		
AAA	2,472,840	0.67%
AA+	7,366,395	2.00%
AA	2,579,625	0.70%
AA-	6,032,533	1.64%
A+	10,643,930	2.89%
A	14,109,867	3.83%
A-	26,509,745	7.19%
BBB+	40,500,746	10.99%
BBB	27,934,652	7.58%
BBB-	13,123,756	3.56%
BB+ and Lower	712,250	0.19%
Not Rated	96,459,846	26.17%
<b>Total</b>	<b>248,446,185</b>	<b>67.40%</b>
<b>Grand Total</b>	<b>\$ 368,618,930</b>	<b>100.00%</b>

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



**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty to a transaction, 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 the Plan’s custodial bank and registered in the Plan’s name. All of the FIPO deposits are insured or collateralized by a financial institution separate from FIPO’s depository financial institution.

**Concentration of Credit Risk** – The investment policy of FIPO 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 percent or more of FIPO’s fiduciary net position at September 30, 2018.

**Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. FIPO may have exposure to foreign currency risk to the extent its investments contain non-U.S. dollar denominated holdings in foreign countries. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the investment manager uses them in many cases

FIPO has an indirect exposure to foreign currency fluctuation as follows:

<b>Currency</b>	<b>Holdings valued in U.S. Dollars - International Equities</b>
Swiss Franc	\$ 14,763,777
Australian Dollar	5,296,435
Brazilian Real	882,454
British Pound Sterling	32,251,918
Canadian Dollar	6,278,645
Danish Krone	629,421
Euro	57,629,121
Hong Kong Dollar	18,423,125
Indonesian Rupiah	221,885
Japanese Yen	31,708,430
Mexican Peso	1,387,007
Norwegian Krone	837,806
Singapore Dollar	4,717,967
South Korean Won	4,237,706
Swedish Krona	5,631,487
Taiwan Dollar	4,970,142
Other	3,717,660
<b>Total</b>	<b>\$ 193,584,986</b>



**Securities Lending Transactions** – A retirement system is authorized by state statutes and board of trustees’ policies to lend its investment securities. The lending is managed by FIPO’s custodial bank. All loans can be terminated on demand by either FIPO or the borrowers. The average term of loans outstanding at September 30, 2018, is approximately 67 days. The custodial bank and its affiliates are prohibited from borrowing FIPO’s securities.

The agent lends FIPO’s U.S. government and agency securities and domestic corporate fixed-income and equity securities for securities or cash collateral of 102 percent of the value of the securities plus any accrued interest and international securities of 105 percent of the market value of the securities plus any accrued interest. The securities lending contracts do not allow FIPO to pledge or sell any collateral securities unless the borrower defaults. Cash collateral is invested in the agent’s collateral investment pool, whose share values are based on the amortized cost of the pool’s investments. Investments are restricted to issuers with a credit rating A3 or A- or higher by Moody’s or Standard & Poor’s. At year-end, the pool has a weighted average term to maturity of 30 days, respectively. The relationship between the maturities of the investment pool and FIPO’s loans is affected by the maturities of the securities’ loans made by other entities that use the agent’s pool, which FIPO cannot determine. There are policy restrictions by the custodial bank that limits the amount of securities that can be lent at one time or to one borrower.

The following represents the balances relating to securities lending transactions at September 30, 2018:

<b>Securities Lent:</b>	<b>Fair Value of Underlying Securities</b>	<b>Cash Collateral Received/Securities Collateral Value</b>	<b>Cash Collateral Investment Value</b>
Lent for cash collateral:			
U.S. Government and Agency Obligations	\$ 28,963,383	\$ 29,586,357	\$ 29,586,358
International Equities	1,589,186	1,677,025	1,677,025
Domestic Corporate Stocks	85,440,031	87,610,361	87,610,361
Domestic Corporate Bonds	24,212,495	24,847,191	24,847,191
<b>Total</b>	<b>\$ 140,205,095</b>	<b>\$ 143,720,934</b>	<b>\$ 143,720,935</b>

The contract with FIPO’s custodian requires the custodian to indemnify FIPO if the borrower fails to return the securities, due to the insolvency of a borrower, and the custodian has failed to live up to its contractual responsibilities relating to the lending of those securities. At year-end, FIPO has no credit risk exposure to borrowers because the amounts of collateral held by FIPO exceed the amounts the borrowers owe FIPO. There are no significant violations of legal or contractual provisions, no borrowers or lending agent default losses, and no recoveries of prior period losses during the year. There is no income distributions owing on securities lent.

The following table details FIPO investments as of September 30, 2018:

	<u>Amount</u>
Investments, at fair value:	
Debt Securities (Domestic):	
U.S. Treasuries	\$ 42,785,559
U.S. Agencies	77,387,186
U.S. Government Obligations	<u>120,172,745</u>
Corporate Bonds:	
Corporate Bonds	115,780,448
Asset Backed Securities	8,375,154
Mortgage Backed Securities	2,046,115
Guaranteed Fixed Income	91,830,963
Debt Securities (International):	
International Government Bonds	2,913,325
International Corporate Bonds	27,500,180
Corporate Bonds	<u>248,446,185</u>
Corporate Stocks	478,187,607
International Equity	258,016,522
Mutual Funds	-
Real Estate	179,279,484
Private Equity	156,839,046
Absolute Return Funds	75,013,697
<b>Total Investments</b>	<u>\$ 1,515,955,286</u>

**Fair Value Measurements** – The FIPO Trust categorizes its investments within the fair value hierarchy established by GASB 72.

The Trust has established a framework to consistently measure the fair value of the Trust's assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance. This framework has been provided by establishing valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Trust's assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

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The following table summarizes the valuation of the FIPO Trust's investments in accordance with the GASB 72 fair value hierarchy levels as of September 30, 2018:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by level:</b>	<b>Balance</b>			
<b>Debt Securities:</b>				
Government and Agency Obligations	\$ 44,979,035	\$ -	\$ 44,979,035	\$ -
Municipal/Provincial Obligations	78,107,035	-	\$78,107,035	-
Asset Backed Securities	8,375,154	-	\$8,375,154	-
Mortgage Backed Securities	2,046,115	-	\$2,046,115	-
Corporate Bonds	143,280,628	-	\$143,280,628	-
Mutual Fund Investment	128,176,441	128,176,441	-	-
	13,428,111	-	13,428,111	-
<b>Total Debt Securities</b>	<b>418,392,519</b>	<b>128,176,441</b>	<b>290,216,078</b>	
<b>Equity Securities:</b>				
Domestic Equities	306,328,977	306,328,977	-	-
International Equities	229,255,954	229,255,954	-	-
<b>Total Equity Securities</b>	<b>535,584,931</b>	<b>535,584,931</b>	<b>-</b>	<b>-</b>
<b>Alternative Investments:</b>				
Private Equity	156,839,046	-	-	156,839,046
Real Estate Equity	179,279,484	-	-	179,279,484
<b>Total Alternative Investments</b>	<b>336,118,530</b>	<b>-</b>	<b>-</b>	<b>336,118,530</b>
<b>Total Investments by fair value level</b>	<b>1,290,095,980</b>	<b>\$ 663,761,372</b>	<b>\$ 290,216,078</b>	<b>\$ 336,118,530</b>
<b>Investments Measured at The Net Asset Value (NAV)</b>				
Commingled Domestic Fixed Income Funds	78,402,852			
Commingled International Equity Funds	28,761,868			
Commingled Domestic Equity Funds	171,857,331			
Absolute Return Funds	75,013,697			
DROP Trust Investment, at contract value	26,264,409			
<b>Total Investments measured at the NAV</b>	<b>380,300,157</b>			
<b>Total Investments</b>	<b>\$ 1,670,396,137</b>			

**Debt Securities** - Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, and foreign debt securities. 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 included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

**Equity Securities** - These include domestic and international equities. Domestic 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 upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2018. Securities which are not traded on a national security 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.

**Alternative Investments** - These investments include private equity and real estate equity investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2018. The estimated fair value of these investments may differ from values that would be used had a ready market existed.

The following table displays information regarding the FIPO Trust's investments that use net asset value (NAV) per share (or equivalent) to value investments.

<b>Investment Type</b>	<b>Balance</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Commingled Domestic Fixed Income Funds	\$ 78,402,852	Daily	Same day
Absolute Return Funds	75,013,697	Quarterly	30 Days
Commingled International Equity Funds	28,761,868	Daily	Same day
Commingled Domestic Equity Funds	171,857,894	Daily	Same day
Mutual Funds	26,264,409	Daily	Same day
<b>Total Investments Measured at the NAV</b>	<b>\$ 380,300,720</b>		

Commingled domestic fixed income funds consist of two commingled investment vehicle which primarily invests in publicly traded domestic commercial mortgage backed securities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Absolute return funds aim to provide positive investment returns in all market conditions over the medium to long-term. The funds are actively managed, with a wide investment remit to target a level of return over rolling three-year periods equivalent to cash plus five percent a year, gross of fees. They exploit market inefficiencies through active allocation to a diverse range of market positions. The funds use a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. The funds can take long and short positions in markets, securities and groups of securities through derivative contracts.

Commingled international equity funds consist of a commingled investment vehicles which invest primarily in publicly traded global equity securities. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Commingled domestic equity funds consist of three comingled investment vehicle which invests primarily in publicly traded equity securities. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. They are determined to be actively traded.

### **GESE Pension Trust Funds**

Investments for the City of Miami Employees and Sanitation Employees Retirement Trust (GESE Trust) and the City of Miami General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (Staff Trust), as of September 30, 2018, are as follows:

<b>Investment Type</b>	<b>Balance</b>	
	<b>GESE Trust</b>	<b>Staff Trust</b>
U.S.Government and Agency Securities	\$ 107,958,385	\$ -
Corporate Stocks	499,478,556	3,164,224
Corporate Bonds	68,574,982	1,016,069
	676,011,923	4,180,293
Money Market Funds and Commercial Paper	25,319,528	-
<b>Total Investments</b>	<b>\$ 701,331,451</b>	<b>\$ 4,180,293</b>

**Fair Value Measurements** – The GESE Trust and Staff Trust categorizes its investments in accordance with the fair value hierarchy established by GASB 72.

The following table summarizes the valuation of the GESE Trust and Staff Trust investments in accordance with the GASB 72 fair value hierarchy levels as of September 30, 2018:

	GESE Trust Balance	Staff Plan Balance	Fair Value Measurements Using	
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by level</b>				
<b>Debt Securities:</b>				
US Government and Agency Securities	\$ 68,975,995	\$ -	\$ 38,099,245	\$ 30,876,750
Corporate Bonds	68,574,982	-	8,231,522	60,343,460
Mortgage Bonds	38,982,389	-	6,173,347	32,809,042
<b>Total Debt Securities</b>	<b>176,533,366</b>	<b>-</b>	<b>52,504,114</b>	<b>124,029,252</b>
<b>Equity Securities:</b>				
Corporate Stocks	293,225,758	-	293,225,758	-
Real Estate Equity	-	-	-	-
<b>Total Equity Securities</b>	<b>293,225,758</b>	<b>-</b>	<b>293,225,758</b>	<b>-</b>
<b>Total Investments by fair value level</b>	<b>469,759,124</b>	<b>-</b>	<b>\$345,729,872</b>	<b>\$124,029,252</b>
<b>Investments Measured at The Net Asset Value (NAV)</b>				
International Equities Commingled	59,582,376	-		
Domestic Commingled Funds	146,670,422	-		
Money Market Funds	25,319,528	-		
(Staff)	-	4,180,293		
<b>Total Investments measured at the NAV</b>	<b>231,572,326</b>	<b>4,180,293</b>		
<b>Total Investments Measured at Fair Value</b>	<b>\$701,331,450</b>	<b>\$ 4,180,293</b>		

**Debt Securities** - Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, TIPS and foreign debt securities. 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 upon the specifics of the investment's type.

**Equity Securities** - These include domestic and international equities. Domestic 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 upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2018. Securities which are not traded on a national security 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.

The following table displays information regarding the GESE Trust and Staff Trust investments that use Net Asset Value (NAV) per share (or equivalent) as their fair value measurement:

<b>Investment Type</b>	<b>Balance</b>	<b>Redemption Frequency</b>
International Equities Commingled	\$ 59,582,376	Monthly
Domestic Commingled Funds SSGA	146,670,422	Daily
Money Market Funds	25,319,528	Daily
Staff- (Vanguard)	4,180,293	Daily
<b>Total Investment Measured at the NAV</b>	<b>\$ 235,752,619</b>	

### **GESE Trust**

The investment policy, approved by the Board of Trustees for the GESE Trust, stipulates the permissible investments and the allowable long-range asset allocation, measured at market value at the end of each quarter. The investment objectives are to achieve rates of return that equal or exceed actuarial interest rate, and performance results that rank in the top half of the investment consultants universal database, over a rolling three-year period, without undue risk. Compliance with the investment policy is monitored by the GESE Trust's investment consultant. The Board of Trustees for the GESE Trust has engaged outside investment professionals to manage the assets of the GESE Trust. The GESE Trusts are potentially exposed to various types of investment risk including credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Please refer to Pension Note 10 for additional detail regarding GESE Trust.

The GESE Trust has adopted the following asset allocation policy as of September 30, 2018:

<b>Asset Class</b>	<b>Target Allocation</b>
U.S Large Cap Equity	48%
U.S Small Cap Equity	9%
International Equity	10%
U.S Fixed Income	30%
Real Estate	0%
Cash and Other	3%
	<u>100%</u>

**Interest Rate Risk** – The GESE Trust limits the maturities of investments to control this risk. The GESE Trust investment policy requires that the average maturity of the fixed-income asset class be targeted within a range of three to ten years. In addition, each manager is expected to keep its maturity at +/- one year of the benchmark duration. The GESE Trust utilizes duration to manage its risk to changes in interest rates.

The following represents investment value and weighted average maturity of the GESE Trust investments at September 30, 2018:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Avg. Maturity Years</b>
Other Government	\$ 351,000	11.94
Asset - Backed	2,503,000	1.32
Corporate Bonds - Bank	15,350,000	1.84
Corporate Bonds - Finance	14,996,000	3.68
Corporate Bonds - Industrial	26,974,000	5.86
Corporate Bonds - Transportation	1,515,000	5.90
Corporate Bonds - Electric Utility	1,747,000	8.95
US Treasury Bonds	11,738,000	17.11
US Treasury Notes	57,639,000	4.96
US Agency	4,260,000	0.14
Yankee - Finance	1,021,000	3.12
Yankee - Industrial	1,906,000	6.89
Mortgages	37,963,000	20.96
Foreign Bonds	810,000	-
<b>Total</b>	<b>\$ 178,773,000</b>	

**Credit Risk** – The GESE Trust utilizes portfolio diversification as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The GESE Trust's Investment Policy limits credit risk by requiring fixed-income securities to be rated by Moody's as a Baa3/BBB- or better. However, a maximum of 20 percent of each manager's portfolio may be invested in high yield securities rated by Moody's/S&P as Caa/CCC or better.



At September 30, 2018, the following table displays Moody's ratings and the fair value of GESE Trust's fixed-income portfolio investments:

<b>Investment Type/Rating</b>	<b>Fair Value</b>
US Treasury*	\$ 69,379,000
US Agency*	4,260,000
Other Government**	351,000
Asset-Backed**	2,503,000
Mortgages**	37,962,000
Aaa	496,000
Aa	3,318,000
A	36,813,000
Baa	21,447,000
Ba	976,000
B	325,000
Not Rated	133,000
Cash	810,000
<b>Total</b>	<b>\$ 178,773,000</b>

\* Implied AAA rating

\*\* There is no rating classification for these investments

**Custodial Credit Risk** – This is the risk that in the event of the failure of the counterparty, the GESE Trust will not be able to recover the value of its investments that are in the possession of an outside party. The GESE Trust utilizes an independent custodial safekeeping agent for its investments. The GESE Trust's custodial credit is limited because its investments are registered in the name of the plan.

**Concentration of Credit Risk** – The GESE Trust utilizes limitations on securities of a single issuer or industry to manage this risk. The GESE Trust investment policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7 percent (at market) of the value of the portfolio. Single industry weightings will be a maximum of 25 percent, except U.S. government and agency securities. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. At September 30, 2018, the GESE Trust did not have any corporate bond investments with issuers greater than 5 percent.

**Foreign Currency Risk** – The GESE Trust Investment policy allows a maximum of 20 percent of each manager's portfolio to be invested in aggregate to Yankee bonds, foreign credits, Eurodollar bonds, and Rule 144A securities. At September 30, 2018, the GESE Trust did not have any foreign denominated fixed income investments.

**Staff Trust**

The investment policy for the Staff Trust was determined by the Board of Trustees and is monitored by the Staff Trust's investment consultant. The policy stipulates the permissible investments, and the allowable long-range asset allocation, measured at market value, at the end of each quarter. The investment objectives are to achieve rates of return that equal or exceed actuarial interest assumption rate, and performance results that rank in the top half of the investment consultants universe database, over a rolling three-year period, without undue risk. The Board of Trustees has engaged outside investment professionals to manage the assets for the Staff Trust.

The Staff Trust has adopted the following asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S Large Cap Equity	48%
U.S Small Cap Equity	9%
International Equity	10%
U.S Fixed Income	30%
Cash and Other	<u>3%</u>
	100%

**Interest Rate Risk** – The Staff Trust limits the maturities of investments to control this risk. The Staff Trust investment policy requires that the average duration of the fixed-income asset class be targeted within a range of three to ten years. In addition, the manager is expected to keep its duration at +/- one year of the benchmark duration. The effective duration of held passive mutual funds is 6.1 years.

**Credit Risk** – The Staff Plan utilizes portfolio diversification in order to limit this risk as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The Staff Plan Investment Policy limits credit risk by requiring all fixed income securities to be rated by Moody's/S&P as a Baa3/BBB- or better.

The Board of Trustees for the GESE Trust has elected to hire outside investment professionals to manage the assets for the Staff Trust. As of September 30, 2018, the fixed income assets of the Staff Trust were invested in a mutual fund managed passively by Vanguard.

The value of the fixed income portfolio was approximately \$1,019,800. Vanguard manages the assets in accordance with the investment policy statement approved by the trustees.

The table below summarizes Staff Trust investments by credit rating at September 30, 2018:

<b>Investment Type/Rating</b>	<b>Fair Value</b>
Government*	\$ 678,200
Aaa	18,400
Aa	46,900
A	120,300
Baa	156,000
<b>Total</b>	<b>\$ 1,019,800</b>

\* Implied AAA rating

**Custodial Credit Risk** – This 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. The Staff Trust utilizes an independent custodial safekeeping agent for its investments. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds are registered in the Plan’s name. All cash in each money manager’s portfolio is swept into a money market mutual fund on a daily basis.

**Concentration of Credit Risk** – The Staff Trust utilizes limitations on securities of a single issuer or industry to manage this risk. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. The Staff Trust investment policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 20 percent (at market) of the value of the portfolio. Single industry weightings will be a maximum of 20 percent, except U.S. government and agency securities. As of September 30, 2018, the Staff Trust did not have any positions with issuers greater than 5 percent.

**Foreign Currency Risk** – The Staff Trust Investment policy prohibits investments in foreign currency denominated securities and is therefore not exposed to foreign currency risk.

#### **Elected Officer’s Retirement Trust (EORT)**

The EORT Trust follows the City’s investment policy. As September 30, 2018, the investments of EORT are as follows:

<b>Investment Type</b>	<b>Fair Value</b>
U.S. Treasuries	\$ 2,490,225
Federal National Mortgage Association	1,993,940
Federal Home Loan Bank	1,997,340
Money Market Fund	721,637
<b>Total</b>	<b>\$ 7,203,142</b>

The EORT has the following target asset allocation as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S Fixed Income	80%
Cash	<u>20%</u>
	100%

**Interest Rate Risk** – Interest rate risk is the risk that as market rate changes the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rate. The City’s investment policy limits the maturity of an investment to a maximum of 5 years. As of September 30, 2018, EORT had the following investments with the respective weighted average maturity in years.

The respective weighted average maturities were based on the securities call date, not the maturity date.

<u>Investment Type</u>	<u>Weighted Average Maturity In Years</u>
United States Treasury Notes	0.33
Federal National Mortgage Association	0.33
Federal Home Loan Bank	0.33
Money Market Funds	Less than 1 year

The investments at September 30, 2018, were in compliance with the City’s investment policy at the time of purchase.

**Credit Risk** – The Plan’s investment policy minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Investments in the State Board of Administration, The Local Government Surplus Funds Trust Fund, do not have a rating from the NRSRO. Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. At September 30, 2018, all of the Plan’s investments were held in Government Agencies and Money Market Funds. Money Market Funds are authorized by the City’s investment policy, but are not rated by the major rating agencies.

**Custodial Credit Risk** – This 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. The EORT Plan utilizes an independent custodial safekeeping agent for its investments. All investments are held by the plans custodial bank and registered in the plan’s name.

**Concentration of Credit Risk** – The Plan’s policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The policy provides that a maximum of 20 percent of the portfolio may be invested in SEC registered money market funds with no more than 10 percent to any single money market fund. A maximum of 100 percent of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100 percent

of the total portfolio may be invested in U.S. Government securities and federal instruments, with a limit of 25 percent invested in any one issuer of federal instruments. A maximum of 35 percent of the portfolio may be invested in prime commercial paper with a maximum of 5 percent with any one issuer. A maximum of 10 percent of the portfolio may be invested in banker's acceptances with a maximum of 5 percent with any one issuer. At September 30, 2018, the EORT Trust did not have any positions with issuers greater than 5 percent.

**Fair Value Measurements** – The EORT categorizes its investments within the fair value hierarchy established by GASB 72.

The following table summarizes the valuation of the EORT's investments in accordance with GASB 72 fair value hierarchy levels as of September 30, 2018:

	<b>Fair Value</b>	<b>Fair Value Measurements Using Significant Other Observable Inputs (Level 2)</b>
<b>Investments by level:</b>		
<b>Debt Securities:</b>		
Federal Home Loan Bank	\$ 1,997,340	\$ 1,997,340
Money Market Fund	721,637	721,637
United States Treasury Notes	2,490,225	2,490,225
Federal National Mortgage Association	1,993,940	1,993,940
<b>Total Investments by fair value level</b>	<b>\$ 7,203,142</b>	<b>\$ 7,203,142</b>

### NOTE 3. – RECEIVABLES

Receivables at year-end for the City in individual major and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

Receivables	General	Other Capital Projects	Impact Fee	Emergency Services	Non-Major Govt Funds	Total
Accounts	\$ 49,357,692	\$ 2,099,650	\$ 252,033	\$ -	\$ 5,633,928	\$ 57,343,303
Property Tax	2,664,532	-	-	-	216,844	2,881,376
Due From Other Governments	6,912,043	16,103,469	-	6,444,780	13,857,236	43,317,528
Loans Receivable	-	-	-	-	13,823,713	13,823,713
Gross Receivables	58,934,267	18,203,119	252,033	6,444,780	33,531,721	117,365,920
Less: Allowance for Uncollectibles	(18,654,834)	(2,098,050)	(252,033)	-	(15,561,177)	(36,566,094)
<b>Net Total Receivables</b>	<b>\$ 40,279,433</b>	<b>\$ 16,105,069</b>	<b>\$ -</b>	<b>\$ 6,444,780</b>	<b>\$ 17,970,544</b>	<b>\$ 80,799,826</b>

The City, the County, HUD and Parrot Jungle and Gardens of Watson Island Inc. (Jungle Island) entered into various agreements that allowed Jungle Island to obtain a \$13.8 million loan as presented above as loan receivable for the City, to fund construction of the Parrot Jungle Project.

On November 17, 2011, the City, Miami-Dade County, and the U.S. Department of Housing and Urban Development (“HUD”) amended their May 13, 2001 Assumption of Loan Guarantee Assistance Liability and Pledge Agreement in order to refinance the Parrot Jungle Project HUD Section 108 Loan under a new note at a lesser interest rate for the then outstanding principal amount of \$15.6 million. The refinancing under the new note remained in accordance with the pro-rata payment obligations under a continuing agreement for the Parrot Jungle Project HUD Section 108 Loan, whereby the City’s pro-rata payment obligations remain 80 percent and the County’s pro-rata payment obligations remain 20 percent.

The City and the County have multiple continuing agreements, which have been amended over time with Parrot Jungle and Gardens of Watson Island, Inc. and its various related entities (now known collectively as “Jungle Island”), regarding, *inter alia*, (1) the borrowing by Jungle Island of the Parrot Jungle Project HUD Section 108 Loan proceeds from the County and the City, (2) the leasing by Jungle Island of City-owned property for the construction of the Project, (3) City and County payments to HUD for the Parrot Jungle Project HUD Section 108 Loan due to Jungle Island’s inability to pay during construction and start-up of the Project, and (4) another loan from the City to Jungle Island of \$800,000 for the payment of ad valorem taxes on the Jungle Island property to the County. At this time, Parrot Jungle’s payment obligations to the City are as follows:

1. **Parrot Jungle Project HUD Section 108 Loan Deferred Payments** will begin August 1, 2019 to repay the City’s approximately \$13.8 million. The City has recorded an allowance for the full amount of this receivable.
2. **Regular Lease Rent Payments** began April 1, 2013, whereby Jungle Island will pay the rent based upon a “Gross Revenues” monthly calculation. As of September 30, 2018, rental payment to the City are current.

3. **Deferred Lease Rent Payments** due from Jungle Island to the City based upon a minimum rent/percentage rent calculation formula. The deferred rent amounts to \$1.6 million and any percentage rent due. Jungle Island shall pay to the City the deferred rent on or before December 31, 2020. Given the uncertainty of the collections related to this amount, it is not recognized in the City's financial statements.

### **Single-Family Homeownership and Rehabilitation Programs**

Single-family home rehabilitation and homeownership programs funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Loan Program (HOME), American Dream Down Payment Initiative (ADDI), State Housing Initiative Partnership Program (SHIP) and Affordable Housing Trust Fund, generally are repaid when the related properties are transferred or sold. If the property is transferred or sold before the end of the loan period, the proceeds from the repayment including interest, if any, are then returned to the program to assist additional low-income families. If the homeowners remain in their homes for the full term of the deferred loan, the loan is forgiven and becomes a grant. A mortgage or a covenant is placed against the property to ensure the repayment of the loan and interest. Given the nature of these loans, collection is not assured, consequently they are not recognized in the City's financial statements.

A summary of single-family, deferred long-term loans that are not recognized in the City's financial statements, as of September 30, 2018, are as follows:

<b>Program</b>	<b>Loans Outstanding</b>	<b>Amount</b>
CDBG	52 loans	\$ 2,092,224
HOME	552 loans	25,335,813
SHIP	309 loans	15,610,723
Other	35 loans	1,793,602
<b>Total</b>	<b>948 loans</b>	<b>\$ 44,832,362</b>

### **Multi-Family Rental Loans**

As of September 30, 2018, there are 103 projects aggregating to \$82.3 million for new construction or rehabilitation of multi-family units, which under the terms of the loan agreement are to be repaid if program conditions are not met. Home ownership unit loans are usually forgiven to the developer and transferred to the home buyer. The home buyer loans are usually amortizable or deferred during the life of the affordability period. Such loans will be forgiven and become grants if the homeowners remain in their homes during the full term of the loan. Given the nature of these loans, collections are not assured, consequently they are not recognized in the City's financial statements.

### **Economic Development Commercial Loans**

As of September 30, 2018, there are 9 loans aggregating to \$7.5 million for special economic development projects under the CDBG program. Those projects are collateralized by placing a mortgage against the property of the business or non-profit entity's assets to ensure repayment of the loan and interest to the City. Some of these loans are written with no interest payment or deferred payments and are forgivable, if all program conditions are met. Given the nature of these loans, collection is not assured, consequently they are not recognized in the City's financial statements.

### **NOTE 4. – PROPERTY TAXES**

Property taxes are assessed according to the value determined by the Miami-Dade County Property Appraiser on January 1<sup>st</sup> of each year and are due, with discounts of one to four percent allowed if paid prior to March 1<sup>st</sup> of the following calendar year. In accordance with Florida Statute 197.122, taxes become an enforceable lien on the assessed property at this time. Taxes are levied after the millage rate is certified in September of each year. Taxpayers also have the option of paying their taxes in advance in equal quarterly payments based on the prior year's tax assessment with quarterly discounts varying between 2 percent and 4 percent. All unpaid taxes on real and personal property become delinquent on April 1<sup>st</sup> and bear interest at 18 percent until a tax sale certificate is sold at auction. The County bills and collects all property taxes for the City, and sells tax certificates for delinquent taxes.

The assessed value of property, as established by the Miami-Dade County Property Appraiser, at January 1, 2017, upon which the 2017-2018 levy was based, was \$53.4 billion. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to ten dollars per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation long-term debt. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services (other than the payment of principal and interest on general obligation long-term debt) for the year ended September 30, 2018, was \$7.58650 per \$1,000. The debt service tax rate for the same period was \$0.4435 per \$1,000.

Property taxes receivable reported in the government-wide statement of net position and the governmental funds balance sheet represent amounts due for unpaid delinquent property taxes at September 30, 2018. Property taxes that are not considered "available" have been reported as deferred inflows in the governmental funds balance sheet.



## NOTE 5. – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2018:

	Primary Government			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 103,511,914	\$ 7,961,130	\$ (84,570)	\$ 111,388,474
Construction in progress	83,996,468	48,253,853	(28,075,862)	104,174,459
<b>Total Capital Assets, not being depreciated</b>	<b>187,508,382</b>	<b>56,214,983</b>	<b>(28,160,432)</b>	<b>215,562,933</b>
Depreciable Assets:				
Buildings	354,840,090	4,014,684	-	358,854,774
Improvements	303,419,073	8,166,233	-	311,585,306
Machinery and equipment	257,924,474	23,028,374	(7,200,728)	273,752,120
Infrastructure	1,417,084,546	9,180,214	(84,103)	1,426,180,657
<b>Total capital assets being depreciated</b>	<b>2,333,268,183</b>	<b>44,389,505</b>	<b>(7,284,831)</b>	<b>2,370,372,857</b>
Less Accumulated Depreciation for:				
Buildings	134,142,924	8,316,168	-	142,459,092
Improvements	196,850,181	21,740,561	-	218,590,742
Machinery and Equipment	186,428,648	23,417,772	(6,753,596)	203,092,824
Infrastructure	874,049,792	34,580,064	(77,621)	908,552,235
<b>Total accumulated depreciation</b>	<b>1,391,471,545</b>	<b>88,054,565</b>	<b>(6,831,217)</b>	<b>1,472,694,893</b>
<b>Total capital assets being depreciated, net</b>	<b>941,796,638</b>	<b>(43,665,060)</b>	<b>(453,614)</b>	<b>897,677,964</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,129,305,020</b>	<b>\$ 12,549,923</b>	<b>\$ (28,614,046)</b>	<b>\$ 1,113,240,897</b>

Depreciation expense was charged to governmental functions as follows:

Function/Program Activities	Depreciation Expenses
General Government	\$ 49,226,310
Planning and Development	491,583
Community Development	170,446
Community Redevelopment Areas	1,280,280
Public Works	7,069,728
Public Safety	15,934,052
Public Facilities	3,426,717
Parks and Recreation	10,455,449
<b>Total depreciation expense</b>	<b>\$ 88,054,565</b>

## Construction Commitments

As of September 30, 2018, the City had various construction projects in progress that were not completed with remaining balances that totaled approximately \$49.5 million. Funding of these projects will be made primarily from proceeds of the bond issues, loans, future tax revenues and grants.

### Discretely Presented Component Units Capital Assets

The following is a summary of changes in capital assets of the City's component units during the year ended September 30, 2018:

MSEA, CIP, and WBID did not have any capital asset balances at September 30, 2018.

