

City of Miami

Comprehensive Annual Financial Report



*Fiscal Year ended
September 30th, 2003*

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Miami, Florida
For the Year Ended September 30, 2003

Prepared by the Finance Department



INTRODUCTORY SECTION

PRINCIPAL CITY OFFICIALS

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CERTIFICATE OF ACHIEVEMENT

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City of Miami, Florida

Principal City Officials

September 30, 2003

MAYOR

Manuel A. Diaz

CITY COMMISSION

Arthur E. Teele, Jr, Chairman

Joe Sanchez, Vice-Chairman

Angel González, Commissioner

Tomás Regalado, Commissioner

Johnny L. Winton, Commissioner

CITY MANAGER

Joe Arriola

CITY ATTORNEY

Alejandro Vilarello

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City of Miami, Florida

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2003

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City of Miami

SCOTT SIMPSON
Director



JOE ARRIOLA
City Manager

February 27, 2004

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Miami, Florida (the "City") for the fiscal year ended September 30, 2003, is hereby submitted. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

KPMG LLP partnering with Sanson, Kline, Jacomino & Company, Sharpton, Brunson & Co. P.A., Watson & Company, P.A., and Briele and Echeverria, P.A., all of which are firms of licensed certified public accountants, has audited the City's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City, for the fiscal year ended September 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended September 30, 2003, were presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally and state mandated "Single Audit" designed to meet special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving

DEPARTMENT OF FINANCE

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the administration of federal and state awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

ECONOMIC CONDITION AND OUTLOOK

The City's diversified economic base is comprised of wholesale and retail trade, light manufacturing, commerce, and tourism. The City has made great gains in the areas of international banking, business, real estate and trans-shipment, which has diversified the economic base. Located in the center of a hemispheric market of more than 700 million people, and easily accessible to South and Central America, the Caribbean, Europe and Africa, Miami's strategic location and international commerce infrastructure make it the ideal location for international trade. As a result of expanding economies in several Latin American countries, international trade has been growing at double-digit rates in the Miami area.

Airport. In 2003, the Miami International Airport served nearly 29 million passengers, with nearly half of those being international passengers. It has flights to nearly 200 cities on five continents with 90 scheduled and 32 non-scheduled carriers. The Miami International Airport also shipped 3.5 billion pounds of domestic and international cargo during the year.

Sea Port. In 2003, the Port of Miami handled 9 million tons of cargo and over 3.9 million cruise passengers. Long considered the Cruise Capital of the World, boasting more home-ported cruise ships than any other seaport, the Port of Miami received another distinction in November 1999. It became the year-round home of Royal Caribbean International's 3,600-passenger *Voyager of the Seas*, the largest cruise liner ever built at that time. The Port of Miami is also the base for Royal Caribbean's newest ship the 3,800 passenger "Regency of the Seas".

Arenas. The American Airlines arena, home of the Miami Heat basketball team, is one of the premier facilities that ushered in the City's Millennium celebration. The Miami Arena serves as a venue for concerts, and special events.

Private Development. The City is experiencing a period of unprecedented private development. Projects recently completed, under construction, or in design will add over \$10 billion in value to the property tax roll. Developments include four 5-star hotels, ten high-rise condominiums and five new office towers. Of specific note, is the number of residential units currently planned or under construction in downtown Miami, furthering the City's goal to transform its central business district to a 24 by 7 activity center. Currently, in excess of 18,000 downtown residential units are in the planning or construction phase.

Public/Private Development Ventures. The City will continue to focus efforts on its waterfront properties. Projects such as the Dinner Key Marina, Virginia Key Beach, and Bicentennial Park are major projects, which fit prominently into the City's long-term economic growth and financial well being. A major change has begun on Watson Island; Parrot Jungle and the Miami Children's Museum opened in 2003 and the planning for the Island Gardens Development, which will contain two hotels, retail spaces and a mega-yacht marina is well under way. Additional land on Watson Island was one of two sites proposed for the permanent headquarters of the Free Trade Area of the Americas (FTAA) in 2004.

Major Initiatives. With the improvement in the financial condition of the City, the emphasis has been redirected to improving the infrastructure within the City. The City has begun a program of major renovations and improvements to City parks, streets, sidewalks and drainage systems. Additionally, a major effort is underway to modify and improve the City's sanitation services. While the external improvements are critical to promote further economic development, the City has completed a strategic planning process to identify and plan for technology improvements internally within the administration. A major result of this study will be a shift in technology from a mainframe environment to a distributed network. The City will also be moving much of its services and information to the Internet.

DEBT MANAGEMENT

The City was very active in capital market during fiscal year 2003. In November 2000, the citizens of the City approved the issuance of \$255 million in Limited Ad-Valorem General Obligation Bonds to be used for infrastructure improvements with approximately fifty percent of the proceeds to be used to expand and improve the City's park system. The City issued the first series of these bonds in July 2002, with an issuance of \$153 million. The City was able to capitalize on the historic lows of both treasury and tax exempt rates available to provide significant savings to the City. In-March 2003, the City refunded approximately \$18.7 million of General Obligation debt with a present value savings of approximately \$1.41 million and a true interest cost of 2.41%. The City was also able to take advantage of historically low fixed interest rates by converting its variable rate Sunshine State Commercial Paper Loan (Series 1995) to a fixed rate Special Obligation Bond. It is management's objective to adequately plan and meet the City's comprehensive construction demands for essential capital improvements and equipment needs, and, at the same time, ensure that the residents of the community are not overburdened with general obligation long-term debt payable from ad valorem taxes.

The following chart indicates the principal amortization of the City's general obligation debt in five-year increments. As can be seen, approximately 44% of the City's outstanding debt will be retired within the next ten years.

**General Obligation Debt
Principal Amortization
For the Five Year Period Ending September 30, 2003**

2008	\$	53,384,561
2013		53,132,938
2018		64,356,448
*2023		71,485,352

* The final maturity of GO debt will be retired in Fiscal Year 2022.

Cash Management and Practices. In order to achieve maximum financial return on all available funds, the Finance Department pursues an aggressive cash management and investment program within the constraints imposed by Florida Statutes and local policies adopted by resolution by the City Commission.

The City operates within established formal investment policies, which applies to all investment of public funds. Idle cash balances are invested on a daily basis at the best interest rates available in the markets. Investments consist primarily of United States treasuries and agencies securities, commercial paper, and money market funds. During the fiscal year the City received a certificate of excellence for its Investment Policy from the Association of Public Treasurers of United States and Canada (APT US&C).

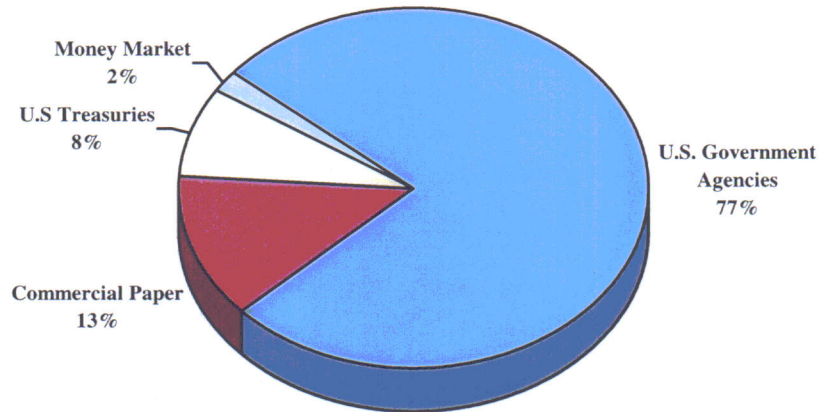
For purposes of maximizing the interest earning yield on short-term investments, cash balances of all funds are pooled. The primary objective of the City's policy is preservation of capital. It is the City's policy not to invest in highly leveraged derivatives. Investment income reported in these financial statements includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

A summary and comparison of investment activity for the three fiscal years, are as follows:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Average Portfolio Balance (End of Year)	\$ 508,369,707	\$ 362,439,535	\$ 301,356,555
Average Investment Yield	2.55%	3.77%	5.72%
Interest Earned on Investments managed by the Finance Department	\$ 12,985,760	\$ 13,676,175	\$ 16,804,173

The following chart summarizes the City's investments, including cash equivalents, at September 30, 2003:

Cash Equivalents and Investment Types



Risk Management. 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 health and life insurance programs are administered by an independent administrator. The City funds the program on an annual payout 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.

At September 30, 2003, the estimated liability for insurance claims that are expected to be paid totaled \$16,548,601. The estimated long-term liability for insurance claims, at September 30, 2003, is \$65,190,000. The estimated liability for insurance claims is discounted at an interest rate of 5%.

Pensions. The City maintains three separate single-employer defined benefit pension plans for its public safety employees, elected officials, and its general and sanitation employees. Each year, an independent actuary, engaged by the pension plans, calculates the amount of the annual contribution that the City must make to the pension plans to ensure that the plans will be able to fully meet their obligations to retired employees on a timely basis. As a matter of policy, the City is required to fully fund each year's annual required contribution to the pension plans as determined by the actuary.

The City also provides to certain executive employees a single-employer, defined contribution pension plan administered by ICMA Retirement Trust. The City is required to contribute 8% of the employee's earnings to this plan. The City's contribution for the City Manager, Independent Auditor General and City Attorney is not limited to the 8% but is an amount stipulated per their respective contracts with the City.

The pension plans for the Fire and Police (FIPO) and General and Sanitation Employees (GESE) experienced significant increases in the fair value of the plans assets in the fiscal year ending September 30, 2003. These increases were caused by appreciation in the fair value of the investments due to general market conditions. The City is continuing to work with both Boards to explore possible actuary assumption changes that will serve to minimize the large increases and decreases for the City's pension contribution from year to year.

Additional information on the City's pension arrangements can be found in Note 10 in the notes to the financial statements.

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, 2002. 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.

In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR, whose contents conform to established program standards. Such comprehensive reports must satisfy both generally accepted accounting principles and applicable legal requirements. To earn a Certificate of Achievement, a government must demonstrate constructive spirit of full disclosure to clearly communicate its financial story while enhancing the understanding of the logic underlying the traditional governmental financial reporting model.

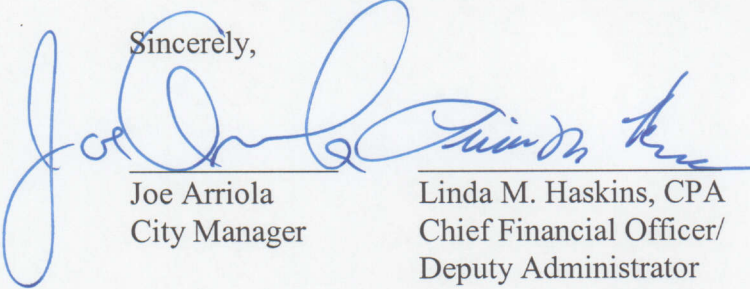
The City's 2002 Comprehensive Annual Financial Report has been evaluated by an impartial Special Review Committee composed of other government officers, independent certified public accountants, educators and others with particular expertise in government accounting and financial reporting. We believe that the 2003 Comprehensive Annual Financial Report continues to conform to the high standards of the Certificate of Achievement Program and we are submitting it to the GFOA for consideration.

ACKNOWLEDGEMENTS

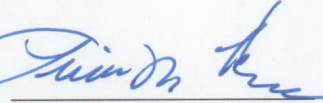
The Comprehensive Annual Financial Report's preparation was made possible through the efficient, dedicated and professional efforts of the entire staff in the Finance Department. The significant amount of year-end closing procedures required prior to the audit, could not have been accomplished without much hard work and personal sacrifice. Each member of the department has our sincere appreciation for the contributions made to assist in the in-house preparation of 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. We also wish to express our appreciation to our Certified Public Accountants, KPMG LLP, in association with Sanson, Kline, Jacomino & Company, LLP, Sharpton, Brunson & Co. P.A., Watson & Company, P.A., and Briele and Echeverria, P.A., for their cooperation and assistance.


Sincerely,



Joe Arriola
City Manager



Linda M. Haskins, CPA
Chief Financial Officer/
Deputy Administrator



Scott Simpson,
CPA, CPFO, CGFO, CGFM
Finance Director

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 for the fiscal year ended September 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miami,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

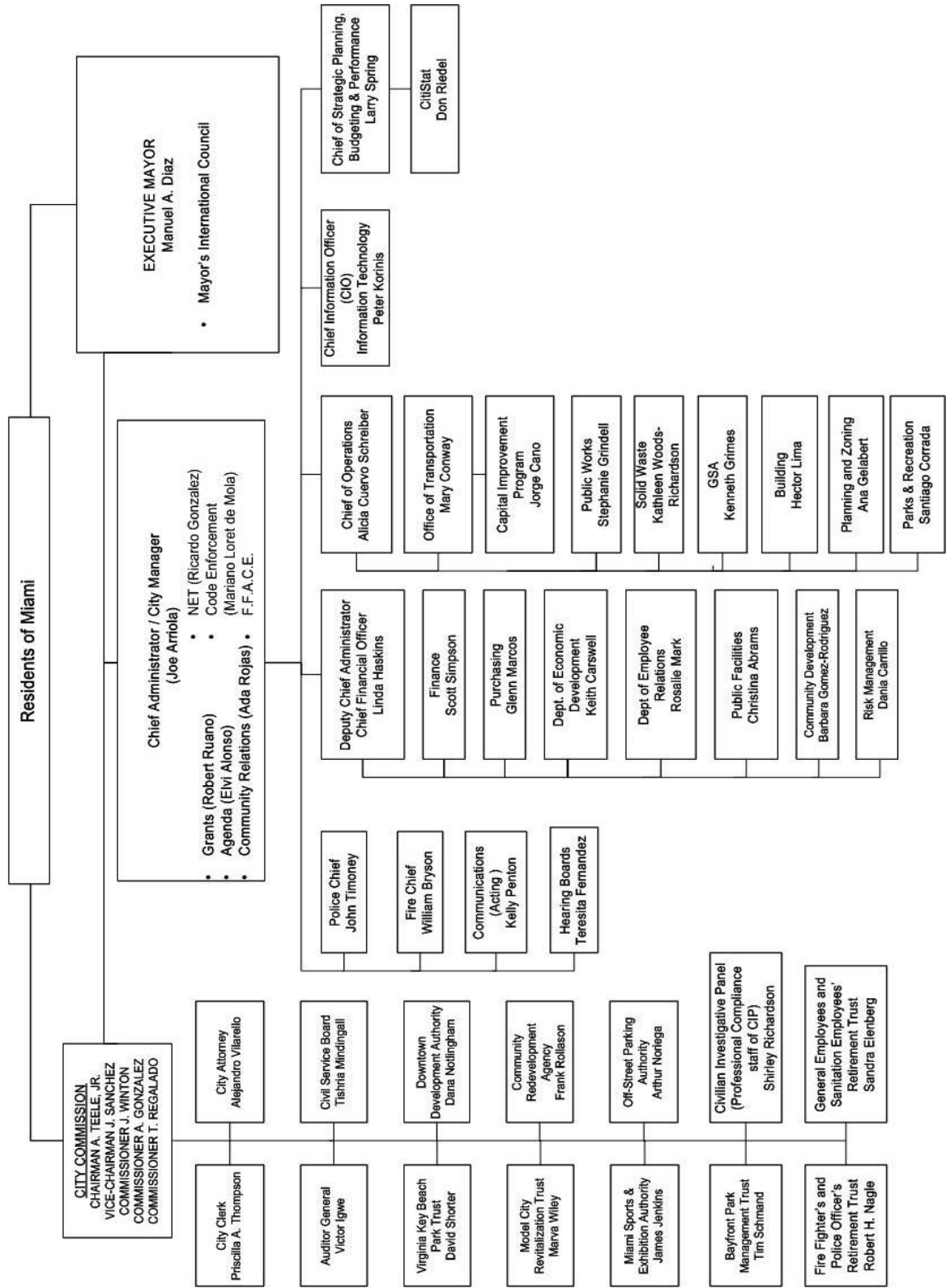
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF MIAMI TABLE OF ORGANIZATION





FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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(Government-wide Financial Statements)
(Fund Financial Statements)

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REQUIRED SUPPLEMENTAL INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES



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Miami, FL 33131

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Independent Auditors' Report

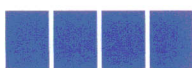
The Honorable Mayor and City Commissioners
City of Miami, Florida:

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, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Southeast Overtown Park West Redevelopment Agency, the Omni Redevelopment Agency, and the Pension Trust Funds, which statements represent 87% and 81%, respectively, of the assets and revenue of the aggregate remaining fund information. We also did not audit the financial statements of the Downtown Development Authority of the City of Miami, Florida, the Miami Sports and Exhibition Authority, the Health Facilities Authority, and the Bayfront Park Management Trust of the City of Miami, Florida, which statements reflect 63% and 52% of the assets and revenue, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an



integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 12, the budget to actual comparison information on pages 61 through 64, and the schedule of funding progress on page 65, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section listed in the accompanying table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

February 27, 2004

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, 2003. 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 vii – xiii of this report.

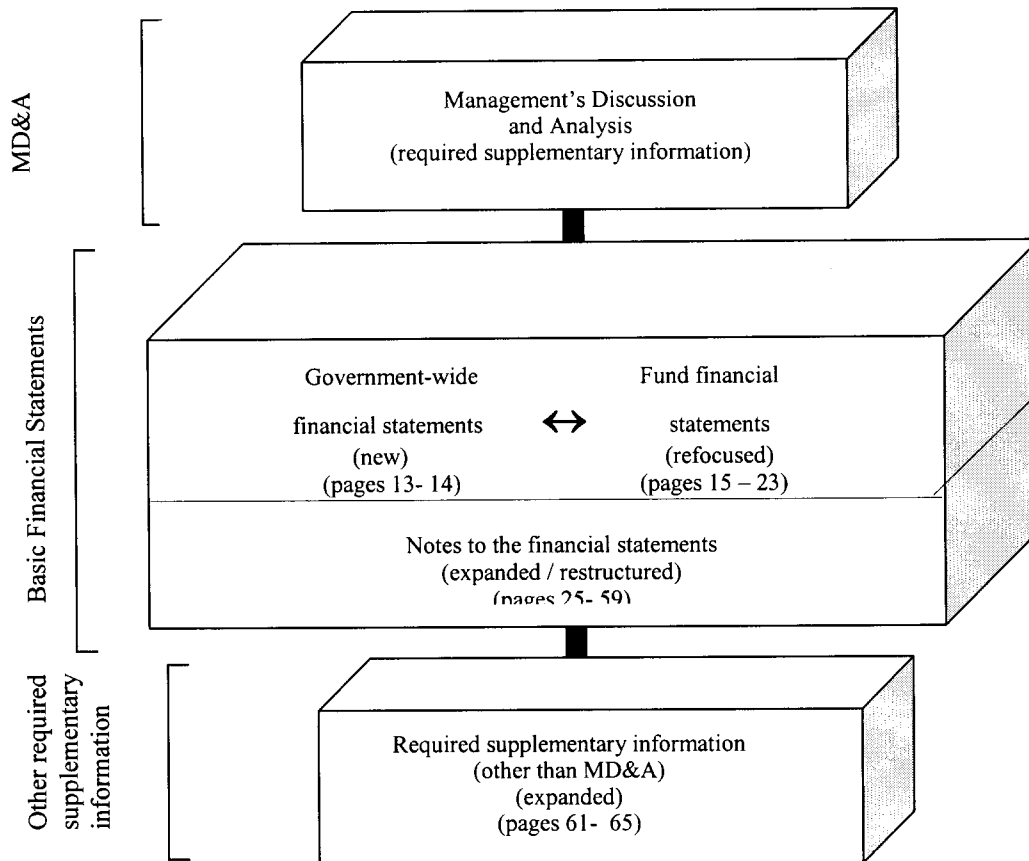
FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$697,877,182 (net assets).
- The governmental activities revenue decreased \$17,425,207 (or 33.5%) and the net results from activities decreased by \$29,975,800 (or 94.9%). In both years (2003 and 2002), the results of activities produced an increase in net assets of \$1,623,823 and \$31,599,623, respectively.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reflects an increase in fund balance of \$334,483 (or 0.2%).
- The City's total debt decreased by \$16,374,712 (or 3.5%) during the current year. The key factors of this decrease were the refinancing of existing debt in favorable market conditions and making outstanding debt service payments.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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.

In light of the fact that this is a very different presentation of the City's general purpose financial statements from previous years, the following graphic is provided for your review.



The focus of the financial statements under the GASB 34 model (originally implemented by the City in 2001/2002) is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 13– 14) are designed to be corporate-like, in that all governmental activities are presented in columns that add to a total for the Primary Government. The focus of the Statement of Net Assets (the “Unrestricted Net Assets”) is designed to be similar to bottom line results for the City and its governmental activities. This statement reflects governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. The City does not have any business-type activities for financial reporting purposes.

The Statement of Activities (see page 14) is focused on both the gross and net cost of various functions (including governmental and component units), which are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or component units.

Component Units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the Government-wide Financial Statements. The focus of the statements is clearly on the Primary Government and the presentation allows the user to address the relative relationship with the Component Units.

The Governmental Activities reflects the City's basic services, including Police, Fire, Solid Waste Collection, Parks and Cultural Activities, and general administration. Property taxes, other local taxes, and federal grants finance the majority of these activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. Their focus is on the City's major funds. The fund financial statements provide more information about the City's most significant funds – not the City as a whole.

The City has two kinds of funds:

Governmental Funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

The City maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Community Development Fund, Public Services Taxes Special Revenue Fund, and General Government Capital Projects Fund, which are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and certain Special Revenue Funds. Budgetary comparison schedules have been provided for the General Fund and each major Special Revenue Fund that adopts a budget to demonstrate compliance with the budget. Such information is presented as required supplementary information.

The basic government fund statements can be found on pages 15 – 23 of this report.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on pages 19 – 20 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 25 – 59 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 61 – 65 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72 – 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$697,877,182 at the close of the most recent fiscal year.

The largest portion of the City's net assets (88.67%) reflects its investment in capital assets (e.g., land buildings, machinery and equipment), less any related debt used to 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 cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (16.38%) represents resources that are subject to external restrictions on how they may be used.

The remaining unrestricted net assets deficit of \$35,234,348 is primarily the result of the excess of unrestricted liabilities over unrestricted assets.

The deficit in unrestricted net assets in government activities increased by \$18,301,362. The primary reason for this deficit increase was the degree to which increases in ongoing expenditures exceed similar increases in ongoing revenues. Citywide unrealized gains in investments (excluding pension funds) amounted to \$2,259,778 in fiscal year 2003.

The following schedule reflects a summary of Net Assets compared to prior year.

Summary of Net Assets as of September 30

	Governmental Activities	
	2003	2002
Current and other assets	\$ 572,120,755	\$ 562,707,660
Capital assets	807,941,738	827,178,112
Total assets	1,380,062,493	1,389,885,772
Other liabilities	118,199,384	120,877,487
Long-term liabilities outstanding	563,985,927	572,754,926
Total liabilities	682,185,311	693,632,413
Net assets:		
Invested in capital assets, net of debt	618,784,135	598,154,380
Restricted	114,327,395	115,031,965
Unrestricted (Deficit)	(35,234,348)	(16,932,986)
Total net assets	\$ 697,877,182	\$ 696,253,359

For more detailed information see the Statement of Net Assets (page 13).

Changes In Net Assets

The following schedule compares the revenues and expenses for the current and previous year.

	Changes in Net Assets	
	Governmental Activities	
	2003	2002
Revenues:		
Program revenues:		
Charges for services	\$ 190,708,552	\$ 191,519,487
Operating grants and contributions	34,441,899	51,137,825
Capital grants and contributions	9,646,560	23,053,287
General revenues:		
Property taxes	166,770,291	151,614,600
Utility taxes	58,900,480	58,314,804
Intergovernmental revenues	31,825,518	29,307,924
Investment earnings	8,833,535	10,645,639
Other	1,077,289	4,035,765
Total revenues	<u>502,204,124</u>	<u>519,629,331</u>
Expenses:		
General government	85,176,588	94,349,348
Planning and development	13,579,968	13,289,988
Community development	32,088,517	47,186,103
Community redevelopment areas	6,477,916	6,125,242
Public works	60,708,046	53,950,238
Public safety	226,580,865	200,727,361
Public facilities	10,561,373	9,832,601
Parks and recreation	20,152,074	19,550,960
Interest on long-term debt	19,489,387	17,252,301
Unallocated depreciation	25,765,567	25,765,566
Total expenses	<u>500,580,301</u>	<u>488,029,708</u>
Increase in net assets	<u>\$ 1,623,823</u>	<u>\$ 31,599,623</u>

For more detailed information see the Statement of Activities (page 14).

Governmental Activities – As noted earlier, governmental activities increased the City's net assets by \$1,623,823. Key elements of this increase are as follows:

The decrease in operating and capital grants contributions are primarily the result of a reduction in U.S. Department Housing and Urban Development awards (\$15.8 million) and a decrease in grant awards from the U.S. Department of Justice (\$12.7 million).

Property taxes increased by 10% (\$15.2 million) during the year. The increase was due to a 14.6% (\$2.49 billion) increase of the net assessed value of taxable property. The City has decreased the overall millage rate for the last four years to the current rate of 10.068 (Operating: 8.850, Debt Service: 1.218).

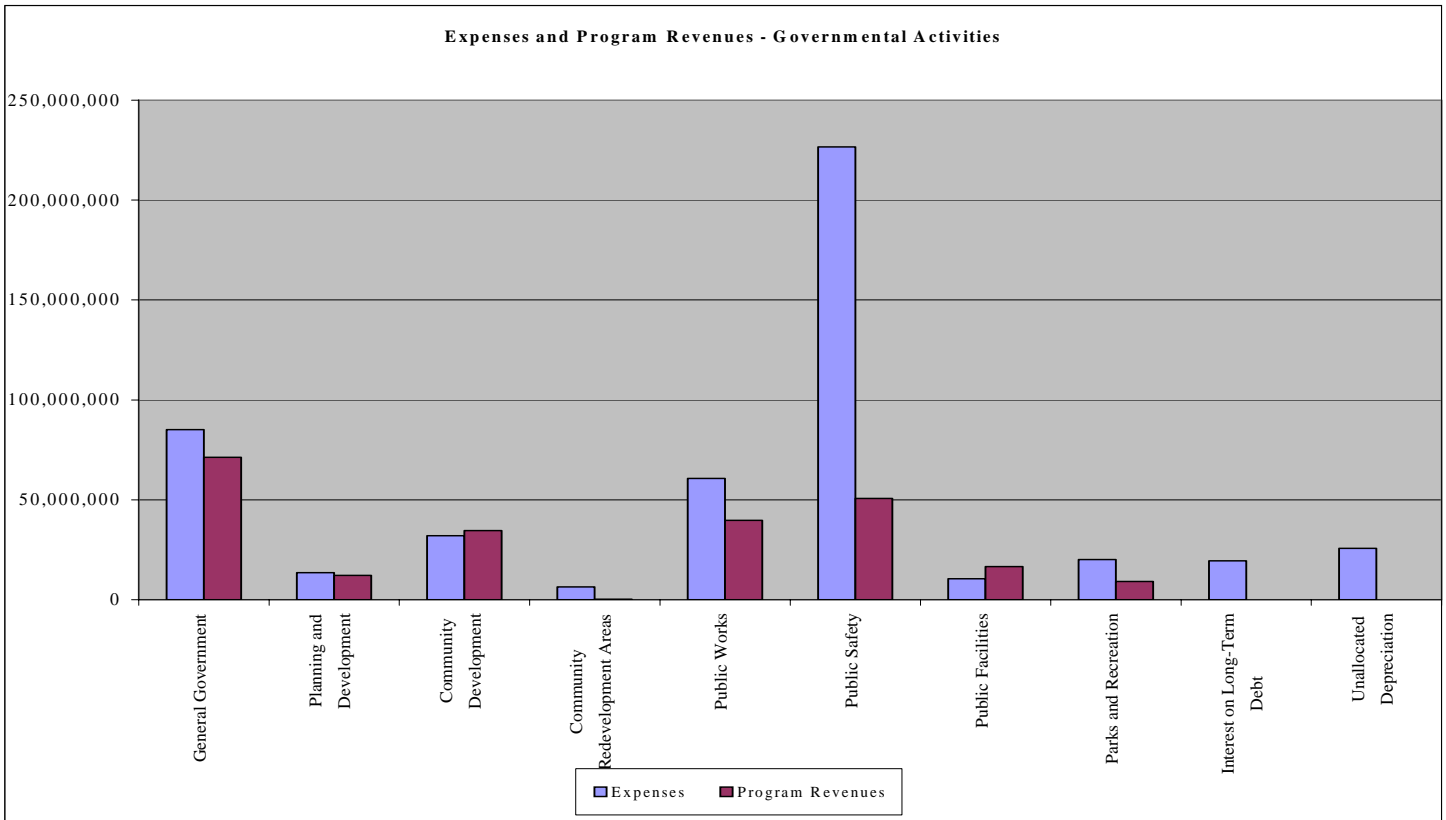
Investment Income for fiscal year 2003 was reduced by a decrease in interest rates that were reflective of general market conditions.

General government expenditures decreased in fiscal 2003. This decrease reflects a one time charge in the prior year to recognize the liability for parking surcharge litigation (\$14.2 million) that was partially offset by salary increases (cost of living, merit, and market adjustments) and increases in other expenses due to the overall inflation of certain consumer commodities.

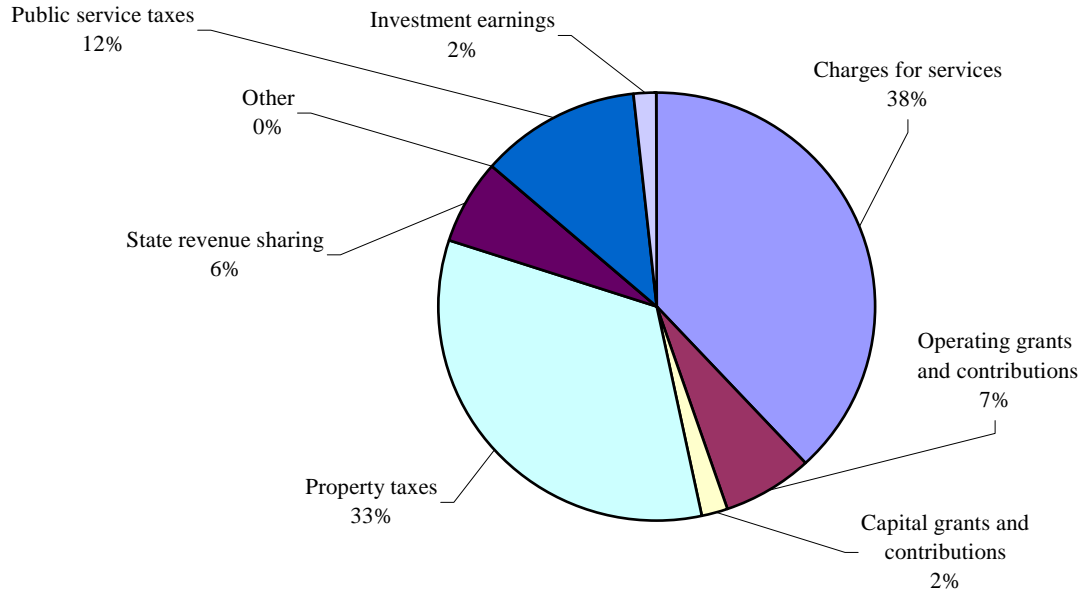
Community Development was impacted by decreases in U.S. Housing and Urban Development grant revenues resulting in decreases for Community Development activities. Most of the block grant revenues are recognized when the expenditures are incurred.

Public Safety experienced an increase of \$26.1 million. The primary reason for the increase was that expenditures reflected an increase of \$19.9 million in the current year's pension plan contributions.

Public Works expense allocations are subject to annual classification of either maintenance (shown as expenditures) or capital (capitalized and therefore not reflected as expenditures). There was a \$5.4 million decrease in capital acquisitions resulting in a corresponding increase in the operating expenditures for the same amount.



Revenue by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds – The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unreserved 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, unreserved fund balance of the General Fund was \$136,905,142, while the total fund balance reached \$141,826,336. As a measure of the General Fund’s liquidity, it may be helpful to compare both unreserved fund balance and total fund balance to the fund’s total operational expenditures. Unreserved fund balance represents 35.1% of the total expenditures and transfers-out for recurring operational costs reported in other funds, while total fund balance represents 36.3% of that same total amount.

The General Fund’s fund balance increased by \$334,483 during the current fiscal year. Key factors in this increase are as follows:

- An increase in taxable property values resulted in an additional \$9,228,392 in property tax revenue.
- Budgeted expenditures were less than actual amounts resulting in a \$14,689,891 favorable variance.
- Fund balances were reduced by \$22,323,072 as result of implementation of City-wide initiatives.

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

The Community Development Fund had a total fund balance of \$6,834,470, of which \$1,054,635 is reserved for the payment of purchase orders of the prior period. The decrease in fund balance during the current year was attributable to increased program activities as well as better grant management.

The Public Services Tax Fund had a total fund balance of \$6,803,934, all of which is unreserved and available for spending at the City's discretion. The State of Florida modified the Public Services Tax (PST) effective October 1, 2001, and it is now referred to as Communication Services Tax (CST).

The General Government Capital Projects Fund had a fund balance of \$90,317,575, of which \$2,554,070 is reserved for the payment of purchase orders of the prior period. The \$3,257,388 increase from the prior year can be attributed to the staging of various capital projects to be started in the subsequent fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final General Fund budget was increased by \$19,234,057 from the original budget (an increase of 4.97%). This increase can be summarized as follows (please see budget to actual comparison on page 61):

- \$2,129,083 in miscellaneous increases in general government activities
- \$72,254 in increases allocated to the Planning and Development department
- \$2,322,819 in increases allocated to the Public Works department
- \$13,758,403 in increases allocated to public safety
- \$53,722 in decreases allocated to Public Facilities
- \$4,898 in increases allocated to Parks and Recreation
- \$1,000,322 in increases in transfers to other funds

All of the increases were funded by revenues in excess of the original budget estimates.

Charges for services were increased primarily due to recognition of \$9,441,556 received under the provisions of Florida Statutes 175 and 185, to fund a separate non-contributory money purchase benefit plan for the public safety employees of the City. Additional information on the plan can be found in Note 10(F) on page 58 in the notes to the financial statements.

The public safety function experienced a \$9,441,556 increase in personnel costs due to the recognition of the Chapter 175 and 185 pension trust plans payments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the City had \$807,941,738 invested in a variety of capital assets, as reflected in the following schedule, which represents a net decrease (additions less retirements and depreciation) of \$19,236,374 or 2.33% from the end of prior year.

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

	Governmental Activities	
	2003	2002
Land	\$ 64,372,141	\$ 63,695,567
Buildings	84,190,700	88,625,315
Improvements Other Than Buildings	5,429,933	6,508,436
Building Improvements	1,866,036	1,923,417
Machinery and Equipment	47,833,421	45,527,929
Infrastructure	551,791,045	577,556,612
Construction in Progress	52,458,462	43,340,836
Total	\$ 807,941,738	\$ 827,178,112

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

- The City completed the renovation and construction of Jose Marti Park. The City spent approximately \$1.9 million for renovation and new construction of facilities including a computer room, aerobic room, fitness center, classrooms and offices.
- In an effort to restore and gain recognition of Virginia Key Beach Park, a once “colored only” beach, the City obtained a \$500,000 grant award from the Department of Interior in order to enhance the rehabilitation and development of the park and its facilities.
- Also, \$5 million was invested in the replacement of various City vehicles, police cars, and fire and rescue apparatus.

Additional information on the City’s capital assets can be found in Note 1(L)(6) on page 33 and Note 5 on page 39 in the notes to the financial statements.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$453,059,485. Of this amount, \$242,359,299 comprises debt backed by the full faith and credit of the City; the remainder represents bonds and loans secured solely by specific revenue sources (i.e., revenue bonds).

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

	Governmental Activities	
	2003	2002
General Obligation Bonds	\$ 242,359,299	\$ 252,876,553
Special Obligation Bonds, Notes and Loans	210,700,186	216,557,644
Total	\$ 453,059,485	\$ 469,434,197

The City’s total debt decreased \$16,374,712 (or 3.5%) during the current fiscal year.

During the current fiscal year, the City refinanced a portion of its existing debt to take advantage of prevailing market interest rates. This refinancing of the City’s general obligation bonds resulted in a decrease in future debt service payments of \$1.4 million.

The City received an improved bond rating on its general obligation debt from BBB+ to A+ from Standard & Poor’s and an upgrade from Fitch Ratings from BBB+ to A- in February 2004.

Additional information on the City’s long-term liabilities can be found in Note 8 on pages 43 - 47 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The City’s elected and appointed officials considered many factors when adopting the fiscal year 2003 budget. Included among these factors were uncertainties regarding the Parking Surcharge Tax, Communication Services Tax, and various economic indicators.

On July 11, 2001, the Third District Court of Appeals ruled that the parking surcharge statute was unconstitutional. The City appealed the ruling to the Florida Supreme Court who has upheld the ruling of the lower court. The legislature has approved a bill that has been signed by the Governor that amends the parking surcharge statute and eliminates the constitutional problems that the court found. This bill became law on November 30, 2001. A tentative settlement has been reached in this action that calls for a refund of amounts paid by users of parking services in Miami. The settlement totaled \$14 million and has been recorded as a liability in the accompanying basic financial statements.

Per the U.S. Department of Labor, the unemployment rate for South Florida is currently 7.5%, which slightly increased from a rate of 7.4% a year ago. This rate is higher than the state’s average unemployment rate of 5.3% and the national average rate of 6.0%. The region’s inflation rate of 1.8% is comparable to the national indices of 1.9%.

FINANCIAL CONTACT

The City’s financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City’s finances and to demonstrate the City’s accountability. If users have questions about the report or need additional financial information, they should contact Scott Simpson, Director of the City of Miami’s Finance Department, 444 Southwest 2nd Avenue, 6th Floor Finance, Miami, Florida 33130, or visit the City’s web site at www.ci.miami.fl.us.

City of Miami, Florida
Statement of Net Assets
As of September 30, 2003

	Governmental Activities	Component Units
Assets		
Cash, Cash Equivalents and Investments	\$ 496,821,237	\$ 12,215,849
Receivables - Net	22,975,408	3,734,817
Accrued Interest	4,310,155	16,867
Due From Other Governments	21,527,366	13
Due From Primary Government	-	888,855
Due From Component Units	563,725	-
Inventory	-	5,000
Prepaid and Other Assets	675,538	891,745
Net Pension Asset	3,382,512	-
Restricted Assets:		
Cash, Cash Equivalents and Investments	17,688,822	12,488,075
Capital Assets:		
Non-depreciable	668,621,648	20,906,944
Depreciable - Net	139,320,090	48,917,873
Other Assets:		
Unamortized Bond Issuance Costs	4,175,992	-
Total Assets	1,380,062,493	100,066,038
Liabilities		
Accounts Payable and Accrued Liabilities	49,704,567	2,545,006
Accrued Interest Payable	6,074,257	1,335,586
Due To Other Governments	3,023,664	-
Due To Primary Government	-	563,725
Due To Component Units	888,855	-
Deferred Revenue	11,547,876	625,621
Deposits	6,096,221	254,126
Non-Current Liabilities		
Due Within One Year:		
Bonds and Loans Payable	19,854,464	2,490,000
Compensated Absences	4,460,879	53,568
Claims Liability	16,548,601	-
Due In More Than One Year:		
Bonds and Loans Payable	445,108,580	43,220,357
Plus: Unamortized Bond Premium	(7,742,263)	100,937
Less: Unamortized Bond Discount	14,696	-
Compensated Absences	61,414,914	23,177
Claims Liability	65,190,000	-
Total Liabilities	682,185,311	51,212,103
Net Assets		
Invested in Capital Assets - Net of Related Debt	618,784,135	24,293,934
Restricted for:		
Capital Projects	101,183,574	3,140,373
Debt Service	9,217,487	3,345,330
Law Enforcement	3,926,334	-
Unrestricted (Deficit)	(35,234,348)	18,074,298
Total Net Assets	\$ 697,877,182	\$ 48,853,935

City of Miami, Florida
Statement of Activities
For the Year Ended September 30, 2003

Functions/Programs Activities:	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating	Capital	Primary Government	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
General Government	\$ 85,176,588	\$ 69,668,568	\$ -	\$ 1,653,785	\$ (13,854,235)	\$ -
Planning and Development	13,579,968	12,192,540	-	-	(1,387,428)	-
Community Development	32,088,517	2,058,660	32,574,391	-	2,544,534	-
Community Redevelopment Areas	6,477,916	310,182	-	-	(6,167,734)	-
Public Works	60,708,046	39,697,353	-	45,582	(20,965,111)	-
Public Safety	226,580,865	48,061,754	-	2,703,902	(175,815,209)	-
Public Facilities	10,561,373	16,273,110	-	367,223	6,078,960	-
Parks & Recreation	20,152,074	2,446,385	1,867,508	4,876,068	(10,962,113)	-
Interest on Long-Term Debt	19,489,387	-	-	-	(19,489,387)	-
Unallocated Depreciation	25,765,567	-	-	-	(25,765,567)	-
Total primary government	<u>\$ 500,580,301</u>	<u>\$ 190,708,552</u>	<u>\$ 34,441,899</u>	<u>\$ 9,646,560</u>	<u>(265,783,290)</u>	<u>-</u>
Component Units:						
Miami Sports Exhibition Authority	\$ 7,540,291	\$ 769,842	\$ -	\$ -	-	(6,770,449)
Department of Off-Street Parking	12,677,473	12,150,345	-	-	-	(527,128)
Downtown Development Authority	1,542,107	-	10,182	-	-	(1,531,925)
Bayfront Park	2,626,681	2,095,137	-	-	-	(531,544)
Health Facilities Authority	116,479	-	-	-	-	(116,479)
Total component units	<u>\$ 24,503,031</u>	<u>\$ 15,015,324</u>	<u>\$ 10,182</u>	<u>\$ -</u>	<u>-</u>	<u>(9,477,525)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					146,828,411	2,242,199
Property taxes, levied for debt service					19,941,880	-
Convention Development Taxes					-	6,884,324
State revenue sharing (sales tax and fuel tax)					31,825,518	-
Public Service Taxes					58,900,480	-
Investment Earnings					8,833,535	442,134
Other					1,077,289	1,200,290
Total General Revenues					<u>267,407,113</u>	<u>10,768,947</u>
Change in Net Assets					1,623,823	1,291,422
Net assets - Beginning					696,253,359	47,562,513
Net assets - Ending					<u>\$ 697,877,182</u>	<u>\$ 48,853,935</u>

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Balance Sheet
Governmental Funds
September 30, 2003

	General	Community Development	Public Services Tax	General Government	Other Governmental Funds	Total Governmental Funds
Assets						
Cash, Cash Equivalents and Investments	\$ 166,896,594	\$ 6,737,281	\$ 4,631,077	\$ 90,472,044	\$ 228,084,241	\$ 496,821,237
Restricted Cash, Cash Equivalents and Investments	234,461	-	-	-	17,454,361	17,688,822
Receivables (Net of Allowances for Uncollectibles):						
Accounts	10,634,778	1,229,008	-	-	1,283,628	13,147,414
Taxes	8,227,767	-	-	-	1,095,578	9,323,345
Special Assessments	-	504,649	-	-	-	504,649
Due From Other Funds	-	-	3,149,351	-	-	3,149,351
Due From Other Governments	6,200,000	3,802,131	7,690,902	-	3,834,333	21,527,366
Due From Component Units	563,725	-	-	-	-	563,725
Accrued Interest	2,712,312	44,535	-	363,002	1,190,306	4,310,155
Prepaid and Other Assets	598,312	-	-	-	77,226	675,538
Total Assets	\$ 196,067,949	\$ 12,317,604	\$ 15,471,330	\$ 90,835,046	\$ 253,019,673	\$ 567,711,602
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 32,826,606	\$ 2,040,646	\$ 8,667,396	\$ 310,951	\$ 5,858,968	\$ 49,704,567
Due To Other Funds	-	-	-	-	3,149,351	3,149,351
Due To Other Governments	33,030	2,482,778	-	-	507,856	3,023,664
Due To Component Units	-	-	-	-	888,855	888,855
Deferred Revenue	16,600,178	417,134	-	-	2,203,885	19,221,197
Deposits	4,745,799	542,576	-	206,520	601,326	6,096,221
Total Liabilities	54,205,613	5,483,134	8,667,396	517,471	13,210,241	82,083,855
Fund Balances:						
Reserved for:						
Encumbrances	4,358,882	1,054,635	-	2,554,070	24,558,006	32,525,593
Debt Service	-	-	-	-	15,291,744	15,291,744
Law Enforcement	-	-	-	-	3,926,334	3,926,334
Prepaid Items	598,312	-	-	-	77,226	675,538
Unreserved, reported in:						
General Fund	136,905,142	-	-	-	-	136,905,142
Special Revenue Funds	-	5,779,835	6,803,934	-	30,306,625	42,890,394
Capital Projects Funds	-	-	-	87,763,505	165,649,497	253,413,002
Total Fund Balances	141,862,336	6,834,470	6,803,934	90,317,575	239,809,432	485,627,747
Total Liabilities and Fund Balances	\$ 196,067,949	\$ 12,317,604	\$ 15,471,330	\$ 90,835,046	\$ 253,019,673	\$ 567,711,602

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2003

Fund Balances - Total Governmental Funds		\$ 485,627,747
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Cumulative over funding of annual required pension contribution.		3,382,512
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental Capital Assets	\$ 1,410,991,743	
Less: Accumulated Depreciation	<u>(603,050,005)</u>	807,941,738
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
		7,673,321
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Bond Issuance Costs		4,175,992
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental Bonds and Loans Payable	(464,963,044)	
Premium	7,742,263	
Discount	(14,696)	
Accrued Interest	(6,074,257)	
Compensated Absences	(65,875,793)	
Claims Liability	<u>(81,738,601)</u>	<u>(610,924,128)</u>
Net Assets of Governmental Activities		<u>\$ 697,877,182</u>

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Revenue, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended September 30, 2003

	General Fund	Community Development	Public Services Tax	General Government	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$ 139,604,223	\$ -	\$ -	\$ -	\$ 25,672,469	\$ 165,276,692
Franchise Fees and Other Taxes	31,556,387	-	57,864,240	-	1,115,892	90,536,519
Licenses and Permits	21,469,973	-	-	-	-	21,469,973
Fines and Forfeitures	5,049,412	-	-	-	1,122,127	6,171,539
Intergovernmental Revenues	44,071,524	30,425,562	-	-	21,099,219	95,596,305
Charges for Services	86,182,827	3,523,209	-	-	9,095,132	98,801,168
Interest	7,280,372	159,644	-	1,236,867	4,192,654	12,869,537
Impact Fees	-	-	-	-	1,016,942	1,016,942
Other	3,688,147	523,562	-	645,540	4,661,100	9,518,349
Total Revenues	338,902,865	34,631,977	57,864,240	1,882,407	67,975,535	501,257,024
Expenditures						
Current Operating:						
General Government	70,335,134	-	-	-	8,814,648	79,149,782
Planning and Development	8,483,782	-	-	-	1,576,917	10,060,699
Community Development	-	32,025,868	-	-	-	32,025,868
Community Redevelopment Areas	-	-	-	-	6,935,388	6,935,388
Public Works	50,591,533	-	-	-	-	50,591,533
Public Safety	198,541,341	-	-	-	10,977,196	209,518,537
Public Facilities	5,173,926	-	-	-	2,693,475	7,867,401
Parks and Recreation	12,594,690	-	-	-	2,392,563	14,987,253
Debt Service:						
Principal	-	-	-	-	22,056,400	22,056,400
Interest and Other Charges	-	-	-	-	17,834,229	17,834,229
Capital Outlay	-	-	-	14,291,740	28,278,900	42,570,640
Total Expenditures	345,720,406	32,025,868	-	14,291,740	101,559,716	493,597,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,817,541)	2,606,109	57,864,240	(12,409,333)	(33,584,181)	7,659,294
Other Financing Sources (Uses)						
Transfers From Other Funds	51,282,877	-	-	40,518,175	71,144,341	162,945,393
Transfers To Other Funds	(44,130,853)	(3,385,477)	(60,715,647)	(24,851,454)	(29,861,962)	(162,945,393)
Funded Debt Issuance	-	-	-	-	47,070,000	47,070,000
Payments To Escrow Agent	-	-	-	-	(46,592,593)	(46,592,593)
Total Other Financing Sources (Uses)	7,152,024	(3,385,477)	(60,715,647)	15,666,721	41,759,786	477,407
Net Changes in Fund Balances	334,483	(779,368)	(2,851,407)	3,257,388	8,175,605	8,136,701
Fund Balances - Beginning	141,527,853	7,613,838	9,655,341	87,060,187	231,633,827	477,491,046
Fund Balances - Ending	\$ 141,862,336	\$ 6,834,470	\$ 6,803,934	\$ 90,317,575	\$ 239,809,432	\$ 485,627,747

The accompanying notes are an integral part of the financial statements.