A summary of the changes in capital assets for Department of Off-Street Parking (DOSP) is as follows:

	DOSP			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assests, not being depreciated:				
Land	\$ 5,937,211	\$ -	\$ -	\$ 5,937,211
Construction in progress	2,294,467	4,060,810	-	6,355,277
<b>Total capital assets, not being depreciated</b>	<b>8,231,678</b>	<b>4,060,810</b>	<b>-</b>	<b>12,292,488</b>
Capital assets being depreciated				
Building and structures	68,291,487	340,015	-	68,631,502
Leasehold improvements	10,936,777	115,848	-	11,052,625
Furniture and fixtures	874,970	-	-	874,970
Equipment	13,341,018	1,118,825	(121,740)	14,338,103
<b>Total capital assests being depreciated</b>	<b>93,444,252</b>	<b>1,574,688</b>	<b>(121,740)</b>	<b>94,897,200</b>
Less accumulated depreciation for:				
Building and structures	28,054,517	1,937,181	-	29,991,698
Leasehold improvements	10,106,396	146,076	-	10,252,472
Furniture and fixtures	501,964	53,721	-	555,685
Equipment	11,748,604	516,986	(99,651)	12,165,939
<b>Total accumulated depreciation</b>	<b>50,411,481</b>	<b>2,653,964</b>	<b>(99,651)</b>	<b>52,965,794</b>
<b>Total capital assets being depreciated, net</b>	<b>43,032,771</b>	<b>(1,079,276)</b>	<b>(22,089)</b>	<b>41,931,406</b>
<b>DOSP capital assests,net</b>	<b>\$ 51,264,449</b>	<b>\$ 2,981,534</b>	<b>\$ (22,089)</b>	<b>\$ 54,223,894</b>

A summary of the changes in capital assets for Downtown Development Authority (DDA) is as follows:

	DDA			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assets being depreciated:				
Furniture and equipment	\$ 695,633	\$ 32,780	\$ -	\$ 728,413
Less accumulated depreciation for:				
Furniture and equipment	440,556	64,069	-	504,625
<b>DDA capital assets, net</b>	<b>\$ 255,077</b>	<b>\$ (31,289)</b>	<b>\$ -</b>	<b>\$ 223,788</b>

A summary of changes in capital assets for Bayfront Park Management Trust (BFP) is as follows:

	BFP			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 516,129	\$ -	\$ -	\$ 516,129
<b>Total capital assets, not being depreciated</b>	<b>516,129</b>	<b>-</b>	<b>-</b>	<b>516,129</b>
Capital assets, being depreciated:				
Buildings	2,637,934	-	-	2,637,934
Public domain and system infrastructure	8,085,306	663,611	-	8,748,917
Machinery and equipment	817,629	22,454	-	840,083
<b>Total capital assets being depreciated</b>	<b>11,540,869</b>	<b>686,065</b>	<b>-</b>	<b>12,226,934</b>
Less accumulated depreciation for:				
Buildings	1,546,549	52,759	-	1,599,308
Public domain and system infrastructure	3,517,080	368,511	-	3,885,591
Machinery and equipment	536,576	47,751	-	584,327
<b>Total accumulated depreciation</b>	<b>5,600,205</b>	<b>469,021</b>	<b>-</b>	<b>6,069,226</b>
<b>Total capital assets being depreciated, net</b>	<b>5,940,664</b>	<b>217,044</b>	<b>-</b>	<b>6,157,708</b>
<b>BFP capital assets, net</b>	<b>\$ 6,456,793</b>	<b>\$ 217,044</b>	<b>\$ -</b>	<b>\$ 6,673,837</b>

A summary of changes in capital assets for Coconut Grove Business Improvement District (CGBID) is as follows:

	<b>CGBID</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets being depreciated:				
Furniture and equipment	\$ 647,774	\$ 54,428	\$ -	\$ 702,202
Less accumulated depreciation for:				
Furniture and equipment	68,626	74,544	-	143,170
<b>CGBID capital assests, net</b>	<b>\$ 579,148</b>	<b>\$ (20,116)</b>	<b>\$ -</b>	<b>\$ 559,032</b>

Summary of the discretely presented component units capital assets at September 30, 2018 are as follows:

	<b>DOSP</b>	<b>DDA</b>	<b>BFP</b>	<b>CGBID</b>	<b>Total</b>
<b>Capital Assets:</b>					
Non-depreciable	\$ 12,292,488	\$ -	\$ 516,129	\$ -	\$ 12,808,617
Depreciable, net	41,931,406	223,788	6,157,708	559,032	48,871,934
<b>Total</b>	<b>\$ 54,223,894</b>	<b>\$ 223,788</b>	<b>\$ 6,673,837</b>	<b>\$ 559,032</b>	<b>\$ 61,680,551</b>

Depreciation expenses were charged to the discretely presented component units as follows:

<b><u>Entity</u></b>	<b><u>Depreciation Expense</u></b>
DOSP	\$ 2,653,964
DDA	64,069
BFP	469,021
CGBID	74,544
<b>Total depreciation expense</b>	<b>\$ 3,261,598</b>

## NOTE 6. – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities reported in the governmental funds balance sheet at September 30, 2018, consisted of the following:

	General	Other Capital Projects	Impact Fee	Emergency Services	Non-Major Governmental Funds	Total
Accounts Payables	\$12,961,601	\$9,821,425	\$3,887,581	\$545,585	\$12,227,808	\$39,444,000
Retainage	54,280	4,810,950	460,428	1,615,777	2,023,200	8,964,635
Salaries and Benefits	27,945,085	-	-	11,703	896,634	28,853,422
<b>Total</b>	<b>\$ 40,960,966</b>	<b>\$ 14,632,375</b>	<b>\$ 4,348,009</b>	<b>\$ 2,173,065</b>	<b>\$ 15,147,642</b>	<b>\$ 77,262,057</b>

## NOTE 7. – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The balances reflected as due from/due to other funds reported as of September 30, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Capital Projects	\$ 7,823,188
General Fund	Emergency Services	21,745,950
General Fund	Non-Major Governmental Funds	3,820,336
	<b>Total</b>	<b>\$ 33,389,474</b>

These outstanding balances between funds result mainly from the time lag between the dates that (a) reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. The interfund payable balance of \$21,745,950 is attributed to expenditures related to Hurricane Irma. The City expects to receive grant reimbursement in the ensuing fiscal year which will be used to liquidate the amounts owed to the general fund.

The following is a summary of interfund transfers reported for the fiscal year ended September 30, 2018:

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	General	Other Capital Projects	Non-Major Governmental Funds	
General	\$ -	\$ 35,500,000	\$47,153,000	\$82,653,000
Other Capital Projects	476,000	-	-	476,000
Nonmajor Governmental Funds	5,687,609	7,206,976	22,733,943	35,628,528
<b>Total</b>	<b>\$ 6,163,609</b>	<b>\$ 42,706,976</b>	<b>\$ 69,886,943</b>	<b>\$ 118,757,528</b>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move receipts restricted for debt service from



the funds collecting the receipts to the debt service fund as debt service payments become due, and (c) move unrestricted revenues collected in the general and public services tax funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the fiscal year, transfers from the General fund to other funds totaled \$82.7 million. This total was comprised of transfers of \$35.5 million for Other Capital Projects fund and \$47.2 million for other Non-Major Governmental funds including Special Obligation Bonds (SOB).

The \$35.5 million transferred to Other Capital Projects were allocated to various capital improvement projects, including \$4.4 million for Police and Fire, \$3.8 million for Parks' projects, \$4.6 million for general government functions such as IT and Communications, \$5.0 million for capital improvements to Public Facilities, \$11.8 million for public works functions such as Solid Waste and General Services Administration (GSA), and \$5.9 million for the Building Department.

The \$47.2 million transferred from the General fund to other Non-Major funds consists of several allocations. The most relevant ones are the following: \$25.1 million for the payment of debt services from the Public Service Tax, Parking Surcharge and Local Option Fuel Tax. Payments for debt service are an allowable use of these revenue sources. \$6 million to Police Special Revenue fund to cover cost allocation, and some deficits of programs such as E-911, VOCA and COPS, \$4.4 million contribution to pay for Vehicle Lease debt service, \$6.5 million to Departmental Improvement Initiatives Special Revenue fund to fund programs such as Citywide anti-Poverty Initiative Program, Workforce, Live Healthy Little Havana, Citywide festivals and special events, and Camillus House BED program, \$1.3 million to cover the cost of a property intended to be the Public Works maintenance yard and \$1.8 million for citywide Radio Communication System.

Also included in this fiscal year's transfers is \$35.6 million from Non-Major Governmental funds. This total was comprised of \$5.7 million to the General fund, \$7.2 million to Other Capital Projects and \$22.7 million to other Non-Major Governmental funds.

The \$5.7 million to the General fund consists primarily of \$1.1 million contribution to the James L Knight Center operations from a Special Revenue Fund to the General Fund, \$3.2 million transfer of Increment Revenues from South East Park West (SEOPW) Community Redevelopment Agency (CRA) pursuant to Section 5(e) of the Global Agreement and \$0.8 million from the SEOPW CRA to reimburse the City for the Sunshine Loan payment related to Gibson Park.

The \$7.2 million to Other Capital Projects include amongst other: \$3 million contribution from the Lane closure fund to Public Works projects and \$1.8 million from Tree Trust funds to the Public Works projects.

The most relevant transfers included in the \$22.7 million to other Non-Major Governmental funds are: \$1.3 million from Planning Special Revenue fund to Bayfront Park Land Acquisition Trust fund, \$5.2 million from the OMNI and SEOPW CRAs Special Revenue funds to the CRA Debt Service funds to cover the CRAs bond payments, \$3.7 million from the Transportation and Transit Special Revenue fund to the Transportation and Transit Capital fund, \$4.2 million contribution from the OMNI CRA Special Revenue fund to applicable Special Obligation Bond debt, \$6.1 million contribution from Transportation and Transit to Streets and Sidewalks' bonds payments and \$2 million from the Marlins Garage to SOB debt.

Finally, in FY 2018, \$476,000 were transferred out of Other Capital Projects funds to the General fund to re-allocate prior year revenues from the Miami Rowing Club that were previously deposited in the Parks Capital Fund.

## **NOTE 8. – LONG-TERM OBLIGATIONS**

### **Changes in Long-Term Obligations**

The following is a summary of changes in long-term obligations reported for the year ended September 30, 2018:

<b>Primary Government</b>	<b>Restated Beginning Balance</b>	<b>Additions</b>	<b>Reduction</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
General Obligation Bonds	\$ 174,640,000	\$ -	\$ (20,255,000)	\$ 154,385,000	\$ 19,070,000
Special Obligation and Revenue Bonds, Loans and Leases	486,221,380	132,556,675	(107,449,963)	511,328,092	36,648,125
	660,861,380	132,556,675	(127,704,963)	665,713,092	55,718,125
Bond Premium (Discounts)	6,436,510	-	(1,566,708)	4,869,802	-
Total Bonds, Loans and Leases	667,297,890	132,556,675	(129,271,671)	670,582,894	55,718,125
Other Liabilities:					
Compensated Absences	50,015,248	23,838,902	(16,245,872)	57,608,278	10,845,920
Claims Payable and other liabilities	209,426,429	160,812,867	(88,872,723)	281,366,573	54,985,263
Other Post Employment Benefits	630,398,513	-	(33,431,998)	596,966,515	-
Net Pension Liability	912,815,751	-	(52,063,291)	860,752,460	-
Total Governmental Activities Long-Term Liabilities	\$ 2,469,953,831	\$ 317,208,444	\$ (319,885,555)	\$ 2,467,276,720	\$ 121,549,308

Claims payables, compensated absences, net pension liability, and other post-employment benefits are generally liquidated by the General Fund.

Claims payable balance of \$281.4 million includes an accrual of \$1.6 million for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution and \$86.7 million for potential legal claims as discussed in Note 12. Claims payables of \$193.1 million reported in connection with the City's self-insurance program is discussed in Note 9.

The other postemployment benefits liability balance was restated at October 1, 2017 for the implementation of GASB Statement No. 75 in the amount of \$173 million. See Note 1.

**Bonds, Loans and Leases Outstanding** – The following presents the City’s bonds, loans and leases outstanding at September 30, 2018:

<b>DESCRIPTION</b>	<b>Purpose of Issue</b>	<b>Maturity Date</b>	<b>Amount Issued</b>	<b>Outstanding Balance</b>	<b>Interest Rate Range</b>
<b>General Obligation Bonds:</b>					
Homeland Defense/Neighborhood CIP Series 2009 (Limited)	Homeland Defense	1/1/2019	\$ 51,055,000	\$ 2,460,000	5.000%
General Obligation Refunding Bond Series 2015	Refunding	1/1/2028	57,240,000	52,910,000	2.640%
General Obligation Refunding Bond Series 2017	Refunding	1/1/2029	114,380,000	99,015,000	2.170%
<b>Total General Obligation Bonds</b>			<b>222,675,000</b>	<b>154,385,000</b>	
<b>Special Obligation and Revenue Bonds, Loans and Leases:</b>					
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	12/1/2020	72,000,000	10,935,000	7.200%
Special Obligation Non-Ad Valorem Refunding Bonds Series 2009	Refunding	12/1/2025	37,435,000	13,120,000	6.750%- 7.000%
Special Obligation Tax-Exempt Revenue Bonds Series 2010A	Parking	7/1/2039	84,540,000	84,540,000	5.000%-5.250%
Special Obligation Tax Revenue Bonds, Garages Series 2010B	Parking	7/1/2027	16,830,000	925,000	5.9375%
Special Revenue Bonds Series 2007	Street & Sidewalks	1/1/2037	80,000,000	63,595,000	4.250%-5.250%
Special Revenue Bonds Series 2009	Street & Sidewalks	1/1/2039	65,000,000	56,725,000	4.25%-5.625%
Special Obligation Non-Ad Valorem Refunding 2012	Refunding/Port Tunnel	3/1/2030	44,725,000	38,065,000	5.000%
Special Obligation Refunding Bonds Series 2011-A	Refunding	2/1/2031	70,645,000	11,120,000	4.794%-4.973%
Special Obligation Bonds Series 2017	Park Improvements	1/1/2032	27,160,000	25,665,000	2.560%
Special Obligation Refunding Bonds Series 2014	Refunding	7/1/2026	18,049,380	8,049,239	3.280%
Special Obligation Refunding Notes Series 2017	Refunding	2/1/2031	59,310,000	58,020,000	2.7803%
Special Obligation Refunding Note Pension Series 2017	Refunding	12/1/2025	7,180,000	7,180,000	3.150%
Special Obligation Refunding Note Garage Series 2018	Refunding	7/1/2027	16,555,000	16,555,000	3.750%
CRA SEOPW Tax Increment Revenue Bonds Series 2014A-1	Redevelopment	3/1/2030	50,000,000	41,135,000	5.000%
CRA OMNI Tax Increment Revenue Bonds Series 2018A	Redevelopment	9/1/2029	10,000,000	9,555,000	3.250%
CRA OMNI Tax Increment Revenue Bonds Series 2018B	Redevelopment	9/1/2029	15,000,000	15,000,000	4.490%
Gran Central Corporation Loan	Redevelopment	N/A	1,708,864	1,708,864	0.000%
Vehicle Replacement Program Series 2016	Vehicle Lease	1/1/2021	10,644,628	6,416,694	1.6765%
Vehicle Replacement Program Series 2017	Vehicle Lease	1/1/2022	10,054,922	8,132,449	2.1856%
Vehicle Replacement Program Series 2018	Vehicle Lease	1/1/2023	11,270,011	11,270,011	3.1032%
Dell Financial Services Lease 2018	Equipment Lease	6/1/2022	373,938	291,858	4.8810%
P25 Citywide Radio Equip. Lease	Radio System Lease	1/1/2024	12,100,000	10,456,251	2.0590%
State Revolving Fund Loan	Wagner Creek	N/A	12,867,726	12,867,726	0.000%
<b>Total Special Obligation Bonds, Revenue Bonds, Loans and Leases</b>			<b>733,449,469</b>	<b>511,328,092</b>	
<b>Total Bonds, Loans and Leases</b>			<b>\$ 956,124,469</b>	<b>\$ 665,713,092</b>	



## Annual Debt Service Requirements to Maturity

At September 30, 2018, the annual debt service requirements for all bonds, loans and leases, other than state revolving fund loan for uncompleted Wagner Creek project, over the life of the debt is listed below:

Year Ended September 30,	General Obligation Bonds		Special Obligation, Revenue Bonds, Loans and Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 19,070,000	\$ 3,423,817	\$ 36,648,125	\$ 21,464,214	\$ 55,718,125	\$ 24,888,031
2020	20,075,000	2,957,634	37,487,377	19,724,868	57,562,377	22,682,502
2021	20,895,000	2,506,753	34,085,298	18,221,579	54,980,298	20,728,332
2022	23,065,000	2,026,603	29,012,777	17,047,859	52,077,777	19,074,462
2023	8,255,000	1,668,416	27,774,665	16,042,978	36,029,665	17,711,394
2024-2028	59,165,000	4,189,496	137,787,747	64,805,489	196,952,747	68,994,985
2029-2033	3,860,000	41,881	109,388,238	37,542,253	113,248,238	37,584,134
2034-2038	-	-	85,300,000	16,414,719	85,300,000	16,414,719
2039-2043	-	-	13,843,865	411,741	13,843,865	411,741
Total	\$ 154,385,000	\$ 16,814,600	\$ 511,328,092	\$ 211,675,700	\$ 665,713,092	\$ 228,490,300

## Long-Term Debt Issued

The following is a summary of debt issued during the fiscal year September 30, 2018:

**\$59,310,000 Special Obligation Non-Ad Valorem Bonds Series 2017** - On November 28, 2017, the City issued \$59,310,000 in Non-Ad Valorem Bond, Series 2017 and the cost of issuance thereof. The proceeds from the Series 2017 Bond were used to refund a portion of the City's outstanding Special Obligation Non-Ad Valorem Revenue Refunding Bonds Series 2011A and pay cost of issuances. The refunding resulted in an aggregate difference in debt service payments of \$8.86 million and an economic gain of \$6.3 million.

**\$16,555,000 Taxable Special Obligation Parking Revenue Refunding Note Series 2018** - On March 22, 2018, the City issued \$16,555,000 in Taxable Special Obligation Revenue Refunding Note, Series 2018 and the cost of issuance thereof. The proceeds from the Series 2017 Note were used to refund a portion of the City of Miami Special Obligation Taxable Parking Revenue Bonds, Series 2010B. The refunding resulted in an aggregate difference in debt service payments of \$1.8 million and an economic gain of \$1.4 million.

**\$7,180,000 Special Obligation Non-Ad Valorem Revenue Refunding Bonds Taxable Pension Series 2017** - On December 5, 2017, the City issued \$7,180,000 Special Obligation Non-Ad Valorem Revenue Refunding Bonds, Taxable Pension Series 2017 for the purpose to advance refund a portion of the Special Obligation Non-Ad Valorem Revenue Refunding Bonds Taxable Pension Series 2009 and related closing costs. The refunding resulted in an aggregate difference in debt service payments of \$0.96 million and an economic gain of \$0.85 million.

**\$11,270,011 Vehicle Replacement Program** - On July 27, 2018, The City obtained a \$11,270,011 Lease from Santander Bank, N.A. under a Master Lease Purchase Agreement. The lease was issued with an interest rate of 3.1032% and a maturity date of January 1, 2023. The purpose of the lease is to purchase police and fleet vehicles and to pay financing costs. At the end of the lease, the City will own the vehicles outright; the City is not pledging any revenue as security for the lease. The vehicles themselves will collateralize the lease.

**\$373,938 Dell Financial Services Equipment Lease** - On June 1, 2018, The City obtained a \$373,938 Lease from Dell Financial Services LLC under a Master Lease Purchase Agreement. The lease was issued with an interest rate of 4.8810% and a maturity date of June 1, 2022. The purpose of the lease is to purchase technology equipment and to pay financing costs. At the end of the lease, the City will own the technology equipment; the City is not pledging any revenue as security for the lease. The vehicles themselves will collateralize the lease.

**\$15,000,000 OMNI Tax Increment Revenue Note, Taxable Series 2018B** - On July 13, 2018, OMNI Community Redevelopment Agency Issued \$15,000,000 OMNI Tax Increment Revenue Note, Taxable Series 2018B to finance the costs of the Agency's Redevelopment Plan and pay costs of issuing the 2018B Notes as more particularly described in the Loan Agreement. The 2018B Note will be secured by Increment Revenues and other pledged amounts, all as more particularly described in Resolution No. CRA-17-0034 adopted by the Board of Commissioners of the Agency on June 21, 2017.

**\$10,000,000 OMNI Tax Increment Revenue Note, Tax-Exempt Series 2018A** - On March 6, 2018, the OMNI Community Redevelopment Agency issued \$10,000,000 OMNI Tax Increment Revenue Note, Series 2018A to finance the costs of the Agency's Redevelopment Plan and pay costs of issuing the 2018A Notes as more particularly described in the Loan Agreement. The 2018A Note will be secured by Increment Revenues and other pledged amounts, all as more particularly described in Resolution No. CRA-17-0034 adopted by the Board of Commissioners of the Agency on June 21, 2017.

**\$12,867,726 State Revolving Loan Wagner Creek**- On July 9, 2015, the City adopted resolution #15-0304 approving a design and construction loan to the City for an amount not to exceed \$22,413,800 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program for the Wagner Creek Seybold Canal Project.

#### **Debt Authorized but Unissued**

As of September 30, 2018, the City has authorized but not issued the following:

On July 9, 2015, the City adopted resolution #15-0304 approving a design and construction loan to the City of Miami for an amount not to exceed \$22,413,800 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program for the Wagner Creek Seybold Canal Project. As of September 30, 2018, the City has approximately \$20,067,120 available for draw down from the State.

On November 17, 2016, the Miami City Commission approved resolution #16-0563 for a declaration of intent to issue tax-exempt and/or taxable special obligation bonds in the expected total maximum principal amount of \$45,000,000. This was done to reimburse the City for eligible expenses incurred with respect to certain capital improvement projects at the Miami Marine Stadium and the associated Welcome Center and Museum Complex.

On January 2, 2017, the Miami City Commission approved resolution #17-0020 for a declaration of intent to issue tax-exempt and/or taxable special purpose improvement bonds in the expected total maximum principal amount of \$18,000,000. This was done to reimburse the City from the proceeds of such special purpose improvement bonds for funds advanced by the City to pay eligible expenses incurred with respect to certain public governmental capital improvement portions of the Miami Central Station Project pursuant to the interlocal agency agreement among the City, the Southeast Overtown/Park West Community Redevelopment Agency, and South Florida Regional Transportation Authority.

On November 7, 2017, a referendum election was held and the voters approved issuance of General Obligation Bonds in an aggregate principal amount not exceeding \$400,000,000 with interest payable at or below the Maximum rate allowed by law, payable from Limited Ad-Valorem taxes levied on all taxable property in the City, provided that the capital projects debt millage not exceed the current rate of 0.5935.

On July 26, 2018, the Miami City Commission approved resolution #18-0334 for a declaration of intent to issue tax-exempt special obligation bonds in the expected total maximum principal amount of \$27,000,000 and to the extent permissible under the IRS Code regarding the tax-exempt Special Obligation Bonds, use a portion of the tax-exempt Special Obligation Bond proceeds to reimburse the City for funds advanced by the City for original expenditures incurred and to be incurred with respect to the installation of underground of transmission lines..

#### **Defeasance of Long-Term Debt**

The City defeased certain debt involving advance refunding. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt services payments on the defeased bonds. At September 30, 2018, the following outstanding bonds are considered defeased:

<b>Type</b>	<b>Series</b>	<b>Date of Defeasance</b>	<b>Call Date</b>	<b>Principal Amount Defeased</b>	<b>Principal Outstanding</b>
GOB Refunding Bonds	2009	6/29/2017	1/1/2019	\$ 32,370,000	\$ 32,370,000
SOB Refunding Bonds	2011A	11/28/2017	2/1/2021	52,975,000	52,975,000
SOB Taxable Pension	2009	12/5/2017	12/1/2019	6,385,000	6,385,000
Taxable SOB Parking Bonds	2010B	3/22/2018	7/1/2020	14,745,000	14,745,000
Total Defeased				<u>\$ 106,475,000</u>	<u>\$ 106,475,000</u>

### **Capital Lease Obligations**

The City has entered into three agreements as lessee for financing the acquisition of police and fleet vehicles in the amount of \$31,969,560. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. At year end the cost and accumulated depreciation of assets under lease were \$32.0 million and \$10.9 million respectively.

The following is a schedule showing the future minimum lease payments under capital lease by years and the present value of the minimum lease payments as of September 30, 2018:

<b><u>Year Ending September 30,</u></b>	
2019	\$ 6,863,126
2020	6,788,736
2021	6,713,420
2022	4,480,541
2023	2,355,591
Total minimum lease payments	27,201,414
Less: amount representing interest	(1,382,260)
Present value of minimum lease payments	<u><u>\$ 25,819,154</u></u>

The City has entered into an agreement as lessee for financing the acquisition of 800 Megahertz ("MHZ") Digital Trunked Simulcast Network System ("System") as part of the ongoing efforts to upgrade and enhance two (2) way radio communications throughout the City, specifically for the Miami Police Department, Fire-Rescue Department, and General Services Administration Department in the amount of \$12,100,000. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. At fiscal year end, \$1.6 million of assets were acquired to be prepared for its intended use; therefore, there is no depreciation to report. Additionally, at year end there was \$10.4 million of lease proceeds being held in escrow.

The following is a schedule showing the future minimum lease payments under capital lease by years and the present value of the minimum lease payments as of September 30, 2018:

<b><u>Year Ending September 30,</u></b>	
2019	\$ 1,861,516
2020	1,861,516
2021	1,861,516
2022	1,861,516
2023	1,861,516
2024	1,861,516
Total minimum lease payments	11,169,096
Less: amount representing interest	(712,845)
Present value of minimum lease payments	<u><u>\$ 10,456,251</u></u>

The City has entered into an agreement as lessee for financing the acquisition of Technology Equipment as part of the ongoing efforts to upgrade and enhance backup data servers for the City. The lease

agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. At year end the cost and accumulated depreciation of assets under lease were \$373,938 and \$24,929 respectively.

The following is a schedule showing the future minimum lease payments under capital lease by years and the present value of the minimum lease payments as of September 30, 2018:

<u><b>Year Ending September 30,</b></u>	
2019	\$ 82,080
2020	82,080
2021	82,080
2022	82,080
Total minimum lease payments	<u>328,320</u>
Less: amount representing interest	<u>(36,462)</u>
Present value of minimum lease payments	<u><u>\$ 291,858</u></u>

### **Synopsis of Bond Covenants**

Debt service for general obligation bonds is provided for by a tax levy on non-exempt property value. The total general obligation debt outstanding is limited by the City Charter to 15 percent of the assessed non-exempt property value. At September 30, 2018, the statutory debt limitation of assessed non-exempt property value for the City amounted to \$7.7 billion providing a debt margin of \$7.5 billion after consideration of \$154.3 million of general obligation bonds outstanding at September 30, 2018 and adjusted for the fund balance of \$9.4 million in the related Debt Service Fund.

Special Obligation debt of the City for which no revenue is pledged is collateralized by covenants to budget and appropriate non-ad-valorem revenues, and tax increment revenue in accordance with their bond indentures. The bond indentures require that sufficient funds be available in the sinking fund to meet the annual debt service requirements. At September 30, 2018, the City had approximately \$32.1 million available in the sinking fund to meet this requirement. Principal and interest to be paid in subsequent years totals \$336.5 million on all other Special Obligation debt of the City.

### **Pledged Revenue**

The City pledged future revenue proceeds of (i) 80 percent Transportation Taxes, (ii) 100 percent new Local Option Gas Taxes, and (iii) 20 percent of the City's Parking Surcharge to repay \$80 million in Special Obligation Revenue Bonds, Series 2007 and \$65 million Special Obligation Revenue Bonds, Series 2009. The proceeds from the bonds were used for the improvement of streets, sidewalks and drainage within the City. Those bonds are payable solely from the pledged revenues listed above through January 1, 2039. Principal and interest paid for the current year were \$3.2 million and \$6.3 million respectively. The current year pledged revenues were (i) \$14.2 million (ii) \$7.3 million and (iii) \$4.4 million respectively. Principal and interest to be paid in subsequent years totals \$99.2 million on the Series 2007 bonds and \$100.3 million on the Series 2009 bonds.

The City further pledged future revenue proceeds of (i) 100 percent Convention Development Taxes and (ii) Parking Revenues in connection with MLB Home Games at the Miami Marlins Baseball Stadium, along with related parking surcharge revenues to repay \$84.5 million Tax-Exempt Special Obligation Parking Revenue Bonds, Series 2010A, \$0.9 million Taxable Special Obligation Parking Revenue Bonds,

Series 2010B, and \$16.6 Special Obligation Parking Refunding, Series 2018. The proceeds from the bonds were used for the construction of the parking facilities for the Miami Marlins Baseball Stadium. The bonds are payable solely from the pledged revenues listed above through July 1, 2039. Debt service payments began on January 1, 2012. Principal and interest to be paid in subsequent years totals \$155 million on the Series 2010A bonds, \$1 million on the Series 2010B bonds, and \$20.3 million on the Series 2018 bonds. Principal payments commenced in fiscal year 2016. The total pledge revenue collected during the year was approximately \$9.2 million and total principal and interest payments during the year were \$ 0.42 million and \$5.2 million.

### **Escrow Agreement**

On March 22, 2018, the City certified that the obligations under the said agreement have been satisfied. The escrow accounts have been closed.

### **Purchase of Redemption Right**

On November 10, 2004, Societe Generale, New York Branch, (the “Owner”), a beneficial owner of all Non-Ad-Valorem Revenue Bonds Taxable Pension Series 1995 (the “Bonds”) of the City of Miami, Florida (the “City”) maturing in the years 2015 and 2020 ( the “2015 and 2020 Maturities”), finalized an Agreement with the City to pay \$295,000, annually on each December 1, commencing on December 1, 2005 and ending on December 1, 2025, in exchange for the City’s irrevocable agreement not to exercise its option of redemption with respect to the 2015 and 2020 maturities.

### **Conduit Debt Obligations**

On July 1, 1989, the City issued \$30 million in Rental Revenue Bonds Series 1988 to finance a portion of the costs of acquiring real estate and constructing thereon an office building to be leased from the City by the General Service Administration, an agency of the United States of America (the Government), pursuant to a Lease Agreement between the City and the Government. The bond was issued with an interest rate of 8.650%, to mature on July 1, 2019. The bond is payable solely from and secured by a pledge of rentals to be received from the lease agreement between the City and the Government. Lease Annual Rent payments are made directly by the General Services Administration as an agency of the United States to the Bond Trustee and Paying Agent. Annual Rental has been calculated to provide sufficient funds to pay, when due, principal of and interest on the Bond. The Bond is not a general debt, liability or obligation of the City or a pledge of the faith and credit of the City, but will be payable solely from the Pledged Revenues. The obligation of the United States Government acting through General Service Administration is stated in the Official Statement for the bonds to make payments of Annual Rent under the Lease is an absolute and unconditional general obligation of the United States, for which the full faith and credit of the United States are pledged. Accordingly, the bond is not reported as liabilities in the accompanying financial statements.

At September 30, 2018, the amount of conduit debt outstanding related to the Rental Revenue Bond totaled \$2.95 million.

<b>Debt Issue</b>	<b>Beginning Balance</b>	<b>Principal Payment</b>	<b>Outstanding Balance</b>
Series 1988	\$ 5,665,000	\$ 2,715,000	\$ 2,950,000

HEALTH FACILITY AUTHORITY (“HFA”) – The HFA is an agency established by the City in 1979 under the authority of Chapter 154, Florida Statutes and City Resolution No. 79-93 to serve as a conduit to issue revenue bonds. The City Commission must approve the HFA’s board membership and operating budget. Therefore, the HFA is fiscally dependent and the City is discretely presenting the HFA in the accompanying financial statements. Proceeds from these bond issues were used to finance construction of buildings and parking facilities; land acquisitions; equipment purchases including beds and other medical apparatus; renovation of existing facilities; and engineering costs. Debt obligations issued under the purview of the HFA do not constitute an indebtedness, liability or pledge of the faith or credit of the HFA or the City. The HFA does not issue stand-alone audited financial statements.

At September 30, 2018, the City of Miami Health Facilities Authority conduit debt activity and outstanding balance totaled \$42.8 million.

<u>Debt Issue</u>	<u>Beginning Balance</u>	<u>Principal Payment</u>	<u>Outstanding Balance</u>
Series 2017	\$ 43,650,000	\$ 895,000	\$ 42,755,000

The scheduled debt service payments were made by Miami Jewish Home and the payments are current.

#### **Discretely Presented Component Units Long-Term Debt**

##### **Department of Off-Street Parking (DOSP)**

The changes in DOSP’s long-term debt for 2018 are as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 65,090	-	\$ 1,585	\$ 63,505	\$ 1,670
Premium (discount)	(653)	29	-	(624)	-
Compensated absences	752	539	475	816	475
Other post-employment benefit liability (OPEB)	526	-	17	509	-
Loan from primary government	1,200	-	150	1,050	150
	<u>\$ 66,915</u>	<u>\$ 568</u>	<u>\$ 2,227</u>	<u>\$ 65,256</u>	<u>\$ 2,295</u>

\* The beginning OPEB balance was restated at October 1, 2017 for the implementation for GASB Statement 75. See Note 1.

On September 24, 2009, the City Commission adopted ordinance 13092 authorizing DOSP to issue up to \$70.0 million in revenue bonds for the purpose of refunding the then outstanding Series 2008 bonds. On November 5, 2009, DOSP issued \$60.1 million of tax-exempt, fixed-rate revenue refunding bonds and \$6.5 million in taxable, fixed-rate revenue refunding bonds (collectively, the Series 2009 Revenue Bonds). The proceeds of these bonds were used to: (1) fully redeem and refund the then outstanding Series 2008 bonds, (2) pay for costs of issuance on the Series 2009 revenue bonds, (3) pay for additional construction costs on the Courthouse Center Garage, and (4) pay fees to terminate the existing interest rate swap agreement in connection with the Series 2008 bonds. DOSP refunded the Series 2008 variable



rate debt with Series 2009 fixed rate debt. The Series 2009 Revenue Bonds are secured by the net revenues of the parking facilities and, accordingly, are included in the accounts of DOSP.

On July 21, 2005, DOSP entered into a loan agreement with the City of Miami. The loan was obtained through CDBG program in the amount of \$3 million to be used for the construction of a parking garage facility. The loan bears no interest and is payable in 40 semi-annual installments of \$75,000 which started December 1, 2005. The outstanding balance as of September 30, 2018 is \$1.1 million.

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2018:

<b>Year Ending September 30,</b>	<b>Bonds</b>			<b>Loan</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>
2019	\$ 1,670,000	\$ 3,063,784	\$ 4,733,784	\$ 150,000
2020	1,760,000	2,964,679	4,724,679	150,000
2021	1,860,000	2,883,304	4,743,304	150,000
2022	1,940,000	2,796,004	4,736,004	150,000
2023	2,030,000	2,704,654	4,734,654	150,000
2024-2028	11,645,000	11,927,982	23,572,982	300,000
2029-2033	14,770,000	8,612,850	23,382,850	-
2034-2038	18,880,000	4,293,919	23,173,919	-
2039-2043	8,950,000	237,265	9,187,265	-
<b>Total</b>	<b>\$ 63,505,000</b>	<b>\$ 39,484,441</b>	<b>\$ 102,989,441</b>	<b>\$ 1,050,000</b>
<b>Range of Rates</b> <u>4.25%-5.66%</u>				

#### **NOTE 9. – RISK MANAGEMENT SELF-INSURANCE AND OTHER LIABILITIES**

Section 768.28, Florida Statute, provides for waiver of sovereign immunity in tort actions or claims against the state and its agencies and subdivisions. The present statutory limit of recovery in the absence of special relief granted by the Florida legislature is \$200,000 per person and \$300,000 per incident. Under the protection of this sovereign immunity limit, Florida Statutes 768.28 and Chapter 440, Florida Statutes covering Workers' Compensation, the City has established a self-insured program to provide coverage for almost all areas of liability including workers' compensation, general liability, automotive liability, police professional liability, public officials' liability, and employment practices liability. The City also purchases excess insurance coverage to limit catastrophic losses associated with its liability exposures. The excess liability insurance program provides for \$10 million in total limits for GL and AL lines. In addition, the program provides for excess auto physical damage coverage with a \$1 million primary limit and \$4 million excess subject to \$100,000 retention, along with a \$250,000 workers' compensation coverage buffer. The excess insurance program currently has a self-insured retention of \$750,000 per occurrence for workers' compensation, and \$500,000 for all other liability coverage. In addition, the City has in place standalone policies providing coverage for Law Enforcement Liability and Public Officials Liability with a \$5 million limit per line of coverage subject to a \$500,000 retention. The City also purchases dedicated commercial general liability policies for the Grapeland Waterpark, Bayfront Park, and the various marinas that it operates. These policies typically carry a \$1 million limit per occurrence on an aggregate basis.



The City's master property insurance program provides for a total of \$150 million in insurance limits. The City's total insured value on covered property is \$511 million. Included in this amount is \$40 million for named windstorm and flood coverage. With the exception of earthquake, flood and named windstorm, the all-other-perils deductible is \$50,000 per occurrence. In regard to the named windstorm, flood, and earthquake exposures, the deductible is 5 percent of the value of the affected location subject to a minimum of \$250,000 for any one occurrence, and \$7.5 million aggregate loss.

The City also maintains separate property insurance programs for the James L. Knight Center and the Marlins Stadium parking garages. The James L. Knight Center property program provides \$46.4 million in limits for all perils including windstorm and flood. The James L. Knight Center property program has a \$50,000 all other perils deductible, and a deductible of 3 percent of total insured values at time of loss, with a \$1 million minimum for named windstorm and flood perils. The Marlins Stadium parking garage program provides for \$25 million in total limits for windstorm and flood, and for \$81.2 million for all other perils. The Marlins Stadium parking garage program has a \$25,000 all other perils deductible, and a deductible of 5 percent of total insured values at time of loss, with a \$100,000 minimum per location for named windstorm and flood perils.

The payment of losses within the self-insured retention level are made from the General Fund. Claims are adjusted by a third party administrator. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The budgeting process utilizes information developed in the previous year's actuarial report.

The City provides group health plan for its active employees, retirees, and their dependents through a fully self-funded health insurance program. The City is currently contributing approximately 87 percent, while the employees are contributing 13 percent of the calculated health insurance premium. The City is currently contributing approximately 8 percent of the calculated health insurance premium cost for non-Medicare eligible retirees and approximately 38 percent for Medicare eligible retirees. The City is currently purchasing specific stop loss coverage for claims in excess of \$250,000.

At September 30, 2018, the total estimated undiscounted liability is recorded in the government-wide financial statements. Changes in the claims and other litigation related liability amounts for 2017 and 2018 were as follows:

<b>Fiscal Year Ended September 30,</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2018	\$ 209,426,429	\$ 160,812,867	\$ (88,872,723)	\$ 281,366,573
2017	209,618,213	84,573,859	(84,765,643)	209,426,429

## NOTE 10. – PENSIONS

The City sponsors separate single-employer, defined benefit pension plans under the administration and management of separate Boards of Trustees: the City of Miami Fire Fighters and Police Officers Retirement Trust (“FIPO”), the City of Miami General Employees and Sanitation Employees Retirement Trust (“GESE”) and Other Managed Trusts, and the City of Miami Elected Officers’ Retirement Trust (“EORT”). Thereafter the “Plans.”

*Basis of Accounting.* The financial statements for the Plans are prepared using the accrual basis of accounting. All Plans are reported as pension trust funds in the City's financial statements. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

*Method Used to Value Investments.* Investments of the Plans are recorded at 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. The Plans categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs 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. In addition, certain investments of the Pension Trust Funds are measured at the net asset value (“NAV”) per share (or its equivalent).

### ***FIREFIGHTERS’ AND POLICE OFFICERS’ RETIREMENT TRUST (FIPO)***

The audited financial statements for the plan can be obtained from the FIPO Trust Fund, 1895 SW 3<sup>rd</sup> Avenue, Miami Florida, 33129.

#### *Plan Description*

FIPO is a single-employer, defined benefit plan established by the City pursuant to the provisions and requirements of Ordinance No. 10002 as amended. Participants are contributing police officers and fire fighters with full-time employment status in the Police or Fire Department of the City.

As of October 1, 2017, the date of the most recent actuarial report valuation, membership in the FIPO consisted of the following:

Retirees and beneficiaries currently receiving benefits and terminated members entitled to benefits but not yet receiving benefits	<u>Members</u> 2,204
Current members	<u>1,943</u>
Total	4,147

#### *Pension Benefits*

Members may elect to retire after 10 or more years of creditable service upon attainment of normal retirement age. Normal retirement pursuant to Section 40-203 of the City of Miami code shall be determined as follows:

Plan A - For members employed on September 30, 2010, who as of that date have attained age 50 with ten or more years of creditable service or eligibility for rule of 64 retirement for police officer members, or eligibility for rule of 68 for firefighter members, the normal retirement age shall be 50 years of age

with ten or more years of creditable service, or rule of 64 retirement for police officer members, or rule of 68 for firefighter members.

Plan B - For members employed on September 30, 2010, who as of that date have not attained age 50 with ten or more years of creditable service, or rule of 64 retirement for police officer members, or rule of 68 retirement for firefighter members, and member hired on or after October 1, 2010 shall have to meet the be rule of 70 for retirement with a minimum age of 50 and ten or more years of creditable service.

Rule of 64, 68 and 70 is a computation consisting of the sum of a member's age and length of creditable service, which sum shall permit normal service retirement upon the member's combined age and creditable service equaling at least 64, 68 and 70, respectively.

A member entitled to a normal retirement benefit shall receive a retirement allowance equal to 3 percent of the member's average final compensation (as defined in City Code section 40-191), multiplied by years of creditable service for the first 15 years of such creditable service, plus a retirement allowance equal to 3 percent (3 ½ percent for members who retired prior to October 1, 2010) of member's average final compensation multiplied by the years of creditable service in excess of 15 years, paid in monthly installments.

The maximum benefit for members who retire after September 30, 2010 is 100 percent of average final compensation or \$100,000 per year, whichever is less, as of retirement or DROP entry date. Early retirement, disability, death and other benefits are also provided.

#### *Cost of Living Adjustment*

Effective January 9, 1994, the FIPO Trust entered into an agreement with the City with regards to the funding methods, employee benefits, employee contributions and retiree cost of living adjustment ("COLA"). Pursuant to the agreement, members no longer contribute to the original COLA account ("COLA I") and a new COLA account ("COLA II") was established. The agreement included the following: (a) the funding method was changed to an aggregate cost method; (b) all accounts were combined for investment purposes (membership and benefits, COLA I, and COLA II); (c) retirees receive additional COLA benefits; and (d) active members no longer contribute 2 percent of pretax earnings to fund the original retiree COLA I account.

The COLA II account is funded annually by a percentage of the excess investment return from the COLA I account assets. The excess earnings contributed to the COLA II account are used to fund a minimum annual payment of \$2.5 million, increasing by 4 percent compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by the annual excess earnings no later than January 1 of the following year. For the year ended September 30, 2018, approximately \$6.4 million was funded by the City. Benefits payable from the COLA accounts are computed in accordance with an actuarially based formula as defined in Section 40.204 of the City of Miami Code.

#### *Deferred Retirement Option Plan (DROP)*

Members who are eligible for service retirement or Rule of 64 Retirement after September 1998 may elect to enter the deferred retirement option plan (the "DROP"). Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan, but may

continue City employment for a maximum of 36 months prior to October 1, 2001. Effective October 1, 2001, maximum participation in the DROP for firefighters shall be 48 full months and for police officers who elect the DROP on October 1, 2003, or thereafter, maximum participation in the DROP shall be 48 full months.

Effective July 24, 2008, firefighter DROP participants may continue City employment for up to 54 full months (48 full months prior to July 24, 2008 and 36 full months prior to October 1, 2001). Police officers who elect the DROP on or after May 8, 2008, may continue City employment for up to 84 full months (48 full months prior to May 8, 2008 and 36 full months prior to October 1, 2003). Once the maximum participation has been achieved, the participant must terminate employment.

The DROP of the FIPO Trust also consists of a Benefit Actuarially Calculated DROP ("BACDROP"). The BACDROP is a DROP benefit actuarially calculated. A member may elect to BACDROP to a date, no further back than the date of the member's requirement eligibility date. The BACDROP period must be in 12 month increments, beginning at the start of a pay period, not to exceed 48 full months for firefighters (36 months prior to October 1, 2001) and for police officers who elected BACDROP on October 1, 2003 (36 months prior to October 1, 2003). The benefits of the BACDROP will then be actuarially calculated to be the equivalent to the benefit earned at the date of retirement.

An individual account is created for each participant. A series of investment vehicles, as established by FIPO's Board of Trustees, are made available to DROP participants to choose from. Any losses incurred on account of the option selected by the participant will not be made up by the City or the FIPO Trust, and will be borne by the participant only. All interest will be credited to the member's account. Upon termination of employment, a participant may receive payment from the DROP account in a lump sum distribution; or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a) (9) of the Internal Revenue Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement. If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance.

Participants in the DROP are not entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there is no accidental death benefit for pension purposes. Participation in the DROP does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement. The DROP balance for the year ended September 30, 2018 amounted to \$154.4 million.

#### *Contributions and Funding Policies*

Police officer members of FIPO are required to contribute 10 percent of their salary on a bi-weekly basis (7 percent prior to October 1, 2012). Firefighter members are also required to contribute 10 percent (9 percent prior to October 1, 2009) of their salary on a bi-weekly basis. The City is required to contribute such amounts annually as necessary to maintain the actuarial soundness of FIPO and to provide FIPO with assets sufficient to meet the benefits to be paid to participants. Contributions to FIPO are authorized pursuant to Sections 40.196(a) and (b) of the City Code. Contributions to the FIPO COLA accounts are authorized pursuant to Section 40.204 of the City Code. The City's contributions to FIPO provide for non-investment expenses and normal costs. The yield on investments on FIPO serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the FIPO Trust.

The payroll for employees covered by FIPO for the year ended September 30, 2018 was approximately \$141.5 million. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2018, the average active employee contribution rate was 10 percent of annual pay, and the City's average contribution rate was 40 percent of annual payroll.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of FIPO and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by FIPO. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

*Net Pension Liability*

The components of the net pension liability for FIPO at September 30, 2018, are as follows:

	<b><u>FIPO</u></b>
Total pension liability	\$ 2,120,924,585
Plan fiduciary net position	<u>(1,566,682,376)</u>
Net pension liability	<u>\$ 554,242,209</u>

*Actuarial Assumptions*

The total pension liability was based on an October 1, 2017 actuarial valuation rolled forward to the measurement date of September 30, 2018, using the following assumptions, applied to all periods in the measurement:

*Actuarial Assumptions*

Measurement Date	September 30, 2018
Inflation	3.25%
Actuarial cost method	Entry age cost method
Projected salary increases	3.25%-9.75%, average, including inflation
Cost-of-living adjustments	Amount varies annually with the adjustment on January 1st
Assumed rate of return on investments	7.34% compounded annually, net of pension plan investment expense including inflation.

Mortality rates are calculated with the Florida Retirement System special risk mortality projected scale BB generationally for all healthy retirees. Disabled Mortality rates are calculated based on Florida Retirement System (no projection scale).

The actuarial assumptions used in the October 1, 2017 valuations was based on the results of an actuarial experience study for the period October 1, 2014 to September 30, 2017.

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 Obligation*. 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 real rates of return for each major asset class included in the pensions Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

<u><b>Asset Class</b></u>	<u><b>Long-Term Expected Real Rate of Return</b></u>
Domestic Fixed Income	2.99%
Domestic Equity	7.08%
International Equity	6.35%
Real Estate	5.57%
Private Equity	6.65%

Real rates of return are net of the long-term inflation assumption of 3.25% for 2018

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.34 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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.

#### *Changes in Benefit Terms*

In the prior year there was a full restoration of benefits due to the Supreme Court Ruling in favor of FIPO, which increased both the total pension liability and pension expense by \$122.6 million. In fiscal year 2018, the City and FIPO entered into settlement agreements which resulted in the benefits not being restored and canceled as of fiscal year end September 30, 2018. The change in benefits resulted in a reduction of the total pension liability and pension expense of \$122.6 million for the fiscal year ended September 30, 2018 (see Note 12). The change in benefits resulted in a reduction of the total pension liability and pension expense of \$122.6 million for the fiscal year ended September 30, 2018.

*Changes in Net Pension Liability*

The following table shows the FIPO changes in net pension liability based on the actuarial information provided to the City at September 30, 2018:

	<b>FIPO</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balance at 10/01/2017, as restated*</b>	\$ 2,184,102,526	\$ 1,551,350,461	\$ 632,752,065
<b>Changes for the year:</b>			
Service Cost	27,965,925	-	27,965,925
Interest	149,244,425	-	149,244,425
Changes of benefit terms	(122,641,436)	-	(122,641,436)
Differences between expected and actual experience	21,728,074	-	21,728,074
Changes of assumptions	16,618,357	-	16,618,357
Contributions - employer	-	56,999,866	(56,999,866)
Contributions - member	-	14,258,763	(14,258,763)
Net investment income	-	102,296,006	(102,296,006)
Benefit payments, including refunds of member contributions	(156,093,286)	(156,093,286)	-
Administrative expenses and other	-	(2,129,434)	2,129,434
Net Changes	(63,177,941)	15,331,915	78,509,856
<b>Balances at 09/30/2018</b>	<b>\$ 2,120,924,585</b>	<b>\$ 1,566,682,376</b>	<b>\$ 554,242,209</b>

\*Balances were restated as of September 30, 2017, See Note 15.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the FIPO net pension liability as of September 30, 2018:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>(6.34%)</b>	<b>(7.34%)</b>	<b>(8.34%)</b>
Net Pension Liability	\$ 782,938,042	\$ 554,242,209	\$ 361,854,373



**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

For the year ended September 30, 2018, the City recognized pension expense of \$ 47.3 million. At September 30, 2018 the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b><u>FIPO</u></b>	
	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,433,456	\$ 558,888
Changes of assumptions	36,724,762	-
Net difference between projected and actual earnings on pension plan investments	22,893,853	22,721,737
Total	<u>\$ 97,052,071</u>	<u>\$ 23,280,625</u>

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:**

2019	\$25,324,672
2020	\$10,136,529
2021	\$10,868,462
2022	\$16,485,662
2023	\$5,478,062
Thereafter	\$5,478,059

***GENERAL EMPLOYEES AND SANITATION EMPLOYEES RETIREMENT TRUST (GESE Trust)***

The Board of Trustees of the GESE Trust administers four defined benefit pension plans: (a) GESE; (b) an Excess Benefit Plan for the City of Miami (the “EBP”); (c) General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (the “Staff Trust”), and (d) General Employees and Sanitation Employees Retirement Trust Staff Excess Benefit Plan (the “Staff Excess Benefit Plan”). Each plan's assets may be used only for the payment of benefits to the members of that Plan, in accordance with the terms of the Plan.

The audited financial statements for the GESE Plans can be obtained from the pension board at: GESE Trust, 2901 Bridgeport Avenue, Coconut Grove, Florida 33133.



## ***GESE Trust***

### **Plan Description**

The GESE Trust is a single-employer defined benefit plan. The GESE Trust was established pursuant to the City Ordinance No. 10002 and subsequently revised under City Ordinance No. 12111. The GESE Trust covers all City general and sanitation employees except certain employees eligible to decline membership. Participation in the GESE Trust is a mandatory condition of employment for all regular and permanent employees other than fire fighters, police officers and executive level employees hired after October 1, 2009.

As of October 1, 2017, the date of the most recent actuarial valuation report, membership in the GESE consisted of the following:

	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	1,979
Terminated members entitled to benefits but not yet receiving benefits	236
Current members	<u>1,943</u>
Total	4,158

### **Pension Benefits**

The minimum normal retirement age is 55. Any member in service who has 10 or more years of continuous creditable service may elect to retire upon attainment of normal retirement age. A member who has completed a combination of at least 10 or more years of creditable service plus attained an age equaling 70 points may elect a Rule of 70 Retirement. Subsequent to September 30, 2010 for members not eligible to retire as of that date, the retirement age and service changed to age 55 and 30 years of creditable service or age 60 and 10 years of continuous creditable service or a combination of at least ten years of creditable service plus attained age equaling 80 points (Rule of 80).

Retirement benefits are generally based on 3 percent of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. For service after September 30, 2010, for members not eligible to retire as of that date, benefits are based on 2.25 percent of average final compensation multiplied by creditable service up to 15 years, 2.5 percent of average final compensation for 15 to 20 years of service and 2.75 percent for service over 20 years. Effective September 30, 2012, for members not eligible to retire on that date, member retirement allowances shall not exceed \$80,000. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

Members eligible to receive accumulated sick and vacation leave from the City are able to transfer the amount to an eligible retirement plan. The GESE Trust facilitates the transfer of accumulated sick and vacation leave to any eligible retirement plan and is pursuant to Section 40-266 of the City Code.

### **Cost of Living Adjustment (COLA)**

Effective October 1, 1998, the GESE Trust was amended to provide for an increase in the COLA paid to retirees to 4 percent with a \$400 annual maximum increase, provided the retiree's first anniversary of retirement has been reached. The amendment also provided for retirees electing the return of their contribution option to receive a minimum COLA benefit of \$27 per year and a maximum COLA benefit

of \$200 added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached.

#### Deferred Retirement Option Plan (DROP)

The DROP is available to GESE Trust members for normal retirement as of January 1, 2013 or vested as of October 1, 2010. The DROP is not available to any other GESE Trust member. The DROP is an enhancement to the GESE Trust that can provide a member with another way to save for retirement. It allows a participant to receive pension payments by depositing in the DROP program while continuing to work and receive pay and benefits as an active employee. At the end of the DROP period, when the participant is officially required to retire, the participant receives monthly pension payments based on the years of service and salary at the time that the participant enrolled in the DROP. The participant may elect to receive the accumulated DROP account balance or can be rolled over into a separate tax-qualified plan after withdrawing from the DROP. DROP pension payment for the year ended September 30, 2018 amounted to \$1.1 million. The DROP balance for the year ended September 30, 2018 amounted to \$35.5 million.

#### BACKDROP Option (BACKDROP)

The Backdrop is available to all GESE Trust members effective January 1, 2013. Under the BACKDROP option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take a BACKDROP at the end of his or her employment with the City as long as he or she BACKDROPS to any date after he or she reaches the Normal Retirement date. If the member elects the BACKDROP option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he or she left employment and retired on an earlier Normal Retirement date, referred to as the BACKDROP date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he or she would have received during the Backdrop period had he or she elected to receive immediate pension annuity payments equal to the accumulation of annuity payments he or she would have received during the BACKDROP period had he or she elected to receive immediate pension annuity payments starting as of the BACKDROP date. Annuity payments would be accumulated at the rate of 3 percent per year, compounded annually. The member's BACKDROP date can be any date after his or her Normal Retirement Date and the BACKDROP period can be any date after his or her Normal Retirement Date and the BACKDROP period can be as little as one year and as long as seven years. If the member does not elect a BACKDROP benefit option, his or her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date. The participant may receive the accumulated BACKDROP account balance upon electing the BACKDROP and at the end of his or her employment. The BACKDROP monies can be rolled over into a separate tax-qualified plan after withdrawing from the DROP. BACKDROP pension payment for the year ended September 30, 2018 amounted to \$70,430.

#### Contributions and Funding Policies

Members of the GESE are required to contribute 10 percent of their salary on a bi-weekly basis. The GESE's funding policies provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the GESE and to accumulate sufficient assets to pay benefits when due. The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide all benefits as they become payable. Contributions to the GESE are authorized pursuant to Sections 40-

246(a) and (b) of the City Code. Contributions from the City are designed to fund the GESE's non-investment expenses and normal costs and to fund the unfunded actuarial accrued liability. The yield (interest, dividends and net realized and unrealized gains and losses) on investment of the GESE serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the GESE Plan.

The payroll for employees covered by the GESE Trust for the year ended September 30, 2018 was approximately \$97.4 million. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2018, the average active employee contribution rate was 11.4 percent of annual pay, and the City's average contribution rate was 35.3 percent of annual payroll.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GESE Trust and additions to/deductions from the GESE Trust fiduciary net position have been determined on the same basis as they are reported by GESE Trust. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

*Net Pension Liability*

The components of the net pension liability of the GESE Trust at September 30, 2018, are as follows:

	<u><b>GESE Trust</b></u>
Total pension liability	\$ 960,959,524
Plan fiduciary net position	(667,854,473)
Net pension liability	<u>\$ 293,105,051</u>

*Actuarial Assumptions*

The total pension liability was based on an October 1, 2016 actuarial valuation rolled forward to the measurement date of September 30, 2017, using the following assumptions, applied to all periods in the measurement:

*Actuarial Assumptions*

Measurement Date	September 30, 2017
Inflation	3.5%
Projected salary increases	4% - 8.75%, including inflation
Assumed rate of return on investments	7.6% per year, net of pension plan investment expense and including inflation

The rates of mortality are according to the following tables:

Pre-Retirement Mortality

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB

Post-Retirement Healthy Mortality

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Post-Retirement Disabled Mortality

Female: RP2000, 100% Disabled Female set forward two years, no projection scale

Male: RP2000, 100% Disabled Male, set back four years, no projection

#### Long Term Rate of Return

The long term expected rate of return on pension plan investments was determined using a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement 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 real rates of return for each major asset class included in the pensions Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	4.90%
U.S. Small Cap Equity	5.75%
International Equity	5.25%
Real Estate	5.50%
Cash and Other	2.10%
Core Bonds	1.50%

#### Discount Rate

The discount rate used to measure the total pension liability was 7.6 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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.

*Changes in Net Pension Liability*

The following table shows the GESE Trust changes in net pension liability based on the actuarial information provided to the City at September 30, 2018:

	<b><u>GESE Trust</u></b>		
	<b><u>Increase (Decrease)</u></b>		
	<b><u>Total Pension Liability</u></b> <b><u>(a)</u></b>	<b><u>Plan Fiduciary Net Position</u></b> <b><u>(b)</u></b>	<b><u>Net Pension Liability</u></b> <b><u>(a) - (b)</u></b>
<b>Balance at 10/01/2017</b>	\$ 881,795,448	\$ 617,704,941	\$ 264,090,507
<b>Changes for the year:</b>			
Service Cost	12,906,853	-	12,906,853
Interest	64,220,387	-	64,220,387
Differences between expected and actual experience	10,997,320	-	10,997,320
Changes of assumptions	64,620,251	-	64,620,251
Contributions - employer	-	34,355,719	(34,355,719)
Contributions - member	-	11,081,234	(11,081,234)
Net investment income	-	78,645,544	(78,645,544)
Benefit payments, including refunds of member contributions	(73,580,735)	(73,580,735)	-
Administrative expenses and other	-	(352,230)	352,230
Net Changes	79,164,076	50,149,532	29,014,544
<b>Balances at 09/30/2018</b>	<b>\$ 960,959,524</b>	<b>\$ 667,854,473</b>	<b>\$ 293,105,051</b>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the GESE Trust net pension liability as of September 30, 2018:

	<b><u>1% Decrease</u></b> <b><u>(6.6%)</u></b>	<b><u>Current Discount Rate</u></b> <b><u>(7.6%)</u></b>	<b><u>1% Increase</u></b> <b><u>(8.06%)</u></b>
Net Pension Liability	\$ 397,072,730	\$ 293,105,051	\$ 205,608,756

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

For the year ended September 30, 2018, the City recognized pension expense of \$29.2 million. At September 30, 2018 the City reported deferred inflows and outflows of resources from the following source:

	<b><u>GESE Trust</u></b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 14,019,363	\$ 3,125,933
Changes of assumptions	52,653,538	251,798
Net difference between projected and actual earnings on pension plan investments	-	22,833,504
Employer contribution made subsequent to measurement date	40,879,285	-
Total	<b><u>\$ 107,552,186</u></b>	<b><u>\$ 26,211,235</u></b>

There is \$40.9 million reported as deferred outflows of resources related to pension resulting from City contributions made subsequent to the measurement date. Amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported related to pensions will be recognized in pension expense as follows:

**Year ended September 30:**

2019	\$8,619,797
2020	13,122,160
2021	5,671,718
2022	7,446,690
2023	5,601,301

***GESE Excess Benefit Plan (EBP)***

**Plan Description**

In July 2000, the City, pursuant to applicable Internal Revenue Code provisions, established a qualified governmental excess benefit plan to continue to cover the difference between the allowable pension to be paid and the amount of the defined benefit so the benefits for eligible members are not diminished by changes in the Internal Revenue Code. The GESE Board of Trustees administers the excess benefit plan. GESE members are not required to contribute to the EBP. Members of the GESE participate in this plan.

As of October 1, 2017, the date of the most recent actuarial report valuation, membership in the EBP consisted of 36 retirees currently receiving benefits.

**Contributions and Funding Policies**

The payment of the City's contribution of excess retirement benefits for eligible members of GESE above the limits permitted by the Internal Revenue Code is: (a) funded from the City's General Fund; (b) paid annually concurrently with the City's annual contribution to normal pension costs which causes the

City to realize a reduction in normal pension costs in the same amount; and (c) deposited in a separate account established specifically for the GESE to receive the City's excess retirement benefit contributions. This account is separate and apart from the accounts established to receive the City's normal pension contributions for the GESE. The EBP is an unfunded plan and the City is required to contribute as benefits become payable.

The payroll for employees covered by the EBP for the year ended September 30, 2018 was approximately \$97.4 million. The City's contribution to the plan for the year ended September 30, 2018 was \$674,572 and plan benefit payments were \$674,572. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2018, the City's average contribution rate was 0.69% percent of annual payroll.

#### Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GESE EBP and additions to/deductions from the GESE EBP fiduciary net position have been determined on the same basis as they are reported by GESE EBP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

#### Net Pension Liability

The components of the net pension liability of the GESE EBP at September 30, 2018, are as follows:

	<u><b>GESE EBP</b></u>
Total pension liability	\$ 11,152,247
Plan fiduciary net position	-
Net pension liability	<u>\$ 11,152,247</u>

#### Actuarial Assumptions

The total pension liability was based on an October 1, 2016 actuarial valuation rolled forward to the measurement date of September 30, 2017 using the following assumptions, applied to all periods in the measurement:

#### Actuarial Assumptions

Measurement Date	September 30, 2017
Inflation	3.50%
Projected salary increases	4% - 8.75%, including inflation
Investment rate of return	Not applicable, the plan has no assets for investments

The rates of mortality are according to the following tables:

#### Pre-Retirement Mortality

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB



Post-Retirement Healthy Mortality

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Post-Retirement Disabled Mortality

Female: RP2000, 100% Disabled Female set forward two years, no projection scale

Male: RP2000, 100% Disabled Male, set back four years, no projection

Long Term Rate of Return

The Excess Plan has no assets therefore long term rate of return is not applicable.

Discount Rate

The discount used to measure the total pension liability was 3.57 percent. Since the Excess plan has no assets, there are no assets available to make projected future benefit payments of current plan members. Therefore, the applicable municipal bond index rate of 3.57 percent, based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of September 30, 2016 was applied to all periods of projected benefit payments. As a result, the Single Equivalent Interest Rate (SEIR) is also 3.57 percent. The SEIR at the beginning of the measurement period was 2.93 percent based on the applicable municipal bond index rate of 2.93 percent as of September 30, 2017 applied to all periods of projected benefit payments. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the City Ordinance and Florida Statutes.

Changes in Net Pension Liability

The following table shows the GESE EBP changes in net pension liability based on the actuarial information provided to the City at September 30, 2018:

<b><u>GESE EBP</u></b>			
	<b><u>Increase (Decrease)</u></b>		
	<b><u>Total Pension Liability</u></b>	<b><u>Plan Fiduciary Net Position</u></b>	<b><u>Net Pension Liability</u></b>
	<b><u>(a)</u></b>	<b><u>(b)</u></b>	<b><u>(a) - (b)</u></b>
<b>Balance at 10/01/2017</b>	\$ 13,481,890	\$ -	\$ 13,481,890
<b>Changes for the year:</b>			
Interest	385,137	-	385,137
Differences between expected and actual experience	(1,948,114)	-	(1,948,114)
Changes of assumptions	(92,094)	-	(92,094)
Contributions - employer	-	674,572	(674,572)
Benefit payments, including refunds of member contributions	(674,572)	(674,572)	-
Net Changes	(2,329,643)	-	(2,329,643)
<b>Balances at 09/30/2018</b>	\$ 11,152,247	\$ -	\$ 11,152,247

Sensitivity of the Net Pension Liability to Changes in the Discount Rate



The following table illustrates the impact of interest rate sensitivity on the GESE EBP net pension liability as of September 30, 2018:

	<b>1% Decrease (2.57%)</b>	<b>Current Discount Rate (3.57%)</b>	<b>1% Increase (4.57%)</b>
Net Pension Liability	\$ 12,886,030	\$ 11,152,247	\$ 9,782,659

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

For the year ended September 30, 2018, the City recognized pension expense of \$1 million. At September 30, 2018 the City reported deferred outflows and inflow of resources from the following source:

	<b><u>GESE EBP</u></b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 1,359,060	\$ 1,895,523
Changes of assumptions	870,830	75,040
Employer contribution made subsequent to measurement date	587,959	-
Total	<u>\$ 2,817,849</u>	<u>\$ 1,970,563</u>

There is \$587,959 reported as deferred outflows of resources related to pension resulting from City contributions made subsequent to the measurement date. Amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30:</b>	
2019	\$582,519
2020	401,087
2021	(195,335)
2022	(377,816)
2023	(151,128)

***City of Miami General Employees and Sanitation Employees Retirement Trust (Staff Trust)***

**Plan Description**

The Staff Trust is a single-employer, defined benefit plan. The Staff Trust was established by the rule-making authority of the GESE, pursuant to Chapter 40 of the City Code. The Staff Trust covers all administrative full-time employees and other positions as may be named by the Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full-time employees, other than those eligible to decline membership.

As of October 1, 2017, the date of the most recent actuarial report valuation, membership in the Staff Trust consisted of the following:

	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	4
Terminated members entitled to benefits but not yet receiving benefits	1
Current members	<u>7</u>
Total	12

### Pension Benefits

The minimum normal retirement age is 55. Any member in service who has 10 or more years of continuous creditable service may elect to retire upon attainment of normal retirement age. A member who has completed a combination of at least 10 or more years of creditable service plus attained an age equaling 70 points may elect a Rule of 70 Retirement. However, a member is entitled to early retirement at any age with at least 10 years of creditable service. Retirement benefits are generally based on 3 percent of the average final compensation during the highest two years of membership service multiplied by years of creditable service, which is paid annually in monthly installments. A retired member who dies prior to having received 12 monthly retirement payments and prior to having an optional allowance becoming effective will have a lump sum equal to the excess, if any, of 12 times the monthly payments over the actual payments received paid to his designated beneficiary.

### Deferred Retirement Option Plan (DROP)

The Staff Trust implemented a DROP for employees eligible for Rule of 70 Retirement on March 26, 2010. Any employee who is eligible for a Rule of 70 Retirement is eligible to participate in the DROP. Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan, but may continue City employment for up to a maximum of 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

Upon termination of employment, a participant may receive payment from the DROP account in a lump sum distribution; or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a) (9) of the Internal Revenue Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement. If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance. The DROP balance for the year ended September 30, 2018 amounted to \$970,072 thousand.

### Contributions and Funding Policy

Members of the Staff Trust are required to contribute 10 percent of their salary on a bi-weekly basis. The funding policies of the Staff Trust provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the Staff Trust and to accumulate sufficient assets to pay benefits when due. The City is required to contribute an actuarially determined amount that, when combined with member contributions, will fully provide all benefits as they become payable. The yield (interest, dividends and net realized and unrealized gains and losses) on investments of the Staff Trust serves to reduce or

increase future contributions that would otherwise be required to provide for the defined level of benefits under the Staff Plan.