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 Year Ended September 30, 2003

Net Changes in Fund Balances - Total Governmental Funds	\$	8,136,701
Amounts reported for governmental activities in the Statement of Activities are different because:		
Cumulative over funding of annual required pension contribution.		(2,895,932)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,493,599
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	\$ 19,572,931	
Less: Current Year Depreciation	<u>(38,809,305)</u>	(19,236,374)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increasing long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds exceeded repayments.		
Bond Proceeds	(18,680,000)	
Accrued Interest	(2,331,384)	
Principal Payments	<u>34,853,273</u>	13,841,889
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.		
Amortization of current year bond discount	(663)	
Amortization of current year bond premium	447,492	
Amortization of current year bond issuance costs	(245,390)	
Change in Long-term Compensated Absences	(706,346)	
Change in Long-term Claims Liability	<u>788,847</u>	<u>283,940</u>
Change in Net Assets of Governmental Activities	\$	<u><u>1,623,823</u></u>

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
As of September 30, 2003

	Pension Trust Funds
Assets	
Cash and Short-Term Investments	\$ 26,854,616
Accounts Receivable	14,089,102
Capital Assets	3,831,710
	44,775,428
Investments, at fair value	
U.S Government Obligations	245,508,540
Corporate Bonds	228,378,640
Corporate Stocks	972,054,568
Money Market Funds and Commercial Paper	25,401,400
Mutual Funds	42,893,957
Real Estate	31,300,235
Total Investments	1,545,537,340
Securities Lending Collateral	96,666,334
Total Assets	1,686,979,102
Liabilities	
Obligations Under Security Lending	96,666,334
Accounts Payable	1,302,934
Accrued Liabilities	6,871,394
Payable for Securities Purchased	23,418,634
Total Liabilities	128,259,296
Net Assets	
Held in Trust for Pension Benefits	\$ 1,558,719,806

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2003

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 22,833,861
Plan Members	14,835,960
Total Contributions	37,669,821
Investment Earnings:	
Net Increase in Fair Value of Investments	183,595,118
Interest	28,974,700
Dividends	12,514,865
Rental and Other Income, net	2,570,528
Total Investment Earnings	227,655,211
Less Investment Expenses	
Investment Expenses	5,557,253
Net Investment Gains	222,097,958
Total Additions	259,767,779
Deductions	
Benefits	85,201,353
Refunds Upon Resignation, Death, etc.	1,586,227
Distribution to Retirees	9,332,318
Administrative and Other Expenses	1,927,686
Total Deductions	98,047,584
Change in Net Assets	161,720,195
Net Assets - Beginning of Year	1,396,999,611
Net Assets - End of Year	\$ 1,558,719,806

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Net Assets
Discretely Presented Component Units
For the Year Ended September 30, 2003

	Miami Sports and Exhibition Authority	Department of Off-Street Parking	Downtown Development Authority	Bayfront Park	Health Facilities Authority	Total
Assets						
Cash, Cash Equivalents and Investments	\$ 865,929	\$ 5,203,653	\$ 2,814,968	\$ 3,331,299	\$ -	\$ 12,215,849
Receivables - Net						
Accounts	106,380	1,039,117	11,120	159,597	-	1,316,214
Taxes	618,603	-	-	-	-	618,603
Notes	1,800,000	-	-	-	-	1,800,000
Accrued Interest	16,867	-	-	-	-	16,867
Due From Other Governments	-	13	-	-	-	13
Due From Primary Government	-	888,855	-	-	-	888,855
Inventory	-	-	-	5,000	-	5,000
Prepaid and Other Assets	340,378	541,283	-	10,084	-	891,745
Restricted Assets:						
Cash, Cash Equivalents and Investments	11,276,344	1,111,731	-	100,000	-	12,488,075
Capital Assets:						
Non-depreciable	7,080,662	13,310,153	-	516,129	-	20,906,944
Depreciable - Net	31,071,174	15,080,257	65,897	2,700,545	-	48,917,873
Total Assets	53,176,337	37,175,062	2,891,985	6,822,654	-	100,066,038
Liabilities						
Accounts Payable & Accrued Liabilities	249,917	2,195,380	63,661	36,048	-	2,545,006
Accrued Interest Payable	1,077,457	258,129	-	-	-	1,335,586
Due To Primary Government	-	560,466	3,259	-	-	563,725
Deferred Revenue	254,434	355,111	4,826	11,250	-	625,621
Deposits	-	92,544	-	161,582	-	254,126
Non-Current Liabilities						
Due Within One Year:						
Bonds and Loans Payable	1,835,000	655,000	-	-	-	2,490,000
Compensated Absences	-	-	53,568	-	-	53,568
Due In More Than One Year:						
Bonds and Loans Payable	32,820,000	10,400,357	-	-	-	43,220,357
Plus: Unamortized Bond Premium	-	100,937	-	-	-	100,937
Compensated Absences	-	-	23,177	-	-	23,177
Total Liabilities	36,236,808	14,617,924	148,491	208,880	-	51,212,103
Net Assets						
Invested in Capital Assets - Net of Related Debt	3,496,836	17,514,527	65,897	3,216,674	-	24,293,934
Restricted for:						
Capital Projects	3,140,373	-	-	-	-	3,140,373
Debt Service	2,491,728	853,602	-	-	-	3,345,330
Unrestricted	7,810,592	4,189,009	2,677,597	3,397,100	-	18,074,298
Total Net Assets	\$ 16,939,529	\$ 22,557,138	\$ 2,743,494	\$ 6,613,774	\$ -	\$ 48,853,935

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Activities
Discretely Presented Component Units
For the Year Ended September 30, 2003

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Miami Sports Exhibition Authority			
Economic Development	\$ 7,540,291	\$ 769,842	\$ -
Total Miami Sports Exhibition Authority	<u>7,540,291</u>	<u>769,842</u>	<u>-</u>
Department of Off-Street Parking			
Operations	12,677,473	12,150,345	-
Total Department of Off-Street Parking	<u>12,677,473</u>	<u>12,150,345</u>	<u>-</u>
Downtown Development Authority			
General and Administrative	1,230,283	-	10,182
Community Development	311,824	-	-
Total Downtown Development Authority	<u>1,542,107</u>	<u>-</u>	<u>10,182</u>
Bayfront Park			
Operations	2,626,681	2,095,137	-
Total Bayfront Park	<u>2,626,681</u>	<u>2,095,137</u>	<u>-</u>
Health Facilities Authority			
Operations	116,479	-	-
Total Bayfront Park	<u>116,479</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 24,503,031</u>	<u>\$ 15,015,324</u>	<u>\$ 10,182</u>

General Revenues:

Taxes:
Property taxes, levied for general purposes
Convention Development Taxes
Investment Earnings
Miscellaneous
Total General Revenues
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

**Net (Expense) Revenue and
Changes in Net Assets**

Miami Sports and Exhibition Authority	Department of Off-Street Parking	Downtown Development Authority	Bayfront Park	Health Facilities Authority	Totals
\$ (6,770,449)	\$ -	\$ -	\$ -	\$ -	\$ (6,770,449)
<u>(6,770,449)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,770,449)</u>
-	(527,128)	-	-	-	(527,128)
<u>-</u>	<u>(527,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(527,128)</u>
-	-	(1,220,101)	-	-	(1,220,101)
<u>-</u>	<u>-</u>	<u>(311,824)</u>	<u>-</u>	<u>-</u>	<u>(311,824)</u>
<u>-</u>	<u>-</u>	<u>(1,531,925)</u>	<u>-</u>	<u>-</u>	<u>(1,531,925)</u>
-	-	-	(531,544)	-	(531,544)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(531,544)</u>	<u>-</u>	<u>(531,544)</u>
-	-	-	-	(116,479)	(116,479)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,479)</u>	<u>(116,479)</u>
<u>(6,770,449)</u>	<u>(527,128)</u>	<u>(1,531,925)</u>	<u>(531,544)</u>	<u>(116,479)</u>	<u>(9,477,525)</u>
-	-	2,242,199	-	-	2,242,199
6,884,324	-	-	-	-	6,884,324
187,619	207,509	14,754	32,252	-	442,134
(494)	(70,908)	51,918	1,219,774	-	1,200,290
<u>7,071,449</u>	<u>136,601</u>	<u>2,308,871</u>	<u>1,252,026</u>	<u>-</u>	<u>10,768,947</u>
301,000	(390,527)	776,946	720,482	(116,479)	1,291,422
16,638,529	22,947,665	1,966,548	5,893,292	116,479	47,562,513
<u>\$ 16,939,529</u>	<u>\$ 22,557,138</u>	<u>\$ 2,743,494</u>	<u>\$ 6,613,774</u>	<u>\$ -</u>	<u>\$ 48,853,935</u>

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CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2003

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Miami, Florida (the "City"), in the County of Miami-Dade, was incorporated in 1896, and has a population of approximately 362,000. 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 34.3 square miles of land and 19.5 square miles of water.

The accompanying financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. 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 City has implemented portions of Governmental Accounting Standards Board No. 38, *Certain Financial Statement Note Disclosure*. Implementation of portions of Statement No. 38 resulted in certain note disclosures being added or amended, including disclosures regarding the disaggregation of payable balances and details about interfund balances and interfund transfers.

Management's Discussion and Analysis – GASB Statement No. 34 requires that the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of management's discussion and analysis (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon after.

Statement of Net Assets – The Statement of Net Assets is designed to display the financial position of the primary government and its discretely presented component units. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and will report depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net assets of a government will be broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities – The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expenses of individual functions are compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants).

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in the following the actual financial progress of their government over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in

their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

A. Reporting Entity

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. 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, solid waste 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 cities and unincorporated areas, including the City. The County has not displaced nor replaced the cities' 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.

The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in GASB Statement No. 14 - *The Financial Reporting Entity*, which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burden on the City.

Based upon the application of the criteria in GASB Statement No. 14, 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 activities and balances for each blended and discretely presented component unit are as of and for the period ended September 30, 2003.

1. Blended Component Units

SOUTHEAST OVERTOWN PARK WEST REDEVELOPMENT AGENCY ("SEOPW")-SEOPW is an Agency established by the City in 1982 under the authority of Chapter 163, Florida Statutes and City Resolution No. 82-755. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the Redevelopment Trust Fund. The members of City Commission are also the Board of Directors of the SEOPW. The City has issued debt for SEOPW and is responsible under the interlocal agreement for disbursement, accountability, management and proper application of all monies paid into the Trust. SEOPW is included within the reporting entity as a special revenue fund.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

OMNI REDEVELOPMENT AGENCY (“ORA”)- ORA is an Agency established by the City in 1986 under the authority of Chapter 163, Florida Statutes and City Resolution No. 86-868. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the Redevelopment Trust Fund. The members of the City Commission are the Board of Directors of the ORA. The City is also responsible under the interlocal agreement for disbursement, accountability, management and proper application of all monies paid into the Trust. ORA is included within the reporting entity as a special revenue fund.

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 Trust 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, 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. Therefore, the City is financially accountable and is presenting VKBPT in the reporting entity as a special revenue fund within the Parks and Recreations Special Revenue Fund.

MODEL CITY COMMUNITY REVITALIZATION DISTRICT TRUST (“Model City”) – On July 10, 2001, via section 2-892 of Chapter 2 of the Code of the City of Miami ordinance 12082, the Trust was established and acts as a limited agency and instrumentality of the City of Miami. The Trust, in cooperation with Department of Community Development and other City departments, is responsible for oversight and facilitating the City’s revitalization efforts for the redevelopment of the Model 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. The City Commission must approve Model City’s board membership and operating budget. Therefore, the City is financially accountable and is presenting Model City in the reporting entity as a special revenue fund within the Economic Development Special Revenue Fund. Model City, does not issue stand-alone audited financial statements.

NEIGHBORHOOD IMPROVEMENT DISTRICTS
There are four neighborhood improvement districts. All four districts were inactive during fiscal year 2003.

2. Discretely Presented Component Units

MIAMI SPORTS AND EXHIBITION AUTHORITY (“MESA”) - MSEA was created by the City in 1983 pursuant to Chapter 212.0305, Florida Statutes and City Ordinance No. 9662 to promote the development of sports, convention and exhibition facilities within the City using the 3% Convention Development Tax collected by the County. The City Commission must approve MSEA’s board membership and operating budget. Therefore, the City is financially accountable and is discretely presenting MSEA in the accompanying financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY (“DDA”) - 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. 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. The City Commission must approve DDA's operating budget and the millage levied on the special taxing district established to fund DDA. Therefore, the City is financially accountable and is discretely presenting DDA in the accompanying financial statements.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

DEPARTMENT OF OFF-STREET PARKING (“DOSP”) - DOSP was originally created in 1955 by a special act of the Florida State Legislature and subsequently incorporated into the City's Charter in 1968. 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 Off-Street Parking Board, to establish and fix rates and charges for parking services, to approve the DOSP operating budget and to authorize the issuance of revenue bonds. Therefore, the City is financially accountable and is discretely presenting DOSP in the accompanying financial statements.

BAYFRONT MANAGEMENT TRUST (“BFP”) – BFP was established by the City in 1987 under the authority City of Miami Resolution No. 10348. Bayfront 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, and its various amenities including the amphitheater and the Mildred and Claude Pepper Fountain.

The governing body of the Trust 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 Trust has appointed an executive director to act as the chief executive officer, subject to policy directives. The Trust prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the City is financially accountable and is discretely presenting BFP 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 HFA's board membership and operating budget. Therefore, the City is financially accountable and is discretely

presenting HFA in the accompanying financial statements. 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 aggregate amount of conduit debt obligations totaled \$132,195,000 at September 30, 2003. 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
49 NW 5th Street, Suite 100
Miami, Florida 33128

ORA
49 NW 5th Street, Suite 100
Miami, Florida 33128

MSEA
701 Arena Blvd.
Miami, Florida 33136

DOSP
190 NE 3rd Street
Miami, Florida 33132

DDA
330 North Biscayne Blvd.
11th Floor
Miami, Florida 33132

BFP
301 N. Biscayne Blvd.
Miami, Florida 33132-2226

VKBPT
3550 Biscayne Blvd., Suite 510
Miami, Florida 33137-8311

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous financial reporting model emphasized fund types (the total of all funds of a particular type), in the new financial reporting model the focus is on either the City as a whole, or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental type. In the government-wide Statement of Net Assets, the governmental activities column is presented on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City does not have any business type activities for financial reporting purposes.

The government-wide Statement of Activities reflects both the gross and net costs per functional category (Police, Fire, Public Works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function (Police, Fire, Public Works, etc.). The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). Historically, the previous financial reporting model did not summarize or present net cost by function or activity.

This government-wide focus is more on the sustainability of the City as an entity and the change in the aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major funds. Non-major funds (by category) are summarized into a single column.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The City's fiduciary funds are presented in the fund financial statements by type (pension, private purpose and agency). Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus of the Statement No. 34 model is on the City as a whole. The focus of the fund financial statements is on the major individual funds of the governmental activities and the fiduciary funds. Each presentation provides valuable information that can be analyzed and compared (between years

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

and between governments) to enhance the usefulness of the information.

C. Basis of Presentation

Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Funds that meet these criteria are labeled as such. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

The City reports the following funds:

1. Major Governmental Funds

The measurement focus of the governmental funds (in the Fund Financial Statements) is on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income.

The following is a description of the major governmental funds of the City:

a. 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 expenses, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

b. Community Development Fund – This Special Revenue Fund accounts for the proceeds from the Federal Government under the U. S. Department of Housing and Urban Development.

c. Public Services Tax Fund – This Special Revenue Fund accounts for the utility service tax levied on purchases of public services.

d. General Government Fund – This Capital Project Fund accounts for capital expenditures made for general government operations.

2. Fiduciary Funds

Fiduciary Funds account for resources held by the City as a trustee or agent for individuals, private organizations, other governments, and/or other funds. These include pension trusts, and agency funds. The Pension Trust Funds, which include, City of Miami Fire Fighters' and Police Officers' Retirement Trust ("FIPO"), City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE") and Elected Officers' Retirement Trust ("EORT"), measurement focus is on the determination of net income and financial position since capital maintenance is critical.

3. Non-Current Governmental Assets/ Liabilities

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporated in the governmental column in the government-wide Statement of Net Assets.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets, statements of activities, and pension trust funds are accounted for using the economic resources

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the balance sheet or on the statement of fiduciary net assets.

The governmental fund financial statements are maintained on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term "available" is limited to collection within sixty (60) days of the fiscal year end. Levies that are made prior to the fiscal year end, but are not available, are deferred. Interest income is recorded as earned. Federal and State reimbursement type grants are recorded as revenue when related eligible expenditures are met. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred. All other revenue items reported in the fund financial statements are considered "available" when the cash is received by the City one year after its fiscal year end.

Franchise and utility taxes, state revenue sharing, charges for services, and fines and forfeitures associated with the current period are considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

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

E. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally

accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

F. Deferred Revenue

Deferred revenues reported in the government-wide Statement of Net Assets and governmental funds Balance Sheet includes occupational licenses collected in advance as well as certain grants received prior to the City meeting all applicable grant eligible requirements. Deferred revenues reported in the governmental funds Balance Sheet also include delinquent property taxes that are not considered available.

G. Elimination of Internal Activities

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated. The City currently does not have any internal service funds thus, there are no transactions between government and business-type activity to be eliminated.

H. Unamortized Bond Premium and Discounts

Premiums and discounts on the City's outstanding bonds issues reported in the government-wide Statement of Net Assets are amortized using the interest method, over the maturity of the related issues.

I. Fund Equity

Reserves reported in the governmental funds Balance Sheet are used to indicate that a portion of the fund balance is not appropriable for expenditure or is legally segregated for a specific future use.

Usage of reserves have been limited to the following items:

1. Reserve for encumbrances - This amount is equal to the outstanding purchase orders for goods and services at year end;
2. Reserve for debt service - This is the amount of fund equity in the Debt Service Funds, which is set aside for the repayment of outstanding debt;
3. Reserve for prepaids - This amount is equal to the amount of prepaids recorded as an asset, and;
4. Reserve for law enforcement trust fund - This is the amount of the outstanding commitments of the Law Enforcement Trust Fund.

J. Excess of Expenditures Over Appropriations

During 2003, General Fund expenditures exceeded appropriations in the Parks and Recreation Department in the amount of \$12,202. The Community Development, Gusman and Olympia, Parks and Recreation and Transportation and Transit Special Revenue Funds exceeded appropriations in the amounts of \$249,146, \$1,740,848, \$404,179 and \$3,820, respectively. In addition, the General Obligation Bonds, Other Special Obligation Bonds, and CRA Other Special Obligations Debt Service Funds exceeded appropriations in the amounts of \$19,406,007, \$29,973,828, and \$91,439, respectively. All of these expenditures were as a result of unanticipated refundings that were not budgeted for. The over expenditures for all funds were funded by available fund balances.

K. Deficit Fund Equity

The Gusman & Olympia Special Revenue Fund had a deficit fund balance of \$336,809 as of September 30, 2003. This deficit is expected to be liquidated in fiscal year 2004 with appropriations from other governmental funds.

L. Assets, Liabilities, and Fund Equity

1. Cash and Cash Equivalents

The City has defined Cash and Cash Equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Additionally, each fund's equity in the City's investment pool is considered to be a cash equivalent since the funds can be deposited or effectively withdrawn at any time without prior notice or penalty.

2. Investments

All investments, including those of the Pension Funds are stated at fair value (quoted market price or the best available estimate thereof).

3. Accounts Receivable

Accounts Receivable are reported in the government-wide Statement of Net Assets and governmental funds Balance Sheet net of allowance for doubtful accounts.

4. Due From/Due To

To properly allocate daily interest earnings among funds, the Due From/Due To (interfund) accounts are not used. Instead, interfund transactions are entered directly to the cash accounts maintained in a central pooled cash account in which all funds participate. Interfund due from/due to accounts (both between funds and between the primary government and component units) are only used at year end.

5. Restricted Net Assets

Certain proceeds from bonds, notes, and loans, as well as resources for debt service payments, and law enforcement trust monies are classified as restricted net assets reported on the government-wide Statement of Net Assets because their use is limited by applicable bond covenants and restrictions.

6. Capital Assets

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements to the extent the City’s capitalization threshold of \$750 and an estimated useful life in excess of two years is met. In accordance with GASB Statement No. 34, infrastructure has been capitalized. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Years	Classification
20 - 45	Buildings
10 - 30	Improvements other than buildings
3 - 10	Machinery and equipment
3 - 10	Vehicles (including heavy equipment)
15 - 50	Infrastructure

All capital assets are valued at historical cost or estimated historical cost, if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the Statement of Activities.

7. 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 total amount (the amount estimated to be used in subsequent fiscal years) for government funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

NOTE 2. - DEPOSITS AND INVESTMENTS

A. Deposits

The City maintains a cash management pool for its cash and cash equivalents 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 based on a monthly average balance.

The use of daily sweeps of zero balance accounts allows for the City’s portfolio to be fully invested at all times. Although City investment practices avoid uninvested deposits, Florida Statutes provide established risk sharing collateral pooling by banks and savings and loans (which are qualified public depositories) that insure local government deposits and certificates of deposits (C.D.s) with participating “authorized depositories”.

The City’s cash management pool is considered to be a cash equivalent for reporting purposes because it is an internally managed mutual fund which allows individual funds and subfunds to, at any time, deposit additional cash or make withdrawals without prior notice or penalty. The investment

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

earnings on the City's cash management pool are reported as part of the investing activity.

All deposits are held in banking institutions approved by the State Treasurer of the State of Florida, to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting loss. Accordingly, all cash and time deposits held by banks can be classified as category one credit risk as defined in GASB Statement No. 3, which means they are fully insured or collateralized.

The bank deposits at September 30, 2003 of the City and its discretely present component units are fully insured or collateralized in accordance with GASB Statement No. 3.

B. 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 to purchase and invest idle funds prudently in U. S. 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 has been in default within five years prior to date of purchase, negotiable certificates of deposit, bankers acceptance drafts,

money market investments, and prime commercial paper.

The Local Government Surplus Funds Trust Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

The fair value of the position in the external investment pool is the same as the value of the pool shares.

Investments are categorized to give an indication of the level of risk assumed by the entity at year end. The three categories of risk are as follows:

- 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name;
- 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name; and
- 3 - Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.

CITY OF MIAMI, FLORIDA
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The City's non-pension investments consisted of the following at September 30, 2003 and are classified as follows:

Primary Government

	<u>Credit Risk Category</u>		<u>Fair Value</u>
	<u>1</u>	<u>2</u>	
U.S. Treasury Notes and Bills	\$ 39,380,110	\$ 1,049,780	\$ 40,429,890
U.S. Agencies Obligations.....	384,989,543	5,886,680	390,876,223
Short-Term Commercial Paper.....	<u>64,986,800</u>	<u>-</u>	<u>64,986,800</u>
Totals.....	<u>\$ 489,356,453</u>	<u>\$ 6,936,460</u>	496,292,913
Money Market Investments.....			<u>8,774,126</u>
Totals.....			<u>\$ 505,067,039</u>

The City had other investments in the amount of \$9,443,020 which consisted of short-term investment pools at September 30, 2003, which are not categorized because they are not evidenced by securities that exist in physical or book entry form.

MSEA

	<u>Credit Risk</u>	<u>Fair Value</u>
	<u>Category 2</u>	
Money Market Investments.....	<u>\$ 11,276,344</u>	<u>\$ 11,276,344</u>
Totals.....	<u>\$ 11,276,344</u>	<u>\$ 11,276,344</u>

MSEA had other investments in the amount of \$865,929 which consisted of short-term investment pools at September 30, 2003, which are not categorized because they are not evidenced by securities that exist in physical or book entry form.

CITY OF MIAMI, FLORIDA
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DOSP

	Credit Risk <u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities.....	\$ 3,825,712	\$ 3,825,712
Short-Term Investment Pool.....	-	1,206,745
Florida State Board of Administration.....	-	<u>898,290</u>
Totals.....	<u>\$ 3,825,712</u>	<u>\$ 5,930,747</u>

DOSP had other investments in the amount of \$384,637 which consisted of short-term investment pools at September 30, 2003, which are not categorized because they are not evidenced by securities that exist in physical or book entry form.

DDA

DDA had investments of \$2,814,968 that consisted of a jumbo commercial money market fund paying interest at a rate of 1.09% per annum. The money market investment is considered cash and is not categorized as a level of risk since it is deemed to be fully collateralized under the Florida Security for Public Deposit Act or covered under the FDIC insured.

BFP

BFP had investments of \$3,431,299 that consisted of short-term investment pools at September 30, 2003, which are not categorized because they are not evidenced by securities that exist in physical or book entry form.

PENSION TRUST FUNDS

	Credit Risk <u>Category 1</u>	<u>Fair Value</u>
U.S. Government and Agency.....	\$ 244,843,479	\$ 244,843,479
Corporate Stocks.....	972,054,568	972,054,568
Corporate Bonds.....	<u>228,378,640</u>	<u>228,378,640</u>
Totals.....	<u>\$ 1,445,276,687</u>	1,445,276,687
Money Market Funds.....		26,066,461
Mutual Funds.....		42,893,957
Real Estate.....		<u>31,300,235</u>
Total Pension Investments.....		<u>\$ 1,545,537,340</u>

The investments of \$26,854,616 in the short-term investment pools and mutual funds are not categorized to give an indication of the level of risk assumed by the entity at year end because they are not evidenced by securities that exist in physical or book entry form.

CITY OF MIAMI, FLORIDA
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The following represents the balances relating to securities lending transactions at September 30, 2003:

Securities lent:	Fair Value Underlying Securities	Cash Collateral Received/Securities Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:			
U.S government and agency obligations	\$ 37,930,368	\$ 38,601,117	\$ 38,601,117
Domestic corporate stocks	39,972,746	41,151,109	41,151,109
Domestic corporate bonds	13,806,163	14,104,549	14,104,549
International corporate stocks	2,669,269	2,809,559	2,809,559
	94,378,546	96,666,334	96,666,334
Lent for securities collateral:			
U.S government and agency obligations	10,660,937	10,879,404	-
Domestic corporate stocks	312,980	323,991	-
Domestic corporate bonds	203,991	207,512	-
International corporate stocks	11,177,908	11,410,907	-
	11,177,908	11,410,907	-
Total securities lent	\$ 105,556,454	\$ 108,077,241	\$ 96,666,334

The contract with the Trust's custodian requires the custodian to indemnify the Trust 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, the Trust had no credit risk exposure to borrowers because the amounts of collateral held by the Trust exceeded the amounts the borrowers owe the Trust. 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. Additionally, there are no income distributions owing on securities lent.

NOTE 3. - RECEIVABLES

A. Accounts Receivable

Accounts Receivable at September 30, 2003 consisted of the following:

Receivables	General	Community Development	Public Services Tax	General Government	Nonmajor and Other Governmental Funds	Total
Taxes	\$ 8,227,767	\$ -	\$ -	\$ -	\$ 1,095,578	\$ 9,323,345
Accounts	24,800,440	2,330,211	-	575,000	2,637,509	30,343,160
Special Assessments	-	504,649	-	-	178,946	683,595
Intergovernmental	6,763,725	3,802,131	7,690,902	-	3,834,333	22,091,091
Loans	288,000	53,664,020	-	-	-	53,952,020
Gross receivables	40,079,932	60,301,011	7,690,902	575,000	7,746,366	116,393,211
Less: allowance for uncollectibles	(14,453,662)	(54,765,223)	-	(575,000)	(1,532,827)	(71,326,712)
Net total receivables	\$ 25,626,270	\$ 5,535,788	\$ 7,690,902	\$ -	\$ 6,213,539	\$ 45,066,499

CITY OF MIAMI, FLORIDA
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As part of its Community Development block grant program, the City issues single and multi-family housing rehabilitation loans to qualified residents. All repayments of the loans, which carry low interest rates, remain in the loan program. As collection of the loans is not assured the loans are fully reserved. As of September 30, 2003, rehabilitation loans outstanding totaled approximately \$53,664,020.

Component Units

	MSEA	DOSP	DDA	BFP	Total
Receivables					
Taxes	\$ 618,603	\$ -	\$ -	\$ -	\$ 618,603
Accounts	106,380	1,172,474	11,120	219,329	1,509,303
Intergovernmental	-	888,868	-	-	888,868
Loans	1,800,000	-	-	-	1,800,000
Gross Receivables	2,524,983	2,061,342	11,120	219,329	4,816,774
Less: allowance for uncollectibles	-	(133,357)	-	(59,732)	(193,089)
Net total receivables	\$ 2,524,983	\$ 1,927,985	\$ 11,120	\$ 159,597	\$ 4,623,685

NOTE 4. - PROPERTY TAXES

Property taxes are levied on January 1st and are payable on November 1st, with discounts of one to four percent allowed if paid prior to March 1st of the following calendar 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% and 6%. All unpaid taxes on real and personal property become delinquent on April 1st and bear interest at 18% until a sale tax 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, 2002, upon which the 2002-2003 levy was based, was approximately \$16,635,930,755. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$10 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, 2003, was \$8.850 per \$1,000. The debt service tax rate for the same period was \$1.218 per \$1,000.

Property taxes receivable reported in the government-wide Statement of Net Assets and the governmental funds Balance Sheet represent amounts due for unpaid delinquent property taxes at September 30, 2003. Property taxes that are not considered "available" have been reported as deferred revenues in the governmental funds Balance Sheet.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. - CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2003:

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 63,695,567	\$ 715,589	\$ (39,015)	\$ 64,372,14
Construction in progress	43,340,836	9,117,626	-	52,458,46
Total capital assets, not being depreciated	<u>107,036,403</u>	<u>9,833,215</u>	<u>(39,015)</u>	<u>116,830,60</u>
Capital assets, being depreciated:				
Buildings	168,737,839	-	-	168,737,83
Improvements other than buildings	24,061,858	-	-	24,061,85
Building improvements	2,160,121	158,268	-	2,318,38
Machinery and equipment	115,484,864	14,185,543	(36,026,849)	93,643,55
Infrastructure	1,005,399,496	-	-	1,005,399,49
Total capital assets, being depreciated	<u>1,315,844,178</u>	<u>14,343,811</u>	<u>(36,026,849)</u>	<u>1,294,161,14</u>
Less accumulated depreciation for:				
Buildings	(80,112,524)	(4,434,615)	-	(84,547,13
Improvements other than buildings	(17,553,422)	(1,078,503)	-	(18,631,92
Building improvements	(236,704)	(215,649)	-	(452,35
Machinery and equipment	(69,956,935)	(7,314,971)	31,461,769	(45,810,13
Infrastructure	(427,842,884)	(25,765,567)	-	(453,608,45
Total accumulated depreciation	<u>(595,702,469)</u>	<u>(38,809,305)</u>	<u>31,461,769</u>	<u>(603,050,00</u>
Governmental activities capital assets, net	<u>\$ 827,178,112</u>	<u>\$ (14,632,279)</u>	<u>\$ (4,604,095)</u>	<u>\$ 807,941,73</u>

Depreciation expense was charged to government functions as follows:

General Government	\$ 2,892,990
Planning and Development	54,590
Community Development	41,842
Community Redevelopment Areas	22,451
Public Works	2,804,222
Public Safety	3,990,795
Public Facilities	381,896
Parks and Recreation	2,854,952
Unallocated	25,765,567
Total depreciation expense	<u>\$ 38,809,305</u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

MSEA				
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 5,923,000	\$ -	\$ -	\$ 5,923,000
Parking lot/warehouse	1,157,662	-	-	1,157,662
Total capital assets, not being depreciated	<u>7,080,662</u>	<u>-</u>	<u>-</u>	<u>7,080,662</u>
Capital assets, being depreciated:				
Miami Arena	49,069,692	48,612	-	49,118,304
Miami Arena equipment	2,113,259	22,058	-	2,135,317
Office equipment	235,790	23,853	(6,300)	253,343
Art in public places	187,587	-	-	187,587
Vehicles	10,184	-	-	10,184
Total capital assets, being depreciated	<u>51,616,512</u>	<u>94,523</u>	<u>(6,300)</u>	<u>51,704,735</u>
Less accumulated depreciation for:				
Miami Arena	(17,448,461)	(1,228,850)	-	(18,677,311)
Miami Arena equipment	(1,547,277)	(137,327)	-	(1,684,604)
Office equipment	(182,964)	(21,099)	4,410	(199,653)
Art in public places	(62,453)	(7,503)	-	(69,956)
Vehicles	-	(2,037)	-	(2,037)
Total accumulated depreciation	<u>(19,241,155)</u>	<u>(1,396,816)</u>	<u>4,410</u>	<u>(20,633,561)</u>
MSEA capital assets, net	<u>\$ 39,456,019</u>	<u>\$ (1,302,293)</u>	<u>\$ (1,890)</u>	<u>\$ 38,151,836</u>

DOSP				
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 12,076,353	\$ 1,010,440	\$ -	\$ 13,086,793
Construction in progress	76,823	219,997	(73,460)	223,360
Total capital assets, not being depreciated	<u>12,153,176</u>	<u>1,230,437</u>	<u>(73,460)</u>	<u>13,310,153</u>
Capital assets, being depreciated:				
Building and structures	23,335,963	120,386	-	23,456,349
Leasehold improvements	4,975,807	460,962	-	5,436,769
Furniture and fixtures	159,407	10,089	-	169,496
Equipment	8,934,250	594,846	-	9,529,096
Total capital assets, being depreciated	<u>37,405,427</u>	<u>1,186,283</u>	<u>-</u>	<u>38,591,710</u>
Less accumulated depreciation for:				
Building and structures	(11,292,016)	(695,190)	-	(11,987,206)
Leasehold improvements	(4,253,998)	(136,663)	-	(4,390,661)
Furniture and fixtures	(148,821)	(4,296)	-	(153,117)
Equipment	(6,167,583)	(812,886)	-	(6,980,469)
Total accumulated depreciation	<u>(21,862,418)</u>	<u>(1,649,035)</u>	<u>-</u>	<u>(23,511,453)</u>
DOSP capital assets, net	<u>\$ 27,696,185</u>	<u>\$ 767,685</u>	<u>\$ (73,460)</u>	<u>\$ 28,390,410</u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

DDA				
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, being depreciated:				
Leasehold improvements	\$ 300,656	\$ 30,167	\$ (95,790)	\$ 235,033
Total capital assets, being depreciated	300,656	30,167	(95,790)	235,033
Less accumulated depreciation for:				
Furniture and equipment	(247,772)	(17,154)	95,790	(169,136)
Total accumulated depreciation	(247,772)	(17,154)	95,790	(169,136)
DDA capital assets, net	\$ 52,884	\$ 13,013	\$ -	\$ 65,897

BFP				
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 516,129	\$ -	\$ -	\$ 516,129
Total capital assets, not being depreciated	516,129	-	-	516,129
Capital assets, being depreciated:				
Buildings	2,609,840	-	-	2,609,840
Public domain and system infrastructure	1,382,462	269,065	-	1,651,527
Machinery and equipment	478,968	29,755	-	508,723
Total capital assets, being depreciated	4,471,270	298,820	-	4,770,090
Less accumulated depreciation for:				
Buildings	(756,853)	(52,197)	-	(809,050)
Public domain and system infrastructure	(904,093)	(82,200)	-	(986,293)
Machinery and equipment	(248,593)	(25,609)	-	(274,202)
Total accumulated depreciation	(1,909,539)	(160,006)	-	(2,069,545)
BFP activities capital assets, net	\$ 3,077,860	\$ 138,814	\$ -	\$ 3,216,674

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

MSEA	\$ 1,396,816
DOSP	1,649,035
DDA	17,154
BFP	160,006
Total depreciation expense	\$ 3,223,011

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. - Accounts Payable and Accrued Liabilities

Accounts Payable & Accrued Liabilities at September 30, 2003 consisted of the following:

Payables	General	Community Development	Public Services Tax	General Government	Nonmajor and Other Governmental	Total
					Funds	
Vendors	\$ 18,650,795	\$ 1,853,316	\$ -	\$ 244,228	\$ 5,653,054	\$ 26,401,393
Salaries and Benefits	7,455,822	187,330	-	66,723	205,914	7,915,789
Intergovernmental	33,030	2,482,778	-	-	1,396,711	3,912,519
Other	6,719,989	-	8,667,396	-	-	15,387,385
Total Payables	\$ 32,859,636	\$ 4,523,424	\$ 8,667,396	\$ 310,951	\$ 7,255,679	\$ 53,617,086

NOTE 7. - Interfund Receivable, Payables, and Transfers

The balance of \$3,149,351 due to the Public Services Tax Special Revenue fund from the General Obligation Debt Service Fund resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Due to/from primary government and component units at September 30, 2003 consisted of the following:

<u>Receivable Entity</u>	<u>Payable Entity</u>			
	Primary Government	MSEA	DOSP	Total
Primary Government	\$ -	\$ 3,259	\$ 560,466	\$ 563,725
DOSP	888,855	-	-	888,855
Total	\$ 888,855	\$ 3,259	\$ 560,466	\$ 1,452,580

<u>Transfer Out</u>	<u>Transfer In</u>			
	General Fund	General Government	Nonmajor and Other Governmental Funds	Total Transfer In
General Fund	\$ -	\$ 30,922,342	\$ 13,208,511	\$ 44,130,853
Community Development	1,043,439	96,940	2,245,098	3,385,477
Public Services Tax	45,256,943	-	15,458,674	60,715,617
General Government	-	9,498,893	15,352,561	24,851,454
Nonmajor and Other Funds	4,982,465	-	24,879,497	29,861,962
Total Transfers Out	\$ 51,282,847	\$ 40,518,175	\$ 71,144,341	\$ 162,945,363

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 to 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 fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. - LONG-TERM OBLIGATIONS

A. Changes in Long Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2003:

	Beginning Balance	Additions	Reductions	Ending Balance
General obligation bonds	\$ 252,876,553	\$ 21,528,155	\$ (32,045,409)	\$ 242,359,299
Special obligations bonds, notes and loans	216,557,644	32,054,971	(37,912,429)	210,700,186
Total bonds, notes, and loans	469,434,197	53,583,126	(69,957,838)	453,059,485
Other liabilities:				
Claims payable	82,527,448	17,316,124	(17,316,124)	82,527,448
Compensated absences	65,169,447	5,167,225	(4,460,879)	65,875,793
Total governmental activity long-term liabilities	\$ 617,131,092	\$ 129,649,601	\$ (161,692,679)	\$ 601,462,726

For governmental activities, claims and judgments and compensated absences are generally liquated by the General Fund.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

B. Description of Individual Bond Issues and Loans Outstanding – Summarized below are the City’s bond and loan issues, which are outstanding at September 30, 2003:

<u>DESCRIPTION</u>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Outstanding Balance</u>	<u>Interest Rate Range</u>	<u>Maximum Annual Debt Service</u>
General Obligations:					
General Obligations Refunding Bonds Series 1992	Refunding	\$ 70,100,000	\$ 32,625,000	4%-6%	\$ 8,678,920
Homeland Defense/Neighborhood CIP Series 2002A	Homeland Defense	153,186,406	154,741,389	1.8%-5.5%	19,720,375
General Obligations Refunding Bonds Series 2002A	Refunding	32,510,000	30,095,000	2.5%-5.375%	6,682,281
General Obligations Bonds Other Issues	Housing	39,075,000	2,460,000	3%-11%	427,358
General Obligations Refunding Bonds Series 2003	Refunding	18,680,000	18,680,000	2%-5%	3,630,475
		<u>\$ 313,551,406</u>	<u>\$ 238,601,389</u>		
Special Obligation and Revenue Bonds:					
Special Revenue Refunding Bonds Series 1987	Refunding	\$ 65,271,325	\$ 46,125,757	5.25%-7.3%	\$ 5,900,000
Community Redevelopment Revenue Bonds Series 1990	Redevelopment	11,500,000	2,615,000	7.15%-8.5%	358,975
Special Obligation Non-Ad Valorem Series 1995	MRC Building	22,000,000	3,850,000	5%-6%	665,830
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	72,000,000	65,645,000	5.5%-7.25%	5,812,210
Special Revenue Refunding Bonds Series 2002A	Refunding	27,895,000	27,895,000	2.5%-5.375%	3,353,539
Special Revenue Refunding Bonds Series 2002B	Refunding	13,170,000	9,160,000	2%-3.25%	2,109,338
Special Revenue Refunding Bonds Series 2002C	Refunding	28,390,000	27,385,000	2%-4.375%	2,695,606
Sunshine State Government Financing Commission Loans	Facility Improvements	27,630,900	14,856,900	(1)	(2)
Sunshine State Government Financing SEOPW - Section 108 HUD Loan	Redevelopment	5,100,000	4,400,000	8.75%	737,563
Citadel - Section 108 HUD Loan	Redevelopment	2,500,000	700,000	8.75%	748,440
Wynwood - Section 108 HUD Loan	Redevelopment	5,500,000	4,220,000	(3)	(3)
Sunshine State Government Financing Commission-Secondary Loan	SCI, Melreese	3,500,000	2,345,000	(1)	(2)
Gran Central Corporation Loan	Redevelopment	1,708,864	1,708,864	0.00%	1,708,864
		<u>286,166,089</u>	<u>210,906,521</u>		
	Total	<u>\$ 599,717,495</u>	<u>\$ 449,507,910</u>		

- (1) These variable rate loans are subject to a 15% interest rate cap. The Commission loan had an average interest rate of 1.10% on September 30, 2003.
- (2) The amortization requirement of the covenant program (not the individual issues) variable rate obligation requires a minimum amortization over the 1/3 (10 years) of the normal (30 years) maturity.
- (3) These variable rate loans are subject to Libor plus 0.2%. The interest is calculated monthly and paid to the trustee quarterly.

C. Summary of Annual Debt Service Requirements To Maturity – Annual Principal and Interest

The annual debt service requirements for all bonds, notes, and loans outstanding as of September 30, 2003, are as follows:

	General Obligation Bonds		Special Obligation Bonds, Notes and Loans		Revenue Bonds	
	Principal (1)	Interest	Principal (2)	Interest	Principal (3)	Interest
2004	\$ 10,740,000	\$ 9,957,881	\$ 7,303,400	\$ 8,516,615	\$ 1,811,064	\$ 4,088,936
2005	10,195,000	9,392,380	6,951,400	8,220,686	1,653,829	4,246,171
2006	10,403,024	9,190,411	7,975,400	7,941,091	1,520,371	4,379,629
2007	10,352,523	9,240,954	8,387,400	7,617,262	1,396,353	4,503,647
2008	10,275,644	9,320,744	10,516,264	7,278,315	1,280,099	4,614,901
2009 - 2013	50,502,993	47,151,098	46,746,900	30,472,013	4,864,042	24,058,642
2014 - 2018	63,080,772	35,511,147	32,390,000	19,618,581	1,360,567	9,351,769
2019 - 2023	71,000,000	7,877,136	25,895,000	11,073,504	-	-
2024 - 2028	-	-	18,615,000	1,969,840	-	-
	<u>\$ 236,549,956</u>	<u>\$ 137,641,751</u>	<u>\$ 164,780,764</u>	<u>\$ 102,707,907</u>	<u>\$ 13,886,325</u>	<u>\$ 55,243,695</u>

(1) Excludes \$2,051,433 accretion on the Capital Appreciation Bonds and \$3,757,910 of unamortized bond premium and issuance costs.

(2) Excludes \$1,708,864 Gran Central Loan, of unamortized premium \$672,745, and \$466,409 of unamortized bond discounts and issuance costs.

(3) Excludes \$32,239,433 accretion on the Capital Appreciation Bonds.

D. Summary of New Debt Issuances

\$18,680,000 General Obligation Refunding Bonds, Series 2003 – On May 1, 2003, the City issued \$18,680,000 in General Obligation Refunding Bonds, Series 2003 for the purpose of refunding on current basis a portion of the City’s outstanding \$31,860,000 General Obligation Bonds, Series 1993. The aggregate principal amount of the Refunding Bonds at the time of the refunding was \$21,880,000. The Bonds were issued at rates ranging from 4.70% to 5.20% maturing through the year 2013. The net proceeds of \$20,098,377 (after payments of \$271,762 in underwriting fees, issuance and other costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. The economic gain or present value savings realized by this refunding was \$1,407,484.

\$28,390,000 Special Obligation Non-Ad Valorem Revenue Refunding Bonds Series 2002C – On October 31, 2002, the City issued \$28,390,000 in Special Obligation Refunding Bonds, Series 2002C to retire loans by the City from the Sunshine State Governmental Financing Commission Tax-Exempt Commercial Paper Revenue Notes (Governmental Financing Program) that were entered into on May 12, 1994 in the original aggregate principal amount of \$15,190,000, and on October 25, 1995 in the original aggregate principal amount of \$30,000,000 maturing through the year 2021. The Governmental Financing Program notes are variable rate notes. The City decided to reduce its variable rate exposure by issuing fixed rate bonds.

E. Synopsis of Bond Covenants

A summary of major provisions and significant debt service requirements follows:

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% of the assessed non-exempt property value. At September 30, 2003, the statutory limitation for the City amounted to \$2,914,141,286 providing a debt margin of \$2,676,558,525 after consideration of \$236,549,956 of general obligation bonds outstanding at September 30, 2003 and adjusted for the deficit fund balance of \$1,032,805 in the related Debt Service Fund.

The various special obligation and revenue bonds are secured by pledges of specific revenue sources in accordance with their bond indentures. Their bond resolutions require that sufficient funds be available in reserve accounts to meet the largest debt service requirement in any ensuing fiscal year or that a surety bond be obtained in lieu of the reserve account.

Loans obtained from the Sunshine State Governmental Financing Commission require a particular revenue pledge or a covenant to budget and appropriate non-ad valorem revenues. The City must maintain certain debt ratio requirements as specified under this loan requirement.

The City believes it is in material compliance with its financial debt covenants.

F. Escrow Agreement

On March 17, 1997, an agreement was entered into by and among an Escrow Agent, the Oversight Board, acting through its committee Fiscal Sufficiency Advisory Board, and the City. The agreement directs the Escrow Agent to establish two

(2) escrow accounts, and maintain appropriate balances to ensure the timely payment of debt service on outstanding General Obligation and Revenue Bonds.

The City made an initial deposit of \$9,700,000 with the escrow agent on March 17, 1997 to cover its debt service requirements on the General Obligation Bonds. The City has agreed that certain ad valorem tax revenues received will be deposited each month into the escrow account in an amount specified by the underlying agreement. If the ad valorem taxes received in any month are inadequate to make the required deposit, the City must use other sources of funds to supplement the required deposits.

Also, the City made an initial deposit of approximately \$5,000,000 with the Escrow Agent on March 17, 1997 to cover its debt service requirements on the Special Obligation Bonds and Loans. The City has agreed to deposit revenues each month in amounts specified in the underlying agreement.

G. Long-Term Debt Authorized But Not Issued

On November 13, 2001, a referendum election was held and the voters approved the issuance of \$255,000,000 of Limited Ad Valorem Tax Bonds. As of September 30, 2003, the City has issued \$153,186,405 of the approved bonds.

H. Defeasance of Long-Term Debt

In prior years, the City defeased certain outstanding general obligation, special obligation and revenue bonds. For those defeasances involving advance refundings, the proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payment on the old bonds. At September 30, 2003, the following outstanding bonds are considered defeased:

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Prior Years' Defeased Debt:

\$6,500,000 Special Obligation Bonds, Series 1989:

Guarantee Entitlement Bonds\$ 2,905,000

\$4,290,000 Special Obligation Bonds, Series 1986-A:

Housing Bonds.....\$ 1,065,000

\$22,000,000 Special Obligation Non-Ad Valorem Revenue Bonds, Series 1995:

City Administration Building.....\$15,765,000

\$18,000,000 Special Obligation Non-Ad Valorem Revenue Bonds, Series 1994

Risk Management\$12,095,000

\$16,135,000 General Obligation Bonds Refunding Bonds, Series 1991

Sanitary Sewer\$ 565,000

\$10,000,000 General Obligation Bonds Refunding Bonds, Series 1992

Storm Sewer.....\$ 7,380,000

\$22,500,000 General Obligation Bonds Refunding Bonds, Series 1995

Sanitary Sewer\$21,900,000

Total Prior Defeased Debt:\$61,675,000

Current Years' Defeased Debt:

\$31,860,000 General Obligation Bonds Refunding Bonds, Series 1993:

Storm & Sanitary Sewer\$19,225,000

Total Current Defeased Debt:\$19,225,000

Grand Total\$80,900,000

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

I. Discretely Presented Component Units Long-Term Debt

MSEA

The changes in the general long-term obligations for MSEA for the year ended September 30, 2003 are summarized as follows:

	Special Obligation Refunding Bonds Series 1992A and 1992B
Balance, October 1, 2002	\$ 36,395,000
Principal Payments	<u>(1,740,000)</u>
Balance, September 30, 2003	<u>\$ 34,655,000</u>
Due Within One Year	<u>\$ 1,835,000</u>

	Series 1992A		Series 1992B		Total
	Principal	Interest	Principal	Interest	
2004	\$ 1,040,000	\$ 1,977,033	\$ 795,000	\$ 108,981	\$ 3,921,014
2005	1,110,000	1,903,495	850,000	56,313	3,919,808
2006	1,180,000	1,825,320	-	-	3,005,320
2007	1,260,000	1,747,830	-	-	3,007,830
2008	1,335,000	1,665,728	-	-	3,000,728
2008 - 2012	6,230,000	5,733,644	-	-	11,963,644
2013 - 2017	12,780,000	5,111,266	-	-	17,891,266
2018 - 2020	8,075,000	526,132	-	-	8,601,132
	<u>\$ 33,010,000</u>	<u>\$ 20,490,448</u>	<u>\$ 1,645,000</u>	<u>\$ 165,294</u>	<u>\$ 55,310,742</u>

Range of Rates	<u>5.75%-7.2%</u>	<u>2.95%-6.625%</u>
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CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

DOSP

The City has issued revenue bonds on behalf of DOSP. The principal and interest of the revenue bonds are payable solely from the revenues of the parking facilities and, accordingly, are included in the accounts of DOSP.

DOSP's long-term debt activity during 2003 was as follows:

	Series <u>1998</u>
Balance, October 1, 2002	\$ 11,755,000
Principal payments	<u>(635,000)</u>
Balance, September 30, 2003	<u>\$ 11,120,000</u>
Due Within One Year	<u>\$ 655,000</u>

Bonds payable as of September 30, 2003 also include an unamortized deferred loss on the advance refunding of the series 1992A bonds of approximately \$65,000.

The following summarizes the debt service to maturity of outstanding debt at September 30, 2003:

	Principal	Interest	Total
2004	\$ 655,000	\$ 503,000	\$ 1,158,000
2005	685,000	476,000	1,161,000
2006	710,000	448,000	1,158,000
2007	740,000	419,000	1,159,000
2008	770,000	387,000	1,157,000
2009-2013	4,380,000	1,381,000	5,761,000
2014-2018	3,180,000	255,000	3,435,000
Total	<u>11,120,000</u>	<u>3,869,000</u>	<u>14,989,000</u>
Current Portion	(655,000)	(503,000)	(1,158,000)
Total debt	<u>\$ 10,465,000</u>	<u>\$ 3,366,000</u>	<u>\$ 13,831,000</u>

Range of Rates 3.75%-5.25%

In prior years, DOSP defeased, in substance, its Parking Facilities Revenue Bonds 1993A and at September 30, 2003, the outstanding balance of defeased bonds was \$7,800,000.

Bonds payable as of September 30, 2003 include an unamortized deferred loss on the advanced refunding of the Series 1992A bonds of approximately \$65,000.

	Balance 9/30/2002	Additions	Reductions	Balance 9/30/2003
Bonds payable	\$ 11,778,000	\$ 13,000	\$ (635,000)	\$ 11,156,000
Total long-term liabilities	<u>\$ 11,778,000</u>	<u>\$ 13,000</u>	<u>\$ (635,000)</u>	<u>\$ 11,156,000</u>

NOTE 9. - SELF-INSURANCE

A. Risk Management

The City is self insured for its liability program subject to, and in accordance with, the limitations set forth by Florida Statutes 768.28. The City has in place a commercial property program providing blanket real estate and personal property coverage on all City owned properties. There has not been a significant reduction in insurance coverage from the previous year. Settled claims have not exceeded reserves in the past three years. The General Fund accounts for all risks of loss to which the City is exposed, including public liability, property and casualty, and employee health and accident related losses.

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 based on an independent actuarial valuation. Liabilities include an amount for claims that have been incurred but not reported. The process used in computing claims liability does not necessarily result in an exact amount because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage

awards. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

The City maintains excess coverage with independent insurance carriers for the worker's compensation, police torts, auto liability, public officials liability, and general liability self-insurance programs. Premiums are charged to the Risk Management Department and are determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. The property insurance program provides coverage for windstorm and hail subject to a 5% deductible with no cap; multiple loss limits apply.