The payroll for employees covered by the Staff Trust for the year ended September 30, 2018 was approximately \$225,000. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2018, the average active employee contribution rate was 9.9 percent of annual pay, and the City's average contribution rate was 109.9 percent of annual payroll.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of GESE Staff Trust and additions to/deductions from the GESE Staff Trust fiduciary net position have been determined on the same basis as they are reported by GESE Staff Trust. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

*Net Pension Liability*

The components of the net pension liability of the GESE Staff Trust at September 30, 2018, are as follows:

	<u><b>GESE Staff Trust</b></u>
Total pension liability	\$ 5,019,792
Plan fiduciary net position	<u>(3,831,837)</u>
Net pension liability	<u>\$ 1,187,955</u>

*Actuarial Assumptions*

The total pension liability was based on an October 1, 2016 actuarial valuation rolled forward to the measurement date of September 30, 2017, using the following assumptions, applied to all periods in the measurement:

*Actuarial Assumptions*

Measurement Date	September 30, 2017
Inflation	3.50%
Projected salary increases	6%, including inflation
Investment rate of return	7.6% per year, net of pension plan investment expense and including inflation.

The rates of mortality are according to the following tables:

Pre-Retirement Mortality

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB

Post-Retirement Healthy Mortality

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Post-Retirement Disabled Mortality

Female: RP2000, 100% Disabled Female set forward two years, no projection scale

Male: RP2000, 100% Disabled Male, set back four years, no projection

Long Term Rate of Return

The long term expected rate of return on pension plan investments was determined using a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement 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 real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	4.90%
U.S. Small Cap Equity	5.75%
International Equity	5.25%
Core Bonds	1.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.6 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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.

Changes in Net Pension Liability

The following table shows the GESE Staff Trust changes in net pension liability based on the actuarial information provided to the City at September 30, 2018:

	<u>GESE Staff Trust</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>
<b>Balance at 10/01/2017</b>	\$ 4,364,739	\$ 3,465,231	\$ 899,508
<b>Changes for the year:</b>			
Service Cost	52,832	-	52,832
Interest	320,492	-	320,492
Changes of benefit terms	460,951	-	460,951
Differences between expected and actual experience	10,440	-	10,440
Changes of assumptions	105,798	-	105,798
Contributions - employer	-	247,449	(247,449)
Contributions - member	-	24,542	(24,542)
Net investment income	-	438,774	(438,774)
Benefit payments, including refunds of member contributions	(295,460)	(295,460)	-
Net Changes	655,053	366,606	288,447
<b>Balances at 09/30/2018</b>	\$ 5,019,792	\$ 3,831,837	\$ 1,187,955

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table illustrates the impact of interest rate sensitivity on the GESE Staff Trust Plan net pension liability as of September 30, 2018:

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(6.6%)</b>	<b>Rate</b>	<b>(8.6%)</b>
	<u></u>	<u></u>	<u></u>
Net Pension Liability	\$ 1,866,907	\$ 1,139,256	\$ 562,557

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

For the year ended September 30, 2018, the City recognized pension expense of \$358,206. At September 30, 2018 the City reported deferred inflows and outflows of resources as follows:

	<b><u>GESE Staff Trust</u></b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 12,055	228,681
Changes of assumptions	67,878	-
Net difference between projected and actual earnings on pension plan investments	-	138,626
Employer contribution made subsequent to measurement date	43,004	-
Total	<u>\$ 122,937</u>	<u>367,307</u>

There is \$43,004 reported as deferred outflow of resources related to pension resulting from City's contributions made subsequent to the measurement date. Amount will recognized as a reduction of the net pension liability in year ended September 30, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended September 30:**

2019	\$ (215,209)
2020	23,701
2021	(60,606)
2022	(35,260)

***GESE Staff Excess Benefit Plan***

**Plan Description**

The original effective date is May 25, 2001. The plan was established to fund the excess, if any, of the benefit earned under the GESE Staff Plan without taking into account the Internal Revenue Code (IRC) Section 415 limits. Membership consists of members of the GESE Trust Staff Plan who exceed the maximum benefit. There are no member contributions or plan assets.

Effective October 1, 2016, the plan document was amended to provide for an increase in the COLA paid to retirees to 4% with a \$400 annual maximum increase, provided the retiree's fifth anniversary of retirement has been reached. The amendment also provided for retirees electing the return of contribution option to receive a minimum COLA benefit of twenty-seven dollars per year and a maximum COLA benefit of two hundred dollars added to the previous COLA benefit, provided the retiree's fifth year anniversary of retirement has been reached.

As of October 1, 2017, the date of the most recent actuarial report valuation, membership in the EBP consisted of 1 active member.

### ***Elected Officers' Retirement Trust (EORT)***

#### **Plan Description**

Prior to October 22, 2009, the City's elected officials participated in a single-employer, non-contributory defined benefit pension plan under the administration and management of a separate Board of Trustees. Under the EORT, eligibility requires 7 years of total service if elected between October 1, 2001 and October 22, 2009, or 10 years of total service if elected prior to October 1, 2001 as an elected official of the City to be vested without requiring that such service be continuous. Any official elected after October 22, 2009 is not eligible to participate in the plan.

The City, pursuant to applicable Internal Revenue Code provisions, also established qualified governmental excess benefit plans to continue to cover the difference between the allowable pension to be paid, and the amount of the defined benefit, so that the benefits for eligible members are not diminished by changes in the Internal Revenue Code.

Separate stand-alone financial statements are not issued for EORT and are presented as part of the Combining Statement of Fiduciary Net Position and Combining Statement of Changes in Fiduciary Net Position located in the Fiduciary Funds section of the City's CAFR.

As of January 1, 2018, the date of the most recent actuarial valuation, membership in the EORT consisted of the following:

	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	6
Terminated members entitled to benefits but not yet receiving benefits	2
Active officers with future range of service from 1 to 3 years	<u>2</u>
Total	10

#### **Pension Benefits**

Benefits accrue for elected officers at the rate of 50 percent of the highest annual W-2 wages in the last three years of employment after 7 years of service as an elected official of the City plus 5 percent for each additional year up to 100 percent at 7 or more years of service. The Plan benefit is payable beginning on the date the participant ceases to be an elected officer, but no earlier than the participant's 55th birthday. The benefit is payable monthly, for the participant's lifetime. An active participant will be fully vested upon death and a single sum death benefit is payable. The EORT was frozen to new entrants effective October 22, 2009. Only participants who were accruing benefits and had not yet become vested in their benefits as of that date continue to accrue benefits under the EORT. Benefit accruals for all other participants were frozen.

#### **Contributions and Funding Policy**

The annual contribution is determined using the Projected Unit Credit (PUC) Cost Method, which was adopted effective with the January 1, 2012 actuarial valuation report. The PUC Cost Method separates and develops funding components for annual contributions into 1) normal costs and 2) an amortization payment toward the unfunded accrued liability for past service benefits. Revising the actuarial funding method allows the City to fund the payment liability over a longer period of time. Contributions made to EORT are in accordance with actuarially determined contribution requirements, based on the actuarial valuation performed for each respective year.

EORT is a non-contributory defined benefit plan; therefore, all funding is provided by the City. The City is required to contribute the actuarially determined rate. The City's contribution to the plan for the year ended September 30, 2018 was \$553,471.

For the year ended September 30, 2018, EORT had no covered payroll for employees.

*Summary of Significant Accounting Policies*

For the purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of EORT and additions to/deductions from the EORT fiduciary net position have been determined on the same basis as they are reported by EORT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the Pension Plan.

*Net Pension Liability*

The components of the net pension liability of EORT at September 30, 2018, were as follows:

	<b><u>EORT</u></b>
Total pension liability	\$ 8,488,936
Plan fiduciary net position	(7,375,239)
Net pension liability	<u>\$ 1,113,697</u>

*Actuarial Assumptions*

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following assumptions, applied to all periods in the measurement.

*Actuarial Assumptions*

Measurement Date	January 1, 2018
Assumed rate of return on investments	3.75% for the period Jan 1, 2018 and future periods, net of pension plan investment expense
Inflation Rate	2.5%

Mortality rates after commencement of monthly benefits are calculated with RP -2000 Mortality Table, sex-distinct, rates for annuitants, adjusted for white-collar employees, and with fully-generational mortality improvement projected under Scale BB2D. No mortality is assumed for years prior to the expected commencement date for monthly benefits.

*Long - Term Rate of Return*

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 allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return by asset class included in the pensions plan's target asset allocation as of September 30, 2018, are as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Fixed Income	1.50%

**Discount Rate**

The discount rate used to measure the total pension liability was 3.75 percent (includes inflation). The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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.

**Changes in Net Pension Liability**

The following table shows the EORT changes in net pension liability based on the actuarial information provided to the City at September 30, 2018:

	<u><b>EORT</b></u>		
	<u><b>Increase (Decrease)</b></u>		
	<u><b>Total Pension Liability (a)</b></u>	<u><b>Plan Fiduciary Net Position (b)</b></u>	<u><b>Net Pension Liability (a) - (b)</b></u>
<b>Balances at 10/01/2017</b>	\$ 8,694,583	\$ 7,102,802	\$ 1,591,781
<b>Changes for the year:</b>			
Service Cost	-	-	-
Interest	319,429	-	319,429
Differences between expected and actual experience	(199,276)	-	(199,276)
Contributions - employer	-	553,471	(553,471)
Net investment income	-	47,166	(47,166)
Benefit payments, including refunds of member contributions	(325,800)	(325,800)	-
Administrative expenses and Other	-	(2,400)	2,400
Net Changes	(205,647)	272,437	(478,084)
<b>Balances at 9/30/2018</b>	\$ 8,488,936	\$ 7,375,239	\$ 1,113,697

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the EORT net pension liability as of September 30, 2018:

	<b>1% Decrease (2.75%)</b>	<b>Current Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
Net Pension Liability	\$ 2,318,913	\$ 1,113,697	\$ 133,211

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension*

For the year ended September 30, 2018, the City recognized pension expense of \$21,466. At September 30, 2018 the City reported deferred outflows of resources from the following sources:

	<b>Deferred Outflow of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 406,654
Employer contribution made subsequent to measurement date	553,471
Total	<u>\$ 960,125</u>

There is \$553,471 reported as deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date. Amounts will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as, follows:

<b>Year ended September 30:</b>	
2019	\$158,604
2020	123,082
2021	82,462
2022	42,506

The following summarizes net pension liability, deferred inflow and outflow of resources at September 30, 2018, for each Pension Plan as previously discussed in Note 10:

<b>Plan</b>	<b>Net Pension Liability</b>	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>	<b>Pension Expense</b>
<b>FIPO</b>	\$ 554,242,209	\$ 23,280,625	\$ 97,052,071	49,851,064
<b>GESE Trust</b>	293,105,051	26,211,235	107,546,186	29,155,306
<b>GESE Excess</b>	11,152,247	1,970,563	2,817,849	1,004,457
<b>GESE Staff Trust</b>	1,139,256	367,307	122,937	358,206
<b>EORT</b>	1,113,697	-	960,125	21,466
<b>Total</b>	<u>\$ 860,752,460</u>	<u>\$ 57,102,112</u>	<u>\$ 211,071,427</u>	<u>\$ 107,390,499</u>

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

#### ***Special Benefit Plans (SBP)***

Certain executive employees of the City are allowed to join the ICMA Retirement Trust's 401(a) plan (the "SBP"). This defined contribution deferred compensation plan, which covers governmental employees throughout the country, is governed by a Board of Directors responsible for carrying out the overall management of the organization, including investment administration and regulatory compliance. Membership for the City employees is limited by the City Code to specific members of the City Clerk, City Manager, City Attorney's offices, Department Directors, Assistant Directors, and other executives. To participate in the plan a written trust agreement must be executed, which requires the City to contribute 8 percent of the individual's earnable compensation, and the employee to contribute 10 percent of their salary. Participants may withdraw funds at retirement or upon separation based on a variety of payout options. The City does not have any fiduciary responsibility relating to the plan, consequently the plan assets are not recorded in the fiduciary funds of the City.

As of September 30, 2018, the City's participation in this plan was as follows:

Total current year's payroll for all employees	\$ 334,349,316
Current year's payroll for participating employees	8,140,076
Current year employer contributions	747,695

In addition to coverage under the FIPO, the firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Chapters 175 and 185, Florida Statutes, respectively. These two plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within the City limits. This tax, which is collected from insurers by the State of Florida, is remitted directly to the Plans' Boards of Trustees. The City is entitled to levy such excise taxes solely for the use of the money purchase benefit plans as long as the minimum benefit provisions of Chapter 175 and 185, Florida

Statutes, are met by the FIPO. The City does not have any fiduciary responsibility relating to the SBP, consequently plan assets are not recorded in the fiduciary funds. The total of such excise taxes received from the State of Florida and remitted to the plans was \$9.6 million for the year ended September 30, 2018. Accordingly, these monies are recorded as pass through funds in the City's financial statements. Benefits are allocated to the participants based upon their service during the year and the level of funding received during said year. Participants are fully vested after nine years of service. Upon termination of service, a participant may elect to receive one of the three options (1) a lump sum payment; (2) five substantially equal payments, or (3) 10 percent or more in the first year and the remainder in any way over the next four years. The total must be paid out within five years.

#### **NOTE 11. – POST-EMPLOYMENT HEALTH CARE BENEFITS**

Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation to the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retired police officers are offered coverage at a discounted premium under the Fraternal Order of Police (FOP) Health Insurance Trust (HIT) that is administered separately from the City's health care plan. For non-police retirees (fire fighters, general employees, sanitation employees and elected officials) and their dependents, the City subsidizes health care coverage and life insurance at a discounted premium equal to the blended group rate. The City follows GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other than Pensions (OPEB) for financial reporting and disclosure of its OPEB plan.

##### *Plan Description*

The City has two separate single-employer OPEB plans for its retirees. One plan is for retiring police officers and the other plan is for all other retiring employees (the "Non-Police Retirees"). The benefits afforded to all retirees include lifetime medical, prescription, vision, dental and certain life insurance coverage for retiree and dependents. Non-Police Retirees receive the same benefits as similarly situated active employees of the City, while retired police officers receive the same benefits as provided through the FOP Health Trust.

The City offers to its retiree's comprehensive medical coverage and life insurance benefits through its self-insurance plan. This plan was established in accordance with Section 112.0801, Florida Statutes. Substantially all of the City's general employees, sanitation employees and firefighters may become eligible for these benefits when they reach normal retirement age while working for the City.

As of October 1, 2017, the most recent actuarial valuation date, there are approximately 5,546 covered participants of whom approximately 3,708 are active employees and 1,838 are retirees.

##### *Contributions and Funding Policy*

The City is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. Retirees are contributing the majority of their premium costs each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost.

The FOP sponsors a HIT that is partially self-insured, which provides life, health, and accidental death and dismemberment insurance to substantially all full-time sworn members of the City's Police department, eligible retirees, their families and beneficiaries. The HIT receives a significant source of its funding from the City, pursuant to the terms of a collective bargaining agreement. The agreement requires the City to reimburse the HIT an amount that is required to bring the HIT's minimum fund balance to \$2.35 million annually.

Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate trust funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's cost of the OPEB benefits is funded on a pay-as-you-go basis. The City contributed \$9.7 million for the fiscal year ended September 30, 2018.

### ***Retired Police Officers - OPEB Plan***

The City's total OPEB liability for its Police Officers was determined by an actuarial valuation as of October 1, 2017 and rolled forward to September 30, 2018 using the following assumptions applied to all periods included in the measurement, unless otherwise specified:

#### Actuarial Assumptions

Projected salary increases	Not applicable
Discount rate	4.24%
Healthcare cost trend rates	9.5% for FY2017, decreasing 0.5% per year to an ultimate rate of 5.0% for FY2021

Mortality rates were based on the RPH-2014 Total Dataset mortality table with mortality improvements Projected by Scale MP-2017 on a generational basis.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.63% at September 30, 2017 to 4.24% at September 30, 2018

#### Discount Rate

The discount rate used to measure the total OPEB liability was 4.24 percent.

In accordance with GASB Statement No. 75, the discount rate should be the single rate that reflects the following:

- a. The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB assets are expected to be invested using a strategy to achieve that return.
- b. A yield or index rate for 20-year, tax-exempt, general obligation municipal bonds with an average rating of AA/Aa or higher. To the extent that the conditions in (a.) are not met.

A Trust for the OPEB plan was not opened, the plan meets the requirements of (b.) above. Thus, a discount rate of 4.24% was adopted as of the September 30, 2018 measurement date.

*Changes in the Total OPEB Liability*

	<b>Retired Police Officers Increase (Decrease)</b>
	<b>Total OPEB Liability</b>
	<b>(a)</b>
<b>Balances at 9/30/2017</b>	<u>\$ 431,729,277</u>
<b>Changes for the year:</b>	
Service Cost	18,643,389
Interest	16,174,180
Changes of assumptions	(52,081,436)
Benefit payments, including refunds of member contributions	<u>(9,692,349)</u>
Net Changes	<u>(26,956,216)</u>
<b>Balances at 9/30/2018</b>	<u><b>\$404,773,061</b></u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the total OPEB Liability for fiscal year ending September 30, 2018:

	<b>1% Decrease (3.24%)</b>	<b>Current Discount Rate (4.24%)</b>	<b>1 % Increase (5.24%)</b>
Total OPEB Liability	\$ 565,888,266	\$ 404,773,061	\$ 375,967,745

The following table illustrates the impact of healthcare cost trend rate sensitivity on the total OPEB Liability for fiscal year ending September 30, 2018:

	<b>1% Decrease (6.00% decreasing to 4.00%)</b>	<b>Health care cost Trend Rates (7.00% Decreasing to 5.00%)</b>	<b>1% Increase (8.00% decreasing to 6.00%)</b>
Total OPEB Liability	\$ 334,041,995	\$ 404,773,061	\$ 499,757,329

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2018, the City recognized OPEB expense of \$27,873,377. At September 30, 2018, the City reported deferred inflows of resources related to OPEB in the amount of \$45,137,244 for changes in assumptions.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended September 30:**

2019	\$6,944,192
2020	6,944,192
2021	6,944,192
2022	6,944,192
2023	6,944,192
Thereafter	\$10,416,284

***Other Than Police – OPEB Plan***

The City's Other Than Police total OPEB liability of \$192,193,000 was measured as of September 30, 2018 and determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

**Actuarial Assumptions**

Projected salary increases	3.5% per annum
Discount rate	4.24% per annum
Healthcare cost trend rates	The annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends range from 7%-4.5% and are reduced 0.5% each year until reaching the ultimate trend rate of 4.5%.

Mortality rates were based on the RP-2014 generational table scaled using MP-2018 and applied on a gender-specific basis

**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.24 %, which is based on the Bond Buyer 20-Bond GO index.

*Changes in the Total OPEB Liability*

	<b>Other Than Police Increase (Decrease)</b>
	<b>Total OPEB Liability (a)</b>
<b>Balances at 9/30/2017</b>	<u>\$ 198,669,236</u>
<b>Changes for the year:</b>	
Service Cost	11,604,247
Interest	7,543,984
Changes of assumptions	(20,723,542)
Benefit payments, including refunds of member contributions	<u>(4,900,471)</u>
Net Changes	<u>(6,475,782)</u>
<b>Balances at 9/30/2018</b>	<u>\$192,193,454</u>

Change of assumptions and other inputs reflect a change in the discount rate from 3.63% at September 30, 2017 to 4.24% at September 30, 2018.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the total OPEB Liability for fiscal year ending September 30, 2018

	<b>1% Decrease (3.24%)</b>	<b>Current Discount Rate (4.24%)</b>	<b>1 % Increase (5.24%)</b>
Total OPEB Liability	\$ 164,034,000	\$ 192,193,000	\$ 227,870,000

The following table illustrates the impact of healthcare cost trend rate sensitivity on the total OPEB Liability for fiscal year ending September 30, 2018

	<b>1% Decrease</b>	<b>Health care cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 157,032,000	\$ 192,193,000	\$ 238,064,000



*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the fiscal year ended September 30, 2018, the City recognized OPEB expense of \$16,850,732. At September 30, 2018, the City reported deferred inflows of resources related to OPEB in the amount of \$18,426,043 for changes in assumptions.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended September 30:**

2019	\$ 2,297,499
2020	2,297,499
2021	2,297,499
2022	2,297,499
2023	2,297,499
Thereafter	\$ 6,938,548

**NOTE 12. – COMMITMENTS AND CONTINGENCIES**

The City participates in a number of federal and state assisted programs. These programs are subject to audit under the requirements of the Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General and OMB Uniform Guidance. The City received revenues and contributions related to grants from Federal agencies and the State of Florida. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures being disallowed under the grant terms. Based upon prior experience, the City's management believes any requests for reimbursement, if any, will not be significant.

**Global Agreement:** In December 2007, the City, the County, the OMNI CRA, and the Southeast Overtown Park West CRA, entered into an inter-local agreement that establishes the funding framework for several major facilities and infrastructure improvement projects. Those projects include the Arsht Performing Arts Center ("Arsht Center"), Miami Port Tunnel, Museum Park improvements, and the Miami Marlins Baseball Stadium and parking facilities.

The agreement specifically calls for the OMNI CRA to increase its contribution to the County to service debt and other loans on the Arsht Center. Further, the agreement established parameters by which the City, County, and CRAs would move forward with the legal process of extending the lives and expanding the geographic boundaries of both CRAs, and utilizing the additional tax increment revenues to finance affordable housing, infrastructure, and redevelopment projects consistent with the CRAs' redevelopment plans. The additional OMNI CRA tax increment revenues were available to finance the City's contributions to the Miami Port Tunnel project and the Museum Park improvements. Finally, the agreement addressed the City's and County's Miami Marlins Major League Baseball project stadium and related parking facilities built on the former Orange Bowl location site. To date, the total contributions required to be made by the City for the Museum Park Improvement projects has not been determined. The OMNI CRA has voted to provide an annual grant of tax increment revenues to the City in connection with repayment of the City's Special Obligation Non-Ad Valorem Revenue Refunding Bonds, Series (Port of Miami Tunnel Project) issued December 13, 2012. The Special Obligation Non-Ad Valorem

Revenue Refunding Bonds is City debt. As such the City is responsible for all debt service. However, the OMNI CRA has agreed to provide the City with the required annual debt service. In the event the CRA defaults on its commitment to the City, the City would be responsible to pay the debt service from legally available funds. As of September 30, 2018, the total outstanding related debt for the Non-Ad Valorem Revenue Refunding Bonds, Series (Port of Miami Tunnel Project) issued December 13, 2012 was approximately \$38.1 million.

**FOP, Miami Lodge No. 20 and Alfredo Vega v. City of Miami, et al.** This is an action by the Fraternal Order of Police (“FOP”) and individual law enforcement officers challenging the 1994 police sergeant’s examination seeking promotions retroactive to 1994, with back pay and emoluments. The testing company was joined as a party but severed from the present proceedings. The trial court bifurcated the action to address liability separate from damages. The liability portion of this case was tried in 2007, and the trial court ruled that the exam did not comply with the Civil Service Rules. The parties are now in the damages portion. The trial court has ruled that FOP did not have standing to recover any monetary relief, thereby leaving the seven individual Plaintiffs and an additional individual who was permitted to intervene. Additional union members intervened. The Third District Court of Appeal affirmed the trial court’s order denying the FOP monetary relief. The City’s potential exposure may exceed \$1,000,000. The first trial of an intervenor resulted in a verdict for the intervenor in the amount of \$100,000. Additional trials of intervenors will continue, subject to the City’s ability to appeal and challenge the right of intervention.

**Fraternal Order of Police, Walter E. Headley, Jr., Miami Lodge No. 20 v. City of Miami,** The FOP Miami Lodge 20 (hereinafter the “Police Union”) alleges that it has a Collective Bargaining Agreement with the City, effective through September 30, 2010, that the parties exchanged initial proposals for a successor agreement, and that the parties have held several bargaining sessions. The Police Union further alleges that during the several bargaining sessions, the City never advised the Police Union that there was a need to reach settlement on economic items expeditiously, or that the City intended to declare a “financial urgency” and invoke the process set forth in Section 447.4095, Florida Statutes. The Police Union contends that Section 447.4095 may only be invoked to modify the terms of an existing agreement. The Police Union further alleges that although the parties continued to bargain for a successor collective bargaining agreement on August 9 and 12, 2010, the parties never discussed wages or pensions, but on August 16, 2010, the City advised the Public Employees Relations Commission (“PERC”) that it had engaged in negotiations on the impact of the financial urgency, and any action necessitated by the financial urgency, and that a dispute existed. The Police Union then alleges that on August 31, 2010, the City unilaterally took action to alter the terms and conditions of employment before reaching impasse with the Police Union, in violation of Section 447.501(1)(a) and (1)(c). Further, the Police Union alleges that, although the changes were not discussed with them, they were discussed in a closed door unnoticed “shade” meeting conducted in violation of Section 447.605, Florida Statutes (an exemption to the Sunshine Law). The Police Union contends that the failure of the City to have any discussions with the Police Union on these matters constitutes bad faith or surface bargaining in violation of Section 447.501(1)II (a), Florida Statutes. It also asserts that by unilaterally altering terms and conditions of employment before completion of the impasse procedure set forth in Section 447.403, Florida Statutes, and by not responding to a request for records, the City violated Section 447.501(1)(a) and (1)(c), Florida Statutes. The City received a recommended order from the Hearing Officer in its favor, which was ultimately adopted by the City Commission. The FOP appealed to the Florida District Court of Appeals, First District. The First District affirmed. The FOP sought review by the Florida Supreme Court. The Florida Supreme Court accepted review. The Supreme Court heard oral arguments on April 7, 2015. On March 2, 2017, the Florida Supreme Court issued a decision in favor of FOP, quashing the decision of the First District and remanding the case to the First District for proceedings consistent with State law. The

PERC entered an Order on the Merits of the Unfair Labor Practice Charge and scheduled a back-pay hearing in June 2018. Despite the pendency of the back-pay case, the FIPO Trust voted to disburse adjusted pension payments to its members. The City filed an injunction and the Third District Court of Appeal held that the FIPO Trust had no authority to make adjusted pension payments at that time, and that neither the Florida Supreme Court decision in *Headley*, nor the October 18, 2017 PERC Order rescinded the City's current pension code. The Third District Court of Appeal emphasized that only the City has the authority to change its pension code, as appropriate, and, at the conclusion of the financial urgency litigation proceedings. The Third District also affirmed the trial court's ruling abating the proceedings pursuant to Chapter 164 of the Florida Statutes. Pursuant to the Court's opinion, the parties should commence formal intergovernmental dispute resolution proceedings under Florida Statutes Chapter 164. The FOP backpay case before the PERC began on June 18, 2018. FOP presented its case and the parties agreed to close the record and attempt mediation. The parties have negotiated a settlement agreement, which was approved by the City Commission on October 25, 2018. The settlement with the FOP requires the City to pay \$33 million, including backpay claims and increases to future pay and pension benefits by the Police Union. The administration has settled this matter and accrued the amounts due of \$33.0 million as a long-term liability at fiscal year end.

**International Association of Firefighters, Local 587 v. City of Miami**, The IAF Local 587 (hereinafter "Firefighters Union") alleges that it has a Collective Bargaining Agreement ("CBA") with the City, effective through October 1, 2010, that, in exchange for concessions by the Firefighters Union, the CBA was extended through September 30, 2011, and that the City expressly waived its right not to fund any year of the CBA except in the case of "true fiscal emergency", defined in the CBA as, "the City must demonstrate that there is no other reasonable alternative means of appropriating monies to fund the agreement for that year or years". The Firefighters Union further alleges that less than six (6) months after agreeing to the extension, on April 30, 2010, the City invoked the process under Section 447.4095, Florida Statutes, claiming "financial urgency," and on August 31, 2010, unilaterally took action to modify wages, insurance and pension benefits. The Firefighters Union asserts that the invocation of Section 447.4095, Florida Statutes was improper and was waived by the City in the CBA. Further, the Firefighters Union alleges that, prior to their enactment, the modifications to the CBA were discussed in a closed door, unnoticed "shade" meeting in violation of Section 447.605, Florida Statutes (an exemption to the Sunshine Law). Finally, the Firefighters Union asserts that the City failed to bargain collectively and in good faith by enacting the changes of August 31, 2010, by not providing the Firefighters Union with notice in advance, and by failing to discuss, bargain over, impact bargain, or complete the process set forth in Section 447.403 and/or Section 447.4095, Florida Statutes. The City received a recommended order from the Hearing Officer in its favor, which was adopted by the City Commission. The Third District remanded the case back to PERC, consistent with the outcome in *Headley v. City of Miami*. The PERC entered an Order on the Merits of the Unfair Labor Practice Charge and scheduled a backpay hearing in June 2018. The Firefighters Union backpay case before the PERC began on June 5, 2018. The record was recessed so that the parties could attempt mediation. On October 11, 2018, the City Commission approved a new labor contract and a settlement agreement with the Firefighters Union for \$20.5 million, including backpay claims and increases to future pay and pension benefits by the Firefighters Union. The City has settled this matter and accrued payments due of \$20.5 million as a long-term liability at fiscal year end.

**346 NW 29<sup>th</sup> Street, LLC, et al. v. City of Miami**, This is a class action for declaratory relief regarding the City's obligations pursuant to Chapter 56, Article V, of the Code of the City of Miami. The city commission, at its discretion, may grant, by ordinance, ad valorem tax exemptions to new and expanding businesses located within enterprise zones. Qualifying new or expanding businesses were eligible to receive an exemption up to 100% of the municipal portion of their real or personal property ad valorem

taxes. The Florida Statutes which enabled this exemption gave the right to all applicants to be considered by the City Commission. If they were approved as qualified by the administration, they were entitled to an up or down vote by the Commission. If the administration did not approve their application, they had a right to appeal to the Commission. Unfortunately, approved applicants were not submitted and rejected applicants were not advised of their right to appeal. The trial court certified the class and granted the Plaintiff's motion for summary judgment on liability. On January 25, 2018, the City of Miami Commission approved Resolution #18-0033 authorizing to pay an amount not to exceed \$12,000,000 in full settlement of any and all claims alleged against the City in the class action. \$2.0 million has been accrued for the payment of attorney fees, additional claims will not be processed until plaintiffs present their case before a magistrate.

### **Litigation**

The City is involved in various lawsuits arising from the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of management of the City based upon consultation with legal counsel, that the outcome of these matters will not have an adverse material effect on the financial position of the City beyond the amount accrued for its self-insured liability and the amount accrued for estimated probable losses to date.

A third party sued the City for breach of contract and is seeking damages of about \$200 million. The trial court bifurcated the case, conducted a non-jury trial on liability, and found in favor of the third party on liability. The damages trial is scheduled for April 2019. The damages sought by the third party include actual damages to date and future consequential damages, as a result of the breach of contract. Based upon consultation with legal counsel, the City has reported a probable loss for this matter and accrued a liability. Management is unable to reasonably estimate additional losses, if any, but they could be significant. The City continues to believe that it has meritorious defenses to the damages sought by the third party in the trial court, which management believes is substantially overstated.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances do not constitute expenditures or liabilities and are recorded in the appropriate fund balance classifications of restricted, committed or assigned in accordance with the City's fund balance policy.

The City has outstanding encumbrances in the governmental funds. The following is a summary of these commitments at September 30, 2018.

#### **Governmental Funds**

##### **Major Funds:**

Other Capital Projects	\$	28,696,830
Impact Fee		7,816,499
Non Major Governmental Funds		<u>19,791,563</u>
	\$	56,304,892

### **NOTE 13. – SUBSEQUENT EVENTS**

On October 15, 2018 The City of Miami entered in to a Settlement Agreement between FRATERNAL ORDER OF POLICE, INC (FOP) and the CITY OF MIAMI in regard to September 21, 2010, charge, Case No. CA-2010-119. In settlement of the FOP's damages claims, the City agreed to pay the total sum of \$33 million in damages to the affected bargaining unit members as follows; \$15,500,000 in 2019, and \$2, 917,000 each year beginning October 1, 2020 through October 1, 2025.

On October 25, 2018 the City Commission adopted an ordinance to abolish The Miami Sports and Exhibition Authority (MSEA) by amending section 18-72(A)(2) and 18-74(C) of the procurement code and transferring all asset and liabilities to the City; establishing a special revenue fund. MSEA's revenues are solely garnered from rent collected from the lease of property to the Miami Children's Museum, a seaplane base, and a heliport on Watson Island in accordance with an intermodal agreement between the City and MSEA. The City will assume all obligations and liabilities of MSEA upon its abolishment.

On November 15, 2018, the City issued \$57,405,000 Special Obligation Refunding Bonds, Series 2018A for the purpose of providing funds, together with other available moneys to (i) refund all of the City's outstanding Special Obligation Bonds, Series 2007 (Street and Sidewalk Improvement Program) and (ii) pay the costs of issuance of the series 2008A Bonds. In addition, the City also issued \$42,620,000 Taxable Special Obligation Refunding Series 2018B Bonds for the purpose of providing funds, together with other available moneys to (i) current refund all of the City's outstanding Special Obligation Bonds, Series 2009 (Street and Sidewalk improvement program) and (ii) pay the costs of issuance of the Series 2018B Bonds. Furthermore, the City issued \$7,455,000 Taxable Special Obligation Revenue Series 2018C Bonds for the purpose of providing funds together with other available moneys to (i) finance the cost of acquisition, construction, and improvements to certain roadways, drainage, Streetscapes and related appurtenance and (ii) pay the costs of issuance of the Series 2018C Bonds.

On December 12, 2018, the City of Miami Commission approved \$58 million of the \$400 million Miami Forever Bond voted by residents in November 2017. The \$58 million will fund the first set of Miami Forever Bond projects. The City of Miami will use the proceeds as follows: \$10.3 million toward fighting sea level rise, including a redesign of Brickell Bay Drive and the installation of 50 new one-way valves; \$15 million for new affordable housing projects and a single-family home rehabilitation program; \$420,000 for upgrades to Fire Station No. 10, \$7.6 million to improve nearly 4 miles of roadways; and \$25.8 million to enhance the City's public parks, including upgrading playgrounds, repairing sidewalks, and enhancing accessibility.

### **NOTE 14. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

**GASB Statement No. 83, Certain Asset Retirement Obligations**, this Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirement of this statement are effective for reporting periods beginning after September 30, 2018.

**GASB Statement No. 84, Fiduciary Activities**, this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a

fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

**GASB issued Statement No. 87, Leases.** The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**GASB issued Statement No. 88,** the objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowing and direct placements. This Statement defines debt for purpose of disclosure in notes to financial statements as liabilities that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The statement requires that additional information related to debt be disclosed in notes to financial statements, including lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with financial-related consequences, significant termination events with financial-related consequences, and significant subjective acceleration clauses. This statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting period beginning after June 15, 2018.

**GASB issued Statement No. 90,** the primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement effective for reporting period beginning after December 15, 2018.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

**NOTE 15. – RESTATEMENT OF FIDUCIARY NET POSITION**

The October 1, 2017 City of Miami Fire Fighters' and Police Officers' Retirement Trust beginning net position restricted for pension benefits was restated because it was determined that, although the Trust has fiduciary oversight over the Deferred Retirement Option Program (DROP), DROP investments that were previously reported as part of the Trust's assets are titled and held outside of the Trust and therefore should not be included as Trust assets. Therefore, those assets were not available to pay pension benefits as they were already paid into the DROP accounts. As a result of the correction of an error to the DROP assets, the beginning net position restricted for pension benefits was restated to remove DROP investments and the addition and deduction transactions related to the DROP Program.

The restatement of net position restricted for pension benefit is as follows:

Net position restricted for pension benefits - October 1, 2017	\$ 1,732,531,765
Restatement	(181,181,304)
Net position restricted for pension benefits - October1, 2017	<u>\$ 1,551,350,461</u>

The restatement does not impact the City's net pension liability or the actuarially determined contribution, nor does it have any effect on the calculation of the actuarial obligation for the Plan, nor does it impact the benefits paid to the members of the Plan.

# Required Supplementary Information

## City of Miami, Florida Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual - General Fund For The Year Ended September 30, 2018 (Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 325,976,000	\$ 325,976,000	\$ 325,267,816	\$ (708,184)
Franchise and Other Taxes	110,344,000	110,344,000	113,992,902	3,648,902
Licenses and Permits	65,738,000	65,738,000	73,313,619	7,575,619
Fines and Forfeitures	15,743,000	15,743,000	13,887,391	(1,855,609)
Intergovernmental Revenues	67,662,000	67,662,000	69,954,774	2,292,774
Charges for Services	109,673,000	109,673,000	117,481,066	7,808,066
Investment Earnings (Loss)	2,500,000	2,500,000	5,808,378	3,308,378
Other	22,620,000	30,929,000	19,057,070	(11,871,930)
<b>Total Revenues</b>	<b>720,256,000</b>	<b>728,565,000</b>	<b>738,763,016</b>	<b>10,198,016</b>
<b>Expenditures:</b>				
General Government				
Mayor	1,333,000	1,415,000	1,303,929	(111,071)
Commissioners	3,602,000	3,602,000	3,287,269	(314,731)
City Manager	3,916,000	3,916,000	3,520,745	(395,255)
Agenda Coordination	397,000	397,000	370,961	(26,039)
City Clerk	1,753,000	1,753,000	1,781,705	28,705
Neighborhood Enhancement Team	6,514,000	6,542,000	6,387,763	(154,237)
Civil Service Board	428,000	428,000	379,525	(48,475)
Independent Auditor General	1,126,000	1,126,000	870,715	(255,285)
Communications	1,592,000	1,701,000	1,547,783	(153,217)
Human Resources	4,603,000	4,753,000	4,593,259	(159,741)
Innovation and Technology Department	10,956,000	11,024,000	11,193,794	169,794
City Attorney	8,418,000	8,678,000	8,555,927	(122,073)
Management and Budget	2,843,000	2,843,000	2,488,907	(354,093)
Procurement	2,701,000	2,701,000	2,528,273	(172,727)
Equal Opportunity & Diversity Programs	438,000	438,000	410,397	(27,603)
Finance	8,873,000	8,873,000	8,709,603	(163,397)
Capital Improvements and Transportation	3,252,000	3,361,000	3,436,043	75,043
Grants Administration	1,741,000	1,741,000	1,666,781	(74,219)
Non-Departmental	55,051,000	45,252,000	36,266,112	(8,985,888)
Risk Management	2,920,000	2,920,000	2,926,977	6,977
Resiliency and Sustainability	785,000	785,000	499,186	(285,814)
Film and Entertainment	424,000	424,000	413,111	(10,889)
Veterans Affairs and Homeless Services	1,722,000	1,972,000	1,894,289	(77,711)
Total General Government	125,388,000	116,645,000	105,033,054	(11,611,946)
Planning and Development				
Building	12,533,000	13,013,000	13,258,097	245,097
Planning	4,763,000	4,929,000	4,978,945	49,945
Zoning Department	2,305,000	2,526,000	2,376,439	(149,561)
Total Planning and Development	19,601,000	20,468,000	20,613,481	145,481
Public Works				
Solid Waste	33,291,000	33,301,000	31,702,600	(1,598,400)
General Service Administration	23,067,000	23,067,000	23,577,396	510,396
Public Works and Sustainability	21,111,000	21,588,000	22,122,624	534,624
Total Public Works	77,469,000	77,956,000	77,402,620	(553,380)
Public Safety				
Code Compliance	6,728,000	6,892,000	6,795,883	(96,117)
Fire - Rescue	130,864,000	133,011,000	132,215,386	(795,614)
Police	235,486,000	236,385,000	233,431,327	(2,953,673)
Total Public Safety	373,078,000	376,288,000	372,442,596	(3,845,404)
Real Estate and Asset Management	12,052,000	12,344,000	11,716,751	(627,249)
Community and Economic Development	2,411,000	1,668,000	1,566,902	(101,098)
Parks and Recreation	44,752,000	45,947,000	46,456,057	509,057
Total other Departmentnets	59,215,000	59,959,000	59,739,710	(219,290)
<b>Total Expenditures</b>	<b>654,751,000</b>	<b>651,316,000</b>	<b>635,231,461</b>	<b>(16,084,539)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>65,505,000</b>	<b>77,249,000</b>	<b>103,531,555</b>	<b>26,282,555</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	6,464,000	7,022,000	6,163,609	(858,391)
Transfers Out	(72,077,000)	(84,379,000)	(82,653,000)	1,726,000
Proceeds from Sale of Property	108,000	108,000	277,969	169,969
<b>Total Other Financing Sources (Uses)</b>	<b>(65,505,000)</b>	<b>(77,249,000)</b>	<b>(76,211,422)</b>	<b>1,037,578</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>27,320,133</b>	<b>27,320,133</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>160,143,418</b>	<b>160,143,418</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 187,463,551</b>	<b>\$ 187,463,551</b>



## **Notes to Required Supplementary Information**

### **City of Miami, Florida Year Ended September 30, 2018 (Unaudited)**

#### **NOTE 1. - BUDGETARY POLICY**

##### **A. Budget Policy**

The City Commission annually adopts an operating budget ordinance for all governmental funds of the City, except for the Capital Project Funds. The Capital Project Funds are budgeted on a total project basis for which annual budgets are not available. For governmental funds, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

##### **B. Budget-Legal Compliance**

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to August 31<sup>st</sup>, the City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund, which is at the departmental level, for the fiscal year commencing October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.

The Mayor prepares and delivers a budgetary address annually to the people of the City between July 1<sup>st</sup> and September 30<sup>th</sup>.

Such report is prepared after consultation with the City Manager.

Public hearings are conducted to obtain taxpayer comments.

Prior to October 1<sup>st</sup>, the budget is legally enacted through the passage of a resolution and adoption of the budget report. Management may not make changes to the adopted budget without the approval of a majority vote of the Commission.

The Commission may transfer among departments any part of an unencumbered balance of an appropriation to a purpose for which an appropriation for the current year has proved insufficient. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level.

All budget amendments require City Commission approval. During fiscal year 2018, supplemental appropriations totaling \$8.9 million in the General Fund, comprised of a decrease in allocations of \$3.4 million to General Fund expenditures by departments and an increase of \$12.3 million in Transfers-In. The Special Revenue Funds budget was also increased in fiscal year 2018 by approximately \$12.6 million, of which \$2.4 million were allocated to Planning, \$1.1 million to Police Services, \$391,000 to City Clerk, \$1.1 million to Community Development, \$98,900 to Parks and Rec., \$692,000 to General Special Revenue, \$1.7 million to Public Works, \$1.8 million to Transportation and Transit, \$275,000 to Fire Rescue, \$3.3 million to Departmental Initiative, and a reduction to the Tree Trust Fund \$217,000. During fiscal year 2018, the General fund had expenditures of approximately \$2.6 million attributable to capital expenditures; these expenditures are budgeted at the department level and not reported separately on the General Fund Budget to Actual Schedule of Revenues, Expenditures and Changes in Fund Balance presented on page 145.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Retired Police Officers Other Post Employment Benefit**  
**September 30, 2018**  
(Unaudited)

	<b>2018</b>
<b>Total OPEB liability</b>	
Service cost	\$ 18,643,389
Interest	16,174,180
Changes of benefit terms	
Changes of assumptions	(52,081,436)
Benefit payments	(9,692,349)
<b>Net Change in total OPEB liability</b>	<u>(26,956,216)</u>
 Total OPEB liability - beginning	 431,729,277
Total OPEB liability - ending	<u><u>\$ 404,773,061</u></u>

Covered payroll	Not Available
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City's Total OPEB liability as a percentage of covered payroll	Not Available
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Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 75.

The City implemented GASB No.75 for the fiscal year ended September 30, 2018.

This Schedule will present 10 years as information becomes available.

## Required Supplementary Information

**City of Miami, Florida**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Other Than Police Officers Other Post Employment Benefit**  
**September 30, 2018**  
(Unaudited)

	<u>2018</u>
<b>Total OPEB liability</b>	
Service cost	\$ 11,604,247
Interest	7,543,984
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	(20,723,542)
Benefit payments	(4,900,471)
<b>Net Change in total OPEB liability</b>	<u>(6,475,782)</u>
 Total OPEB liability - beginning	 198,669,236
Total OPEB liability - ending	<u><u>\$ 192,193,454</u></u>
 Covered payroll	 \$ 154,355,815
 City's Total OPEB liability as a percentage of covered payroll	 125.00%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 75.

The City implemented GASB No.75 for the fiscal year ended September 30, 2018.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Firefighters and Police (FIPO)**  
**Last Five Fiscal Years**  
(Unaudited)

	<b>Update for restatement 2018</b>	<b>Update for restatement 2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>					
Service cost	\$ 27,965,925	\$ 26,279,333	\$ 21,625,163	\$ 19,203,823	\$ 17,233,272
Interest	161,257,121	160,085,065	156,265,650	156,479,438	155,338,970
Changes of benefit terms	(122,641,436)	122,641,436	-	9,453,429	-
Differences between expected and actual experience	21,545,185	16,422,875	12,725,721	(16,970,540)	(6,638,755)
Changes of assumptions	16,618,357	-	30,651,781	14,895,466	-
Benefit payments, including refunds of member contributions	(194,663,548)	(182,692,360)	(166,203,470)	(165,535,327)	(139,860,276)
<b>Net change in total pension liability</b>	<b>(89,918,396)</b>	<b>142,736,349</b>	<b>55,064,845</b>	<b>17,526,289</b>	<b>26,073,211</b>
Total pension liability - beginning	2,365,283,830	2,222,547,481	2,167,482,636	2,149,956,347	2,123,883,136
Total pension liability - ending	2,275,365,434	2,365,283,830	2,222,547,481	2,167,482,636	2,149,956,347
<b>Plan fiduciary net position</b>					
Contributions - employer	56,999,866	53,264,009	48,672,615	48,616,677	47,654,757
Contributions - member	14,258,763	13,206,378	12,082,805	9,317,231	9,462,569
Net investment income	113,891,834	150,421,653	132,946,827	35,529,492	133,609,444
Benefit payments, including refunds of member contributions	(194,663,548)	(182,692,360)	(166,203,470)	(165,535,327)	(139,860,276)
Administrative expenses	(2,086,709)	(2,058,797)	(2,029,168)	(2,222,561)	(2,086,240)
Other	191,254	292,382	(42,726)	269,771	(42,726)
<b>Net change in plan fiduciary net position</b>	<b>(11,408,540)</b>	<b>32,433,265</b>	<b>25,426,883</b>	<b>(74,024,717)</b>	<b>48,737,528</b>
Plan fiduciary net position - beginning	1,732,531,765	1,700,098,500	1,674,671,617	1,748,696,334	1,699,958,806
Plan fiduciary net position - ending	1,721,123,225	1,732,531,765	1,700,098,500	1,674,671,617	1,748,696,334
City's net position liability	<u>\$ 554,242,209</u>	<u>\$ 632,752,065</u>	<u>\$ 522,448,981</u>	<u>\$ 492,811,019</u>	<u>\$ 401,260,013</u>
Covered payroll	\$ 141,497,840	\$ 133,083,231	\$ 106,278,378	\$ 93,705,765	\$ 85,222,842
Net pension liability as a percentage of covered payroll	391.70%	475.46%	491.59%	525.91%	470.84%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2015.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**General and Sanitation Employees (GESE)**  
**Last Four Fiscal Years**  
(Unaudited)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability</b>				
Service cost	\$ 12,906,853	\$ 10,165,542	\$ 9,234,478	\$ 8,678,294
Interest	64,220,387	63,603,300	64,212,607	64,248,602
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	10,997,320	8,476,546	(8,035,778)	-
Changes of assumptions	64,620,251	(421,932)	-	-
Benefit payments, including refunds of member contributions	(73,580,735)	(73,827,066)	(73,029,933)	(73,771,095)
<b>Net change in total pension liability</b>	<b>79,164,076</b>	<b>7,996,390</b>	<b>(7,618,626)</b>	<b>(844,199)</b>
Total pension liability - beginning	881,795,448	873,799,058	881,417,684	882,261,883
Total pension liability - ending	<u>960,959,524</u>	<u>881,795,448</u>	<u>873,799,058</u>	<u>881,417,684</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	34,355,719	32,881,500	33,036,318	30,710,096
Contributions - member	11,081,234	9,595,465	8,163,643	7,231,235
Net investment income	78,645,544	60,237,354	1,496,395	65,272,884
Benefit payments, including refunds of member contributions	(73,580,735)	(73,827,066)	(73,029,933)	(73,771,095)
Administrative expenses	(352,230)	(233,337)	(176,693)	(265,995)
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>50,149,532</b>	<b>28,653,916</b>	<b>(30,510,270)</b>	<b>29,177,125</b>
Plan fiduciary net position - beginning	617,704,941	589,051,025	619,561,295	590,384,170
Plan fiduciary net position - ending	<u>667,854,473</u>	<u>617,704,941</u>	<u>589,051,025</u>	<u>619,561,295</u>
City's net position liability	<u>\$ 293,105,051</u>	<u>\$ 264,090,507</u>	<u>\$ 284,748,033</u>	<u>\$ 261,856,389</u>
Covered payroll	\$ 97,373,080	\$ 81,069,095	\$ 71,924,747	\$ 66,370,246
Net pension liability as a percentage of covered payroll	301.01%	325.76%	395.90%	394.54%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2016.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**General and Sanitation Employees Excess Benefit Plan (GESE Excess)**  
**Last Four Fiscal Years**  
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	385,137	469,106	392,659	427,362
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,948,114)	(516,393)	3,177,002	763,199
Changes of assumptions	(92,094)	1,459,230	-	-
Benefit payments, including refunds of member contributions	<u>(674,572)</u>	<u>(680,534)</u>	<u>(653,302)</u>	<u>(556,805)</u>
<b>Net change in total pension liability</b>	<u>(2,329,643)</u>	<u>731,409</u>	<u>2,916,359</u>	<u>633,756</u>
 Total pension liability - beginning	<u>13,481,890</u>	<u>12,750,481</u>	<u>9,834,122</u>	<u>9,200,366</u>
Total pension liability - ending	<u>11,152,247</u>	<u>13,481,890</u>	<u>12,750,481</u>	<u>9,834,122</u>
 <b>Plan fiduciary net position</b>				
Contributions - employer	674,572	680,534	648,302	561,805
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(674,572)	(680,534)	(653,302)	(556,805)
Administrative expenses			5,000	(5,000)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 City's net position liability	<u>\$ 11,152,247</u>	<u>\$ 13,481,890</u>	<u>\$ 12,750,481</u>	<u>\$ 9,834,122</u>
 Covered-employee payroll	\$ 97,373,080	\$ 81,069,095	\$ 71,924,747	\$ 66,370,246
 Net pension liability as a percentage of covered-employee payroll	11.45%	16.63%	17.73%	14.82%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2016.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**General and Sanitation Employees Staff Trust Plan (GESE Staff)**  
**Last Four Fiscal Years**  
(Unaudited)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability</b>				
Service cost	\$ 52,832	\$ 45,464	\$ 43,416	\$ 77,022
Interest	320,492	365,280	353,121	345,755
Changes of benefit terms	460,951	-	-	-
Differences between expected and actual experience	10,440	(686,043)	99,869	-
Changes of assumptions	105,798	-	-	-
Benefit payments, including refunds of member contributions	(295,460)	(332,554)	(340,299)	(311,388)
<b>Net change in total pension liability</b>	<b>655,053</b>	<b>(607,853)</b>	<b>156,107</b>	<b>111,389</b>
Total pension liability - beginning	4,364,739	4,972,592	4,816,485	4,705,096
Total pension liability - ending	5,019,792	4,364,739	4,972,592	4,816,485
<b>Plan fiduciary net position</b>				
Contributions - employer	247,449	269,054	291,087	291,968
Contributions - member	24,542	19,316	19,838	23,377
Net investment income	438,774	364,079	(15,614)	338,281
Benefit payments, including refunds of member contributions	(295,460)	(332,554)	(340,299)	(311,388)
<b>Net change in plan fiduciary net position</b>	<b>415,305</b>	<b>319,895</b>	<b>(44,988)</b>	<b>342,238</b>
Plan fiduciary net position - beginning	3,465,231	3,145,336	3,190,324	2,848,086
Plan fiduciary net position - ending	3,880,536	3,465,231	3,145,336	3,190,324
City's net position liability	<u>\$ 1,139,256</u>	<u>\$ 899,508</u>	<u>\$ 1,827,256</u>	<u>\$ 1,626,161</u>
Covered-employee payroll	\$ 225,148	\$ 172,459	\$ 164,547	\$ 298,958
Net pension liability as a percentage of covered-employee payroll	506.00%	521.58%	1110.48%	543.94%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2016.

This Schedule will present 10 years as information becomes available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Elected Officers Retirement Trust (EORT)**  
**Last Five Fiscal Years**  
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>					
Service cost	\$ -	\$ -	\$ 88,956	\$ 98,028	\$ 257,052
Interest	319,429	317,610	316,813	304,126	308,476
Changes of benefit terms					
Differences between expected and actual experience	(199,276)	53,460	(2,221)	(20,969)	(250,718)
Changes of assumptions	-	-	-	228,310	-
Benefit payments, including refunds of member contributions	(325,800)	(318,754)	(263,320)	(260,660)	(261,135)
<b>Net change in total pension liability</b>	<u>(205,647)</u>	<u>52,316</u>	<u>140,228</u>	<u>348,835</u>	<u>53,675</u>
Total pension liability - beginning	<u>8,694,583</u>	<u>8,642,267</u>	<u>8,502,039</u>	<u>8,153,204</u>	<u>8,099,529</u>
Total pension liability - ending	<u>8,488,936</u>	<u>8,694,583</u>	<u>8,642,267</u>	<u>8,502,039</u>	<u>8,153,204</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	553,471	406,911	860,089	551,222	-
Contributions - member					
Net investment income	47,166	54,780	42,971	61,789	(19,893)
Benefit payments, including refunds of member contributions	(325,800)	(318,754)	(263,320)	(260,660)	(261,135)
Administrative expenses	(2,400)	(2,400)	(2,400)	(2,400)	(2,400)
Other					
<b>Net change in plan fiduciary net position</b>	<u>272,437</u>	<u>140,537</u>	<u>637,340</u>	<u>349,951</u>	<u>(283,428)</u>
Plan fiduciary net position - beginning	<u>7,102,802</u>	<u>6,962,265</u>	<u>6,324,925</u>	<u>5,974,974</u>	<u>6,258,402</u>
Plan fiduciary net position - ending	<u>\$ 7,375,239</u>	<u>\$ 7,102,802</u>	<u>\$ 6,962,265</u>	<u>\$ 6,324,925</u>	<u>\$ 5,974,974</u>
City's net position liability	<u>\$ 1,113,697</u>	<u>\$ 1,591,781</u>	<u>\$ 1,680,002</u>	<u>\$ 2,177,114</u>	<u>\$ 2,178,230</u>
Covered-employee payroll	\$ -	\$ -	\$ 100,788	\$ 103,194	\$ 298,788
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	1666.87%	2109.73%	729.02%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 68.

The City implemented GASB No.68 for the fiscal year ended September 30, 2015.

This Schedule will present 10 years as information becomes available.



**City of Miami, Florida**  
**Schedule of Contributions - FIPO**  
**September 30, 2018**  
(Unaudited)

	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
Actuarially determined contribution	\$ 56,999,866	\$ 53,264,009	\$ 48,672,615	\$ 48,616,677	\$ 47,305,679
Contributions made in relation to the actuarially determined contribution	56,999,866	53,264,009	48,672,615	48,616,677	47,305,679
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-payroll	\$ 148,949,683	\$ 141,497,840	\$ 133,083,231	\$ 106,278,378	\$ 93,705,765
Contributions as a percentage of covered-payroll	38.27%	37.64%	36.57%	45.74%	50.48%

	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>
Actuarially determined contribution	\$ 45,412,248	\$ 47,418,316	\$ 47,156,797	\$ 59,025,379	\$ 36,993,395
Contributions made in relation to the actuarially determined contribution	45,412,248	47,418,316	47,156,797	59,025,379	36,993,395
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-payroll	\$ 85,222,842	\$ 82,205,838	\$ 82,164,617	\$ 80,152,355	\$ 122,212,346
Contributions as a percentage of covered-payroll	53.29%	57.68%	57.39%	73.64%	30.27%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2018, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2017
Actuarial cost method:	Entry Age Method
Asset valuation method:	20% Write-Up Method: Expected actuarial value of assets, adjusted by 20% of the difference between expected actuarial value and actual market value (net of pending transfers to the COLA Fund)
Actuarial Assumptions:	
Interest rates	7.34% net of investment expenses
Inflation	3.25%
Projected salary increases	1.5% for promotions and other increase plus salary merit
Expense and or Contingency Loading	\$2,128,469

**City of Miami, Florida**  
**Schedule of Contributions - GESE**  
**September 30, 2018**  
(Unaudited)

	<b>2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
Actuarially determined contribution	\$ 40,879,285	\$ 34,355,719	\$ 32,881,500	\$ 33,036,318	\$ 30,710,096
Contributions made in relation to the actuarially determined contribution	40,879,285	34,355,719	32,881,500	33,036,318	30,710,096
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-payroll	\$ 111,127,482	\$ 97,373,080	\$ 81,069,095	\$ 71,924,747	\$ 66,370,246
Contributions as a percentage of covered-payroll	36.79%	35.28%	40.56%	45.93%	46.27%

	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>
Actuarially determined contribution	\$ 25,568,193	\$ 25,784,849	\$ 20,420,995	\$ 24,037,093	\$ 23,191,828
Contributions made in relation to the actuarially determined contribution	25,568,193	25,784,849	20,420,995	\$ 24,037,093	23,191,828
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-payroll	\$ 64,391,195	\$ 65,509,421	\$ 70,825,712	\$ 92,746,558	\$ 93,703,886
Contributions as a percentage of covered-payroll	39.71%	39.36%	28.83%	25.92%	24.75%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2018, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2016
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, closed
Remaining amortization period:	6 to 20 years
Asset valuation method:	5-Year Smoothed Market
Actuarial Assumptions:	
Investment rate of return	7.6%
Projected salary increases	4% to 8.75%
Payroll Growth	3.0%
Includes inflation at	3.5%

**City of Miami, Florida**  
**Schedule of Contributions - GESE Excess**  
**September 30, 2018**  
(Unaudited)

	<b>2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
Actuarially determined contribution	\$ 694,643	\$ 850,429	\$ 914,859	\$ 947,666	\$ 722,999
Contributions made in relation to the actuarially determined contribution	587,959	674,572	680,534	648,302	561,805
Contribution deficiency (excess)	\$ 106,684	\$ 175,857	\$ 234,325	\$ 299,364	\$ 161,194
Covered-payroll	\$ 111,127,482	\$ 97,373,080	\$ 81,069,095	\$ 71,924,747	\$ 66,370,246
Contributions as a percentage of covered-payroll	0.53%	0.69%	0.84%	0.90%	0.85%

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	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>
Actuarially determined contribution	\$ 665,659	\$ 606,589	\$ 585,357	\$ 625,539	\$ 566,046
Contributions made in relation to the actuarially determined contribution	523,398	514,908	406,243	339,602	464,325
Contribution deficiency (excess)	\$ 142,261	\$ 91,681	\$ 179,114	\$ 285,937	\$ 101,721
Covered-payroll	\$ 64,391,195	\$ 65,509,421	\$ 70,825,712	\$ 92,746,558	\$ 93,703,886
Contributions as a percentage of covered-payroll	0.81%	0.79%	0.57%	0.37%	0.50%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2018, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2016
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar amounts, closed
Remaining amortization period:	14 years
Asset valuation method:	Not Applicable, the plan has no assets for investment
Actuarial Assumptions:	
Investment rate of return	7.60%
Projected salary increases	4% to 8.75%
Includes inflation at	3.5%

**City of Miami, Florida**  
**Schedule of Contributions - GESE Staff**  
**September 30, 2018**  
(Unaudited)

	<b>2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
Actuarially determined contribution	\$ 233,242	\$ 247,449	\$ 269,054	\$ 291,087	\$ 291,968
Contributions made in relation to the actuarially determined contribution	233,242	247,449	269,054	291,087	291,968
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-payroll	\$ 280,425	\$ 225,148	\$ 172,459	\$ 164,547	\$ 298,958
Contributions as a percentage of covered-payroll	83.17%	109.91%	156.01%	176.90%	97.66%

	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>
Actuarially determined contribution	\$ 219,774	\$ 226,793	\$ 164,490	\$ 132,542	\$ 159,837
Contributions made in relation to the actuarially determined contribution	219,774	226,793	164,490	133,487	159,837
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (945)	\$ -
Covered-payroll	\$ 354,937	\$ 735,056	\$ 842,955	\$ 738,898	\$ 632,259
Contributions as a percentage of covered-payroll	61.92%	30.85%	19.51%	18.07%	25.28%

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2018, as reported in the Schedule of Contributions above:

Valuation date:	October 1, 2016
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar amounts, closed
Remaining amortization period:	1 to 20 years
Asset valuation method:	3 year smoothed market
Actuarial Assumptions:	
Investment rate of return	7.60%
Projected salary increases	6.00%
Includes inflation at	3.50%

**City of Miami, Florida**  
**Schedule of Contributions - EORT**  
**September 30, 2018**  
(Unaudited)

	<b>2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>FY 2014</b>
Actuarially determined contribution	\$ 463,386	\$ 406,911	\$ 469,450	\$ 390,314	\$ 570,348
Contributions made in relation to the actuarially determined contribution	553,471	406,911	860,089	551,222	-
Contribution deficiency (excess)	\$ (90,085)	\$ -	\$ (390,639)	\$ (160,908)	\$ 570,348
Covered-payroll	\$ -	\$ -	\$ 100,788	\$ 103,194	\$ 298,788
Contributions as a percentage of covered-payroll	N/A	N/A	853.36%	534.16%	0.00%

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	<b>FY 2013</b>	<b>FY 2012</b>	<b>FY 2011</b>
Actuarially determined contribution	\$ 488,713	\$ 566,252	\$ 431,995
Contributions made in relation to the actuarially determined contribution	1,054,965	432,170	962,677
Contribution deficiency (excess)	\$ (566,252)	\$ 134,082	\$ (530,682)
Covered-payroll	\$ 335,952	\$ 209,260	\$ 209,260
Contributions as a percentage of covered-payroll	314.02%	206.52%	460.04%

Actuarial valuation reports prior to 2010 are not available.

The following actuarial methods and assumptions were used to determine contribution rates for Fiscal Year 2018, as reported in the Schedule of Contributions above:

Valuation date:	January 1, 2018
Actuarial cost method:	Entry Age Normal
Amortization method:	Level dollar, closed
Remaining amortization period:	5 to 9 years
Equivalent single amortization period:	8 years
Asset valuation method:	Market Value
Actuarial Assumptions:	
Investment rate of return	3.75%
Projected salary increases	None
Payroll Growth	None
Includes inflation at	2.50%
Cost of living adjustments	None

**City of Miami, Florida**  
**Schedule of Investment Returns**  
**September 30, 2018**  
(Unaudited)

**Annual money-weighted rate of return, net of investment expense**

<b><u>Year Ended September 30,</u></b>	<b><u>Firefighters and Police (FIPO)</u></b>	<b><u>General and Sanitation Employees (GESE)</u></b>	<b><u>General and Sanitation Employees Excess Benefit (GESE Excess Plan)</u></b>	<b><u>General and Sanitation Employees Staff Trust Plan (GESE Staff Plan)</u></b>	<b><u>Elected Officers Retirement Trust (EORT)</u></b>
2018	9.58%	13.20%	Not applicable (a)	12.90%	0.68%
2017	9.22%	10.60%	Not applicable (a)	11.80%	0.81%
2016	9.70%	0.23%	Not applicable (a)	-0.40%	0.65%
2015	1.84%	11.20%	Not applicable (a)	12.10%	0.93%

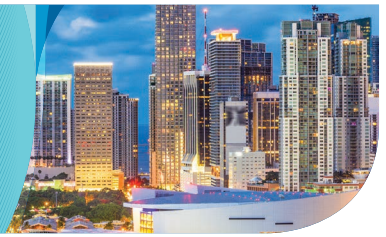
Note to Schedule:

(a) The GESE Excess Plan has no assets.

This Schedule is presented to illustrate the requirement of GASB 68.

This Schedule will present 10 years as information becomes available.

# NON-MAJOR GOVERNMENTAL FUNDS



## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for special revenues that are legally restricted to expenditures for specified purposes.

### **Community Redevelopment Agency (OMNI CRA)**

To account for revenues and expenditures to be used for general operations in the defined OMNI Community Redevelopment Area.

### **Community Redevelopment Agency (Midtown CRA)**

To account for revenues and expenditures to be used for special operations in the defined Midtown Community Redevelopment Area.

### **Community Redevelopment Agency (SEOPW)**

To account for revenues and expenditures to be used for special operations in the defined Southeast Overtown Park West Community Redevelopment Area.

### **Homeless Program**

To account for the activities of the City's homeless program.

### **Community Development**

To account for the proceeds from the Federal government under the U.S. Department of Housing and Urban Development.

### **Housing Choice Vouchers**

To account for the monies received for administration and assistance to be provided in accordance with Section 8 of the U.S. Housing Act of 1937, as amended under the Choice Housing Voucher Program.

### **State Housing Initiatives Program (SHIP)**

To account for the monies received from the State of Florida Housing Finance Corporation to be used to provide home ownership and rental housing programs at the local level.

### **Convention Center**

To account for the operations of the City of Miami/ University of Miami James L. Knight International Center and Parking Garage.

# NON-MAJOR GOVERNMENTAL FUNDS



## **SPECIAL REVENUE FUNDS**

### **Economic Development & Planning Services**

To account for the operations of the Economic Development and Planning Services.

### **NET Offices**

To account for the operations of the City's Neighborhood Enhancement Teams (NET Offices).

### **Parks & Recreation Services**

To account for the operations of the Parks and Recreation Services.

### **Police Services**

To account for the proceeds of various grants from Local, State, and Federal Agencies that are expended for police activities.

### **Law Enforcement Trust**

To account for confiscated monies awarded to the City for law enforcement related expenditures as stipulated by State Statutes.

### **Public Works Services**

To account for the proceeds granted from Local and State Agencies to be used for maintenance of streets, highways, sidewalks and infrastructure.

### **City Clerk Services**

To account for the operations of the Passport Facility, Municipal Archives and Records, and related programs.

### **Fire Rescue Services**

To account for the grants revenues and expenditures which supplement the City's emergency Fire Rescue operations



# NON-MAJOR GOVERNMENTAL FUNDS



## SPECIAL REVENUE FUNDS

### **General Special Revenue**

To account for activities that are designated as special revenue which do not fall into one of the previous special revenue categories.

### **Departmental Improvement Initiatives**

To account for the funds designated for the City of Miami initiatives related to quality of life and technology.

### **Transportation and Transit**

To account for the operations of the City's transit and transportation projects.

### **Miami Ballpark Parking Facility**

To account for the operations of the Miami Ballpark Parking Facility.

### **Liberty City Revitalization Trust**

To account for the revitalization efforts for the redevelopment of the Liberty City Community Revitalization District.

### **Virginia Key Beach Park Trust**

To account for the activities to preserve, restore, and maintain the Historic Virginia Key Beach Park.