At September 30, 2003, the total estimated liability of \$82,527,448 is discounted at an interest rate of 5% and recorded on the government-wide financial statements. Changes in claims liability amount in 2002 and 2003 were:

Fiscal Year Ended September 30,	Beginning of Fiscal Year Liability	Current Year Claims And Changes In estimates	Claims Payments	Balance At Fiscal Year End
2002	\$ 88,200,355	\$ 15,119,019	\$ 20,791,926	\$ 82,527,448
2003	82,527,448	17,316,124	17,316,124	82,527,448

B. Group Accident and Health

Certain employees and retirees of the City contribute, through payroll deductions or deductions from pension payments, to the cost of group benefits. The remainder of the funds necessary are contributed by the City based upon the number of participants in the plan. As of September 30, 2003, the plan covered approximately 2,075 active employees, 1,030 retirees and 1,886 employee-retiree dependent units. Costs of the plan for the

year then ended were approximately \$24,861,000. The liability for the group accident and health program totaled approximately \$3,176,000 at September 30, 2003 and is included in claims payable in the government-wide Statement of Net Assets.

NOTE 10. - PENSIONS

A. Pension Plans

The City sponsors two separate single employer defined benefit contributory pension plans under the administration and management of separate Boards of Trustees: The City of Miami Fire Fighters' and Police Officers' Retirement Trust ("FIPO") and the City of Miami General Employees and Sanitation Employees' Retirement Trust ("GESE"). The plans cover substantially all City employees who contribute a percentage of their base salary or wages on a bi-weekly basis.

The City's elected officials participate in a single employer defined benefit non-contributory pension plan under the administration and management of a separate Board of Trustees, the City of Miami Elected Officers' Retirement Trust ("EORT"). This plan covers all elected officials with 7 or more years of elected service.

The financial statements for all three Pension Plans are prepared using the accrual basis of accounting. Trust member's contributions for FIPO and GESE are recognized in the period which the contributions are due. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

The payroll for employees covered by FIPO, GESE and EORT for the year ended September 30, 2003 was approximately \$100.5 million, \$72.6 million and \$313 thousand, respectively; the City's total payroll was \$214,334,929.

At October 1, 2003, the date of the most recent actuarial valuation, membership in the FIPO, GESE and EORT consisted of the following:

	FIPO	GESE	EORT
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	1,495	1,926	5
Current Employees	1,622	1,565	6
Total Members	3,117	3,491	11

On or after October 4, 1991, and before January 9, 1994, FIPO Plan benefits were 2.75% of average final compensation for each year of creditable service. Since January 9, 1994, benefits are based on 3.0% of average final compensation for each year of creditable service for the first 15 years of creditable service and 3.5% of average final compensation for years of creditable service in excess of 15 years. Retirement benefits under the GESE Plan are generally based on 3.0% of the average final compensation for each year of creditable service. Provision for additional benefits for longevity are available. Early retirement after twenty years of service is available. Benefits for disability and death are also provided under the plans.

Under the EORT Plan, eligibility requires 7 years of total service as an elected official of the City of Miami to be vested without requiring that such service be continuous. Benefits accrue for City Commissioners at the rate of 50% 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% for each additional year up to 75% at 12 years of service. The Mayor's salary for pension calculations is limited to the base salary before additional taxable benefits (i.e., expense allowance, mobile phone allowance, automobile allowance, and term life insurance greater than \$50,000). An active participant will be fully vested upon death and a single sum death benefit is payable.

City employees in the FIPO Plan are required to contribute 7% of their salary and employees in the GESE Plan are required to contribute 10% of their salary. The EORT Plan is a non-contributory plan.

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Contributions from employees are recorded in the period the City makes payroll deductions from participants. The City is required to contribute such amounts annually as necessary on an actuarial basis to provide FIPO and GESE with assets sufficient to meet the benefits to be paid. Contributions to FIPO and GESE are authorized pursuant to City of Miami Code Sections 40.196 (a) and (b) and 40.241 (a) and (b), respectively. Contributions to the FIPO Cost of Living Adjustment Accounts are authorized pursuant to Section 40.204 of the City of Miami Code. Contributions to EORT are authorized pursuant to Section 40.291 of the City of Miami Code.

In Fiscal 2000, the City of Miami Commission, pursuant to applicable Internal Revenue Code provisions, 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 the benefits for eligible members (GESE, FIPO and EORT) are not diminished by changes in the Internal Revenue Code. The Board of Trustees for GESE and FIPO and the Plan EORT Fiduciary, administers the excess benefit plan for each respective pension group.

The FIPO plan also has a Cost of Living Adjustment (COLA) program for its members. Effective January 1, 1994, the FIPO Trust entered into an agreement with the City with regards to the funding methods, employee benefits, employee contributions and retiree COLA. Members no longer contribute to the original COLA account (COLA I); 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 benefit, COLA I, and COLA II), (c) retirees receive additional COLA benefits, and (d) active members no longer contribute 2% of pretax earnings to fund the original retiree COLA account (COLA I).

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% compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by the annual excess annual earnings no later than January 1 of the following year.

Benefits payable from the COLA accounts are computed in accordance with an actuarially based formula as defined in Section 40.213 of the City of Miami Code. Benefits are subject to review and modification in accordance with City of Miami Code Section 40.213, which provides that all other matters regarding the COLA accounts shall be determined by negotiations between the City, the Board of Trustees and the bargaining representatives of the International Association of Fire Fighters (IAFF) and the Fraternal Order of Police (FOP).

FIPO members who are eligible for service retirement of Rule of 64 after September 1998 may elect to enter the Deferred Retirement Option Plan (DROP) 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 DROP on October 1, 2003, or thereafter, maximum participation in the DROP shall be 48 full months.

A member's creditable service, accrued benefit and compensation calculation is frozen upon commencement of participation in the DROP; the participant's and City's contribution to the FIPO Trust for that participant ceases as the participant will not earn further creditable service for pension purposes. Effective October 1, 2001, firefighter DROP participants may also continue City employment for up to 48 months (36 months prior to October 1, 2001). Police officers who elect DROP on or after October 1, 2003, may continue City employment for up to 48 full months (36 full months prior to October 1, 2003). No payment is made to or for the benefit of a DROP participant

CITY OF MIAMI, FLORIDA
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beyond that period. For persons electing participation in the DROP, an individual DROP account is created. Payment is made by the FIPO Trust into the employee's DROP account in an amount equal to the regular monthly retirement benefit, which the participant would have received had the participant separated from service and commenced receipt of pension benefits. Payments received by participants in the DROP accounts are tax deferred. A series of investments vehicles, as established by FIPO's board of trustees, are made available to DROP participants to choose from. Any losses, charges, or expenses incurred by the participant in his or her respective drop account are borne solely by the participant. Upon termination of employment, a member may receive distribution from the DROP account in the following manner: 1) lump sum, 2) periodic payments, 3) annuity, or 4) rollover of the balance to another qualified retirement plan.

Any member may defer distribution until the latest date authorized by Section 401(a)(9) of the Internal Revenue Code.

DROP participants 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. DROP participation 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 of the FIPO Trust also consists of a Benefit Actuarially Calculated DROP (BACDROP). A member may elect to BACDROP to a date no further than the date of their retirement eligibility date. The BACDROP period must be in 12 months 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 DROP on October 1, 2003 (36 months prior to October 1, 2003). Participation in the BACDROP does not preclude participation in the forward DROP.

The City of Miami General Employees' and Sanitation Employee's Retirement Trust made the DROP available to all Retirement Trust members effective May 1, 2002. The DROP is an enhancement to the GESE Retirement Trust that can provide a trust member with another way to save for retirement. It allows a participant to receive pension payments by depositing them into 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. In addition, the participant also receives the accumulated DROP account balance. The DROP monies can also be rolled over into a tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan that agrees to separately account for the rollover contribution.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following table provides information concerning funding policies for FIPO, GESE and EORT:

FIPO:

Valuation date.....	October 1, 2001 (Revised)
Actuarial cost method.....	Aggregate Cost Method (this method does not identify or separately amortize unfunded actuarial liabilities)
Amortization method.....	Not applicable under Aggregate Cost Method
Remaining amortization period.....	Not applicable under Aggregate Cost Method
Asset valuation method.....	Average of ratios of market book values as of current and most recent September 30's. Average ratio is applied to book value at current September 30. The result cannot be greater than 120% or less than 80% of market value
Actuarial assumptions:	
Investment rate of return.....	7.75%
Salary increases:	
Inflation.....	4.00%
Merit, longevity, etc.....	5.1% to 0% reducing by attained age
Mortality table.....	Ga94 - Mortality table changed for current year
Mortality, disability, retirements and turnover.....	Pension Benefit Guaranty Corporation ("PBGC") Non-OASDI basis rate tables

GESE:

Valuation date.....	October 1, 2002
Actuarial cost method.....	Modified entry age normal
Amortization method.....	Level dollar amount, closed
Remaining amortization period.....	28
Asset valuation method.....	3 year smoothed market value of assets
Actuarial assumptions:	
Investment rate of return.....	8.1%
Projected salary increases.....	5.75%
Includes inflation at.....	3.5%
Cost of living adjustments.....	4% per year with \$54 per year minimum and \$400 per year maximum

EORT:

Valuation date.....	December 31, 2002
Actuarial cost method.....	Individual Aggregate Cost Method (does not identify or separately amortize unfunded actuarial liabilities)
Amortization method.....	Not applicable under Individual Aggregate Cost Method
Remaining amortization period.....	Not applicable under Individual Aggregate Cost Method
Asset valuation method.....	Market Value
Actuarial assumptions:	
Investment rate of return.....	6.0%
Salary increases:	
Inflation.....	N/A
Merit, longevity, etc.....	N/A
Mortality table.....	Ga94 - no pre-retirement mortality was assumed
Disability, turnover and retirements.....	No disability or turnover assumed. Retirement is assumed at the end of the current term or 100% vested

B. Actuarially Determined Contribution Requirements and Contributions Made

The funding policy for FIPO, GESE and EORT provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the plans and to accumulate sufficient assets to pay benefits when due.

Significant actuarial assumptions used to compute the contribution requirements are described in the funding policy above.

FIPO

Contributions are determined applying the actuarially calculated aggregate cost method.

The actuarial valuation of the Trust at October 1, 2000, for the fiscal year ended September 30, 2001 utilized an assumed investment rate of return of 7.625%. This resulted in a minimum required contribution of approximately \$6,400,000. The City disputed the aforementioned assumption and had subjected it to arbitration. In compliance with the Trust ordinance, the City had contributed \$5,400,784, the same amount as in the prior year, which would satisfy the September 30, 2001 required contribution until the issue was resolved. The contribution made to the trust pertaining to the year ending September 30, 2002 was also \$5,400,784. The arbitration was subsequently resolved and the revised actuary valuation reports at October 1, 1999, 2000, 2001 were issued by the Trust's actuary. The revised rate of return of 7.75% resulted in an over funding of the City's annual required contributions of \$1,371,422 and \$4,907,022, for the fiscal years ended September 30, 2001 and 2002, respectively. Accordingly, a net

pension asset of \$6,278,444 and \$3,382,512, for fiscal years ended September 30, 2002 and 2003, respectively, has been reported in the government-wide Statement of Net Assets.

The annual required contribution for fiscal year 2003 of \$18,163,588 was reduced by \$3,139,222. The interest earnings attributable to the NPO were \$243,290 (or 7.75%), which resulted in a net reduction to the NPO of \$2,895,932.

GESE

GESE contributions are determined using the entry age normal cost method with frozen actuarial accrued liability.

For the year ended September 30, 2003, contributions totaling \$3,985,926 (\$3,602,457 for the GESE Trust and \$383,469 for the Excess Benefit Plan) was made in accordance with actuarially determined contribution requirements, based on an actuarial valuation performed as of October 1, 2002.

EORT

Contributions are determined applying the actuarially calculated aggregate cost method.

For the year ended September 30, 2003, contributions totaling \$265,287 (\$82,447 for the EORT Trust Plan and \$182,840 for the Excess Benefit Plan) was made in accordance with actuarially determined contribution requirements, based on an actuarial valuation performed as of December 31, 2002.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following represents condensed financial information for EORT:

As of September 30, 2003

Assets

Cash and Short Term Investments	\$ 175
Investments, at fair value	<u>1,847,383</u>
Total Assets	<u>\$ 1,847,558</u>

For the Year Ended September 30, 2003

Total Additions	\$ 293,773
Total Deductions	<u>152,256</u>
Change in Net Assets	<u>\$ 141,517</u>

C. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal ended September 30, 2003 is as follows:

	Year Ended September 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
FIPO	2003	\$ 18,163,588	83%	\$ (3,382,512)
	2002	1,051,629	514	(6,278,444)
	2001	4,008,892	135	(1,371,422)
	2000	5,400,784	100	-
	1999	10,376,473	100	-
	1998	14,155,472	100	-
	GESE	2003	3,602,457	100
2002		2,090,701	100	-
2001		8,458,735	100	-
2000		8,216,415	100	-
1999		-	100	-
1998		12,617,377	100	-
EORT	2003	82,447	100	-
	2002	82,447	100	-
	2001	220,837	236	270,902
	2000	449,086	111	451,159
	1999	233,038	-	309,384
	1998	145,053	-	250,738

D. Budget Advance From City

Certain administrative costs of the FIPO and GESE Trusts are paid directly by the Pension Trusts from budget advance monies provided by the City. The Trusts provide the City with an accounting of how these funds are expended during the period. Deficits are funded by the City with any excess applied towards the following year together with the budget advance for that year. Funding for such administrative costs for the year ended September 30, 2003 is as follows:

	<u>FIPO</u>	<u>GESE</u>
Funding provided by the City - current year	\$ 1,793,303	\$ 2,226,316
Budget advance (deficit)- beginning of year	<u>(461,297)</u>	<u>(990,791)</u>
	1,332,006	1,235,525
Administrative costs incurred, including custodian and consultants' fees, personnel and other office expenses	1,422,383	1,884,961
Budget deficit - end of year	<u><u>\$ (90,377)</u></u>	<u><u>\$ (649,436)</u></u>

Since the above administrative costs are fully funded by the City, they are not record in the administrative expenses set forth in the fiduciary fund statements of Changes in Fiduciary Net Assets.

E. Retirement Systems Financial Statements

The FIPO and GESE Retirement Systems are audited separately; complete financial statements can be obtained at the following offices:

FIPO, 1895 SW 3rd Avenue, Miami, FL 33129

GESE, 1000 Brickell Avenue, Suite 1010, Miami, FL 33131

EORT, does not issue stand-alone audited financial statements.

F. Special Benefit Plans

Certain executive employees of the City are allowed to join the ICMA Retirement Trust's 401(a) plan. 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 City employees is limited by the City Code to specific members of the City Clerk, City Manager, and 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% of the individual's earnable compensation, and the employee to contribute 10% of their salary. Participants may withdraw funds at retirement or upon separation based on a variety of payout options.

The following information relates to the City participation in this plan:

Total current year's payroll for all employees	\$214,334,929
Current year's payroll for participating employees	\$3,990,664
Current year employer contributions	\$384,732

In addition to coverage under the FIPO Pension Plan, City of Miami fire fighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These two plans are funded solely from the 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 Florida Statutes, Chapters 175 and 185 are met by FIPO. The City is currently under no obligation to make further contributions to the plans. The total of such excise taxes received from the State

of Florida and remitted to the plans was \$9,441,555 for the year ended September 30, 2003. 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 three options: 1) a lump sum payment, 2) five substantially equal payments, or 3) 10% 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

In addition to providing pension benefits, the City offers to its retiree's comprehensive medical coverage and life benefits through the City's self-insurance plan. This plan was established in accordance with Florida State Statute Section 112.0801 "Group Insurance: Participation by Retired Employees". Substantially all of the City's general employees and firefighters may become eligible for those benefits when they reach normal retirement age while working for the City (approximately 1,030 of the 3,105 covered participants are retirees). The City's cost of the post-employment health benefits, funded on a pay-as-you-go basis, was approximately \$8,247,000 for the year ended September 30, 2003.

The Fraternal Order of Police (FOP) sponsors a Health Insurance Trust 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 of Miami Police Department, eligible retirees, their families and beneficiaries. The Trust 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 FOP Health Trust an amount that is required to bring the Trust's available fund balance to \$2.35 million. The City funded its contribution under terms of the agreement in the amount of \$1,794,503 for the current year.

**NOTE 12. - SUMMARY DISCLOSURE OF
SIGNIFICANT CONTINGENCIES**

A. Litigation

The City is subject to various disputes, legal proceedings and labor relations claims, which arise in the normal course of its operations. In the opinion of management, the liability with respect to these activities will not be material to the City's financial position.

On July 11, 2001, the Third District Court of Appeals ruled that the parking surcharge statute was unconstitutional. The City has appealed the ruling to the Florida Supreme Court who has upheld the ruling of the lower court. The legislature has approved a bill that has been signed by the Governor that amends the parking surcharge statute and eliminates the constitutional problem that the court found. This bill became law on November 30, 2001. A tentative settlement has been reached in this action that calls for a refund of amounts paid by users of parking services in Miami. The settlement amount totaled \$14 million and is recorded as a liability in the accompanying government-wide Statement of Net Assets and governmental fund Balance Sheet. A final fairness hearing to validate the settlement has been scheduled in April 2004.

At September 30, 2003, the City had in process various uncompleted construction projects with remaining balances totaling \$13,650,842. Funding of these projects is to be made primarily through the proceeds of the related bond issues, loans and future taxes.

The City participates in a number of Federal and State assisted programs. These programs are subject to audit under the requirements of the Single Audit Act Amendment of 1996 and Chapter 10.650, Rules of the Auditor General.

The City anticipates no material adverse findings.

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City of Miami, Florida
Budgetary Comparison Schedule
General Fund
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Resources (inflows):				
Property Taxes	\$ 142,881,576	\$ 142,881,576	\$ 139,604,223	\$ (3,277,353)
Franchise Fees and Other Taxes	31,912,242	31,912,242	31,556,387	(355,855)
Licenses and Permits	19,855,412	19,855,412	21,469,973	1,614,561
Fines and Forfeitures	4,077,600	4,077,600	5,049,412	971,812
Intergovernmental Revenues	33,858,106	43,299,661	44,071,524	771,863
Charges for Services	78,442,680	78,442,680	86,182,827	7,740,147
Interest	9,505,000	9,505,000	7,280,372	(2,224,628)
Other	3,912,526	3,912,526	26,011,219	22,098,693
Transfer from Other Funds	45,726,098	50,142,352	51,282,877	1,140,525
Amounts Available for Appropriation	<u>370,171,240</u>	<u>384,029,049</u>	<u>412,508,814</u>	<u>28,479,765</u>
Charges to Appropriations (outflows):				
General Government	77,304,724	79,433,807	70,818,156	8,615,651
Planning and Development	8,975,394	9,047,648	8,847,307	200,341
Public Works	52,214,134	54,536,953	50,972,638	3,564,315
Public Safety	187,154,741	200,913,144	199,037,897	1,875,247
Public Facilities	5,647,576	5,593,854	5,253,989	339,865
Parks and Recreation	12,584,290	12,589,188	12,601,390	(12,202)
Transfer to Other Funds	43,237,205	44,237,527	44,130,853	106,674
Total Charges to Appropriations	<u>387,118,064</u>	<u>406,352,121</u>	<u>391,662,230</u>	<u>14,689,891</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(16,946,824)	(22,323,072)	20,846,584	43,169,656
Fund Balance Allocation	<u>16,946,824</u>	<u>22,323,072</u>	<u>-</u>	<u>(22,323,072)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,846,584</u>	<u>\$ 20,846,584</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 412,508,814
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(22,323,072)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(51,282,877)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 338,902,865</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 391,662,230
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(1,810,971)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(44,130,853)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 345,720,406</u>

The accompanying notes are an integral part of the required supplementary information.

**City of Miami, Florida
Budgetary Comparison Schedule
Community Development
For The Year Ended September 30, 2003**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Intergovernmental Revenues	\$ 44,779,890	\$ 44,779,890	\$ 30,425,562	\$ (14,354,328)
Charges for Services	-	-	3,523,209	3,523,209
Interest	-	-	159,644	159,644
Other	-	-	24,317,796	24,317,796
Amounts Available for Appropriation	<u>44,779,890</u>	<u>44,779,890</u>	<u>58,426,211</u>	<u>13,646,321</u>
Charges to Appropriations (outflows):				
Community Development	65,437,793	65,437,793	32,025,868	33,411,925
Transfer to Other Funds	3,136,331	3,136,331	3,385,477	(249,146)
Total Charges to Appropriations	<u>68,574,124</u>	<u>68,574,124</u>	<u>35,411,345</u>	<u>33,162,779</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(23,794,234)	(23,794,234)	23,014,866	46,809,100
Fund Balance Allocation	<u>23,794,234</u>	<u>23,794,234</u>	-	(23,794,234)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,014,866</u>	<u>\$ 23,014,866</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 58,426,211
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(23,794,234)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 34,631,977</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 35,411,345
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(3,385,477)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 32,025,868</u>

The accompanying notes are an integral part of the required supplementary information.

City of Miami, Florida
Budgetary Comparison Schedule
Public Services Tax
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Franchise Fees and Other Taxes	\$ 56,299,393	\$ 60,715,647	\$ 57,864,240	\$ (2,851,407)
Amounts Available for Appropriation	<u>56,299,393</u>	<u>60,715,647</u>	<u>57,864,240</u>	<u>(2,851,407)</u>
Charges to Appropriations (outflows):				
Transfer to Other Funds	56,299,393	60,715,647	60,715,647	-
Total Charges to Appropriations	<u>56,299,393</u>	<u>60,715,647</u>	<u>60,715,647</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(2,851,407)	(2,851,407)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,851,407)</u>	<u>\$ (2,851,407)</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 57,864,240
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 57,864,240</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 60,715,647
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(60,715,647)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ -</u>

The accompanying notes are an integral part of the required supplementary information.

CITY OF MIAMI, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2003

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 Projects Funds.

Capital Project Funds are budgeted on a total project basis for which annual budgets are not available.

For governmental funds, budgets are prepared using the modified accrual method. For the proprietary fund, the budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America based upon estimates of revenue and expenses for the upcoming fiscal year.

B. BUDGET-LEGAL COMPLIANCE

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- Prior to August 31st, 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 the upcoming October 1st. 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 1st and September 30th.

Such report is prepared after consultation with the City Manager.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to October 1st, the budget is legally enacted through the passage of an ordinance 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 2003, supplemental appropriations totaling \$19,234,057 and \$4,416,254 in the General Fund and Public Services Tax, respectively, were required to recognize unanticipated revenue including the award of federal and state grants and to provide funding for unanticipated program requirements.

**City of Miami, Florida
Pension Trust Funds**

Schedule of Funding Progress (a)
(Dollar Amounts in Thousands)

		(2)			(3)	Unfunded (Overfunded) as a Percentage of
Actuarial Valuation Date	(1) Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (2) - (1)	Funded Ratio (1)/(2)	Covered Payroll	Covered Payroll ((2)-(1))/(3)
FIPO(b,d):						
10/01/02	N/A	N/A	N/A	N/A %	N/A	N/A %
10/01/01	828,900	884,700	55,800	94	\$ 89,700	62
10/01/00	994,600	823,100	(171,500)	121	84,300	(203)
10/01/99	932,800	820,200	(112,600)	114	77,700	(145)
10/01/98	857,700	774,500	(83,200)	111	74,300	(112)
10/01/97	835,300	702,100	(133,200)	119	69,600	(191)
GESE(c):						
10/01/02	561,300	617,800	56,500	91	70,400	80
10/01/01	597,100	579,400	(17,700)	103	66,700	(27)
10/01/00	594,800	577,700	(17,100)	103	63,800	(27)
10/01/99	539,000	571,100	32,100	94	59,100	54
10/01/98	522,900	557,300	34,400	94	55,100	62
10/01/97	505,400	471,100	(34,300)	107	52,000	(66)
EORT(e):						
10/01/02	1,826	1,579	(247)	116	237	(104)
10/01/01	1,148	1,419	271	81	228	119
10/01/00	657	1,108	451	59	249	181
10/01/99	652	962	310	68	300	103
10/01/98	509	760	251	67	164	153
10/01/97	230	628	398	37	124	321

- a. For information regarding pension contribution percentage rates, assumptions, amortization, method (See Note 10).
- b. Aggregated Cost Method
- c. Entry Age Normal Actuarial Accrued Liability
- d. Actuary calculations will be available after March 5, 2004.
- e. Individual Aggregated Cost Method

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for special revenues that are legally restricted to expenditures for particular purposes.

Community Redevelopment Agency (ORA) - To account for revenues and expenditures to be used for general operations in the defined Community Redevelopment Area.

Community Redevelopment Agency (SEOPW) - To account for revenues and expenditures to be used for special operations in the defined Community Redevelopment Area.

Convention Center - To account for the operations of the City of Miami/ University of Miami James L. Knight International Center and Parking Garage.

Economic Development & Planning Services - To account for the operations of the Economic Development & Planning Services.

Rescue Services - To account for the proceeds of an excise tax that is restricted to expenditures which supplement the City's emergency Fire Rescue Operations.

Net Offices - To account for the operations of the City of Miami's Neighborhood Enhancement Teams (Net Offices).

Parks & Recreation Services - To account for the operations of the Parks & Recreation Services.

Police Services - To account for the proceeds of various grants from Local, State, and Federal Agencies.



SPECIAL REVENUE FUNDS

Law Enforcement Fund - To account for confiscated monies awarded to the City for law enforcement related expenditures as stipulated by State Statutes.

Public Works - To account for the proceeds granted from Local and State Agencies.

City Clerk Services - To account for the operations of the Passport Facility, Municipal Archives & Records, and related Program.