### **Solid Waste Recycling Trust**

To account for funds received through the recycling program that are utilized to pay for scholarships annually to educational institutions for Solid Waste employees and for the children or legal dependents of Solid Waste employees.

### **Bayront/Riverfront Land Acquisition Rouse Trust**

To account for the acquisition of real property adjacent to the Miami River and Biscayne Bay in order to provide public access and public enjoyment of those waterbodies.

# NON-MAJOR GOVERNMENTAL FUNDS



## DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources, payments of general obligation bond principal, interest from government resources, special obligation bond principal and interest from pledged revenues when the government is obligated in some manner for the payment.

### **General Obligation Bonds**

To account for monies for payment of principal, interest, and other costs related to various issues of long-term general obligation bonds. Debt Service is financed primarily by an ad valorem tax.

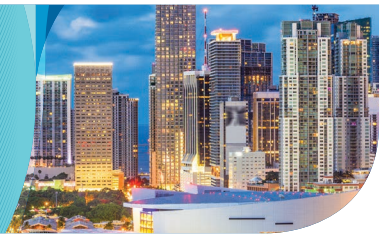
### **SEOPW CRA Other Special Obligation Bonds**

To account for monies for payment of principal, interest, and other costs related to various CRA special obligation bonds and loans.

### **Special Obligations Bonds**

To account for monies used for the payment of principal, interest, and other costs related to various special obligation and revenue bonds and loans.

# NON-MAJOR GOVERNMENTAL FUNDS



## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

### **SEOPW Community Redevelopment Agency**

To account for the acquisition or construction of major capital facilities for community redevelopment in the defined Community Redevelopment Area.

### **Transportation and Transit**

To account for expenditures for the improvement to infrastructure that enhances transportation options, improves safety, and increases mobility within city limits.

### **General Obligation Bond Projects (G.O.B.)**

To account for the receipt and disbursement of bond proceeds from general obligation debt to be used for constructions and/or acquisition activities for the City.

### **Special Obligation Bond Projects (S.O.B.)**

To account for the receipt and disbursement of bond proceeds from special obligation debt and loan agreements to be used for constructions and/or acquisition activities for the City.

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	<b>Omni CRA</b>	<b>SEOPW CRA</b>	<b>Homeless Program</b>	<b>Community Development</b>	<b>Housing Choice Vouchers</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 6,479,869	\$ 25,043,157	\$ -	\$ 15,376,083	\$ 90,239
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	1,794	-
Accounts Receivable	-	270,000	-	655	-
Property Tax	-	-	-	-	-
Due From Other Governments	-	405,383	145,934	2,040,171	-
Accrued Interest	39,829	81,220	-	7,511	(26)
Prepays	-	-	-	-	4,221
Other Assets	5,020	312,409	-	-	-
<b>Total Assets</b>	<b>\$ 6,524,718</b>	<b>\$ 26,112,169</b>	<b>\$ 145,934</b>	<b>\$ 17,426,214</b>	<b>\$ 94,434</b>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>					
Liabilities:					
Accounts Payable and Accrued Liaibilities	207,856	2,058,561	106,889	1,679,697	7,721
Other Liabilities	-	-	-	4,224	-
Due to Other Funds	-	-	71,582	-	-
Due to Other Governments	-	-	-	1,619,490	-
Deposits	-	14,961	-	87,682	-
<b>Total Liabilities</b>	<b>207,856</b>	<b>2,073,522</b>	<b>178,471</b>	<b>3,391,093</b>	<b>7,721</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	4,221
Spendable Fund Balance					
Restricted	6,316,862	24,038,647	-	14,035,021	82,492
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(32,537)	-	-
<b>Total Fund Balances (Deficit)</b>	<b>6,316,862</b>	<b>24,038,647</b>	<b>(32,537)</b>	<b>14,035,121</b>	<b>86,713</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,524,718</b>	<b>\$ 26,112,169</b>	<b>\$ 145,934</b>	<b>\$ 17,426,214</b>	<b>\$ 94,434</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	Special Revenue Funds				
	SHIP	Convention Center	Economic Development & Planning Services	NET Offices	Parks & Recreation Services
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 1,696,937	\$ 368	\$ 16,626,848	\$ 1,726,786	\$ 3,062,056
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	-	13,000	20,452	228
Property Tax	-	-	-	-	-
Due From Other Governments	-	-	-	-	8,464
Accrued Interest	1,429	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,698,366</b>	<b>\$ 368</b>	<b>\$ 16,639,848</b>	<b>\$ 1,747,238</b>	<b>\$ 3,070,748</b>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	18,285	605	111,272	9,228	48,256
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits	-	-	-	324	-
<b>Total Liabilities</b>	<b>18,285</b>	<b>605</b>	<b>111,272</b>	<b>9,552</b>	<b>48,256</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	1,680,081	-	2,824,486	84,472	1,538,772
Committed	-	-	11,839,690	1,641,058	1,044,813
Assigned	-	-	1,864,400	12,156	438,907
Unassigned (deficit)	-	(237)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>1,680,081</b>	<b>(237)</b>	<b>16,528,576</b>	<b>1,737,686</b>	<b>3,022,492</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,698,366</b>	<b>\$ 368</b>	<b>\$ 16,639,848</b>	<b>\$ 1,747,238</b>	<b>\$ 3,070,748</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	<b>Special Revenue Funds</b>				
	<b>Police Services</b>	<b>Law Enforcement Trust</b>	<b>Public Works Services</b>	<b>City Clerk Services</b>	<b>Fire Rescue Services</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 6,921,528	\$ 1,126,118	\$ 12,574,869	\$ 1,204,976	\$ 1,720,060
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	861,518	-	13,680	-	80
Property Tax	-	-	-	-	-
Due From Other Governments	1,252,368	-	-	-	4,056,134
Accrued Interest	6,688	3,119	485	-	143
Prepays	419	-	-	-	21,897
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 9,042,521</b>	<b>\$ 1,129,237</b>	<b>\$ 12,589,034</b>	<b>\$ 1,204,976</b>	<b>\$ 5,798,314</b>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	620,215	39,565	1,069,871	1,128	1,132,110
Other Liabilities	-	-	-	-	-
Due to Other Funds	694,385	-	-	-	2,084,230
Due to Other Governments	-	-	-	-	-
Deposits	-	112,413	-	-	-
<b>Total Liabilities</b>	<b>1,314,600</b>	<b>151,978</b>	<b>1,069,871</b>	<b>1,128</b>	<b>3,216,340</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	317,000	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>317,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	419	-	-	-	21,897
Spendable Fund Balance					
Restricted	3,807,517	977,259	589,254	-	2,560,077
Committed	3,602,985	-	10,929,909	1,203,848	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>7,410,921</b>	<b>977,259</b>	<b>11,519,163</b>	<b>1,203,848</b>	<b>2,581,974</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,042,521</b>	<b>\$ 1,129,237</b>	<b>\$ 12,589,034</b>	<b>\$ 1,204,976</b>	<b>\$ 5,798,314</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	Special Revenue Funds				
	General Special Revenues	Departmental Improvement Initiatives	Transportation & Transit	Miami Ballpark Parking Facilities	Liberty City Revitalization Trust
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 1,040,663	\$ 10,507,349	\$ 1,669,503	\$ 2,402,084	\$ 235,075
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	298,564	-	2,021,798	-
Property Tax	-	-	-	-	-
Due From Other Governments	62,316	189,200	5,689,916	-	-
Accrued Interest	-	-	19,494	-	71
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,102,979</b>	<b>\$ 10,995,113</b>	<b>\$ 7,378,913</b>	<b>\$ 4,423,882</b>	<b>\$ 235,146</b>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	254,648	327,031	1,062,503	303,135	1,547
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<b>254,648</b>	<b>327,031</b>	<b>1,062,503</b>	<b>303,135</b>	<b>1,547</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	2,600,000	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>2,600,000</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	848,431	5,843,190	3,716,410	4,120,747	233,599
Committed	-	4,824,892	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>848,431</b>	<b>10,668,082</b>	<b>3,716,410</b>	<b>4,120,747</b>	<b>233,599</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,102,979</b>	<b>\$ 10,995,113</b>	<b>\$ 7,378,913</b>	<b>\$ 4,423,882</b>	<b>\$ 235,146</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	Special Revenue Funds				Debt Service Funds
	Virginia Key Beach Park Trust	Solid Waste Recycling Trust	Bayfront Park Land Acquisition Trust Fund	Total Special Revenue	General Obligation Bonds
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 124,619	\$ 1,109,248	\$ 1,420,000	\$ 112,158,435	\$ -
Restricted Cash, Cash Equivalents, and Investments	26,127	-	-	26,127	9,364,475
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	1,794	-
Accounts Receivable	-	-	-	3,499,975	61,362
Property Tax	-	-	-	-	216,844
Due From Other Governments	7,350	-	-	13,857,236	-
Accrued Interest	114	1,558	-	161,635	-
Prepays	-	-	-	26,537	-
Other Assets	-	-	-	317,429	-
<b>Total Assets</b>	<u>\$ 158,210</u>	<u>\$ 1,110,806</u>	<u>\$ 1,420,000</u>	<u>\$ 130,049,168</u>	<u>\$ 9,642,681</u>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	83,308	-	-	9,143,431	-
Other Liabilities	-	-	-	4,224	-
Due to Other Funds	-	-	-	2,850,197	-
Due to Other Governments	-	-	-	1,619,490	-
Deposits	-	-	-	215,380	-
<b>Total Liabilities</b>	<u>83,308</u>	<u>-</u>	<u>-</u>	<u>13,832,722</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	-	2,917,000	216,844
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,917,000</u>	<u>216,844</u>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	1,000,000	-	1,026,537	-
Spendable Fund Balance					
Restricted	74,902	-	-	73,372,219	9,425,837
Committed	-	110,806	1,420,000	36,618,001	-
Assigned	-	-	-	2,315,463	-
Unassigned (deficit)	-	-	-	(32,774)	-
<b>Total Fund Balances (Deficit)</b>	<u>74,902</u>	<u>1,110,806</u>	<u>1,420,000</u>	<u>113,299,446</u>	<u>9,425,837</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 158,210</u>	<u>\$ 1,110,806</u>	<u>\$ 1,420,000</u>	<u>\$ 130,049,168</u>	<u>\$ 9,642,681</u>



**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	<b>Debt Service Funds</b>			<b>Capital Projects Funds</b>	
	<b>CRA Other Special Obligation Bonds</b>	<b>Special Obligation Bonds</b>	<b>Total Debt Service</b>	<b>Community Redevelopment Agency</b>	<b>Transportation &amp; Transit</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash, Cash Equivalents, and Investments	2,555,642	31,809,983	43,730,100	24,804,693	32,463,411
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	333,333	394,695	-	-
Property Tax	-	-	216,844	-	-
Due From Other Governments	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,555,642</b>	<b>\$ 32,143,316</b>	<b>\$ 44,341,639</b>	<b>\$ 24,804,693</b>	<b>\$ 32,463,411</b>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	38,899	38,899	-	1,150,625
Other Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>38,899</b>	<b>38,899</b>	<b>-</b>	<b>1,150,625</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue - Other	-	-	216,844	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>216,844</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	2,555,642	32,104,417	44,085,896	24,804,693	31,312,786
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>2,555,642</b>	<b>32,104,417</b>	<b>44,085,896</b>	<b>24,804,693</b>	<b>31,312,786</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,555,642</b>	<b>\$ 32,143,316</b>	<b>\$ 44,341,639</b>	<b>\$ 24,804,693</b>	<b>\$ 32,463,411</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2018**

	<b>Capital Projects Funds</b>			<b>Total Non-Major Governmental Funds</b>
	<b>Special Obligation Bonds Projects</b>	<b>General Obligation Bonds Projects</b>	<b>Total Capital Projects</b>	
<b>Assets</b>				
Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ -	\$ -	\$ 112,158,435
Restricted Cash, Cash Equivalents, and Investments	13,118,842	1,499,482	71,886,428	115,642,655
Receivables (Net of Allowance for Uncollectibles):				
Loans Receivable	-	-	-	1,794
Accounts Receivable	-	-	-	3,894,670
Property Tax	-	-	-	216,844
Due From Other Governments	-	-	-	13,857,236
Accrued Interest	30,104	21,231	51,335	212,970
Prepays	-	-	-	26,537
Other Assets	-	-	-	317,429
<b>Total Assets</b>	<u>\$ 13,148,946</u>	<u>\$ 1,520,713</u>	<u>\$ 71,937,763</u>	<u>\$ 246,328,570</u>
<b>Liabilities, Fund Balances and Deferred Inflows of Resources</b>				
Liabilities:				
Accounts Payable and Accrued Liabilities	4,814,687	-	5,965,312	15,147,642
Other Liabilities	-	-	-	4,224
Due to Other Funds	970,139	-	970,139	3,820,336
Due to Other Governments	-	-	-	1,619,490
Deposits	-	-	-	215,380
<b>Total Liabilities</b>	<u>5,784,826</u>	<u>-</u>	<u>6,935,451</u>	<u>20,807,072</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Other	-	-	-	3,133,844
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,133,844</u>
<b>Fund Balances (Deficit):</b>				
Non-Spendable Fund Balance				
Non Spendable	-	-	-	1,026,537
Spendable Fund Balance				
Restricted	7,364,120	1,520,713	65,002,312	182,460,427
Committed	-	-	-	36,618,001
Assigned	-	-	-	2,315,463
Unassigned (deficit)	-	-	-	(32,774)
<b>Total Fund Balances (Deficit)</b>	<u>7,364,120</u>	<u>1,520,713</u>	<u>65,002,312</u>	<u>222,387,654</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 13,148,946</u>	<u>\$ 1,520,713</u>	<u>\$ 71,937,763</u>	<u>\$ 246,328,570</u>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Special Revenue Funds				
	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development
<b>Revenues</b>					
Property Taxes	\$ 18,721,974	\$ 6,628,202	\$ 18,612,071	\$ -	\$ -
Licenses and Permits	-	-	-	-	300
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	8,333	-	771,462	1,756,013	25,342,832
Charges for Services	-	-	-	-	439,474
Investment Earnings (Loss)	248,783	-	735,712	-	20,638
Other	2,091,811	-	2,094,372	-	-
<b>Total Revenues</b>	<b>21,070,901</b>	<b>6,628,202</b>	<b>22,213,617</b>	<b>1,756,013</b>	<b>25,803,244</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	2,201,368	69,286
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	23,255,018
Community Redevelopment Areas	12,912,701	6,563,920	13,552,042	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	677,649	-	2,844,564
<b>Total Expenditures</b>	<b>12,912,701</b>	<b>6,563,920</b>	<b>14,229,691</b>	<b>2,201,368</b>	<b>26,168,868</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>8,158,200</b>	<b>64,282</b>	<b>7,983,926</b>	<b>(445,355)</b>	<b>(365,624)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	64,282	-	-	-	894,000
Transfers Out	(5,460,786)	(64,282)	(8,538,484)	-	-
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(5,396,504)</b>	<b>(64,282)</b>	<b>(8,538,484)</b>	<b>-</b>	<b>894,000</b>
<b>Net Changes in Fund Balances</b>	<b>2,761,696</b>	<b>-</b>	<b>(554,558)</b>	<b>(445,355)</b>	<b>528,376</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>3,555,166</b>	<b>-</b>	<b>24,593,205</b>	<b>412,818</b>	<b>13,506,745</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 6,316,862</b>	<b>\$ -</b>	<b>\$ 24,038,647</b>	<b>\$ (32,537)</b>	<b>\$ 14,035,121</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Special Revenue Funds				
	Housing Choice Vouchers	SHIP	Convention Center	Economic Development & Planning Services	NET Offices
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	211,478	30
Fines and Forfeitures	-	-	-	-	2,800
Intergovernmental Revenues	2,194,827	1,396,873	-	-	-
Charges for Services	-	-	-	2,641,764	83,532
Investment Earnings (Loss)	56	5,640	-	(2,796)	(15,294)
Other	11,035	283,420	-	-	-
<b>Total Revenues</b>	<b>2,205,918</b>	<b>1,685,933</b>	<b>-</b>	<b>2,850,446</b>	<b>71,068</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	-	-
Planning and Development	-	-	-	418,619	-
Community Development	2,336,028	1,094,798	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	49,226	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,336,028</b>	<b>1,094,798</b>	<b>-</b>	<b>467,845</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>(130,110)</b>	<b>591,135</b>	<b>-</b>	<b>2,382,601</b>	<b>71,068</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(1,118,999)	(3,154,000)	-
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,118,999)</b>	<b>(3,154,000)</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>(130,110)</b>	<b>591,135</b>	<b>(1,118,999)</b>	<b>(771,399)</b>	<b>71,068</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>216,823</b>	<b>1,088,946</b>	<b>1,118,762</b>	<b>17,299,975</b>	<b>1,666,618</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 86,713</b>	<b>\$ 1,680,081</b>	<b>\$ (237)</b>	<b>\$ 16,528,576</b>	<b>\$ 1,737,686</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Special Revenue Funds				
	Parks & Recreation Services	Police Services	Law Enforcement Trust	Public Works Services	City Clerk Services
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	231,359	-
Fines and Forfeitures	-	-	184,002	-	-
Intergovernmental Revenues	555,695	5,850,771	-	-	-
Charges for Services	1,977	128,462	-	6,718,247	238,441
Investment Earnings (Loss)	-	51,903	23,163	-	-
Other	8,513	158,447	-	-	-
<b>Total Revenues</b>	<b>566,185</b>	<b>6,189,583</b>	<b>207,165</b>	<b>6,949,606</b>	<b>238,441</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	-	83,303
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	3,105,517	-
Public Safety	-	10,325,785	596,058	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	820,741	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	15,788	177,674	27,639	45,833	1,500
<b>Total Expenditures</b>	<b>836,529</b>	<b>10,503,459</b>	<b>623,697</b>	<b>3,151,350</b>	<b>84,803</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(270,344)</b>	<b>(4,313,876)</b>	<b>(416,532)</b>	<b>3,798,256</b>	<b>153,638</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	60,000	6,007,000	-	1,465,000	48,000
Transfers Out	(53,800)	-	-	(5,030,155)	-
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>6,200</b>	<b>6,007,000</b>	<b>-</b>	<b>(3,565,155)</b>	<b>48,000</b>
<b>Net Changes in Fund Balances</b>	<b>(264,144)</b>	<b>1,693,124</b>	<b>(416,532)</b>	<b>233,101</b>	<b>201,638</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>3,286,636</b>	<b>5,717,797</b>	<b>1,393,791</b>	<b>11,286,062</b>	<b>1,002,210</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 3,022,492</b>	<b>\$ 7,410,921</b>	<b>\$ 977,259</b>	<b>\$ 11,519,163</b>	<b>\$ 1,203,848</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Special Revenue Funds				
	Fire Rescue Services	General Special Revenues	Departmental Improvement Initiatives	Transportation & Transit	Miami Ballpark Parking Facilities
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	1,564,335	-	-
Intergovernmental Revenues	6,816,770	305,360	1,647,505	17,844,619	50,000
Charges for Services	13,045	-	-	-	5,250,880
Investment Earnings (Loss)	1,314	-	80,633	13,206	-
Other	57,665	584,246	10,000	-	-
<b>Total Revenues</b>	<b>6,888,794</b>	<b>889,606</b>	<b>3,302,473</b>	<b>17,857,825</b>	<b>5,300,880</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	336,224	5,161,142	19,528	-
Planning and Development	-	-	627,869	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	412,903	21,915	10,157,593	-
Public Safety	7,180,851	-	4,450	-	-
Public Facilities	-	-	2,143,279	-	2,342,550
Parks and Recreation	-	-	187,833	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	407,319	20,965	264,620	-	-
<b>Total Expenditures</b>	<b>7,588,170</b>	<b>770,092</b>	<b>8,411,108</b>	<b>10,177,121</b>	<b>2,342,550</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(699,376)</b>	<b>119,514</b>	<b>(5,108,635)</b>	<b>7,680,704</b>	<b>2,958,330</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	607,000	31,000	6,561,000	-	-
Transfers Out	-	-	(355,021)	(9,846,000)	(2,007,000)
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>607,000</b>	<b>31,000</b>	<b>6,205,979</b>	<b>(9,846,000)</b>	<b>(2,007,000)</b>
<b>Net Changes in Fund Balances</b>	<b>(92,376)</b>	<b>150,514</b>	<b>1,097,344</b>	<b>(2,165,296)</b>	<b>951,330</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>2,674,350</b>	<b>697,817</b>	<b>9,570,738</b>	<b>5,881,706</b>	<b>3,169,417</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 2,581,974</b>	<b>\$ 848,331</b>	<b>\$ 10,668,082</b>	<b>\$ 3,716,410</b>	<b>\$ 4,120,747</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Special Revenue Funds				Total Special Revenue
	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Solid Waste Recycling Trust	Bayfront Park Land Acquisition Trust Fund	
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 43,962,247
Licenses and Permits	-	-	-	-	443,167
Fines and Forfeitures	-	-	-	-	1,751,137
Intergovernmental Revenues	599,000	313,350	-	-	65,453,410
Charges for Services	-	441,981	-	-	15,957,803
Investment Earnings (Loss)	-	4,303	17,184	-	1,184,445
Other	30,000	192,024	-	-	5,521,533
<b>Total Revenues</b>	<b>629,000</b>	<b>951,658</b>	<b>17,184</b>	<b>-</b>	<b>134,273,742</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	-	7,870,851
Planning and Development	-	-	-	-	1,046,488
Community Development	-	-	-	-	26,685,844
Community Redevelopment Areas	726,725	-	-	-	33,755,388
Public Works	-	-	39,284	-	13,786,438
Public Safety	-	-	-	-	18,107,144
Public Facilities	-	-	-	-	4,485,829
Parks and Recreation	-	889,791	-	-	1,898,365
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	10,078	-	-	4,493,629
<b>Total Expenditures</b>	<b>726,725</b>	<b>899,869</b>	<b>39,284</b>	<b>-</b>	<b>112,129,976</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(97,725)</b>	<b>51,789</b>	<b>(22,100)</b>	<b>-</b>	<b>22,143,766</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	1,420,000	17,157,282
Transfers Out	-	-	-	-	(35,628,527)
Proceeds Received from Refunding	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,420,000</b>	<b>(18,471,245)</b>
<b>Net Changes in Fund Balances</b>	<b>(97,725)</b>	<b>51,789</b>	<b>(22,100)</b>	<b>1,420,000</b>	<b>3,672,521</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>331,324</b>	<b>23,113</b>	<b>1,132,906</b>	<b>-</b>	<b>109,626,925</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 233,599</b>	<b>\$ 74,902</b>	<b>\$ 1,110,806</b>	<b>\$ 1,420,000</b>	<b>\$ 113,299,446</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Debt Service Funds				Capital Projects Funds
	General Obligation Bonds	CRA Other Special Obligation Bonds	Special Obligation Bonds	Total Debt Service	Community Redevelopment Agency
<b>Revenues</b>					
Property Taxes	\$ 28,017,811	\$ -	\$ -	\$ 28,017,811	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	-	4,000,000	4,000,000	-
Charges for Services	-	-	-	-	-
Investment Earnings (Loss)	32,876	3,157	130,351	166,384	127,846
Other	-	-	-	-	-
<b>Total Revenues</b>	<u>28,050,687</u>	<u>3,157</u>	<u>4,130,351</u>	<u>32,184,195</u>	<u>127,846</u>
<b>Expenditures</b>					
Current Operating:					
General Government	9,557	-	374,893	384,450	-
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	217,515	-	217,515	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	20,255,000	2,850,000	30,494,962	53,599,962	-
Interest and Other Charges	3,941,109	2,364,661	28,993,375	35,299,145	-
Capital Outlay	-	-	-	-	9,378,381
<b>Total Expenditures</b>	<u>24,205,666</u>	<u>5,432,176</u>	<u>59,863,230</u>	<u>89,501,072</u>	<u>9,378,381</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>3,845,021</u>	<u>(5,429,019)</u>	<u>(55,732,879)</u>	<u>(57,316,877)</u>	<u>(9,250,535)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	5,214,661	43,805,000	49,019,661	-
Transfers Out	-	-	-	-	-
Proceeds Received from Refunding	-	-	83,045,000	83,045,000	-
Payment To Escrow Agent For Refunding	-	-	(74,105,000)	(74,105,000)	-
Issuance of Debt	-	2,770,000	-	2,770,000	22,230,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>7,984,661</u>	<u>52,745,000</u>	<u>60,729,661</u>	<u>22,230,000</u>
<b>Net Changes in Fund Balances</b>	3,845,021	2,555,642	(2,987,879)	3,412,784	12,979,465
<b>Fund Balances (Deficit) - Beginning</b>	<u>5,580,816</u>	<u>-</u>	<u>35,092,296</u>	<u>40,673,112</u>	<u>11,825,228</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 9,425,837</u>	<u>\$ 2,555,642</u>	<u>\$ 32,104,417</u>	<u>\$ 44,085,896</u>	<u>\$ 24,804,693</u>