Local Gas Option Gas Tax - To account for the local option gas tax levied on the purchases of gasoline.

Stormwater Utility Fund – To account for all the fees and charges collected for the operation and maintenance of the stormwater management system and the funding of pollution abatement devices of said system.

Department Improvement Initiatives - To account for the funds designated for City of Miami initiatives related to quality of life and technology.

Transportation and Transit - To account for the operations of the City of Miami's transit and transportation projects.

Gusman and Olympia - To account for the activities of the Gusman and Olympia Facilities.



DEBT SERVICE

Debt Service Funds are used to account for the accumulation of resources, payment 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.

Other Special Obligation Bonds – To account for monies for payment of principal, interest, and other costs related to various special bonds and loans.

CRA Other Special Obligation Bonds – To account for monies for payment of principal, interest, and other costs related to various special bonds and loans.



CAPITAL PROJECT FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Community Redevelopment Agency - To account for the acquisition or construction of major capital facilities for community redevelopment in the defined Community Redevelopment Area.

Public Safety - To account for the acquisition or construction of major capital facilities that support the City of Miami's Police and Fire operations.

Street and Sidewalks - To account for expenditures made for street, sidewalks, and other traffic related projects.

Sanitary Sewers - To account for expenditures for the construction of sanitary sewers.

Storm Sewers - To account for expenditures for the construction of storm sewers.

Solid Waste - To account for the acquisition of equipment or facility maintenance associated with the collection and removal of solid waste.

Public Facilities - To account for the acquisition or construction of major capital facilities for public use such as marinas and stadiums.

Parks and Recreation - To account for the acquisition, rehabilitation, or construction of major capital facilities for cultural and recreational activities such parks, elderly and youth day care centers.

Disaster Recovery - To account for revenue received from the Federal Emergency Management Agency, insurance and other agencies as reimbursements for citywide disasters in the areas of debris removal, roads and bridges, buildings and equipment, parks, marinas, stadiums and other measures of relief.

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City of Miami, Florida
Combining Balance Sheet
Other Governmental Funds
September 30, 2003

	<u>Special Revenue Funds</u>				
	<u>Omni CRA</u>	<u>SEPOW CRA</u>	<u>Convention Center</u>	<u>Economic Development & Planning Services</u>	<u>Fire Rescue Services</u>
Assets					
Cash, Cash Equivalents and Investments	\$ 1,517,572	\$ 4,123,713	\$ 429,363	\$ 4,826,740	\$ 6,231,169
Restricted Cash, Cash Equivalents and Investments	-	-	449,997	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	41,600	-	23,388	61
Taxes	-	-	-	-	-
Due From Other Governments	50,000	-	-	-	460,420
Accrued Interest	21,659	43,654	-	17,505	11,172
Prepaid and Other Assets	-	-	-	-	-
Total Assets	<u>\$ 1,589,231</u>	<u>\$ 4,208,967</u>	<u>\$ 879,360</u>	<u>\$ 4,867,633</u>	<u>\$ 6,702,822</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 67,861	\$ 1,159,755	\$ 41,675	\$ 84,820	\$ 246,989
Accrued Principal	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Due To Other Governments	-	50,000	-	-	-
Due To Component Units	-	-	-	-	-
Deferred Revenue	-	554,148	-	-	753,718
Deposits	-	-	-	361,677	-
Total Liabilities	<u>67,861</u>	<u>1,763,903</u>	<u>41,675</u>	<u>446,497</u>	<u>1,000,707</u>
Fund Balances:					
Reserved for:					
Encumbrances	989,500	1,747,050	5,658	294,294	414,288
Debt Service	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Unreserved, Reported in:					
Special Revenue Funds	531,870	698,014	832,027	4,126,842	5,287,827
Capital Projects Funds	-	-	-	-	-
Total Fund Balances	<u>1,521,370</u>	<u>2,445,064</u>	<u>837,685</u>	<u>4,421,136</u>	<u>5,702,115</u>
Total Liabilities and Fund Balances	<u>\$ 1,589,231</u>	<u>\$ 4,208,967</u>	<u>\$ 879,360</u>	<u>\$ 4,867,633</u>	<u>\$ 6,702,822</u>

Special Revenue Funds

Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust Fund	Public Works Services	City Clerk Services	Local Option Gas Tax
\$ 187,501	\$ 1,955,946	\$ 6,231,196	\$ 4,715,851	\$ 1,331,622	\$ 146,181	\$ 1,252,546
-	-	-	-	-	-	-
-	17,778	189,392	-	-	-	-
-	-	-	-	-	-	-
-	52,654	247,303	-	-	-	632,082
29	3,809	18,102	55,884	10,150	-	-
-	4,101	-	-	-	-	-
<u>\$ 187,530</u>	<u>\$ 2,034,288</u>	<u>\$ 6,685,993</u>	<u>\$ 4,771,735</u>	<u>\$ 1,341,772</u>	<u>\$ 146,181</u>	<u>\$ 1,884,628</u>
\$ 183,422	\$ 110,288	\$ 393,330	\$ 216,892	\$ -	\$ 3,815	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,336	-	-	-	-	-
889	-	-	112,413	-	-	-
<u>184,311</u>	<u>111,624</u>	<u>393,330</u>	<u>329,305</u>	<u>-</u>	<u>3,815</u>	<u>-</u>
11,451	280,058	1,363,251	516,096	-	296	-
-	-	-	-	-	-	-
-	-	-	3,926,334	-	-	-
-	4,101	-	-	-	-	-
(8,232)	1,638,505	4,929,412	-	1,341,772	142,070	1,884,628
-	-	-	-	-	-	-
<u>3,219</u>	<u>1,922,664</u>	<u>6,292,663</u>	<u>4,442,430</u>	<u>1,341,772</u>	<u>142,366</u>	<u>1,884,628</u>
<u>\$ 187,530</u>	<u>\$ 2,034,288</u>	<u>\$ 6,685,993</u>	<u>\$ 4,771,735</u>	<u>\$ 1,341,772</u>	<u>\$ 146,181</u>	<u>\$ 1,884,628</u>

(continued)

City of Miami, Florida
Combining Balance Sheet
Other Governmental Funds
September 30, 2003

	Special Revenue Funds			
	Stormwater Utility	Department Improvement Initiatives	Transportation & Transit	Gusman and Olympia
Assets				
Cash and Cash Equivalents	\$ 651,357	\$ 3,635,894	\$ 4,595,019	\$ 344,983
Restricted Cash, Cash Equivalents and Investments	-	-	-	-
Receivables				
(Net of Allowances for Uncollectibles):				
Accounts	-	-	-	883,902
Taxes	-	-	-	-
Due From Other Governments	1,075,350	-	-	-
Accrued Interest	-	-	-	-
Prepaid and Other Assets	-	-	-	21,165
Total Assets	\$ 1,726,707	\$ 3,635,894	\$ 4,595,019	\$ 1,250,050
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ -	\$ 299,838	\$ 3,820	\$ 455,138
Accrued Principal	-	-	-	-
Due To Other Funds	-	-	-	-
Due to Other Governments	-	-	-	132,917
Due To Component Units	-	-	-	888,855
Deposits	-	-	-	-
Deferred Revenue	-	-	-	109,949
Total Liabilities	-	299,838	3,820	1,586,859
Fund Balances:				
Reserved for:				
Encumbrances	-	394,098	-	-
Debt Service	-	-	-	-
Law Enforcement	-	-	-	-
Prepaid Items	-	-	-	21,165
Unreserved, Reported in:				
Special Revenue Funds	1,726,707	2,941,958	4,591,199	(357,974)
Capital Projects Funds	-	-	-	-
Total Fund Balances	1,726,707	3,336,056	4,591,199	(336,809)
Total Liabilities and Fund Balances	\$ 1,726,707	\$ 3,635,894	\$ 4,595,019	\$ 1,250,050

Debt Service Funds			Capital Projects Funds	
General Obligation Bonds	Other Special Obligation Bonds	CRA Other Special Obligation	Community Redevelopment Agency	Public Safety
\$ -	\$ 1,353,936	\$ 137,177	\$ 2,630,931	\$ 15,409,499
4,362,730	11,561,942	827,826	-	-
-	-	-	-	-
1,095,578	-	-	-	-
-	-	-	-	-
-	-	-	22,615	86,484
-	-	-	-	-
<u>\$ 5,458,308</u>	<u>\$ 12,915,878</u>	<u>\$ 965,003</u>	<u>\$ 2,653,546</u>	<u>\$ 15,495,983</u>
\$ 3,408	\$ -	\$ -	\$ -	\$ 241,940
-	-	-	-	-
3,149,351	-	-	-	-
-	-	-	-	236,749
-	-	-	-	-
894,683	-	-	-	-
-	-	-	1,356	15,042
<u>4,047,442</u>	<u>-</u>	<u>-</u>	<u>1,356</u>	<u>493,731</u>
3	-	-	-	1,832,364
1,410,863	12,915,878	965,003	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	2,652,190	13,169,888
<u>1,410,866</u>	<u>12,915,878</u>	<u>965,003</u>	<u>2,652,190</u>	<u>15,002,252</u>
<u>\$ 5,458,308</u>	<u>\$ 12,915,878</u>	<u>\$ 965,003</u>	<u>\$ 2,653,546</u>	<u>\$ 15,495,983</u>

(continued)

City of Miami, Florida
Combining Balance Sheet
Other Governmental Funds
September 30, 2003

Capital Projects Funds

	Street & Sidewalks	Sanitary Sewers	Storm Sewers	Solid Waste	Public Facilities
Assets					
Cash and Cash Equivalents	\$ 46,940,172	\$ 25,284,056	\$ 28,911,776	\$ 2,580,232	\$ 22,398,622
Restricted Cash, Cash Equivalents and Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	10	-	-	-	127,497
Taxes	-	-	-	-	-
Due From Other Governments	-	-	-	-	229,503
Accrued Interest	222,172	142,560	101,168	-	135,351
Prepaid and Other Assets	-	-	-	-	-
Total Assets	\$ 47,162,354	\$ 25,426,616	\$ 29,012,944	\$ 2,580,232	\$ 22,890,973
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 351,945	\$ 134,180	\$ 419,548	\$ 9,719	\$ 737,512
Accrued Principal	-	-	-	-	-
Due To Other Funds	-	-	-	-	-
Due To Other Governments	-	12,000	76,190	-	-
Due To Component Units	-	-	-	-	-
Deposits	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	351,945	146,180	495,738	9,719	737,512
Fund Balances:					
Reserved for:					
Encumbrances	5,298,419	270,292	1,452,080	133,616	3,312,709
Debt Service	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Unreserved, Reported in:					
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	41,511,990	25,010,144	27,065,126	2,436,897	18,840,752
Total Fund Balances	46,810,409	25,280,436	28,517,206	2,570,513	22,153,461
Total Liabilities and Fund Balances	\$ 47,162,354	\$ 25,426,616	\$ 29,012,944	\$ 2,580,232	\$ 22,890,973

Parks & Recreation	Disaster Recovery	Total Other Governmental Funds
\$ 39,027,246	\$ 1,233,941	\$ 228,084,241
251,866	-	17,454,361
-	-	1,283,628
-	-	1,095,578
1,087,021	-	3,834,333
297,992	-	1,190,306
51,960	-	77,226
<u>\$ 40,716,085</u>	<u>\$ 1,233,941</u>	<u>\$ 253,019,673</u>

\$ 650,018	\$ 43,055	\$ 5,858,968
-	-	-
-	-	3,149,351
-	-	507,856
-	-	888,855
-	-	2,203,885
-	-	601,326
<u>650,018</u>	<u>43,055</u>	<u>13,210,241</u>

3,377,159	2,865,324	24,558,006
-	-	15,291,744
-	-	3,926,334
51,960	-	77,226
-	-	30,306,625
<u>36,636,948</u>	<u>(1,674,438)</u>	<u>165,649,497</u>
<u>40,066,067</u>	<u>1,190,886</u>	<u>239,809,432</u>
<u>\$ 40,716,085</u>	<u>\$ 1,233,941</u>	<u>\$ 253,019,673</u>

City of Miami, Florida
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For The Year Ended September 30, 2003

	Special Revenue Funds				
	Omni CRA	SEPOW CRA	Convention Center	Economic Development & Planning Services	Fire Rescue Services
Revenues					
Property Taxes	\$ 3,358,520	\$ 2,557,955	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	479,924	1,124,422	-	1,119,682
Charges for Services	-	57,150	3,605,262	469,041	4,287,527
Interest	74,327	129,414	31,566	46,145	36,461
Impact Fees	-	-	-	-	-
Other	-	49,291	409,255	-	2,500
Total Revenues	<u>3,432,847</u>	<u>3,273,734</u>	<u>5,170,505</u>	<u>515,186</u>	<u>5,446,170</u>
Expenditures					
Current Operating:					
General Government	-	-	-	-	-
Planning and Development	-	-	-	1,576,917	-
Community Redevelopment Areas	2,915,734	4,019,654	-	-	-
Public Safety	-	-	-	-	1,396,041
Public Facilities	-	-	2,693,475	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>2,915,734</u>	<u>4,019,654</u>	<u>2,693,475</u>	<u>1,576,917</u>	<u>1,396,041</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>517,113</u>	<u>(745,920)</u>	<u>2,477,030</u>	<u>(1,061,731)</u>	<u>4,050,129</u>
Other Financing Sources (Uses)					
Transfers From Other Funds	-	556,541	1,584,059	581,245	109,022
Transfers To Other Funds	-	(55,290)	(4,039,274)	-	(422)
Funded Debt Issuance	-	-	-	-	-
Payments To Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>501,251</u>	<u>(2,455,215)</u>	<u>581,245</u>	<u>108,600</u>
Net Changes in Fund Balances	517,113	(244,669)	21,815	(480,486)	4,158,729
Fund Balances - Beginning	<u>1,004,257</u>	<u>2,689,733</u>	<u>815,870</u>	<u>4,901,622</u>	<u>1,543,386</u>
Fund Balances - Ending	<u>\$ 1,521,370</u>	<u>\$ 2,445,064</u>	<u>\$ 837,685</u>	<u>\$ 4,421,136</u>	<u>\$ 5,702,115</u>

Special Revenue Funds

Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust Fund	Public Works Services	City Clerk Services	Local Option Gas Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	1,122,127	-	-	-
-	1,643,229	3,675,406	-	45,572	-	1,218,879
-	18,333	57,441	3,130	-	104,696	-
41	14,954	48,439	157,234	26,686	-	-
-	-	-	-	-	-	-
170	-	-	-	70,869	-	-
<u>211</u>	<u>1,676,516</u>	<u>3,781,286</u>	<u>1,282,491</u>	<u>143,127</u>	<u>104,696</u>	<u>1,218,879</u>
5,399,122	-	-	-	-	120,849	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	4,875,973	4,705,182	-	-	-
-	-	-	-	-	-	-
-	2,392,563	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,399,122</u>	<u>2,392,563</u>	<u>4,875,973</u>	<u>4,705,182</u>	<u>-</u>	<u>120,849</u>	<u>-</u>
<u>(5,398,911)</u>	<u>(716,047)</u>	<u>(1,094,687)</u>	<u>(3,422,691)</u>	<u>143,127</u>	<u>(16,153)</u>	<u>1,218,879</u>
5,398,911	869,308	1,025,431	-	-	-	-
-	-	(125,000)	(388,074)	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,398,911</u>	<u>869,308</u>	<u>900,431</u>	<u>(388,074)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	153,261	(194,256)	(3,810,765)	143,127	(16,153)	1,218,879
<u>3,219</u>	<u>1,769,403</u>	<u>6,486,919</u>	<u>8,253,195</u>	<u>1,198,645</u>	<u>158,519</u>	<u>665,749</u>
<u>\$ 3,219</u>	<u>\$ 1,922,664</u>	<u>\$ 6,292,663</u>	<u>\$ 4,442,430</u>	<u>\$ 1,341,772</u>	<u>\$ 142,366</u>	<u>\$ 1,884,628</u>

(continued)

City of Miami, Florida
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For The Year Ended September 30, 2003

	Special Revenue Funds			
	Stormwater Utility	Department Improvement Initiatives	Transportation & Transit	Gusman and Olympia
Revenues				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	1,115,892	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental Revenues	-	-	4,595,019	1,653,785
Charges for Services	-	-	-	492,552
Interest	-	-	-	-
Impact Fees	-	-	-	-
Other	-	-	-	36,209
Total Revenues	<u>1,115,892</u>	<u>-</u>	<u>4,595,019</u>	<u>2,182,546</u>
Expenditures				
Current Operating:				
General Government	-	722,498	3,820	2,568,359
Planning and Development	-	-	-	-
Community Redevelopment Areas	-	-	-	-
Public Safety	-	-	-	-
Public Facilities	-	-	-	-
Parks and Recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>722,498</u>	<u>3,820</u>	<u>2,568,359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,115,892</u>	<u>(722,498)</u>	<u>4,591,199</u>	<u>(385,813)</u>
Other Financing Sources (Uses)				
Transfers From Other Funds	-	4,058,554	-	176,400
Transfers To Other Funds	-	-	-	-
Proceeds Received From Refunded Debt	-	-	-	-
Payments To Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,058,554</u>	<u>-</u>	<u>176,400</u>
Net Changes in Fund Balances	1,115,892	3,336,056	4,591,199	(209,413)
Fund Balances - Beginning	<u>610,815</u>	<u>-</u>	<u>-</u>	<u>(127,396)</u>
Fund Balances - Ending	<u>\$ 1,726,707</u>	<u>\$ 3,336,056</u>	<u>\$ 4,591,199</u>	<u>\$ (336,809)</u>

Debt Service Funds			Capital Projects Funds	
General Obligation Bonds	Other Special Obligation Bonds	CRA Other Special Obligation	Community Redevelopment Agency	Public Safety
\$ 19,755,994	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	300,000	-	-
-	-	-	-	-
43,349	68,178	2,611	59,468	296,137
-	-	-	-	-
-	160,000	-	-	41,400
<u>19,799,343</u>	<u>228,178</u>	<u>302,611</u>	<u>59,468</u>	<u>337,537</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,620,000	9,311,400	125,000	-	-
10,413,061	7,094,426	326,742	-	-
-	-	-	-	4,294,039
<u>23,033,061</u>	<u>16,405,826</u>	<u>451,742</u>	<u>-</u>	<u>4,294,039</u>
<u>(3,233,718)</u>	<u>(16,177,648)</u>	<u>(149,131)</u>	<u>59,468</u>	<u>(3,956,502)</u>
-	17,049,908	55,290	-	4,371,139
-	(1,583,828)	-	-	(4,451,321)
18,680,000	28,390,000	-	-	-
(18,202,593)	(28,390,000)	-	-	-
<u>477,407</u>	<u>15,466,080</u>	<u>55,290</u>	<u>-</u>	<u>(80,182)</u>
(2,756,311)	(711,568)	(93,841)	59,468	(4,036,684)
<u>4,167,177</u>	<u>13,627,446</u>	<u>1,058,844</u>	<u>2,592,722</u>	<u>19,038,936</u>
<u>\$ 1,410,866</u>	<u>\$ 12,915,878</u>	<u>\$ 965,003</u>	<u>\$ 2,652,190</u>	<u>\$ 15,002,252</u>

(continued)

City of Miami, Florida
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For The Year Ended September 30, 2003

Capital Projects Funds

	Street & Sidewalks	Sanitary Sewers	Storm Sewers	Solid Waste	Public Facilities
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	10	-	-	-	367,223
Charges for Services	-	-	-	-	-
Interest	740,018	471,546	360,480	93,210	470,529
Impact Fees	1,016,942	-	-	-	-
Other	-	-	66,574	-	2,092,309
Total Revenues	<u>1,756,970</u>	<u>471,546</u>	<u>427,054</u>	<u>93,210</u>	<u>2,930,061</u>
Expenditures					
Current Operating:					
General Government	-	-	-	-	-
Planning and Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	3,288,732	356,214	3,809,560	5,045,759	3,733,474
Total Expenditures	<u>3,288,732</u>	<u>356,214</u>	<u>3,809,560</u>	<u>5,045,759</u>	<u>3,733,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,531,762)</u>	<u>115,332</u>	<u>(3,382,506)</u>	<u>(4,952,549)</u>	<u>(803,413)</u>
Other Financing Sources (Uses)					
Transfers From Other Funds	10,496,844	939,747	5,711,508	7,023,671	2,679,504
Transfers To Other Funds	(4,178,926)	(988,531)	(2,912,365)	(1,804,314)	(2,777,801)
Proceeds Received From Refunded Debt	-	-	-	-	-
Payments To Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>6,317,918</u>	<u>(48,784)</u>	<u>2,799,143</u>	<u>5,219,357</u>	<u>(98,297)</u>
Net Changes in Fund Balances	4,786,156	66,548	(583,363)	266,808	(901,710)
Fund Balances - Beginning	<u>42,024,253</u>	<u>25,213,888</u>	<u>29,100,569</u>	<u>2,303,705</u>	<u>23,055,171</u>
Fund Balances - Ending	<u>\$ 46,810,409</u>	<u>\$ 25,280,436</u>	<u>\$ 28,517,206</u>	<u>\$ 2,570,513</u>	<u>\$ 22,153,461</u>

Capital Projects Funds		Total Other Governmental Funds
Parks & Recreation	Disaster Recovery	
\$ -	\$ -	\$ 25,672,469
-	-	1,115,892
-	-	1,122,127
4,876,068	-	21,099,219
-	-	9,095,132
1,021,861	-	4,192,654
-	-	1,016,942
-	1,732,523	4,661,100
<u>5,897,929</u>	<u>1,732,523</u>	<u>67,975,535</u>
-	-	8,814,648
-	-	1,576,917
-	-	6,935,388
-	-	10,977,196
-	-	2,693,475
-	-	2,392,563
-	-	22,056,400
-	-	17,834,229
6,270,715	1,480,407	28,278,900
<u>6,270,715</u>	<u>1,480,407</u>	<u>101,559,716</u>
<u>(372,786)</u>	<u>252,116</u>	<u>(33,584,181)</u>
8,084,568	372,691	71,144,341
(6,556,816)	-	(29,861,962)
-	-	47,070,000
-	-	(46,592,593)
<u>1,527,752</u>	<u>372,691</u>	<u>41,759,786</u>
1,154,966	624,807	8,175,605
<u>38,911,101</u>	<u>566,079</u>	<u>231,633,827</u>
<u>\$ 40,066,067</u>	<u>\$ 1,190,886</u>	<u>\$ 239,809,432</u>

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FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity.

FIDUCIARY FUNDS

General Employees' and Sanitation Employees' (GESE) and Firefighters' and Police Officers' (FIPO) – Both funds are used to account for the accumulation of resources to be used for retirement benefits to City employees. 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) – Funds are used to account for the accumulation of resources to be used for 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 Assets
Fiduciary Funds
As of September 30, 2003

	Pension Trust Funds			Totals
	Firefighter and Police (FIPO)	General and Sanitation (GESE)	Elected Officers' Retirement (EORT)	Pension Trust Funds
Assets				
Cash and Short-Term Investments	\$ 26,545,908	\$ 308,533	\$ 175	\$ 26,854,616
Accounts Receivable	6,242,736	7,846,366	-	14,089,102
Capital Assets	2,384,445	1,447,265	-	3,831,710
	<u>35,173,089</u>	<u>9,602,164</u>	<u>175</u>	<u>44,775,428</u>
Investments, at fair value				
U.S Government Obligations	169,816,711	73,844,446	1,847,383	245,508,540
Corporate Bonds	157,341,344	71,037,296	-	228,378,640
Corporate Stocks	644,018,864	328,035,704	-	972,054,568
Money Market Funds and Commerical Paper	6,871,394	18,530,006	-	25,401,400
Mutual Funds	42,893,957	-	-	42,893,957
Real Estate	-	31,300,235	-	31,300,235
Total Investments	<u>1,020,942,270</u>	<u>522,747,687</u>	<u>1,847,383</u>	<u>1,545,537,340</u>
Securities Lending Collateral	96,666,334	-	-	96,666,334
Total Assets	<u>1,152,781,693</u>	<u>532,349,851</u>	<u>1,847,558</u>	<u>1,686,979,102</u>
Liabilities				
Obligations Under Security Lending	96,666,334	-	-	96,666,334
Accounts Payable	405,772	897,162	-	1,302,934
Accrued Liabilities	6,871,394	-	-	6,871,394
Payable for Securities Purchased	9,217,196	14,201,438	-	23,418,634
Total Liabilities	<u>113,160,696</u>	<u>15,098,600</u>	<u>-</u>	<u>128,259,296</u>
Net Assets				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,039,620,997</u>	<u>\$ 517,251,251</u>	<u>\$ 1,847,558</u>	<u>\$ 1,558,719,806</u>

City of Miami, Florida
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2003

	Pension Trust Funds			Totals
	Firefighter and Police (FIPO)	General and Sanitation (GESE)	Elected Officers' Retirement (EORT)	Pension Trust Funds
Additions				
Contributions:				
Employer	\$ 18,582,646	\$ 3,985,928	\$ 265,287	\$ 22,833,861
Plan Members	7,193,936	7,642,024	-	14,835,960
Total Contributions	<u>25,776,582</u>	<u>11,627,952</u>	<u>265,287</u>	<u>37,669,821</u>
Investment Earnings:				
Net Decrease in Fair Value of Investments	116,332,856	67,262,262	-	183,595,118
Interest	21,045,010	7,887,954	41,736	28,974,700
Dividends	7,880,058	4,634,807	-	12,514,865
Rental and Other Income, net	653,272	1,917,256	-	2,570,528
Total Investment Earnings	<u>145,911,196</u>	<u>81,702,279</u>	<u>41,736</u>	<u>227,655,211</u>
Less Investment Expenses				
Investment Expenses	3,470,652	2,073,351	13,250	5,557,253
Net Investment Income	<u>142,440,544</u>	<u>79,628,928</u>	<u>28,486</u>	<u>222,097,958</u>
Total Additions	<u>168,217,126</u>	<u>91,256,880</u>	<u>293,773</u>	<u>259,767,779</u>
Deductions				
Benefits	46,083,206	38,965,891	152,256	85,201,353
Refunds Upon Resignation, Death, etc.	439,031	1,147,196	-	1,586,227
Distribution to Retirees	9,332,318	-	-	9,332,318
Administrative and Other Expenses	42,725	1,884,961	-	1,927,686
Total Deductions	<u>55,897,280</u>	<u>41,998,048</u>	<u>152,256</u>	<u>98,047,584</u>
Change in Net Assets	112,319,846	49,258,832	141,517	161,720,195
Net Assets - Beginning of Year	927,301,151	467,992,419	1,706,041	1,396,999,611
Net Assets - End of Year	<u>\$ 1,039,620,997</u>	<u>\$ 517,251,251</u>	<u>\$ 1,847,558</u>	<u>\$ 1,558,719,806</u>

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SUPPLEMENTARY INFORMATION

Supplementary information is presented to provide greater detail than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation, in order to be in conformity with accounting principles generally accepted in the United States of America.

City of Miami, Florida
Budgetary Comparison Schedule
Omni CRA
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Property Taxes	\$ 3,302,369	\$ 3,302,369	\$ 3,358,520	\$ 56,151
Interest	24,600	24,600	74,327	49,727
Amounts Available for Appropriation	<u>3,326,969</u>	<u>3,326,969</u>	<u>3,432,847</u>	<u>105,878</u>
Charges to Appropriations (outflows):				
Community Redevelopment Areas	3,326,969	3,326,969	2,915,734	411,235
Total Charges to Appropriations	<u>3,326,969</u>	<u>3,326,969</u>	<u>2,915,734</u>	<u>411,235</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	517,113	517,113
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 517,113</u>	<u>\$ 517,113</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 3,432,847
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 3,432,847</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,915,734
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,915,734</u>

City of Miami, Florida
Budgetary Comparison Schedule
SEOPW CRA
For The Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Property Taxes	\$ 2,602,413	\$ 2,602,413	\$ 2,557,955	\$ (44,458)
Intergovernmental Revenues	-	-	479,924	479,924
Charges for Services	-	-	57,150	57,150
Interest	67,300	67,300	129,414	62,114
Other	-	-	3,046,604	3,046,604
Transfer from Other Funds	1,682,484	1,682,484	556,541	(1,125,943)
Amounts Available for Appropriation	<u>4,352,197</u>	<u>4,352,197</u>	<u>6,827,588</u>	<u>2,475,391</u>
Charges to Appropriations (outflows):				
Community Redevelopment Areas	3,809,025	6,806,338	4,019,654	2,786,684
Transfer to Other Funds	543,172	543,172	55,290	487,882
Total Charges to Appropriations	<u>4,352,197</u>	<u>7,349,510</u>	<u>4,074,944</u>	<u>3,274,566</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(2,997,313)	2,752,644	5,749,957
Fund Balance Allocation	-	2,997,313	-	(2,997,313)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,752,644</u>	<u>\$ 2,752,644</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 6,827,588
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,997,313)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(556,541)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 3,273,734</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 4,074,944
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(55,290)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,019,654</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Convention Center
For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ 1,105,509	\$ 1,105,510	\$ 1,124,422	\$ 18,912
Charges for Services	3,968,724	4,006,392	3,605,262	(401,130)
Interest	100,000	100,000	31,566	(68,434)
Other	303,121	303,121	409,255	106,134
Transfer from Other Funds	1,584,059	1,584,059	1,584,059	-
Amounts Available for Appropriation	<u>7,061,413</u>	<u>7,099,082</u>	<u>6,754,564</u>	<u>(344,518)</u>
Charges to Appropriations (outflows):				
Public Facilities	2,692,689	2,730,358	2,696,597	33,761
Transfer to Other Funds	4,368,724	4,368,724	4,039,274	329,450
Total Charges to Appropriations	<u>7,061,413</u>	<u>7,099,082</u>	<u>6,735,871</u>	<u>363,211</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	18,693	18,693
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,693</u>	<u>\$ 18,693</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 6,754,564
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(1,584,059)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 5,170,505</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 6,735,871
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(3,122)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(4,039,274)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,693,475</u>

City of Miami, Florida
Budgetary Comparison Schedule
Economic Development & Planning Services
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ 543,114	\$ 543,530	\$ -	\$ (543,530)
Charges for Services	-	261,886	469,041	207,155
Interest	7,929	-	46,145	46,145
Other	488,364	488,364	2,836,303	2,347,939
Transfer from Other Funds	200,000	1,800,000	581,245	(1,218,755)
Amounts Available for Appropriation	<u>1,239,407</u>	<u>3,093,780</u>	<u>3,932,734</u>	<u>838,954</u>
Charges to Appropriations (outflows):				
Planning and Development	1,239,407	5,930,083	2,065,281	3,864,802
Total Charges to Appropriations	<u>1,239,407</u>	<u>5,930,083</u>	<u>2,065,281</u>	<u>3,864,802</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(2,836,303)	1,867,453	4,703,756
Fund Balance Allocation	-	2,836,303	-	(2,836,303)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,867,453</u>	<u>\$ 1,867,453</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 3,932,734
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,836,303)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(581,245)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 515,186</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,065,281
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(488,364)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,576,917</u>

City of Miami, Florida
Budgetary Comparison Schedule
Fire Rescue Services
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ 42,001	\$ 14,632,772	\$ 1,119,682	\$ (13,513,090)
Charges for Services	4,272,183	4,272,183	4,287,527	15,344
Interest	-	-	36,461	36,461
Other	174,079	174,079	506,690	332,611
Transfer from Other Funds	303,217	303,217	109,022	(194,195)
Amounts Available for Appropriation	<u>4,791,480</u>	<u>19,382,251</u>	<u>6,059,382</u>	<u>(13,322,869)</u>
Charges to Appropriations (outflows):				
Public Safety	1,173,487	15,764,258	1,452,348	14,311,910
Transfer to Other Funds	4,122,183	4,122,183	422	4,121,761
Total Charges to Appropriations	<u>5,295,670</u>	<u>19,886,441</u>	<u>1,452,770</u>	<u>18,433,671</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(504,190)	(504,190)	4,606,612	5,110,802
Fund Balance Allocation	<u>504,190</u>	<u>504,190</u>	<u>-</u>	<u>(504,190)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,606,612</u>	<u>\$ 4,606,612</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 6,059,382
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(504,190)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(109,022)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 5,446,170</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,452,770
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(56,307)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(422)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,396,041</u>

City of Miami, Florida
Budgetary Comparison Schedule
NET Offices
For The Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Interest	\$ -	\$ -	\$ 41	\$ 41
Other	50,406	50,406	170	(50,236)
Transfer from Other Funds	5,650,880	5,650,880	5,398,911	(251,969)
Amounts Available for Appropriation	<u>5,701,286</u>	<u>5,701,286</u>	<u>5,399,122</u>	<u>(302,164)</u>
Charges to Appropriations (outflows):				
General Government	5,701,286	5,701,286	5,449,528	251,758
Total Charges to Appropriations	<u>5,701,286</u>	<u>5,701,286</u>	<u>5,449,528</u>	<u>251,758</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(50,406)	(50,406)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,406)</u>	<u>\$ (50,406)</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 5,399,122
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(5,398,911)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 211</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,449,528
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(50,406)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 5,399,122</u>

City of Miami, Florida
Budgetary Comparison Schedule
Parks & Recreation Services
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ 844,889	\$ 1,891,456	\$ 1,643,229	\$ (248,227)
Charges for Services	97,651	97,651	18,333	(79,318)
Interest	-	-	14,954	14,954
Other	347,486	347,486	-	(347,486)
Transfer from Other Funds	-	-	869,308	869,308
Amounts Available for Appropriation	<u>1,290,026</u>	<u>2,336,593</u>	<u>2,545,824</u>	<u>209,231</u>
		-		
Charges to Appropriations (outflows):				
Parks and Recreation	1,290,026	2,336,593	2,740,772	(404,179)
Total Charges to Appropriations	<u>1,290,026</u>	<u>2,336,593</u>	<u>2,740,772</u>	<u>(404,179)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(194,948)	(194,948)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (194,948)</u>	<u>\$ (194,948)</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 2,545,824
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(869,308)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,676,516</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,740,772
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(348,209)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,392,563</u>

City of Miami, Florida
Budgetary Comparison Schedule
Police Services
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
Resources (inflows):				
Intergovernmental Revenues	\$ 12,366,464	\$ 16,252,005	\$ 3,675,406	\$ (12,576,599)
Charges for Services	156,352	156,352	57,441	(98,911)
Interest	50,503	50,503	48,439	(2,064)
Other	312,385	312,385	3,515,308	3,202,923
Transfer from Other Funds	1,028,803	1,028,803	1,025,431	(3,372)
Amounts Available for Appropriation	<u>13,914,507</u>	<u>17,800,048</u>	<u>8,322,025</u>	<u>(9,478,023)</u>
Charges to Appropriations (outflows):				
Public Safety	17,429,815	21,190,356	5,188,358	16,001,998
Transfer to Other Funds	-	125,000	125,000	-
Total Charges to Appropriations	<u>17,429,815</u>	<u>21,315,356</u>	<u>5,313,358</u>	<u>16,001,998</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(3,515,308)	(3,515,308)	3,008,667	6,523,975
Fund Balance Allocation	<u>3,515,308</u>	<u>3,515,308</u>	<u>-</u>	<u>(3,515,308)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,008,667</u>	<u>\$ 3,008,667</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 8,322,025
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(3,515,308)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(1,025,431)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 3,781,286</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,313,358
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(312,385)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(125,000)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,875,973</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Law Enforcement Trust Fund
For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
Resources (inflows):				
Fines and Forfeitures	\$ -	\$ -	\$ 1,122,127	\$ 1,122,127
Charges for Services	-	-	3,130	3,130
Interest	-	-	157,234	157,234
Other	-	-	8,950,376	8,950,376
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>10,232,867</u>	<u>10,232,867</u>
Charges to Appropriations (outflows):				
Public Safety	8,727,958	8,487,302	5,402,374	3,084,928
Transfer to Other Funds	33,321	463,074	388,074	75,000
Total Charges to Appropriations	<u>8,761,279</u>	<u>8,950,376</u>	<u>5,790,448</u>	<u>3,159,928</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(8,761,279)	(8,950,376)	4,442,419	13,392,795
Fund Balance Allocation	<u>8,761,279</u>	<u>8,950,376</u>	<u>-</u>	<u>(8,950,376)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,442,419</u>	<u>\$ 4,442,419</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 10,232,867
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(8,950,376)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,282,491</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,790,448
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(697,192)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(388,074)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,705,182</u>

City of Miami, Florida
Budgetary Comparison Schedule
Public Works Services
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ -	\$ -	\$ 45,572	\$ 45,572
Interest	-	-	26,686	26,686
Other	-	-	1,159,837	1,159,837
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>1,232,095</u>	<u>1,232,095</u>
Charges to Appropriations (outflows):				
Public Works	1,088,968	1,088,968	-	1,088,968
Total Charges to Appropriations	<u>1,088,968</u>	<u>1,088,968</u>	<u>-</u>	<u>1,088,968</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(1,088,968)	(1,088,968)	1,232,095	2,321,063
Fund Balance Allocation	<u>1,088,968</u>	<u>1,088,968</u>	<u>-</u>	<u>(1,088,968)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,232,095</u>	<u>\$ 1,232,095</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 1,232,095
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,088,968)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 143,127</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ -
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ -</u>

City of Miami, Florida
Budgetary Comparison Schedule
City Clerk Services
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Charges for Services	\$ 191,013	\$ 191,013	\$ 104,696	\$ (86,317)
Other	-	-	20,409	20,409
Amounts Available for Appropriation	<u>191,013</u>	<u>191,013</u>	<u>125,105</u>	<u>(65,908)</u>
Charges to Appropriations (outflows):				
General Government	191,013	211,422	120,849	90,573
Total Charges to Appropriations	<u>191,013</u>	<u>211,422</u>	<u>120,849</u>	<u>90,573</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(20,409)	4,256	24,665
Fund Balance Allocation	-	20,409	-	(20,409)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,256</u>	<u>\$ 4,256</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 125,105
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(20,409)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 104,696</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 120,849
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 120,849</u>

**City of Miami, Florida
 Budgetary Comparison Schedule
 Local Option Gas Tax
 For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ -	\$ -	\$ 1,218,879	\$ 1,218,879
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>1,218,879</u>	<u>1,218,879</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	1,218,879	1,218,879
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,218,879</u>	<u>\$ 1,218,879</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 1,218,879
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,218,879</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ -
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ -</u>

**City of Miami, Florida
 Budgetary Comparison Schedule
 Stormwater Utility Fund
 For The Year Ended September 30, 2003**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Franchise Fees and Other Taxes	\$ -	\$ -	\$ 1,115,892	\$ 1,115,892
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>1,115,892</u>	<u>1,115,892</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	1,115,892	1,115,892
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,115,892</u>	<u>\$ 1,115,892</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 1,115,892
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 1,115,892</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ -
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ -</u>

**City of Miami, Florida
 Budgetary Comparison Schedule
 Department Improvement Initiatives
 For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Transfer from Other Funds	\$ -	\$ 4,261,213	\$ 4,058,554	\$ (202,659)
Amounts Available for Appropriation	<u>-</u>	<u>4,261,213</u>	<u>4,058,554</u>	<u>(202,659)</u>
Charges to Appropriations (outflows):				
General Government	-	3,767,388	722,498	3,044,890
Transfer to Other Funds	-	493,825	-	493,825
Total Charges to Appropriations	<u>-</u>	<u>4,261,213</u>	<u>722,498</u>	<u>3,538,715</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	3,336,056	3,336,056
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,336,056</u>	<u>\$ 3,336,056</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,058,554
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(4,058,554)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 722,498
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 722,498</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Transportation & Transit
For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ -	\$ -	\$ 4,595,019	\$ 4,595,019
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>4,595,019</u>	<u>4,595,019</u>
Charges to Appropriations (outflows):				
General Government	-	-	3,820	(3,820)
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>3,820</u>	<u>(3,820)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	4,591,199	4,591,199
Fund Balance Allocation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,591,199</u>	<u>\$ 4,591,199</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 4,595,019
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,595,019</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,820
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 3,820</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Gusman & Olympia
For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ -	\$ -	\$ 1,653,785	\$ 1,653,785
Charges for Services	651,111	651,111	492,552	(158,559)
Other	-	-	36,209	36,209
Transfer from Other Funds	176,400	176,400	176,400	-
Amounts Available for Appropriation	<u>827,511</u>	<u>827,511</u>	<u>2,358,946</u>	<u>1,531,435</u>
Charges to Appropriations (outflows):				
General Government	827,511	827,511	2,568,359	(1,740,848)
Total Charges to Appropriations	<u>827,511</u>	<u>827,511</u>	<u>2,568,359</u>	<u>(1,740,848)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(209,413)	(209,413)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (209,413)</u>	<u>\$ (209,413)</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 2,358,946
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(176,400)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,182,546</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,568,359
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,568,359</u>

**City of Miami, Florida
Budgetary Comparison Schedule
General Obligation Bonds
For The Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Property Taxes	\$ 19,819,228	\$ 19,819,228	\$ 19,755,994	\$ (63,234)
Interest	-	-	43,349	43,349
Other	-	-	2,798,909	2,798,909
Proceeds Received from Refunded Debt	-	-	18,680,000	18,680,000
Amounts Available for Appropriation	<u>19,819,228</u>	<u>19,819,228</u>	<u>41,278,252</u>	<u>21,459,024</u>
Charges to Appropriations (outflows):				
Debt Service:				
Principal	12,516,450	12,516,450	12,620,000	(103,550)
Interest and Other Charges	10,101,687	10,101,687	10,413,061	(311,374)
Payments to Escrow Agent	-	-	18,202,593	(18,202,593)
Total Charges to Appropriations	<u>22,618,137</u>	<u>22,618,137</u>	<u>41,235,654</u>	<u>(414,924)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(2,798,909)	(2,798,909)	42,598	21,044,100
Fund Balance Allocation	<u>2,798,909</u>	<u>2,798,909</u>	-	<u>(2,798,909)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,598</u>	<u>\$ 18,245,191</u>

**Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenues and Expenditures**

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 41,278,252
Differences - budget to GAAP:	
Loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(18,680,000)
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,798,909)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 19,799,343</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 41,235,654
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Payments to escrow agents are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(18,202,593)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 23,033,061</u>

City of Miami, Florida
Budgetary Comparison Schedule
Other Special Obligation Bonds
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
Resources (inflows):				
Interest	\$ -	\$ -	\$ 68,178	\$ 68,178
Other	1,066,078	1,226,078	160,000	(1,066,078)
Transfer from Other Funds	17,172,782	17,172,782	17,049,908	(122,874)
Proceeds Received from Refunded Debt	-	-	28,390,000	28,390,000
Amounts Available for Appropriation	<u>18,238,860</u>	<u>18,398,860</u>	<u>45,668,086</u>	<u>27,269,226</u>
Charges to Appropriations (outflows):				
Debt Service:				
Principal	9,316,400	9,316,400	9,311,400	5,000
Interest and Other Charges	8,922,460	9,082,460	7,094,426	1,988,034
Transfer to Other Funds	-	-	1,583,828	(1,583,828)
Payments to Escrow Agent	-	-	28,390,000	(28,390,000)
Total Charges to Appropriations	<u>18,238,860</u>	<u>18,398,860</u>	<u>46,379,654</u>	<u>(27,980,794)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(711,568)	(711,568)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (711,568)</u>	<u>\$ (711,568)</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 45,668,086
Differences - budget to GAAP:	
Loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(28,390,000)
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(17,049,908)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 228,178</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 46,379,654
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Payments to escrow agents are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(28,390,000)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(1,583,828)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,405,826</u>

City of Miami, Florida
Budgetary Comparison Schedule
CRA Other Special Obligation Bonds
For The Year Ended September 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
Resources (inflows):				
Intergovernmental Revenues	\$ 302,403	\$ 302,403	\$ 300,000	\$ (2,403)
Interest	-	-	2,611	2,611
Transfer from Other Funds	57,900	57,900	55,290	(2,610)
Amounts Available for Appropriation	<u>360,303</u>	<u>360,303</u>	<u>357,901</u>	<u>(2,402)</u>
Charges to Appropriations (outflows):				
Debt Service:				
Principal	125,000	125,000	125,000	-
Interest and Other Charges	235,303	235,303	326,742	(91,439)
Total Charges to Appropriations	<u>360,303</u>	<u>360,303</u>	<u>451,742</u>	<u>(91,439)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(93,841)	(93,841)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,841)</u>	<u>\$ (93,841)</u>

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 357,901
Differences - budget to GAAP:	
Loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(55,290)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 302,611</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 451,742
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	-
Payments to escrow agents are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 451,742</u>



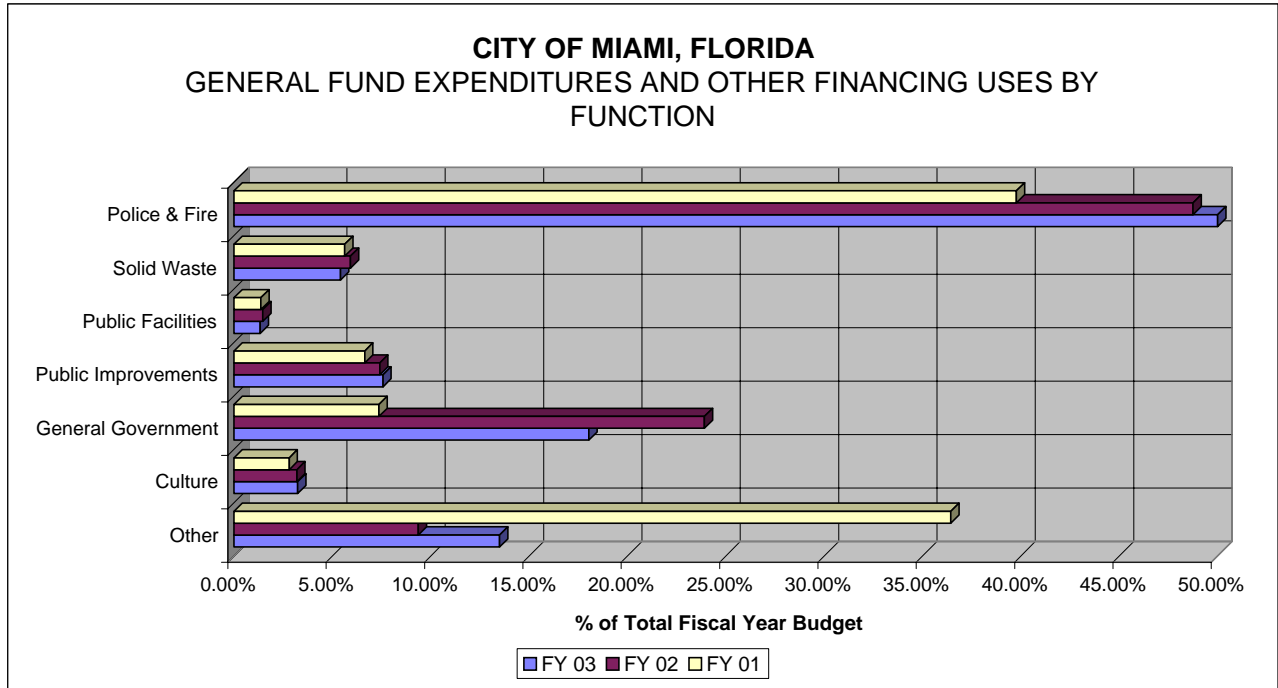
STATISTICAL SECTION

Statistical tables differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting data, financial trends and the fiscal capacity of the governments.

**CITY OF MIAMI, FLORIDA
GENERAL GOVERNMENTAL EXPENDITURES AND TRANSFERS BY FUNCTION
LAST TEN FISCAL YEARS (1)**

FISCAL YEAR	PUBLIC SAFETY	SOLID WASTE	PUBLIC FACILITIES	PUBLIC IMPROVEMENTS	GENERAL GOVERNMENT	CULTURE AND RECREATION	OTHER EXPENDITURES OR FINANCING USES	TOTAL
2003	\$ 198,541,341	\$ 21,091,455	\$ 5,173,926	\$ 29,500,078	\$ 70,335,134	\$ 12,594,690	\$ 52,614,635	\$ 389,851,259
2002	169,452,122	20,569,047	5,071,735	25,740,477	83,117,901	11,092,994	32,551,582	347,595,858
2001	132,844,965	18,798,645	4,547,020	22,176,806	24,592,817	9,358,344	121,693,516	334,012,113
2000	135,173,374	17,875,978	4,379,971	19,139,493	23,025,280	8,746,720	87,779,393	296,120,209
1999	126,287,513	17,730,332	3,819,893	21,068,901	20,509,297	8,221,325	90,639,155	288,276,416
1998	116,894,329	16,755,266	3,556,522	18,973,481	44,984,243	6,994,947	89,206,561	297,365,349
1997	107,127,000	15,115,000	7,337,000	16,027,000	61,743,000	6,770,000	55,395,000	269,514,000
(2) 1996	113,050,000	16,334,000	7,507,000	9,893,000	69,542,000	12,583,000	131,880,000 (3)	360,789,000
1995	145,974,000	8,360,000	-	11,903,000	17,921,000	10,626,000	20,257,000	215,041,000
1994	134,722,000	16,831,000	-	11,046,000	16,846,000	9,636,000	23,262,000	212,343,000

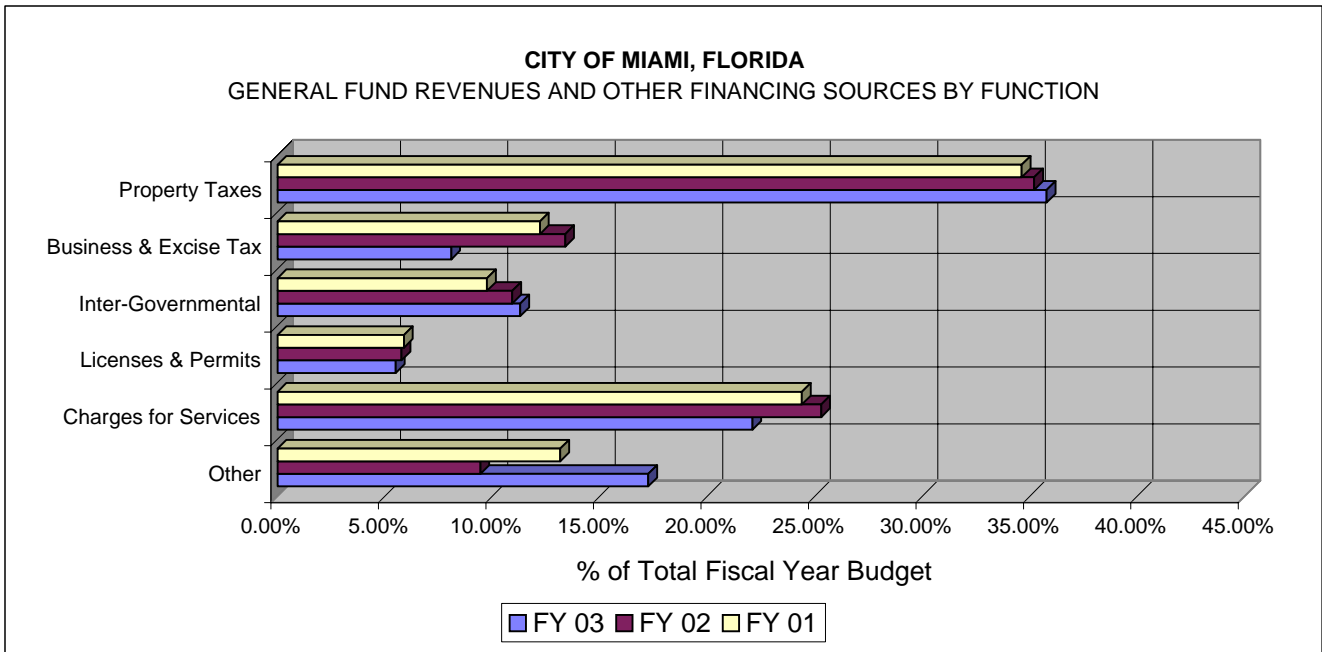
- (1) This schedule includes Expenditures of the General Fund only.
- (2) Beginning in FY 1996, the City discontinued the use of the Proprietary Funds and the Pension Administration Trust Fund. Accordingly, the activities of these funds are accounted for in the General Fund.
- (3) Other expenditures and financing uses include employee benefits of \$35,173,810 and operating transfers out of \$22,926,859.