**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Fiscal Year Ended September 30, 2018**

	Capital Projects Funds				Total Non-Major Governmental Funds
	Transportation & Transit	Special Obligation Bonds Projects	General Obligation Bonds Projects	Total Capital Projects	
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 71,980,058
Licenses and Permits	-	-	-	-	443,167
Fines and Forfeitures	-	-	-	-	1,751,137
Intergovernmental Revenues	-	-	-	-	69,453,410
Charges for Services	-	-	-	-	15,957,803
Investment Earnings (Loss)	862,850	165,895	22,499	1,179,090	2,529,919
Other	-	-	-	-	5,521,533
<b>Total Revenues</b>	<u>862,850</u>	<u>165,895</u>	<u>22,499</u>	<u>1,179,090</u>	<u>167,637,027</u>
<b>Expenditures</b>					
Current Operating:					
General Government	23,649	2,568,307	-	2,591,956	10,847,257
Planning and Development	2,441	-	-	2,441	1,048,929
Community Development	-	-	-	-	26,685,844
Community Redevelopment Areas	-	-	-	-	33,972,903
Public Works	364,836	-	-	364,836	14,151,274
Public Safety	-	1,005	-	1,005	18,108,149
Public Facilities	-	2,230	-	2,230	4,488,059
Parks and Recreation	-	-	-	-	1,898,365
Debt Service:					
Principal	-	-	-	-	53,599,962
Interest and Other Charges	-	-	-	-	35,299,145
Capital Outlay	3,681,246	5,974,375	-	19,034,002	23,527,631
<b>Total Expenditures</b>	<u>4,072,172</u>	<u>8,545,917</u>	<u>-</u>	<u>21,996,470</u>	<u>223,627,518</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,209,322)</u>	<u>(8,380,022)</u>	<u>22,499</u>	<u>(20,817,380)</u>	<u>(55,990,491)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	3,710,000	-	-	3,710,000	69,886,943
Transfers Out	-	-	-	-	(35,628,527)
Proceeds Received from Refunding	-	-	-	-	83,045,000
Payment To Escrow Agent For Refunding	-	-	-	-	(74,105,000)
Issuance of Debt	-	-	-	22,230,000	25,000,000
<b>Total Other Financing Sources (Uses)</b>	<u>3,710,000</u>	<u>-</u>	<u>-</u>	<u>25,940,000</u>	<u>68,198,416</u>
<b>Net Changes in Fund Balances</b>	500,678	(8,380,022)	22,499	5,122,620	12,207,925
<b>Fund Balances (Deficit) - Beginning</b>	<u>30,812,108</u>	<u>15,744,142</u>	<u>1,498,214</u>	<u>59,879,692</u>	<u>210,179,729</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 31,312,786</u>	<u>\$ 7,364,120</u>	<u>\$ 1,520,713</u>	<u>\$ 65,002,312</u>	<u>\$ 222,387,654</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Omni CRA**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 18,325,101	\$ 18,325,101	\$ 18,721,974	\$ 396,873
Intergovernmental Revenues	-	-	8,333	8,333
Investment Earnings (Loss)	-	-	248,783	248,783
Other	35,062,771	35,062,771	2,091,811	(32,970,960)
<b>Total Revenues</b>	<u>53,387,872</u>	<u>53,387,872</u>	<u>21,070,901</u>	<u>(32,316,971)</u>
Community Redevelopment Areas	37,702,835	37,702,835	12,912,701	24,790,134
Capital Outlay	7,403,363	7,403,363	-	7,403,363
<b>Total Expenditures</b>	<u>45,106,198</u>	<u>45,106,198</u>	<u>12,912,701</u>	<u>32,193,497</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>8,281,674</u>	<u>8,281,674</u>	<u>8,158,200</u>	<u>(123,474)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	64,282	64,282
Transfers Out	(8,281,674)	(8,281,674)	(5,460,786)	2,820,888
<b>Total Other Financing Sources (Uses)</b>	<u>(8,281,674)</u>	<u>(8,281,674)</u>	<u>(5,396,504)</u>	<u>2,885,170</u>
<b>Net Change in Fund Balance</b>	-	-	2,761,696	2,761,696
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	3,555,166	3,555,166
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,316,862</u>	<u>\$ 6,316,862</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Midtown CRA**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 6,628,404	\$ 6,628,404	\$ 6,628,202	\$ (202)
<b>Total Revenues</b>	<u>6,628,404</u>	<u>6,628,404</u>	<u>6,628,202</u>	<u>(202)</u>
Community Redevelopment Areas	6,562,120	6,562,120	6,563,920	(1,800)
<b>Total Expenditures</b>	<u>6,562,120</u>	<u>6,562,120</u>	<u>6,563,920</u>	<u>(1,800)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>66,284</u>	<u>66,284</u>	<u>64,282</u>	<u>(2,002)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(66,284)	(66,284)	(64,282)	2,002
<b>Total Other Financing Sources (Uses)</b>	<u>(66,284)</u>	<u>(66,284)</u>	<u>(64,282)</u>	<u>2,002</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	-	-
<b>Fund Balance (deficit) - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - SEOPW CRA**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 18,616,471	\$ 18,616,471	\$ 18,612,071	\$ (4,400)
Intergovernmental Revenues	-	-	771,462	771,462
Investment Earnings (Loss)	-	-	735,712	735,712
Other	<u>27,673,603</u>	<u>27,673,603</u>	<u>2,094,372</u>	<u>(25,579,231)</u>
<b>Total Revenues</b>	<u>46,290,074</u>	<u>46,290,074</u>	<u>22,213,617</u>	<u>(24,076,457)</u>
Community Redevelopment Areas	34,593,584	34,593,584	13,552,042	21,041,542
Capital Outlay	<u>591,406</u>	<u>591,406</u>	<u>677,649</u>	<u>(86,243)</u>
<b>Total Expenditures</b>	<u>35,184,990</u>	<u>35,184,990</u>	<u>14,229,691</u>	<u>20,955,299</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>11,105,084</u>	<u>11,105,084</u>	<u>7,983,926</u>	<u>(3,121,158)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(11,105,084)</u>	<u>(11,105,084)</u>	<u>(8,538,484)</u>	<u>2,566,600</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(11,105,084)</u>	<u>(11,105,084)</u>	<u>(8,538,484)</u>	<u>2,566,600</u>
<b>Net Change in Fund Balance</b>	-	-	(554,558)	(554,558)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	<u>24,593,205</u>	<u>24,593,205</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,038,647</u>	<u>\$ 24,038,647</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Homeless Program**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 2,183,000	\$ 2,183,000	\$ 1,756,013	\$ (426,987)
Other	<u>352,000</u>	<u>352,000</u>	<u>-</u>	<u>(352,000)</u>
<b>Total Revenues</b>	<u>2,535,000</u>	<u>2,535,000</u>	<u>1,756,013</u>	<u>(778,987)</u>
General Government	<u>2,535,000</u>	<u>2,535,000</u>	<u>2,201,368</u>	<u>333,632</u>
<b>Total Expenditures</b>	<u>2,535,000</u>	<u>2,535,000</u>	<u>2,201,368</u>	<u>333,632</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(445,355)</u>	<u>(445,355)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(445,355)</u>	<u>(445,355)</u>
<b>Fund Balance (deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>412,818</u>	<u>412,818</u>
<b>Fund Balance (deficit) - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (32,537)</u></u>	<u><u>\$ (32,537)</u></u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Community Development**  
**For The Fiscal Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 300	\$ 300
Intergovernmental Revenues	22,412,000	22,400,000	25,342,832	2,942,832
Charges for Services	-	-	439,474	439,474
Investment Earnings (Loss)	-	-	20,638	20,638
Other	24,088,000	24,288,000	-	(24,288,000)
<b>Total Revenues</b>	<u>46,500,000</u>	<u>46,688,000</u>	<u>25,803,244</u>	<u>(20,884,756)</u>
General Government	-	-	69,286	(69,286)
Community Development	46,500,000	47,582,000	23,255,018	24,326,982
Capital Outlay	-	-	2,844,564	(2,844,564)
<b>Total Expenditures</b>	<u>46,500,000</u>	<u>47,582,000</u>	<u>26,168,868</u>	<u>21,413,132</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(894,000)</u>	<u>(365,624)</u>	<u>528,376</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	894,000	894,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>894,000</u>	<u>894,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	528,376	528,376
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	13,506,745	13,506,745
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,035,121</u>	<u>\$ 14,035,121</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Housing Choice Vouchers**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 2,416,000	\$ 2,416,000	\$ 2,194,827	\$ (221,173)
Investment Earnings (Loss)	-	-	56	56
Other	-	12,000	11,035	(965)
<b>Total Revenues</b>	<u>2,416,000</u>	<u>2,428,000</u>	<u>2,205,918</u>	<u>(222,082)</u>
Community Development	<u>2,416,000</u>	<u>2,428,000</u>	<u>2,336,028</u>	<u>91,972</u>
<b>Total Expenditures</b>	<u>2,416,000</u>	<u>2,428,000</u>	<u>2,336,028</u>	<u>91,972</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(130,110)</u>	<u>(130,110)</u>
<b>Net Change in Fund Balance</b>	-	-	(130,110)	(130,110)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	216,823	216,823
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,713</u>	<u>\$ 86,713</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - SHIP**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 1,396,873	\$ 1,396,873
Investment Earnings (Loss)	-	-	5,640	5,640
Other	1,315,000	1,315,000	283,420	(1,031,580)
<b>Total Revenues</b>	<u>1,315,000</u>	<u>1,315,000</u>	<u>1,685,933</u>	<u>370,933</u>
Community Development	1,315,000	1,315,000	1,094,798	220,202
<b>Total Expenditures</b>	<u>1,315,000</u>	<u>1,315,000</u>	<u>1,094,798</u>	<u>220,202</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>591,135</u>	<u>591,135</u>
<b>Net Change in Fund Balance</b>	-	-	591,135	591,135
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	1,088,946	1,088,946
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680,081</u>	<u>\$ 1,680,081</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Convention Center**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other	\$ 1,119,000	\$ 1,119,000	\$ -	\$ (1,119,000)
<b>Total Revenues</b>	<u>1,119,000</u>	<u>1,119,000</u>	<u>-</u>	<u>(1,119,000)</u>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,119,000</u>	<u>1,119,000</u>	<u>-</u>	<u>(1,119,000)</u>
 <b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(1,119,000)</u>	<u>(1,119,000)</u>	<u>(1,118,999)</u>	<u>1</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,119,000)</u>	<u>(1,119,000)</u>	<u>(1,118,999)</u>	<u>1</u>
 <b>Net Change in Fund Balance</b>	-	-	(1,118,999)	(1,118,999)
 <b>Fund Balance (deficit) - Beginning of Year</b>	-	-	1,118,762	1,118,762
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (237)</u>	<u>\$ (237)</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Economic Development & Planning Services**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	\$ 114,000	\$ 114,000	\$ 211,478	\$ 97,478
Charges for Services	600,000	600,000	2,641,764	2,041,764
Investment Earnings (Loss)	-	-	(2,796)	(2,796)
Other	16,586,000	19,214,000	-	(19,214,000)
<b>Total Revenues</b>	<u>17,300,000</u>	<u>19,928,000</u>	<u>2,850,446</u>	<u>(17,077,554)</u>
Planning and Development	14,921,000	17,549,000	418,619	17,130,381
Public Works	-	-	49,226	(49,226)
Capital Outlay	225,000	225,000	-	225,000
<b>Total Expenditures</b>	<u>15,146,000</u>	<u>17,774,000</u>	<u>467,845</u>	<u>17,306,155</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,154,000</u>	<u>2,154,000</u>	<u>2,382,601</u>	<u>228,601</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,154,000)	(2,154,000)	(3,154,000)	(1,000,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,154,000)</u>	<u>(2,154,000)</u>	<u>(3,154,000)</u>	<u>(1,000,000)</u>
<b>Net Change in Fund Balance</b>	-	-	(771,399)	(771,399)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	17,299,975	17,299,975
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,528,576</u>	<u>\$ 16,528,576</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - NET Offices**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 30	\$ 30
Fines and Forfeitures	-	-	2,800	2,800
Charges for Services	-	-	83,532	83,532
Investment Earnings (Loss)	-	-	(15,294)	(15,294)
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>71,068</u>	<u>71,068</u>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>71,068</u>	<u>71,068</u>
 <b>Net Change in Fund Balance</b>	-	-	71,068	71,068
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	1,666,618	1,666,618
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,737,686</u>	<u>\$ 1,737,686</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Parks & Recreation Services**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 275,000	\$ 276,405	\$ 555,695	\$ 279,290
Charges for Services	-	-	1,977	1,977
Other	1,841,000	1,938,500	8,513	(1,929,987)
<b>Total Revenues</b>	<u>2,116,000</u>	<u>2,214,905</u>	<u>566,185</u>	<u>(1,648,720)</u>
Parks and Recreation	2,176,000	2,256,905	820,741	1,436,164
Capital Outlay	-	18,000	15,788	2,212
<b>Total Expenditures</b>	<u>2,176,000</u>	<u>2,274,905</u>	<u>836,529</u>	<u>1,438,376</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(270,344)</u>	<u>(210,344)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	60,000	60,000	60,000	-
Transfers Out	-	-	(53,800)	(53,800)
<b>Total Other Financing Sources (Uses)</b>	<u>60,000</u>	<u>60,000</u>	<u>6,200</u>	<u>(53,800)</u>
<b>Net Change in Fund Balance</b>	-	-	(264,144)	(264,144)
<b>Fund Balance (deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>3,286,636</u>	<u>3,286,636</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,022,492</u>	<u>\$ 3,022,492</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Police Services**  
**For The Fiscal Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Intergovernmental Revenues	4,357,000	5,383,000	5,850,771	467,771
Charges for Services	871,000	871,000	128,462	(742,538)
Investment Earnings (Loss)	-	-	51,903	51,903
Other	1,884,000	1,984,000	158,447	(1,825,553)
<b>Total Revenues</b>	<u>7,162,000</u>	<u>8,288,000</u>	<u>6,189,583</u>	<u>(2,098,417)</u>
Public Safety	11,836,000	12,757,000	10,325,785	2,431,215
Capital Outlay	1,333,000	1,538,000	177,674	1,360,326
<b>Total Expenditures</b>	<u>13,169,000</u>	<u>14,295,000</u>	<u>10,503,459</u>	<u>3,791,541</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(6,007,000)</u>	<u>(6,007,000)</u>	<u>(4,313,876)</u>	<u>1,693,124</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	6,007,000	6,007,000	6,007,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>6,007,000</u>	<u>6,007,000</u>	<u>6,007,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	1,693,124	1,693,124
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	5,717,797	5,717,797
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,410,921</u>	<u>\$ 7,410,921</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Law Enforcement Trust**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 600,000	\$ 600,000	\$ 184,002	\$ (415,998)
Investment Earnings (Loss)	-	-	23,163	23,163
Other	1,842,000	1,394,000	-	(1,394,000)
<b>Total Revenues</b>	<u>2,442,000</u>	<u>1,994,000</u>	<u>207,165</u>	<u>(1,786,835)</u>
Public Safety	2,064,000	1,616,000	596,058	1,019,942
Capital Outlay	378,000	378,000	27,639	350,361
<b>Total Expenditures</b>	<u>2,442,000</u>	<u>1,994,000</u>	<u>623,697</u>	<u>1,370,303</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(416,532)</u>	<u>(416,532)</u>
<b>Net Change in Fund Balance</b>	-	-	(416,532)	(416,532)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	1,393,791	1,393,791
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 977,259</u>	<u>\$ 977,259</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Public Works Services**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	\$ 300,000	\$ 300,000	\$ 231,359	\$ (68,641)
Charges for Services	6,914,000	6,914,000	6,718,247	(195,753)
Other	9,813,000	11,286,000	-	(11,286,000)
<b>Total Revenues</b>	<u>17,027,000</u>	<u>18,500,000</u>	<u>6,949,606</u>	<u>(11,550,394)</u>
Public Works	14,449,000	16,118,000	3,105,517	13,012,483
Capital Outlay	-	-	45,833	(45,833)
<b>Total Expenditures</b>	<u>14,449,000</u>	<u>16,118,000</u>	<u>3,151,350</u>	<u>12,966,650</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,578,000</u>	<u>2,382,000</u>	<u>3,798,256</u>	<u>1,416,256</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	196,000	1,465,000	1,269,000
Transfers Out	<u>(2,578,000)</u>	<u>(2,578,000)</u>	<u>(5,030,155)</u>	<u>(2,452,155)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,578,000)</u>	<u>(2,382,000)</u>	<u>(3,565,155)</u>	<u>(1,183,155)</u>
<b>Net Change in Fund Balance</b>	-	-	233,101	233,101
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	11,286,062	11,286,062
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,519,163</u>	<u>\$ 11,519,163</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - City Clerk Services**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	\$ 90,000	\$ 90,000	\$ 238,441	\$ 148,441
Other	611,000	1,002,000	-	(1,002,000)
<b>Total Revenues</b>	<u>701,000</u>	<u>1,092,000</u>	<u>238,441</u>	<u>(853,559)</u>
General Government	749,000	1,140,000	83,303	1,056,697
Capital Outlay	-	-	1,500	(1,500)
<b>Total Expenditures</b>	<u>749,000</u>	<u>1,140,000</u>	<u>84,803</u>	<u>1,055,197</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(48,000)</u>	<u>(48,000)</u>	<u>153,638</u>	<u>201,638</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	48,000	48,000	48,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	201,638	201,638
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	1,002,210	1,002,210
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203,848</u>	<u>\$ 1,203,848</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Fire Rescue Services**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 6,433,000	\$ 7,868,600	\$ 6,816,770	\$ (1,051,830)
Charges for Services	-	-	13,045	13,045
Investment Earnings (Loss)	-	-	1,314	1,314
Other	10,739,000	9,516,000	57,665	(9,458,335)
<b>Total Revenues</b>	<u>17,172,000</u>	<u>17,384,600</u>	<u>6,888,794</u>	<u>(10,495,806)</u>
Public Safety	12,619,000	12,076,100	7,180,851	4,895,249
Capital Outlay	5,097,000	5,915,500	407,319	5,508,181
<b>Total Expenditures</b>	<u>17,716,000</u>	<u>17,991,600</u>	<u>7,588,170</u>	<u>10,403,430</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(544,000)</u>	<u>(607,000)</u>	<u>(699,376)</u>	<u>(92,376)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	544,000	607,000	607,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>544,000</u>	<u>607,000</u>	<u>607,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	(92,376)	(92,376)
<b>Fund Balance (deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>2,674,350</u>	<u>2,674,350</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,581,974</u>	<u>\$ 2,581,974</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - General Special Revenues**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 400,000	\$ 400,000	\$ 305,360	\$ (94,640)
Other	<u>475,000</u>	<u>1,136,000</u>	<u>584,246</u>	<u>(551,754)</u>
<b>Total Revenues</b>	<u>875,000</u>	<u>1,536,000</u>	<u>889,606</u>	<u>(646,394)</u>
General Government	-	1,000	336,224	(335,224)
Public Works	875,000	1,566,000	412,903	1,153,097
Capital Outlay	<u>-</u>	<u>-</u>	<u>20,965</u>	<u>(20,965)</u>
<b>Total Expenditures</b>	<u>875,000</u>	<u>1,567,000</u>	<u>770,092</u>	<u>796,908</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(31,000)</u>	<u>119,514</u>	<u>150,514</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>-</u>	<u>31,000</u>	<u>31,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>31,000</u>	<u>31,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	150,514	150,514
<b>Fund Balance (deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>697,817</u>	<u>697,817</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 848,331</u>	<u>\$ 848,331</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Departmental Improvement Initiatives**  
**For The Fiscal Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 600,000	\$ 600,000	\$ 1,564,335	\$ 964,335
Intergovernmental Revenues	1,935,000	1,935,000	1,647,505	(287,495)
Investment Earnings (Loss)	-	-	80,633	80,633
Other	4,005,000	6,117,500	10,000	(6,107,500)
<b>Total Revenues</b>	<b>6,540,000</b>	<b>8,652,500</b>	<b>3,302,473</b>	<b>(5,350,027)</b>
General Government	8,877,000	11,656,000	5,161,142	6,494,858
Planning and Development	2,266,000	2,641,000	627,869	2,013,131
Public Works	-	2,500	21,915	(19,415)
Public Safety	-	-	4,450	(4,450)
Public Facilities	-	148,000	2,143,279	(1,995,279)
Parks and Recreation	200,000	216,000	187,833	28,167
Capital Outlay	-	-	264,620	(264,620)
<b>Total Expenditures</b>	<b>11,343,000</b>	<b>14,663,500</b>	<b>8,411,108</b>	<b>6,252,392</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,803,000)</b>	<b>(6,011,000)</b>	<b>(5,108,635)</b>	<b>902,365</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	4,803,000	6,011,000	6,561,000	550,000
Transfers Out	-	-	(355,021)	(355,021)
<b>Total Other Financing Sources (Uses)</b>	<b>4,803,000</b>	<b>6,011,000</b>	<b>6,205,979</b>	<b>194,979</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>1,097,344</b>	<b>1,097,344</b>
<b>Fund Balance (deficit) - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>9,570,738</b>	<b>9,570,738</b>
<b>Fund Balance (deficit) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,668,082</b>	<b>\$ 10,668,082</b>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Transportation & Transit**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 16,556,000	\$ 16,556,000	\$ 17,844,619	\$ 1,288,619
Investment Earnings (Loss)	-	-	13,206	13,206
Other	4,075,000	5,882,000	-	(5,882,000)
<b>Total Revenues</b>	<u>20,631,000</u>	<u>22,438,000</u>	<u>17,857,825</u>	<u>(4,580,175)</u>
General Government	-	-	19,528	(19,528)
Public Works	14,245,000	16,052,000	10,157,593	5,894,407
<b>Total Expenditures</b>	<u>14,245,000</u>	<u>16,052,000</u>	<u>10,177,121</u>	<u>5,874,879</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>6,386,000</u>	<u>6,386,000</u>	<u>7,680,704</u>	<u>1,294,704</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(6,386,000)	(6,386,000)	(9,846,000)	(3,460,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(6,386,000)</u>	<u>(6,386,000)</u>	<u>(9,846,000)</u>	<u>(3,460,000)</u>
<b>Net Change in Fund Balance</b>	-	-	(2,165,296)	(2,165,296)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	5,881,706	5,881,706
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,716,410</u>	<u>\$ 3,716,410</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Miami Ballpark Parking Facilities**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 50,000	\$ 50,000
Charges for Services	5,127,000	5,127,000	5,250,880	123,880
<b>Total Revenues</b>	<u>5,127,000</u>	<u>5,127,000</u>	<u>5,300,880</u>	<u>173,880</u>
Public Facilities	3,120,000	3,120,000	2,342,550	777,450
<b>Total Expenditures</b>	<u>3,120,000</u>	<u>3,120,000</u>	<u>2,342,550</u>	<u>777,450</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,007,000</u>	<u>2,007,000</u>	<u>2,958,330</u>	<u>951,330</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,007,000)	(2,007,000)	(2,007,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,007,000)</u>	<u>(2,007,000)</u>	<u>(2,007,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	951,330	951,330
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	3,169,417	3,169,417
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120,747</u>	<u>\$ 4,120,747</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Liberty City Revitalization Trust**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 289,000	\$ 689,000	\$ 599,000	\$ (90,000)
Other	<u>225,000</u>	<u>240,000</u>	<u>30,000</u>	<u>(210,000)</u>
<b>Total Revenues</b>	<u>514,000</u>	<u>929,000</u>	<u>629,000</u>	<u>(300,000)</u>
Community Redevelopment Areas	<u>514,000</u>	<u>929,000</u>	<u>726,725</u>	<u>202,275</u>
<b>Total Expenditures</b>	<u>514,000</u>	<u>929,000</u>	<u>726,725</u>	<u>202,275</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(97,725)</u>	<u>(97,725)</u>
<b>Net Change in Fund Balance</b>	-	-	(97,725)	(97,725)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	<u>331,324</u>	<u>331,324</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,599</u>	<u>\$ 233,599</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Virginia Key Beach Park Trust**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 313,350	\$ 313,350
Charges for Services	716,800	716,800	441,981	(274,819)
Investment Earnings (Loss)	-	-	4,303	4,303
Other	50,000	50,000	192,024	142,024
<b>Total Revenues</b>	<u>766,800</u>	<u>766,800</u>	<u>951,658</u>	<u>184,858</u>
Parks and Recreation	1,054,800	1,054,800	889,791	165,009
Capital Outlay	12,000	12,000	10,078	1,922
<b>Total Expenditures</b>	<u>1,066,800</u>	<u>1,066,800</u>	<u>899,869</u>	<u>166,931</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(300,000)</u>	<u>(300,000)</u>	<u>51,789</u>	<u>351,789</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	300,000	300,000	-	(300,000)
<b>Total Other Financing Sources (Uses)</b>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
<b>Net Change in Fund Balance</b>	-	-	51,789	51,789
<b>Fund Balance (deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>23,113</u>	<u>23,113</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,902</u>	<u>\$ 74,902</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Solid Waste Recycling Trust**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings (Loss)	\$ 10,000	\$ 10,000	\$ 17,184	\$ 7,184
Other	141,000	133,000	-	(133,000)
<b>Total Revenues</b>	<u>151,000</u>	<u>143,000</u>	<u>17,184</u>	<u>(125,816)</u>
Public Works	151,000	143,000	39,284	103,716
<b>Total Expenditures</b>	<u>151,000</u>	<u>143,000</u>	<u>39,284</u>	<u>103,716</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(22,100)</u>	<u>(22,100)</u>
<b>Net Change in Fund Balance</b>	-	-	(22,100)	(22,100)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	1,132,906	1,132,906
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,110,806</u>	<u>\$ 1,110,806</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Bayfront Park Land Acquisition Trust Fund**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Public Facilities	<u>1,420,000</u>	<u>1,420,000</u>	<u>-</u>	<u>1,420,000</u>
<b>Total Expenditures</b>	<u>1,420,000</u>	<u>1,420,000</u>	<u>-</u>	<u>1,420,000</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,420,000)</u>	<u>(1,420,000)</u>	<u>-</u>	<u>1,420,000</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>1,420,000</u>	<u>1,420,000</u>	<u>1,420,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,420,000</u>	<u>1,420,000</u>	<u>1,420,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>1,420,000</u>	<u>1,420,000</u>
<b>Fund Balance (deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance (deficit) - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,420,000</u></u>	<u><u>\$ 1,420,000</u></u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - General Obligation Bonds**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 27,978,000	\$ 27,978,000	\$ 28,017,811	\$ 39,811
Investment Earnings (Loss)	-	-	32,876	32,876
<b>Total Revenues</b>	<u>27,978,000</u>	<u>27,978,000</u>	<u>28,050,687</u>	<u>72,687</u>
General Government	3,660,000	3,660,000	9,557	3,650,443
Principal	18,097,000	18,097,000	20,255,000	(2,158,000)
Interest and Other Charges	<u>6,221,000</u>	<u>6,221,000</u>	<u>3,941,109</u>	<u>2,279,891</u>
<b>Total Expenditures</b>	<u>27,978,000</u>	<u>27,978,000</u>	<u>24,205,666</u>	<u>3,772,334</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	<u>3,845,021</u>	<u>3,845,021</u>
<b>Net Change in Fund Balance</b>	-	-	3,845,021	3,845,021
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	<u>5,580,816</u>	<u>5,580,816</u>
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,425,837</u>	<u>\$ 9,425,837</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Special Obligation Bonds**  
**For The Fiscal Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -
Investment Earnings (Loss)	-	-	130,351	130,351
Other	4,179,000	4,679,000	-	(4,679,000)
<b>Total Revenues</b>	<u>8,179,000</u>	<u>8,679,000</u>	<u>4,130,351</u>	<u>(4,548,649)</u>
General Government	2,006,000	2,006,000	374,893	1,631,107
Principal	29,252,300	116,252,300	30,494,962	85,757,338
Interest and Other Charges	20,725,700	21,225,700	28,993,375	(7,767,675)
<b>Total Expenditures</b>	<u>51,984,000</u>	<u>139,484,000</u>	<u>59,863,230</u>	<u>79,620,770</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(43,805,000)</u>	<u>(130,805,000)</u>	<u>(55,732,879)</u>	<u>75,072,121</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	43,805,000	43,805,000	43,805,000	-
Proceeds Received from Refunding	-	-	83,045,000	83,045,000
Payment To Escrow Agent For Refunding	-	-	(74,105,000)	(74,105,000)
Issuance of Debt	-	87,000,000	-	(87,000,000)
<b>Total Other Financing Sources (Uses)</b>	<u>43,805,000</u>	<u>130,805,000</u>	<u>52,745,000</u>	<u>(78,060,000)</u>
<b>Net Change in Fund Balance</b>	-	-	(2,987,879)	(2,987,879)
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	35,092,296	35,092,296
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,104,417</u>	<u>\$ 32,104,417</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - CRA Other Special Obligation Bonds**  
**For The Fiscal Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment Earnings (Loss)	\$ -	\$ -	\$ 3,157	\$ 3,157
<b>Total Revenues</b>	-	-	3,157	3,157
Community Redevelopment Areas	-	-	217,515	(217,515)
Principal	-	-	2,850,000	(2,850,000)
Interest and Other Charges	-	-	2,364,661	(2,364,661)
<b>Total Expenditures</b>	-	-	5,432,176	(5,432,176)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(5,429,019)	(5,429,019)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	5,214,661	5,214,661
Issuance of Debt	-	-	2,770,000	2,770,000
<b>Total Other Financing Sources (Uses)</b>	-	-	7,984,661	7,984,661
<b>Net Change in Fund Balance</b>	-	-	2,555,642	2,555,642
<b>Fund Balance (deficit) - Beginning of Year</b>	-	-	-	-
<b>Fund Balance (deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,555,642</u>	<u>\$ 2,555,642</u>

# FIDUCIARY FUNDS



Fiduciary Funds are used to account for assets held by the City in a trustee capacity.

## **FIREFIGHTERS AND POLICE OFFICERS (FIPO)**

This Pension Trust Fund is used to account for the accumulation of resources to be used for the payment of retirement benefits to Police and Firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

## **GENERAL EMPLOYEES AND SANITATION EMPLOYEES (GESE)**

These Pension Trust Funds are used to account for the three separate GESE Plans (GESE Members, Excess Plan and Staff Plan). The funds are used to account for the accumulation of resources to be used for the payment of retirement benefits to City employees, other than police and firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

## **CITY OF MIAMI ELECTED OFFICERS' RETIREMENT TRUST (EORT)**

This Fund is used to account for the accumulation of resources to be used for the payment of retirement benefits to elected officials. Resources are contributed by the City in amounts determined by annual actuarial valuations.

**City of Miami, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2018**

	<b>Employee Retirement Funds</b>					
	<b>Fire Fighters and Police (FIPO)</b>	<b>General and Sanitation Employees (GESE)</b>	<b>General and Sanitation Employees (GESE Excess Plan)</b>	<b>General and Sanitation Employees Staff Plan (GESE Staff Plan)</b>	<b>Elected Officers Retirement Trust (EORT)</b>	<b>Total Employee Retirement Funds</b>
<b>Assets</b>						
Cash and Cash Equivalents	\$ 51,915,921	\$ 474,359	\$ 29,839	\$ 82,745	\$ -	\$ 52,502,864
Accounts Receivable	4,446,032	3,757,283	18,177	5,000	-	8,226,492
Capital Assets, Net	1,743,557	1,438,710	-	-	-	3,182,267
	<u>58,105,510</u>	<u>5,670,352</u>	<u>48,016</u>	<u>87,745</u>	<u>-</u>	<u>63,911,623</u>
<b>Investments:</b>						
U.S. Government Obligations	120,172,745	107,958,385	-	-	2,490,225	230,621,355
Corporate Bonds	248,446,185	68,574,982	-	1,016,069	-	318,037,236
Corporate Stocks	478,187,607	499,478,556	-	3,164,224	-	980,830,387
Money Market Funds and Commercial Paper	-	25,319,528	-	-	4,712,917	30,032,445
International Equity	258,016,522	-	-	-	-	258,016,522
Real Estate	179,279,484	-	-	-	-	179,279,484
Private Equity	156,839,046	-	-	-	-	156,839,046
Absolute Return Funds	75,013,697	-	-	-	-	75,013,697
<b>Total Investments</b>	<u>1,515,955,286</u>	<u>701,331,451</u>	<u>-</u>	<u>4,180,293</u>	<u>7,203,142</u>	<u>2,228,670,172</u>
Securities Lending Collateral	143,720,934	-	-	-	-	143,720,934
<b>Total Assets</b>	<u>1,717,781,730</u>	<u>707,001,803</u>	<u>48,016</u>	<u>4,268,038</u>	<u>7,203,142</u>	<u>2,436,302,729</u>
<b>Liabilities</b>						
Obligations Under Security Lending Transactions	143,720,934	-	-	-	-	143,720,934
Accounts Payable	-	845,008	48,016	6,029	-	899,053
Accrued Liability	1,250,601	-	-	-	-	1,250,601
Payable for Securities Purchased	6,127,819	1,626,897	-	-	-	7,754,716
<b>Total Liabilities</b>	<u>151,099,354</u>	<u>2,471,905</u>	<u>48,016</u>	<u>6,029</u>	<u>-</u>	<u>153,625,304</u>
<b>Net Position</b>						
Restricted for Pension Benefits	<u>\$ 1,566,682,376</u>	<u>\$ 704,529,898</u>	<u>\$ -</u>	<u>\$ 4,262,009</u>	<u>\$ 7,203,142</u>	<u>\$ 2,282,677,425</u>

**City of Miami, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended September 30, 2018**

	Employee Retirement Funds					Total Employee Retirement Funds
	Fire Fighters and Police (FIPO)	General and Sanitation Employees (GESE)	General and Sanitation Employees (GESE Excess Plan)	General and Sanitation Employees Staff Plan (GESE Staff Plan)	Elected Officers Retirement Trust (EORT)	
<b>Additions</b>						
Contributions:						
Employer	\$ 56,999,866	\$ 40,879,285	\$ 587,959	\$ 276,246	\$ 553,471	\$ 99,296,827
Plan Members	14,258,763	10,847,473	-	32,621	-	25,138,857
<b>Total Contributions</b>	<u>71,258,629</u>	<u>51,726,758</u>	<u>587,959</u>	<u>308,867</u>	<u>553,471</u>	<u>124,435,684</u>
Investment Earnings:						
Net Increase in Fair Value of Investments	82,691,975	52,028,523	-	340,143	93,207	135,153,848
Interest	16,685,484	5,912,897	-	-	-	22,598,381
Dividends	9,584,728	4,480,800	-	84,228	-	14,149,756
Other	233,980	34,290	-	-	-	268,270
<b>Total Investment Earnings</b>	<u>109,196,167</u>	<u>62,456,510</u>	<u>-</u>	<u>424,371</u>	<u>93,207</u>	<u>172,170,255</u>
Security Lending Activities:						
Security Lending Income	646,466	-	-	-	-	646,466
Security Lending Fees and Rebates	(161,508)	-	-	-	-	(161,508)
<b>Net Income From Security Lending Activities</b>	<u>484,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>484,958</u>
Less Investment Expenses	(7,385,119)	(2,179,681)	-	-	-	(9,564,800)
<b>Net Investment Earnings</b>	<u>102,296,006</u>	<u>60,276,829</u>	<u>-</u>	<u>424,371</u>	<u>93,207</u>	<u>163,090,413</u>
Reimbursement From City for Administrative Costs	-	3,075,182	100,823	-	-	3,176,005
<b>Total Additions</b>	<u>173,554,635</u>	<u>115,078,769</u>	<u>688,782</u>	<u>733,238</u>	<u>646,678</u>	<u>290,702,102</u>
<b>Deductions</b>						
Benefits/Payments	130,598,647	72,722,490	587,959	344,159	325,800	204,579,055
Refunds upon Resignation, Death, Other	214,654	2,318,219	-	7,606	-	2,540,479
Distribution to Retirees	25,279,985	-	-	-	-	25,279,985
Administrative and Other Expenses	2,129,434	3,362,635	100,823	-	2,400	5,595,292
<b>Total Deductions</b>	<u>158,222,720</u>	<u>78,403,344</u>	<u>688,782</u>	<u>351,765</u>	<u>328,200</u>	<u>237,994,811</u>
<b>Change in Net Position</b>	<u>15,331,915</u>	<u>36,675,425</u>	<u>-</u>	<u>381,473</u>	<u>318,478</u>	<u>52,707,291</u>
<b>Net Position- Beginning of Year, As Restated (Note 15)</b>	<u>1,551,350,461</u>	<u>667,854,473</u>	<u>-</u>	<u>3,880,536</u>	<u>6,884,664</u>	<u>2,229,970,134</u>
<b>Net Position- End of Year</b>	<u>\$ 1,566,682,376</u>	<u>\$ 704,529,898</u>	<u>-</u>	<u>\$ 4,262,009</u>	<u>\$ 7,203,142</u>	<u>\$ 2,282,677,425</u>

# STATISTICAL SECTION



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

## **FINANCIAL TRENDS**

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

## **REVENUE CAPACITY**

These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.

## **DEBT CAPACITY**

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.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

## **OPERATING INFORMATION**

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.



**CITY OF MIAMI, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Primary Government										
Net Investment in Capital Assets	\$ 578,092,580	\$ 627,800,618	\$ 616,752,804	\$ 614,080,419	\$ 651,485,412	\$ 626,017,000	\$ 657,452,000	\$ 693,247,000	\$ 752,507,000	\$ 791,006,000
Restricted	401,755,649	297,600,108	273,730,365	237,584,556	86,209,162	93,376,000	90,078,000	95,873,000	88,297,000	77,577,000
Unrestricted (Deficit)	(1,581,291,781)	(1,431,127,427)	(1,224,962,154)	(1,163,152,861)	(947,529,448)	(327,113,000)	(331,776,000)	(341,277,000)	(306,024,000)	(242,954,000)
Total Primary Government Net Position	\$ (601,443,552)	\$ (505,726,701)	\$ (334,478,985)	\$ (311,487,886)	\$ (209,834,874)	\$ 392,280,000	\$ 415,754,000	\$ 447,843,000	\$ 534,780,000	\$ 625,629,000

Notes:

(1) The City does not have any business-type activities for financial reporting purposes.

**CITY OF MIAMI  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 162,800,242	\$ 174,982,174	\$ 145,455,559	\$ 167,055,389	\$ 240,815,051	\$ 144,400,178	\$ 104,495,000	\$ 164,006,000	\$ 152,727,000	\$ 155,198,000
Planning and Development	22,721,335	19,462,678	15,513,166	15,479,449	50,647,846	11,688,186	16,397,000	10,801,000	12,019,000	15,465,000
Community Development	28,371,102	29,443,452	27,937,279	30,519,798	45,476,324	38,926,526	38,100,000	40,852,000	39,655,000	37,126,000
Community Redevelopment Areas	35,272,784	34,616,272	36,149,769	58,062,764	18,087,177	20,836,076	17,041,000	4,696,000	29,288,000	20,566,000
Public Works	123,517,711	95,595,175	91,985,468	76,035,122	156,036,690	69,241,668	83,062,000	65,604,000	69,970,000	72,003,000
Public Safety	387,651,946	579,366,645	446,865,144	385,120,293	776,125,991	337,347,418	352,869,000	333,431,000	371,351,000	375,402,000
Public Facilities	22,371,164	19,086,773	16,758,483	16,560,573	23,126,368	15,403,258	16,330,000	11,242,000	16,848,000	13,179,000
Parks and Recreation	66,817,655	63,380,712	50,207,864	42,585,419	78,558,325	43,340,882	44,977,000	39,223,000	39,776,000	43,441,000
Interest on Long-Term Debt	25,405,481	29,663,407	32,606,891	33,747,629	31,932,034	43,544,000	37,426,000	43,336,000	27,533,000	36,091,000
Contribution to Port Tunnel	-	-	-	-	-	-	-	50,000,000	-	-
Total Primary Government Expenses	874,929,420	1,045,597,288	863,479,623	825,166,436	1,420,805,808	724,728,191	710,697,000	763,191,000	759,167,000	768,471,000
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	79,797,772	80,722,098	78,089,981	66,307,491	65,821,177	50,684,922	51,265,000	48,814,000	38,703,000	35,587,000
Planning and Development	45,574,467	46,837,017	47,586,059	45,385,722	36,879,821	18,848,000	15,328,000	13,125,000	9,719,000	9,611,000
Community Development	538,541	-	1,766,173	5,009,547	824,248	1,555,000	709,000	1,585,000	155,000	-
Community Redevelopment Areas	4,332,416	1,998,138	2,157,456	1,138,695	416,337	62,000	39,000	224,000	1,275,000	1,065,000
Public Works	61,719,832	58,727,450	56,594,045	54,021,469	50,279,793	47,178,270	41,533,000	49,349,000	46,480,000	47,792,000
Public Safety	39,758,748	29,475,920	28,477,126	24,708,571	25,426,372	26,207,867	23,321,000	15,997,000	22,152,000	17,785,000
Public Facilities	35,922,412	37,720,512	35,324,297	37,455,509	30,925,509	29,219,001	27,353,000	18,244,000	14,636,000	15,459,000
Parks and Recreation	6,958,019	7,741,695	7,845,180	8,454,738	5,613,643	7,111,007	7,184,000	6,224,000	6,247,000	4,827,000
Operating Grants and Contributions	95,524,077	81,114,292	88,478,479	84,631,766	105,483,092	103,176,700	88,608,000	94,339,000	73,139,000	64,646,000
Capital Grants and Contributions	9,069,762	1,078,796	11,315,519	9,253,860	2,598,400	17,042,000	29,303,000	21,824,000	27,113,000	33,964,000
Total Primary Government Program Revenue	379,196,046	345,415,918	357,634,315	336,367,368	324,268,392	301,084,767	284,643,000	269,725,000	239,619,000	230,736,000
<b>Net(Expense)/Revenue</b>										
Total Primary Government Net Expense	(495,733,374)	(700,181,370)	(505,845,308)	(488,799,068)	(1,096,537,416)	(423,643,424)	(426,054,000)	(493,466,000)	(519,548,000)	(537,735,000)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	369,230,063	336,475,508	298,719,456	269,303,313	241,721,842	232,082,786	223,386,000	233,193,000	264,548,000	283,516,000
Property Taxes, Levied for Debt Service	28,017,811	26,964,194	25,661,731	24,848,727	24,853,248	26,425,030	26,887,000	28,132,000	22,663,000	21,378,000
Franchise Taxes	49,741,913	49,207,879	47,416,360	47,560,134	46,311,659	44,698,943	44,650,000	44,882,000	43,121,000	42,824,000
State Revenue Sharing - Unrestricted	16,380,921	15,687,260	14,836,385	14,389,530	13,389,054	12,673,362	12,367,000	11,430,000	10,515,000	22,567,000
Sales and Other Use Taxes	35,786,997	33,521,269	32,699,735	31,254,199	29,490,981	27,737,964	25,803,000	25,988,000	22,666,000	22,567,000
Public Service Taxes	64,250,989	62,532,940	60,020,384	59,576,109	60,395,502	59,322,198	58,046,000	59,427,000	61,967,000	64,010,000
Investment Earnings (Losses) - Unrestricted	9,681,342	4,544,604	3,500,158	4,761,254	4,298,129	(2,653,269)	2,826,000	2,393,000	3,218,000	7,718,000
Gain (Loss) on Disposal of Capital Assets	-	-	-	(546,835)	9,960,348	(115,656)	-	1,087,000	-	-
Other General Revenues	-	-	-	-	-	-	-	-	-	378,000
Total Primary Government	573,090,036	528,933,654	482,854,209	451,146,431	430,420,763	400,171,358	393,965,000	406,532,000	428,698,000	464,958,000
<b>Change in Net Position</b>										
Total Primary Government	77,356,662	(171,247,716)	(22,991,099)	(37,652,637)	(666,116,653)	(23,472,066)	(32,089,000)	(86,934,000)	(90,850,000)	(72,777,000)

Notes: (1) The City does not have any business-type activities for financial reporting purposes.