**CITY OF MIAMI, FLORIDA
GENERAL GOVERNMENTAL REVENUES AND TRANSFERS BY SOURCE
LAST TEN FISCAL YEARS (1)**

FISCAL YEAR	CITY PROPERTY TAXES	BUSINESS & EXCISE TAX (1)	INTER-GOVERNMENTAL	LICENSES AND PERMITS	CHARGES FOR SERVICES	OTHER REVENUE AND FINANCING SOURCES (2)	TOTAL
2003	\$ 139,604,223	\$ 31,556,387	\$ 44,071,524	\$ 21,469,973	\$ 86,182,827	\$ 67,300,808	\$ 390,185,742
2002	130,375,831	49,582,101	40,451,667	21,375,993	93,708,913	34,955,363	370,449,868
2001	119,683,851	42,215,651	33,688,246	20,333,532	84,334,277	45,469,115	345,724,672
2000	120,426,167	32,426,893	44,574,354	19,833,395	75,470,338	39,336,967	332,068,114
1999	120,781,649	30,441,973	34,032,189	16,050,883	54,241,929	35,419,431	290,968,054
1998	108,172,648	27,906,840	33,841,573	16,641,532	41,866,305	98,132,190	326,561,088
1997	105,493,000	48,854,000	45,575,000	9,816,000	41,586,000	41,841,000	293,165,000
(3) 1996	101,964,000	52,294,000	33,761,000	5,407,000	39,045,000	118,109,000	350,580,000
1995	99,178,000	44,874,000	28,789,000	4,361,000	5,938,000	55,393,000	238,533,000
1994	97,705,000	43,571,000	32,331,000	4,702,000	5,149,000	27,609,000	211,067,000

- (1) This schedule includes Expenditures of the General Fund only.
- (2) Transfers from other funds representing public utilities service taxes are presented in this schedule as business and excise tax revenues, rather than as other financing sources, to more clearly depict sources of revenues.
- (3) Beginning in FY 1996, the City discontinued the use of the Proprietary Funds and the Pension Administration Trust Fund. Accordingly, the activities of these funds are accounted for in the General Fund.



**CITY OF MIAMI, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

FISCAL YEAR	TOTAL TAX LEVY (1)	COLLECTION OF CURRENT YEAR'S TAXES	PERCENT OF LEVY COLLECTED	COLLECTION OF DELINQUENT TAXES
2003	\$ 167,490,551	\$ 157,339,038	93.94%	\$ 1,474,980
2002	152,339,301	146,185,141	95.96	2,444,385
2001	141,425,410	134,535,715	95.13	2,291,707
2000	142,932,314	136,028,063	95.17	2,255,654
1999	145,913,155	143,515,000	98.36	2,522,000
1998	134,743,241	127,911,000	94.93	2,496,000
1997	132,850,000	128,783,000	96.94	2,990,000
1996	128,661,000	120,519,000	93.67	2,945,000
1995	120,805,000	115,936,000	95.97	3,707,000
1994	125,169,000	113,966,000	91.05	5,754,000

FISCAL YEAR	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	TOTAL OUTSTANDING DELINQUENT TAXES (2)	OUTSTANDING DELINQUENT TAXES AS % OF CURRENT LEVY	CITY MILLAGE (1)
2003	\$ 158,814,018	94.82%	\$ 2,444,385	1.46%	10.0680
2002	148,629,526	97.56	2,291,707	1.50	10.2130
2001	136,827,422	96.75	2,255,654	1.59	10.2750
2000	138,283,717	96.75	3,633,429	2.54	10.9000
1999	143,485,898	98.34	2,427,257	1.66	11.7900
1998	130,407,000	96.78	1,666,079	3.22	11.5195
1997	131,773,000	99.19	4,067,000	0.81	11.7055
1996	123,464,000	95.96	1,552,000	4.04	11.7055
1995	119,643,000	99.04	2,683,000	0.96	11.7055
1994	119,720,000	95.65	1,673,000	4.35	11.8121

(1) Includes levies for general operations and debt service.

(2) Net of reserves of approximately 5% of total tax levy.

**CITY OF MIAMI, FLORIDA
 ASSESSED VALUE OF ALL TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	HOMESTEAD EXEMPTIONS	NET ASSESSED VALUE
2003	\$ 18,849,243,365	\$ 1,804,153,107	\$ 20,653,396,472	\$ 1,225,787,898	\$ 19,427,608,574
2002	16,269,856,061	1,878,266,085	18,148,122,146	1,210,235,376	16,937,886,770
2001	13,282,693,560	1,657,551,519	14,940,245,079	1,168,878,720	13,771,366,359
2000	12,655,367,383	1,480,211,283	14,135,578,666	1,022,522,356	13,113,056,310
1999	12,054,384,369	1,334,992,653	13,389,377,022	1,013,367,239	12,376,009,783
1998	11,383,265,849	1,329,476,797	12,712,742,646	1,015,773,092	11,696,969,554
1997	11,039,083,007	1,323,876,600	12,362,959,607	1,013,566,813	11,349,392,794
1996	10,702,353,382	1,301,197,462	12,003,550,844	1,012,060,207	10,991,490,637
1995	10,232,545,197	1,264,806,533	11,497,351,730	1,007,531,594	10,489,820,136
1994	9,991,788,807	1,241,431,753	11,233,220,560	1,006,367,133	10,226,853,427

SOURCE: Miami-Dade County Property Appraiser's Office

**CITY OF MIAMI, FLORIDA
 PROPERTY TAX RATES AND TAX LEVIES
 DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS**

TAX RATES (1) YEAR	CITY	COUNTY	SCHOOLS	STATE	SPECIAL DISTRICTS	TOTAL
2003	10.0680	6.279	9.252	0.7355	0.486	26.8205
2002	10.2130	6.265	9.376	0.7355	0.451	27.0405
2001	10.2750	6.403	9.617	0.738	0.351	27.3840
2000	10.9000	6.625	9.744	0.641	0.321	28.2310
1999	11.7900	6.860	10.260	0.644	0.334	29.9965
1998	11.5195	7.268	10.462	0.747	-	30.3635
1997	11.7055	7.582	10.366	0.710	-	30.7275
1996	11.7055	7.946	10.389	0.687	-	30.7275
1995	11.7055	7.946	10.389	0.687	-	31.6691
1994	11.8121	9.236	9.923	0.698	-	31.6023

TAX LEVIES

2003	\$ 195,597,163	\$ 121,985,954	\$ 179,744,235	\$ 14,289,006	\$ 9,441,818	\$ 521,058,176
2002	172,986,638	106,115,861	158,809,626	12,457,816	7,638,987	449,843,886
2001	141,500,789	88,178,059	132,439,230	10,163,268	4,833,750	370,194,693
2000	142,932,314	86,873,998	127,773,621	8,405,469	4,209,291	369,894,180
1999	145,913,155	84,899,427	126,977,860	7,970,150	4,133,587	350,868,147
1998	134,743,241	85,013,575	122,373,695	8,737,636	-	344,607,294
1997	132,850,317	86,051,096	117,647,806	8,058,069	-	337,741,000
1996	128,660,894	87,338,385	114,190,596	7,551,154	-	322,326,000
1995	122,788,590	83,352,111	108,978,741	7,206,506	-	323,887,000
1994	120,800,615	94,455,218	101,481,067	7,138,344	-	331,562,000

(1) Property tax rates are based on each \$1,000 of net assessed value.

Additional information-

Tax rate limits:
 County
 Schools
 State
 Tax assessed - January 1
 Taxes levied - November 1

Discount allowed:
 November -4%
 December -3%
 January -2%
 February -1%
 Taxes delinquent - April

**CITY OF MIAMI, FLORIDA
SPECIAL ASSESSMENTS COLLECTIONS AND RECEIVABLES
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>COLLECTIONS</u>	<u>CURRENT ASSESSMENTS LIENS RECEIVABLE</u>
2003	\$ 78,222	\$ 178,946
2002	123,304	257,168
2001	171,993	380,742
2000	1,077,108	552,735
1999	2,432,513	814,758
1998	1,859,408	877,875
1997	1,477,001	499,371
1996	2,374,557	157,921
1995	1,810,000	139,263
1994	1,308,723	229,315

NOTE: The City of Miami's Special Assessments consist of assessment liens for various capital projects such as sanitary and storm sewer improvements. The collections shown above are on a modified accrual basis and include interest, prior year delinquencies and full payoffs. The assessment liens receivables at year-end represents amounts susceptible to accrual provided that they pertain to liens assessed prior to year-end. Effective in 1991, assessment liens were accounted for in the municipal use capital projects funds; previously they were recorded in the general obligation debt service fund

**CITY OF MIAMI, FLORIDA
RATIO OF NET GENERAL BONDED DEBT TO
NET ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>ASSESSED VALUE</u>	<u>HOMESTEAD EXEMPTION</u>	<u>NET TAXABLE VALUATION</u>	<u>NET BONDED DEBT</u>	<u>RATIO</u>	<u>PER CAPITA</u>
2003	362,470	\$20,653,396,472	\$ 1,225,787,898	\$ 19,427,608,574	\$ 236,549,956	1.22%	\$ 652.61
2002	362,470	18,148,122,146	1,210,235,376	16,937,886,770	249,711,407	1.50	688.92
2001	362,470	14,940,245,079	1,168,878,720	13,771,366,359	103,824,851	0.62	286.44
2000	365,548	14,135,578,666	1,022,522,356	13,113,056,310	114,914,079	0.88	314.36
1999	365,548	13,389,377,022	1,013,367,239	12,376,009,783	127,927,234	1.03	349.96
1998	365,548	12,712,742,646	1,015,773,092	11,696,969,554	139,360,000	1.19	381.24
1997	365,548	12,362,959,607	1,013,566,813	11,349,392,794	153,629,000	1.35	420.27
1996	383,402 (2)	12,003,550,844	1,012,060,207	10,991,490,637	168,161,000	1.53	438.60
1995	383,402 (2)	11,497,351,730	1,007,531,594	10,489,820,136	180,879,000	1.72	471.77
1994	383,402 (2)	11,233,220,560	1,006,367,133	10,226,853,427	170,368,000	1.67	444.36

(1) Estimates provided by the State of Florida, Division of Population Studies, Bureau of Business and Economic Research, University of Florida.

(2) Based on City of Miami estimate. The 1995 U.S. Bureau of the Census preliminary population count of 365,548 is being challenged by the City and is expected to be adjusted.

**CITY OF MIAMI, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
AND OTHER FINANCING USES
LAST TEN FISCAL YEARS**

FISCAL YEAR	BOND PRINCIPAL	BOND INTEREST	GENERAL BONDED DEBT SERVICE EXPENDITURES	TOTAL GENERAL GOVERNMENTAL EXPENDITURES & OTHER FINANCING USES	RATIO
2003	\$ 12,620,000	\$ 10,827,693	\$ 23,447,693	\$ 389,851,259	6.01%
2002	11,635,000	6,858,848	18,493,848	347,595,858	5.32
2001	11,530,000	6,274,082	17,804,082	334,012,113	5.65
2000	11,055,000	6,885,334	17,940,334	296,120,209	6.06
1999	12,550,000	7,487,899	20,037,899	288,276,416	6.95
1998	14,249,815	8,328,223	22,578,038	297,365,349	7.59
1997	13,700,000	9,190,000	22,890,000	269,514,000	8.49
1996	12,530,000	10,197,000	22,727,000	360,789,000	6.30
1995	12,355,000	9,576,000	21,931,000	215,041,000	10.20
1994	11,980,000	9,917,000	21,897,000	212,343,000	10.31

**CITY OF MIAMI, FLORIDA
SCHEDULE OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2003**

Assessed value	\$ 20,653,396,472
less homestead exempt valuation	1,225,787,898
Net taxable assessed valuation	<u>\$ 19,427,608,574</u>
Debt limitation for bonds (15% of \$19,427,608,574) (1)	\$ 2,914,141,286
Present debt application to debt limitation	
General obligation debt	\$ 236,549,956
Less amount available in debt service fund	-
Legal debt margin	<u>236,549,956</u>
	<u>\$ 2,677,591,330</u>

(1) Section 58 of the City Charter limits the general obligation bonded debt of the City to 15% of the assessed valuation of all real and personal property within the City limits as determined by the preceding assessment roll of the City.

**CITY OF MIAMI, FLORIDA
CURRENT DEBT RATIOS
SEPTEMBER 30, 2003**

FACTORS:

Assessed value (1)		\$ 20,653,396,472
Net taxable valuation		<u>\$ 19,427,608,574</u>
City of Miami debt, net of reserve funds		
General obligation	\$ 236,549,956	
Special obligation (2)	<u>166,707,930</u>	403,257,886
Combined direct debt		
Overlapping debt, net of reserve funds (3)		
General obligation		<u>\$ 242,496,597</u>
Combined overlapping debt		\$ 645,754,483
Total net direct and net overlapping debt		
Population of Miami		362,470
Net assessed valuation per capita	\$	56,980
Net taxable valuation per capita	\$	53,598

DEBT RATIOS:

Net direct general obligation debt as a percentage of taxable assessed valuation		1.22%
Combined net direct and overlapping general obligation debt as a percent of taxable assessed valuation		2.47%
Net direct general obligation debt per capita	\$	652.61
Combined net direct general and special obligation debt per capita	\$	1,112.53
Combined net direct and overlapping general obligation debt per capita	\$	1,321.62
Combined net direct and overlapping general and special obligation per capita	\$	1,781.54

(1) Assessed valuation as of the final tax roll from Metropolitan Dade County, using 100% of assessed value as mandated by Florida Law

(2) Special obligation debt includes special obligation and revenue bonds. The revenue generated to pay these bonds and notes are from sources other than Ad Valorem Taxes.

(3) Based upon the percentage of the County's tax roll valuation comprised of real and personal property situated in the City of Miami.

**CITY OF MIAMI, FLORIDA
SCHEDULE OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT
SEPTEMBER 30, 2003**

Direct Debt

General obligation indebtedness (net of amount available)	\$ 236,549,956
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Overlapping Debt

Miami-Dade County		
Total net debt net of reserves	242,086,726	
Percent applicable to the City - 19% (1)		45,996,478
Miami-Dade County School Board (2)		
Total net debt net of reserves	1,034,211,151	
Percent applicable to the City - 19% (1)		196,500,119
		\$ 242,496,597

- (1) Based upon the percentage of the County tax roll valuation comprised of real and personal property situated in the City of Miami.
- (2) The amounts provided by the school board are as of fiscal year ended June 30, 2003.

**CITY OF MIAMI, FLORIDA
TEN LARGEST TAX ASSESSMENTS
2003 ASSESSED VALUES**

<u>TAXPAYER</u>	<u>NATURE OF ACTIVITY</u>	<u>ASSESSED VALUE</u>	<u>PERCENT %</u>
1. SRI Miami Ventures, LP	Real Estate Investments	\$ 242,800,000	1.61
2. Teachers Ins & Annuity Assoc of America	Real Estate Investments	221,000,000	1.46
3. Florida Power & Light	Utility	211,910,572	1.40
4. Prudential Insurance Co.	Real Estate Investments	157,700,000	1.04
5. Swire Properties	Real Estate Investments	138,667,229	0.92
6. 1111 Brickell Office LLC	Real Estate Investments	119,400,000	0.79
7. NOP LLC	Real Estate Investments	109,600,000	0.73
8. Biscayne Tower Group	Office Building	87,000,000	0.58
9. Bellsouth	Utility	85,562,693	0.57
10. Brickell Equities Corp	Real Estate Investments	74,200,000	0.49
All others	Various	13,665,220,947	90.42
Total		<u>\$ 15,113,061,441</u>	<u>100.00</u>

**CITY OF MIAMI, FLORIDA
BANK DEPOSITS
LAST TEN YEARS**

Financial Institutions

Miami-Dade County is second only to New York in the greatest concentration of international and Edge Act Banks in North America with 61 foreign bank agencies operating in the community. There are 11 Edge Act Banks that are located in Miami-Dade County. These include: HSBC Republic International, Banco de Bogota International, Bancare International, Banco Latino International, Banco Santander International, Bank of Boston International, Citibank International, Coutts & Company (U.S.A.) International, Bank of Miami, American Express Bank International and Riggs International Corp. The Federal Reserve Edge Act Amendment, adopted in 1979, permits banks to open international bank subsidiaries outside their home state. The Federal Reserve System has established a branch office in Miami-Dade County to assist the Atlanta office with financial transactions in the South Florida area.

<u>JUNE 30</u>	<u>NUMBER OF BANKS</u>	<u>TOTAL DEPOSIT</u>
2003	78	56,264,000,000
2002	75	51,297,297,000
2001	72	45,064,000,000
2000	72	40,543,000,000
1999	69	39,633,149,000
1998	67	28,996,024,000 (1)
1997	69	28,229,233,000 (1)
1996	72	26,748,125,000 (1)
1995	68	24,824,611,000 (1)
1994	66	22,463,569,000 (1)

(1) F.D.I.C. was not available. This data was provided by the Florida Bankers Association.

**CITY OF MIAMI, FLORIDA
BUILDING PERMITS
LAST TEN YEARS**

The dollar value of building permits issued in the City of Miami and in unincorporated Miami-Dade areas since 1994 are as follows:

<u>YEAR</u>	<u>CITY OF MIAMI</u>	<u>UNINCORPORATED MIAMI-DADE COUNTY (1)</u>
2003	\$ 727,753,627	\$ 1,516,853,000
2002	695,459,545	1,474,037,000
2001	635,696,950	1,461,565,000
2000	677,941,797	1,200,662,000
1999	744,979,437	1,271,087,000
1998	365,719,299	1,122,029,000
1997	339,897,000	969,286,000
1996	473,512,000	1,938,625,000
1995	302,898,000	1,317,936,000
1994	351,654,000	987,370,000

Source: Miami-Dade County Finance Department

**CITY OF MIAMI, FLORIDA
DEMOGRAPHIC STATISTICS
CITY OF MIAMI AND METROPOLITAN MIAMI-DADE COUNTY POPULATION
2000 CENSUS COUNT**

<u>YEARS</u>	<u>CITY OF MIAMI</u>	<u>MIAMI-DADE COUNTY</u>
0-4	21,222	145,752
5-9	21,962	157,871
10-14	22,182	160,754
15-19	22,339	154,989
20-24	23,023	144,721
25-34	54,264	337,433
35-44	55,682	361,966
45-54	44,287	282,766
55-59	17,983	109,141
60-64	17,758	97,417
65-74	32,233	162,257
75-84	21,140	99,827
85+	8,395	38,468
	<u>362,470</u>	<u>2,253,362</u>

Source: U.S. Bureau of Census

**CITY OF MIAMI, FLORIDA
GENERAL STATISTICAL DATA**

GEOGRAPHY

The City of Miami encompasses 34 square miles of land and 20 square miles of water and is the County seat of Miami-Dade, which encompasses 2,000 square miles of Florida's southeastern region. Miami is situated at the mouth of the Miami River on the western shore of Biscayne Bay, the main port of entry in Florida.

Miami is the southernmost major city and seaport in the continental United States. The nearest foreign territory is the Bahamian Island of Bimini, 50 miles from the Miami coast.

Miami's climate is sub-tropical-marine, characterized by long summers with abundant rain and mild, dry winters. The average temperature in the summer is 81.4 degrees Fahrenheit and 69.1 degrees Fahrenheit in the winter, with an average annual temperature of 75.3 degrees.

ECONOMY

The economic base of Greater Miami has diversified in recent years, shifting from reliance on the tourism industry to a combination of manufacturing, services industries and international trade. The area's advantages in terms of climate, geography, low taxes and skilled labor have combined to make the Miami area a prime relocation area for major manufacturing firms and international corporate headquarters.

PORT OF MIAMI

The Port of Miami is operated by the Seaport Department of Miami-Dade County. From 1994 to 2003, the number of passengers sailing from the Port increased from 2,967,081 to 3,960,614, an increase of 33%. The Port of Miami is currently the world's most active port in number of passengers and frequency of sailings. Cargo movement through the Port has increased by 61% in the last ten years of operation.

The Port of Miami has almost doubled in size, from 325 acres to 600 acres, through a \$250 million expansion program which began in 1980 designed to move 16 million tons of cargo and 4 million cruise passengers by the year 2004. The additional space is needed to accommodate the increasing number of shippers, buyers, importers, exporters, freight forwarders, and cruise passengers who wish to conduct business through the Port.

A ten year summary of the growth in revenues, passengers, and cargo handled follows:

<u>YEAR</u>	<u>REVENUES</u>	<u>TOTAL PASSENGERS</u>	<u>CARGO TONNAGE</u>
2003	\$ 83,152,554	3,960,614	9,002,359
2002	80,540,233	3,642,990	8,681,735
2001	76,207,522	3,391,091	8,247,004
2000	72,539,132	3,364,643	7,804,946
1999	64,549,647	3,112,355	6,930,372
1998	67,750,748	3,960,264	7,056,664
1997	60,638,678	3,191,885	6,735,388
1996	48,770,008	3,052,450	5,859,538
1995	45,214,988	2,974,703	5,840,815
1994	46,054,710	2,967,081	5,574,252

SOURCE: Miami-Dade Seaport Department

MIAMI INTERNATIONAL AIRPORT

Miami-Dade County owns and operates six airports in the Miami area. Miami International Airport ranks second in the nation and ninth in the world in passenger traffic through an airport. The Airport ranks second in the nation and fourth in the world in tonnage of domestic and international cargo movement. In 2003 over 29 million air travelers were serviced by Miami International Airport, and approximately 3.5 billion pounds of cargo were handled. Miami International Airport is in the midst of a one billion dollar expansion planned to service over 45 million passengers by the year 2005.

A ten year summary of the growth of both passengers served and cargo handled follows:

<u>YEAR</u>	<u>TOTAL PASSENGERS</u>	<u>TOTAL CARGO POUNDS</u>
2003	29,532,000	3,550,170,000
2002	29,350,000	3,526,584,000
2001	33,049,000	3,681,872,000
2000	33,743,000	3,598,450,000
1999	34,004,000	3,718,886,000
1998	34,032,000	3,983,304,000
1997	34,376,000	3,868,266,000
1996	33,497,000	3,695,676,000
1995	33,200,000	3,406,734,000
1994	29,475,000	2,836,998,000

**CITY OF MIAMI, FLORIDA
GROWTH FACTORS RELATIVE
TO MIAMI-DADE COUNTY, FLORIDA**

ELECTRICITY CUSTOMERS AND SALES

YEAR	TOTAL KWH SALES	RESIDENTIAL CUSTOMERS AVERAGE NUMBER	CUSTOMERS AVERAGE NUMBER
2003	26,379,216,033	827,544	111,320
2002	25,514,150,442	809,506	108,708
2001	24,324,685,945	800,858	107,970
2000	23,765,525,000	785,519	105,052
1999	23,447,742,000	772,845	103,870
1998	22,965,296,000	763,749	103,577
1997	22,298,295,000	756,522	102,278
1996	21,631,294,000	749,355	100,979
1995	21,416,207,000	746,887	107,799
1994	21,225,180,000	734,113	105,758

SOURCE: Florida Power & Light

WATER CUSTOMERS AND SALES

YEAR	NUMBER WATER METERS	CONSUMPTION (GALLONS)
2003	408,172	99,240,000,000
2002	398,073	96,113,000,000
2001	388,169	91,968,000,000
2000	372,973	99,053,000,000
1999	369,924	97,471,000,000
1998	366,992	97,312,000,000
1997	361,612	98,704,000,000
1996	353,525	98,911,000,000
1995	331,200	99,551,000,000
1994	330,956	100,784,000,000

SOURCE: Miami-Dade County Water & Sewer Department

MOTOR VEHICLE REGISTRATION AND SALES TAX COLLECTION

YEAR	MOTOR VEHICLE REGISTRATION	SALES TAX COLLECTIONS
2003	2,008,064	\$ 1,774,213,626
2002	1,916,980	1,913,110,256
2001	2,533,220	1,835,007,261
2000	2,420,074	1,791,550,000
1999	2,392,339	1,683,191,000
1998	2,410,644	1,667,778,000
1997	2,418,549	1,588,189,000
1996	2,426,455	1,508,601,000
1995	2,204,356	1,442,623,000
1994	2,274,404	1,307,536,000

SOURCE: State of Florida Department of Revenue