**CITY OF MIAMI, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>Ad Valorem Taxes General Purpose</u>	<u>Ad Valorem Taxes Debt Service</u>	<u>Franchise Taxes</u>	<u>Sales and Other Use Taxes</u>	<u>Communication Service Taxes</u>	<u>Total</u>
2018	\$ 369,230,063	\$ 28,017,811	\$ 49,741,913	\$ 35,786,997	\$ 64,250,989	\$ 547,027,773
2017	336,475,508	26,964,194	49,207,879	33,521,269	62,532,940	508,701,790
2016	298,719,456	25,661,731	47,416,360	32,699,735	60,020,384	464,517,666
2015	269,303,313	24,848,727	47,560,134	31,254,199	59,576,109	432,542,482
2014	241,721,842	24,853,248	46,311,659	29,490,981	60,395,502	402,773,232
2013	232,082,786	26,425,030	44,698,943	27,737,964	59,322,198	390,266,921
2012	223,386,064	26,887,032	26,649,826	17,793,928	58,045,986	352,762,836
2011	233,193,302	28,131,853	44,881,126	25,987,633	59,426,883	391,620,797
2010	264,548,387	22,662,573	43,120,713	22,665,743	61,966,455	414,963,871
2009	283,516,182	21,377,549	42,823,572	22,566,791	64,010,537	434,294,631

**CITY OF MIAMI, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2018	2017	2016	2015	2014	2013	2012	2011
Fund Balances (Deficit):								
Non-Spendable Fund Balance								
Non Spendable	\$ 3,181,065	\$ 3,123,531	\$ 3,033,309	\$ 3,474,396	\$ 3,975,000	\$ 3,554,000	\$ 8,141,000	\$ 4,897,000
Spendable Fund Balance								
Restricted	401,731,979	338,319,610	310,576,099	297,118,841	226,564,000	261,858,000	333,199,000	382,134,000
Committed	107,646,577	121,083,524	133,813,871	92,342,101	110,418,000	20,881,000	16,512,000	18,349,000
Assigned	62,505,392	44,647,057	44,240,127	61,350,740	56,487,000	73,642,000	52,161,000	18,908,000
Unassigned (deficit)	46,904,276	59,618,612	36,487,814	58,533,534	54,180,000	(3,399,000)	(9,324,000)	(4,978,000)
<b>Total Fund Balances (Deficit)</b>	<b>\$ 621,969,289</b>	<b>\$ 566,792,334</b>	<b>\$ 528,151,220</b>	<b>\$ 512,819,612</b>	<b>\$ 451,624,000</b>	<b>\$ 356,536,000</b>	<b>\$ 400,689,000</b>	<b>\$ 419,310,000</b>

Note: Years prior to fiscal year 2010 have not been presented due to the implementation of GASB Statement No. 54, which provided for new categories for classifying governmental fund balances. Changes to the fund balance is being presented prospectively.

**CITY OF MIAMI, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2018	2017	2016	2015	2014
<b>Revenues</b>					
Property Taxes	\$ 397,247,874	\$ 363,439,702	\$ 324,381,187	\$ 294,152,040	\$ 266,575,890
Franchise and Other Taxes	113,992,902	111,740,819	107,436,744	107,136,243	106,706,981
Licenses and Permits	73,756,786	73,030,964	71,826,609	65,136,838	60,905,490
Fines and Forfeitures	15,638,528	17,727,789	17,022,156	13,606,546	12,633,258
Intergovernmental Revenues	156,349,299	131,983,836	144,464,881	144,172,756	147,318,713
Charges for Services	133,732,658	131,422,481	128,520,198	127,031,324	109,858,728
Investment Earnings (Loss)	9,681,342	4,544,604	3,500,158	4,761,254	4,298,129
Impact Fees	20,861,463	25,347,222	25,491,632	20,848,627	21,561,620
Other	30,612,771	15,694,374	14,979,722	15,858,407	11,227,804
Total Revenues	951,873,623	874,931,791	837,623,287	792,704,035	741,086,613
<b>Expenditures</b>					
General Government	117,223,208	113,687,204	94,863,916	95,097,965	93,266,684
Planning and Development	22,526,541	18,478,112	16,530,501	17,528,545	13,886,927
Community Development	28,331,999	29,059,382	27,669,432	30,618,655	32,773,187
Community Redevelopment Areas	33,972,903	33,155,840	35,240,353	57,374,849	16,496,169
Public Works	113,249,970	93,603,216	88,781,332	72,332,848	64,762,823
Public Safety	398,331,195	377,635,776	358,151,070	320,578,664	309,032,876
Public Facilities	18,098,100	16,095,228	14,172,514	14,182,077	11,558,522
Parks and Recreation	53,971,624	50,122,922	40,252,541	34,176,174	30,933,658
Contribution to Port Tunnel	-	-	-	-	-
Organizational Support	-	-	-	-	-
Debt Service:					
Principal	53,599,962	42,848,297	31,666,421	23,134,356	47,423,659
Interest and Other Charges	35,299,145	33,376,755	37,407,853	43,562,774	42,414,727
Debt Issuance Costs	-	-	-	-	-
Capital Outlay	80,821,666	80,312,188	88,247,094	87,743,237	65,700,078
Total Expenditures	955,426,313	888,374,920	832,983,027	796,330,144	728,249,310
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,552,690)	(13,443,129)	4,640,260	(3,626,109)	12,837,303
<b>Other Financing Sources (Uses)</b>					
Transfers In	118,757,528	115,984,813	134,391,945	113,353,457	130,317,671
Transfers Out	(118,757,527)	(115,984,813)	(134,391,945)	(113,353,457)	(130,317,670)
Proceeds from Sale of Property	277,969	787,221	441,720	1,957,890	10,607,538
Proceeds Received from Refunding	83,045,000	114,380,000	57,240,000	-	-
Payment To Escrow Agent For Refunding	(74,105,000)	(112,330,000)	(57,635,000)	-	-
Proceeds Received From Long-Term Debt	-	-	-	-	-
Premium from Issuance of Debt	-	-	-	-	4,330,862
Issuance of Debt	49,511,675	49,314,922	10,644,628	-	73,934,380
Capital Leases	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Discount from Issuance of Debt	-	(67,900)	-	-	-
Total Other Financing Sources (Uses)	58,729,645	52,084,243	10,691,348	1,957,890	88,872,781
Net Changes in Fund Balances	\$ 55,176,955	\$ 38,641,114	\$ 15,331,608	\$ (1,668,219)	\$ 101,710,084
Debt Service as a Percentage of Non-Capital Expenditures	10.16%	9.43%	9.28%	9.41%	13.56%

(continued)

**CITY OF MIAMI, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2013	2012	2011	2010	2009
<b>Revenues</b>					
Property Taxes	\$ 258,507,816	\$ 250,273,000	\$ 261,325,000	\$ 287,211,000	\$ 304,894,000
Franchise and Other Taxes	104,021,141	102,696,000	104,309,000	105,090,000	106,834,000
Licenses and Permits	35,894,264	35,726,000	34,031,000	25,348,000	26,105,000
Fines and Forfeitures	11,822,487	5,538,000	6,454,000	5,208,000	7,441,000
Intergovernmental Revenues	169,377,430	152,387,000	170,755,000	153,416,000	141,254,000
Charges for Services	123,088,110	106,717,000	94,711,000	88,420,000	85,927,000
Investment Earnings (Loss)	(2,653,269)	2,826,000	2,393,000	3,218,000	7,718,000
Impact Fees	9,121,554	4,338,000	1,355,000	12,000	332,000
Other	7,446,994	14,934,000	10,102,000	9,106,000	10,757,000
Total Revenues	716,626,527	675,435,000	685,435,000	677,029,000	691,262,000
<b>Expenditures</b>					
General Government	94,333,429	187,595,000	166,671,000	180,608,000	158,902,000
Planning and Development	11,938,108	7,922,000	8,328,000	9,340,000	11,350,000
Community Development	38,461,763	36,706,000	40,432,000	39,158,000	36,413,000
Community Redevelopment Areas	20,408,076	22,041,000	4,395,000	29,084,000	20,144,000
Public Works	63,269,335	48,949,000	46,644,000	51,337,000	55,173,000
Public Safety	311,799,509	221,066,000	218,698,000	249,749,000	266,285,000
Public Facilities	12,422,038	12,708,000	9,803,000	12,556,000	11,660,000
Parks and Recreation	32,461,502	25,879,000	26,540,000	27,545,000	33,211,000
Contribution to Port Tunnel	-	-	50,000,000	-	-
Organizational Support	-	-	30,524,000	32,219,000	41,315,000
Debt Service:					
Principal	73,066,874	22,934,000	29,492,000	27,261,000	23,566,000
Interest and Other Charges	44,111,501	41,185,000	39,648,000	38,065,000	31,928,000
Debt Issuance Costs	-	-	2,048,000	-	-
Capital Outlay	52,579,857	66,897,000	113,888,000	55,696,000	106,863,000
Total Expenditures	754,851,992	693,882,000	787,111,000	752,618,000	796,810,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,225,465)	(18,447,000)	(101,676,000)	(75,589,000)	(105,548,000)
<b>Other Financing Sources (Uses)</b>					
Transfers In	79,854,462	114,263,000	100,560,000	146,557,000	196,099,000
Transfers Out	(79,854,460)	(114,263,000)	(100,560,000)	(146,557,000)	(196,099,000)
Proceeds from Sale of Property	304,345	-	1,087,000	-	-
Proceeds Received from Refunding	-	-	68,894,000	-	-
Payment To Escrow Agent For Refunding	-	-	(68,572,000)	-	(32,366,000)
Proceeds Received From Long-Term Debt	-	-	1,712,000	-	108,490,000
Premium from Issuance of Debt	-	-	-	-	(794,000)
Issuance of Debt	50,028,639	-	51,751,000	-	-
Capital Leases	-	-	-	(1,392,000)	-
Sale of Capital Assets	-	-	-	166,370,000	-
Discount from Issuance of Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	50,332,986	-	54,872,000	164,978,000	75,330,000
Net Changes in Fund Balances	\$ 12,107,521	\$ (18,447,000)	\$ (46,804,000)	\$ 89,389,000	\$ (30,218,000)
Debt Service as a Percentage of Non-Capital Expenditures	16.69%	10.23%	10.27%	9.37%	8.04%

**CITY OF MIAMI, FLORIDA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>Ad Valorem Taxes General Purpose</u>	<u>Ad Valorem Taxes Debt Service</u>	<u>Franchise Taxes</u>	<u>Sales and Other Use Taxes</u>	<u>Communication Service Taxes</u>	<u>Total</u>
2018	\$ 369,230,063	\$ 28,017,811	\$ 49,741,913	\$ 35,786,997	\$ 64,250,989	\$ 547,027,773
2017	336,475,508	26,964,194	49,207,879	33,521,269	62,532,940	508,701,790
2016	298,719,456	25,661,731	47,416,360	32,699,735	60,020,384	464,517,666
2015	269,303,313	24,848,727	47,560,134	31,254,199	59,576,109	432,542,482
2014	241,722,642	24,853,248	46,311,659	29,490,981	60,395,322	402,773,852
2013	232,082,786	26,425,030	44,698,943	27,737,964	59,322,198	390,266,921
2012	223,386,000	26,887,000	44,650,000	25,803,000	58,046,000	378,772,000
2011	233,193,000	28,132,000	44,882,000	25,988,000	59,427,000	391,622,000
2010	264,548,000	22,663,000	43,122,000	22,666,000	61,968,000	414,967,000
2009	283,516,000	21,378,000	42,824,000	22,567,000	64,010,000	434,295,000

**CITY OF MIAMI, FLORIDA**  
**NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Real Property			Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value (1)
	Residential Property	Commercial Property	Personal Property				
2018	\$ 32,694,764,561	\$ 18,370,692,628	\$ 2,291,647,844	\$ 53,357,105,033	8.0300	\$ 71,868,917,720	74.24%
2017	30,510,541,198	16,942,681,891	2,168,086,910	49,621,309,999	8.2900	66,582,430,165	74.53%
2016	27,319,085,749	15,141,552,949	2,141,666,844	44,602,305,542	8.3351	60,628,790,417	73.57%
2015	24,605,804,321	13,199,485,300	2,097,769,007	39,903,058,628	8.3850	54,280,943,197	73.51%
2014	21,934,172,831	11,333,504,297	2,017,164,410	35,284,841,538	8.4310	44,910,824,446	78.57%
2013	20,102,680,659	10,558,773,418	2,074,115,500	32,735,569,577	8.4710	39,674,594,000	82.51%
2012	19,106,566,634	10,336,397,326	1,890,870,077	31,333,834,037	8.5010	43,557,261,093	71.94%
2011	18,536,983,090	10,078,997,005	1,736,766,113	30,352,746,208	8.6441	42,365,151,484	71.65%
2010	23,341,894,079	11,921,087,043	1,686,540,244	36,949,521,366	8.3335	52,146,883,603	70.86%
2009	23,572,178,928	11,890,691,413	1,686,320,651	37,149,190,992	8.2543	52,185,972,858	71.19%

Source: Miami-Dade County Property Appraiser's Office.

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

(1) Includes tax-exempt property.



**CITY OF MIAMI, FLORIDA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

City of Miami, Florida					Overlapping Rates (1)							
Fiscal Year	Tax Roll Year	General Operations	Debt Service	Total City	Miami-Dade County School Board	Miami-Dade County	Miami-Dade Children's Trust	Miami-Dade County Library System	South Florida Water Management District	Environmental Projects	Florida Inland Navigation District	Total Direct and Overlapping Rates
2018	2017	7.58650	0.4435	8.0300	6.9940	5.0669	0.4673	0.2840	0.2659	0.0441	0.0320	21.18420
2017	2016	7.64650	0.6435	8.2900	7.3220	5.0669	0.5000	0.2840	0.2836	0.0471	0.0320	21.82560
2016	2015	7.64650	0.6886	8.3351	7.6120	5.1169	0.5000	0.2840	0.3045	0.0506	0.0320	22.23510
2015	2014	7.64650	0.7385	8.3850	7.9740	5.1169	0.5000	0.2840	0.3294	0.0548	0.0345	22.67860
2014	2013	7.61480	0.8162	8.4310	7.9770	5.1255	0.5000	0.1725	0.3523	0.0587	0.0345	22.65150
2013	2012	7.57100	0.9000	8.4710	7.9980	4.9885	0.5000	0.1725	0.3676	0.0613	0.0345	22.59340
2012	2011	7.57100	0.9300	8.5010	8.0050	5.0900	0.5000	0.1795	0.3739	0.0624	0.0345	22.74630
2011	2010	7.67400	0.9701	8.6441	8.2490	5.8725	0.5000	0.2840	0.5346	0.0894	0.0345	24.20810
2010	2009	7.67400	0.6595	8.3335	7.9950	5.1229	0.5000	0.3822	0.5346	0.0894	0.0345	22.99210
2009	2008	7.67400	0.5803	8.2543	7.7970	5.1229	0.4212	0.3822	0.5346	0.0894	0.0345	22.63610

Sources: City of Miami, Florida Finance Department and Miami-Dade County Property Appraiser's Office.

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Miami, Florida. Not all overlapping rates apply to all City of Miami, Florida property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

**CITY OF MIAMI, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2018			2009		
	Net Assessed Value	Rank	Percent of Total City Net Assessed Value	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power and Light	504,536,929	1	0.95%	334,097,704	1	0.90%
Ponte Gadea Biscayne LLC	400,008,202	2	0.75%	-	N/A	N/A
Swire Properties	273,900,000	3	0.51%	-	N/A	N/A
Oak Plaza Associates (DEL) LLC	248,104,884	4	0.46%	-	N/A	N/A
CP Miami Center LLC	210,084,270	5	0.39%	-	N/A	N/A
T C 701 Brickell LLC	197,970,911	6	0.37%	-	N/A	N/A
MCPP WFC Maami LLC	169,191,000	7	0.32%	-	N/A	N/A
1450 Brickell LLC	165,968,292	8	0.31%	115,064,000	8	0.31%
Brickell Holding LLC	161,590,000	9	0.30%	-	N/A	N/A
Plantation General Hospital	158,737,321	10	0.30%	-	N/A	N/A
Teachers Ins and Annuity Assoc of America	-	N/A	N/A	293,600,000	3	0.79%
200 S Biscayne TIC 1 LLC	-	N/A	N/A	304,500,000	2	0.82%
Bellsouth Telecommunications	-	N/A	N/A	223,413,742	4	0.60%
Crescent Miami Center	-	N/A	N/A	186,100,000	5	0.50%
1111 Brickell Office LLC	-	N/A	N/A	154,700,000	6	0.42%
Trustees of L and B	-	N/A	N/A	123,900,000	7	0.33%
SHC Chopin Plaza LLC	-	N/A	N/A	110,000,000	9	0.30%
Estoril Incorporated	-	N/A	N/A	107,400,000	10	0.29%
<b>Total</b>	<b>\$ 2,490,091,809</b>		<b>4.67%</b>	<b>\$ 1,952,775,446</b>		<b>5.26%</b>
Net Assessed Value- Citywide	\$ 53,357,105,033			\$ 37,149,190,992		

Source: Miami-Dade Property Appraiser

**ITY OF MIAMI, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of Levy		Collections of Delinquent Taxes	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2018	\$ 407,034,676	\$ 384,282,266	94.41%	\$ 12,965,608	\$ 397,247,874	97.60%
2017	390,792,627	350,970,845	89.81%	12,468,857	363,439,702	93.00%
2016	353,176,443	320,048,201	90.62%	4,332,986	324,381,187	91.85%
2015	315,966,185	286,106,822	90.55%	8,045,210	294,152,032	93.10%
2014	281,070,226	260,389,830	92.64%	6,206,637	266,596,467	94.85%
2013	262,193,908	251,210,062	95.81%	6,852,822	258,062,884	98.42%
2012	252,157,463	238,225,003	94.47%	12,048,092	250,273,095	99.25%
2011	258,028,695	240,648,308	93.26%	20,676,849	261,325,157	101.28%
2010	319,395,358	275,812,810	86.35%	11,398,150	287,210,960	89.92%
2009	309,582,783	298,355,830	96.37%	7,537,901	305,893,731	98.81%

Note 1: The County Tax Collector does not allocate delinquent taxes collected by the original tax year levied. Consequently, all collections of delinquent taxes are applied to the immediately prior tax year and, as a result, the percentage for collections to date may exceed 100%.

**CITY OF MIAMI, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Governmental Activities					Premium (Discounts) Accretions	Total	Percent of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Special Obligation and Revenue Bonds	Loans Payable	Capital Leases					
2018	\$ 154,385,000	\$ 461,893,102	\$ 12,867,726	\$ 36,567,264	\$ 4,869,802	\$ 670,582,894	0.00%	1,393	
2017	174,640,000	455,546,327	-	30,675,053	6,436,510	667,297,890	3.25%	1,426	
2016	189,735,000	451,965,127	-	10,644,628	8,547,344	660,892,099	3.14%	1,449	
2015	205,038,304	468,723,244	-	-	12,257,757	686,019,305	2.77%	1,561	
2014	217,378,253	479,517,651	1,236,279	-	21,334,989	719,467,172	2.43%	1,723	
2013	228,970,771	441,414,430	2,436,000	-	23,465,911	696,287,112	2.37%	1,682	
2012	239,988,415	407,366,796	54,971,864	-	-	702,327,075	2.21%	1,758	
2011	251,566,791	418,172,682	57,119,793	-	-	726,859,266	2.08%	1,820	
2010	265,804,455	358,571,022	79,902,293	-	-	704,277,770	2.09%	1,763	
2009	276,113,503	199,629,250	89,426,363	-	-	565,169,116	2.33%	1,559	

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

(1) See the Schedule of Demographic and Economic Statistics on page 226 for personal income and population data.

**CITY OF MIAMI, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2018	\$ 154,385,000	\$ 9,425,837	\$ 144,959,163	0.272%	301
2017	174,640,000	5,580,816	169,059,184	0.341%	361
2016	189,735,000	3,449,542	186,285,458	0.418%	408
2015	205,038,305	1,810,610	203,227,695	0.509%	462
2014	217,378,253	3,053,873	214,324,380	0.607%	513
2013	228,970,000	3,588,864	225,381,136	0.688%	545
2012	239,988,415	1,951,991	238,036,424	0.961%	657
2011	251,566,791	336,520	251,230,271	0.906%	693
2010	265,804,455	(41,370)	265,845,825	0.827%	733
2009	276,113,503	1,496,363	274,617,140	0.702%	758

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

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 217 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 226 for population data.

**CITY OF MIAMI, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2018**

Government Unit	Net Debt Outstanding	Percentage Applicable to the City of Miami (1)	Amount Applicable to the City of Miami
Debt Repaid with Property Taxes:			
Miami-Dade County	\$ 1,837,515,000	19.00%	\$ 349,127,850
Miami-Dade County School Board	954,152,000	19.00%	<u>181,288,880</u>
Subtotal, Overlapping Debt			530,416,730
City of Miami, Florida Direct Debt (Includes special obligation, revenue bonds, loans, premium (discount) accretion and capital leases)			<u>670,582,894</u>
Total Direct and Overlapping Debt			<u><u>\$ 1,200,999,624</u></u>

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Miami. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

**CITY OF MIAMI, FLORIDA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 7,700,217,064	\$ 7,144,383,602	\$ 6,391,518,217	\$ 5,688,668,194	\$ 4,990,151,631	\$ 4,599,936,687	\$ 4,533,761,406	\$ 4,383,368,881	\$ 5,370,834,055	\$ 5,372,349,749
Total Net Debt Applicable to Limit	144,959,163	133,966,888	186,262,069	203,204,305	214,300,991	225,381,907	238,036,415	251,229,541	265,845,455	274,617,503
Legal Debt Margin	<u>\$ 7,555,257,901</u>	<u>\$ 7,010,416,714</u>	<u>\$ 6,205,256,148</u>	<u>\$ 5,485,463,889</u>	<u>\$ 4,775,850,640</u>	<u>\$ 4,374,554,780</u>	<u>\$ 4,295,724,991</u>	<u>\$ 4,132,139,340</u>	<u>\$ 5,104,988,600</u>	<u>\$ 5,097,732,246</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	1.88%	1.88%	2.91%	3.57%	4.29%	4.90%	5.25%	5.73%	4.95%	5.11%
Net Assesed Value	\$ 53,357,105,033									
Less Homestead Exempt Valuation	<u>(2,022,324,607)</u>									
Total Assessed Value	<u>\$ 51,334,780,426</u>									
Debt Limit for Bonds (15% of Total Assessed Value)	<u>\$ 7,700,217,064</u>									
Present Debt Application of Debt Limitation										
General Obligation Debt	154,385,000									
Less Amount Available in Debt Service Fund	<u>(9,425,837)</u>									
Total Net Debt Applicable to Limit	144,959,163									
Legal Debt Margin	<u>\$ 7,555,257,901</u>									

**CITY OF MIAMI, FLORIDA  
PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Ad Valorem Revenues (1)	Debt Service		2x Annual Debt Service	Coverage (2)
		Principal	Interest		
2018	\$ 397,247,874	\$ 20,255,000	\$ 3,941,109	48,392,218	8.21
2017	363,439,702	17,145,000	9,490,770	53,271,540	6.82
2016	324,381,187	14,908,304	9,123,918	48,064,444	6.75
2015	294,152,040	12,339,949	13,741,375	52,162,648	5.64
2014	266,575,890	11,592,499	13,780,696	50,746,390	5.25
2013	258,507,816	11,017,644	13,732,200	49,499,688	5.22
2012	250,273,095	11,578,375	13,673,035	50,502,820	4.96
2011	261,325,154	14,237,664	13,782,766	56,040,860	4.66
2010	287,210,960	10,309,047	13,865,476	48,349,046	5.94
2009	304,893,731	10,335,262	12,228,340	45,127,204	6.76

Note:

- (1) Ad valorem revenues shall mean all legally available revenues and taxes of the governmental unit in the Funds (defined as the general fund, special revenue funds, the capital project funds, the special assessment funds, and the expandable trust fund(s)) derived from any source whatever other than ad valorem taxation on real and personal property, including appropriated fund balances in the funds and applicable operating transfers (in).  
Non-Ad Valorem Revenues are required to be two times greater than projected debt service.
- (2) The Sunshine State Government Financing Loans require that available non-ad valorem revenues be two times the annual projected debt service for all debt other than general obligation debt of the City.



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

Year	Population(1)(2)	Personal Income (Amounts Expressed in Thousands) (3)	Personal Income(3)	Median Age (1)	School Enrollment (4)	Unemployment Rate (5)
2018	481,333	\$ -	\$ -	39	354,172	4.1%
2017	467,872	21,680,253	46,338	39	356,086	4.6%
2016	456,089	20,724,684	45,440	39	356,480	5.0%
2015	439,509	19,021,071	43,278	39	355,913	5.5%
2014	417,650	17,492,435	41,883	39	349,553	5.6%
2013	413,892	16,506,013	39,880	38	348,230	9.3%
2012	399,457	15,522,899	38,860	38	345,635	9.9%
2011	399,457	15,113,056	37,834	38	347,133	11.5%
2010	399,457	14,738,365	36,896	38	345,458	11.1%
2009	362,470	13,178,322	36,357	38	345,570	11.1%

Sources:

- (1) United States Census Bureau (From FY08 to FY12)
- (2) Bureau of Economic Analysis, U.S. Department Commerce (From FY13 to FY18)
- (3) Bureau of Economic Analysis, U.S. Department Commerce
- (4) Miami-Dade County School Board Budget Office
- (5) Florida Agency for Workplace Innovation, Office of Workplace Information Services, Labor Market Statistics
- \* FY 2018 Personal Income Information not available

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

Employer	2017 (1)			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	33,477	1	1.3%	50,000	1	2.1%
Miami-Dade County Employer	25,502	2	1.0%	32,000	2	1.4%
Federal Government	19,200	3	0.7%	20,400	3	0.9%
Florida State Government	17,100	4	0.6%	17,000	4	0.7%
University of Miami	12,818	5	0.5%	9,874	8	0.4%
Baptist Health South Florida	11,353	6	0.4%	10,826	6	0.5%
American Airlines	11,031	7	0.4%	9,000	9	0.4%
Jackson Health System	9,797	8	0.4%	10,500	7	0.4%
City of Miami	4,392	9	0.2%			
Florida International University	3,534	10	0.1%			
Publix Super Markets				11,000	5	0.5%
Miami-Dade College				6,500	10	0.3%
Total	<u>148,204</u>		<u>5.5%</u>	<u>177,100</u>		<u>7.5%</u>

Sources: The Beacon Council/U.S. Department of Labor-Bureau of Labor Statistics  
City of Miami Budget Office

(1) Information is based on data from year 2017. The data for 2018 is not available as of the date of this report.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of Employees:										
General Government	674	642	608	519	538	540	533	505	538	511
Planning and Development	169	152	138	135	126	124	111	96	102	123
Community Development	35	35	35	38	40	43	43	60	54	55
Public Works	572	573	517	506	452	443	442	442	436	521
Public Safety	2,599	2,580	2,548	2,448	2,338	2,286	2,282	2,283	2,368	2,390
Public Facilities	63	63	54	41	41	42	41	41	41	41
Parks and Recreation	300	301	279	196	192	178	178	182	186	265
Total Number of Employees	4,412	4,346	4,179	3,883	3,727	3,656	3,630	3,609	3,725	3,906

Source: City of Miami, Budget Department

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Community Development:</b>										
Entitlements/Grants Received	\$ 19,401	N/A	\$ 19,287	\$ 19,034	\$ 19,239	\$ 18,794	\$ 24,364	\$ 33,491	\$ 37,815	\$ 26,275
<b>Public Safety:</b>										
Police:										
Part 1 Crimes - (1)	20,360	23,269	23,043	23,709	25,208	25,898	28,070	27,045	26,097	25,761
Part 1 Arrests - (1)	3,188	2,456	3,239	3,108	3,715	3,837	4,166	4,295	4,393	4,536
Part 2 Arrests - (2)	17,205	17,898	21,732	22,564	27,580	26,329	25,155	22,269	26,670	32,826
Fire:										
Number of Fire Calls	15,285	19,090	14,445	13,970	12,736	13,131	15,122	16,686	14,493	10,411
Number of EMS Calls	82,711	86,865	87,977	86,038	83,697	79,544	79,279	81,638	76,747	73,017
Number of Alarms	97,996	105,955	102,422	100,008	96,433	92,675	94,401	98,324	91,240	83,428
<b>Planning and Development:</b>										
Certificate of Use Permits Used	25,779	22,018	26,739	21,191	23,399	20,860	20,907	20,775	20,156	22,724
Business Tax Receipts Issued	24,144	21,592	26,661	22,566	33,877	29,686	23,117	22,478	29,548	22,092
<b>Culture and Recreation:</b>										
Summer Food Program - Meals Served (Lunches)	N/A	N/A	N/A	N/A	123,925	119,603	98,129	92,737	59,785	N/A
Summer Food Program - Meals Served (Snacks)	N/A	N/A	N/A	N/A	123,425	122,512	106,449	87,963	62,983	N/A
<b>Solid Waste:</b>										
Refuse Collected (Tons/Day)	709	693	562	693	675	643	586	551	566	N/A
Recyclables Collected (Tons/Day)	45	56	52	39	48	52	14	14	11	N/A

Sources: Various City Departments.

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

(1) Part 1 crimes and arrests include murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft.

(2) Part 2 arrests include all other arrests that are not Part 1 crimes.

N/A Information not available

**CITY OF MIAMI, FLORIDA**  
**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety:										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub-Stations	3	3	3	3	3	3	3	3	3	3
Fire:										
Fire Stations	15	15	15	15	14	14	14	14	14	14
Solid Waste:										
Collection Trucks	170	164	148	141	143	144	144	160	160	N/A
Public Works:										
Streets (Miles - Paved)	661.9	661.9	663.2	663.5	663.5	663.8	662.1	662.1	662.1	662.1
Streets (Miles - Unpaved)	0.84	0.84	0.84	0.84	0.84	0.9	1.1	1.1	1.1	1.1
Transportation:										
Street Resurfacing (Miles)	N/A	23.07	24.0	41.0	27.7	23.7	23.7	18.3	15.8	N/A
Culture and Recreation:										
Parks Acreage	1,316	1,316	1,497	936	897	897	897	894	894	894
Parks	145	145	143	131	127	127	127	112	112	112
Swimming Pools	15	15	15	15	15	15	15	15	15	15
Tennis Courts	65	65	61	61	61	61	61	61	61	61
Community Centers	43	43	34	43	35	34	34	34	34	34
Basketball Courts	71	71	71	71	71	71	71	71	71	71
Water Playgrounds	6	6	5	5	4	4	3	2	2	2
Soccer Fields	15	15	15	15	15	15	13	13	13	13
Football Fields	9	9	9	9	9	9	9	9	9	9
Baseball Fields	30	30	30	30	30	30	30	30	30	30
Open Practice Fields	29	29	2	2	2	2	2	2	2	2
Cricket Field	-	-	-	1	1	1	1	1	1	1

Sources: Various City Departments.

Note: No Capital asset Indicators are available for the general government function.

N/A Information not available

About the Cover  
View of Downtown Miami

The Finance Department would like to extend a special recognition to Richard Rios, GSA-Graphics Reproduction Section, for his creativity with the production of the Comprehensive Annual Financial Report.

**City of Miami, Florida Finance Department**  
444 SW 2 Avenue, 6th Floor Miami, Florida 33130





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Miami, Florida

FISCAL YEAR ENDED  
September 30, 2018