



CITY OF MIAMI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

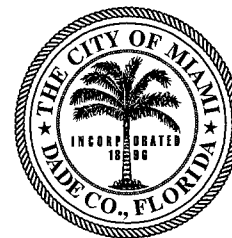
FISCAL YEAR ENDED
SEPTEMBER 30TH, 2004

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Miami, Florida
For the Year Ended September 30, 2004

Prepared by the Finance Department



INTRODUCTORY SECTION

PRINCIPAL CITY OFFICIALS

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LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART



City of Miami, Florida Principal City Officials

September 30, 2004

MAYOR

Manuel A. Diaz

CITY COMMISSION

Joe M. Sanchez, Chairman

Angel González, Vice-Chairman

Jeffery L. Allen, Commissioner

Tomás Regalado, Commissioner

Johnny L. Winton, Commissioner

CITY MANAGER

Joe Arriola

CITY ATTORNEY

Jorge L. Fernandez

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City of Miami, Florida

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2004

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City of Miami



February 28, 2005

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, 2004, 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 accounting principles generally accepted in the United States of America (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.

Rachlin Cohen and Holtz LLP partnering with Harvey, Branker & Associates, Rodriguez, Trueba & Co., CPA, P.A., and Susan M. Garcia, 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, 2004, 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, 2004, 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 the administration of federal and state awards.

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.

PROFILE OF THE GOVERNMENT

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 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 annual budget serves as the foundation for the City's financial planning and control. All departments and component units of the City are required to submit requests for appropriation to City's Budget Department. 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 Mayor shall prepare and deliver a budgetary address annually to the people of the City between July 1st and September 30th. Such report shall be prepared after consultation with the City Manager. The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30, the close of the City's fiscal year. 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 City Commission. The City 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. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For all non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, which starts on page 82.

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 2004, the Miami International Airport served nearly 30 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 3.9 billion pounds of domestic and international cargo during the year.

Sea Port. In 2004, the Port of Miami handled 9 million tons of cargo and over 3.4 million cruise passengers. Long considered the Cruise Capital of the World, boasting more homeported 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 \$17 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.

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 operates within an established formal debt management policy, which applies to all new issuances of debt and all outstanding debt issues. During the fiscal year the City received a certificate of excellence for its Debt Management Policy from the Association of Public Treasurers of United States and Canada (APT US&C). The City is only one of four organizations in the United States to have obtained this certification.

The City continues to obtain, in an efficient and innovative manner, long-term financing for the construction or acquisitions of various long-term assets. The policy's objective is to adequately plan and meet the City's comprehensive construction demands for essential capital improvements and equipment, and, at the same time, ensure that the residents of the City are not overburdened with general obligation long-term debt payable from ad valorem taxes.

The City was active in the capital market during fiscal year 2004. 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 November 2003, the

City refunded approximately \$4.18 million of General Obligation debt with a present value savings of approximately \$.52 million and a true interest cost of 3.51%.

The City's debt service millage from 2004 for all bonded indebtedness was 1.08 mills representing an 11.3% decrease from the 2003 rate.

The following chart indicates the principal amortization of the City's general obligation debt in five-year increments. As can be seen, approximately 45% 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, 2004**

2009	\$	51,511,453
2014		50,515,250
2019		69,248,253
*2024		54,670,000

* 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 treasury and agency securities, and commercial paper.

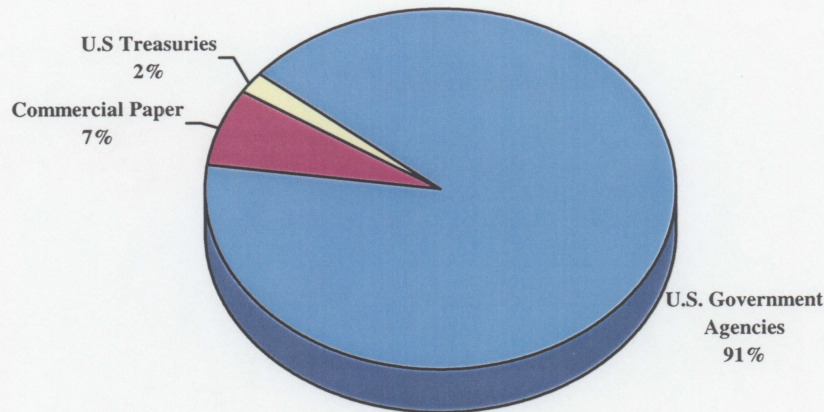
For purposes of maximizing the interest earning yield on short-term investments, cash balances of all funds are pooled. The primary objective of the City's policy is preservation of capital. It is the City's policy not to invest in highly leveraged derivatives. Investment income reported in these financial 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>2004</u>	<u>2003</u>	<u>2002</u>
Average Portfolio Balance (End of Year)	\$ 515,393,450	\$ 508,369,707	\$ 362,439,535
Average Investment Yield	2.64%	2.55%	3.77%
Interest Earned on Investments managed by the Finance Department	\$ 13,558,256	\$ 12,985,760	\$ 13,676,175

The following chart summarizes the City's investments, including cash equivalents, at September 30, 2004:

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, 2004, the estimated liability for insurance claims that are expected to be paid with in one year totaled \$32,539,863. The estimated long-term liability for insurance claims, at September 30, 2004, is \$78,716,641. 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, 2004. 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 11 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, 2003. 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 2003 Comprehensive Annual Financial Report has been evaluated by an impartial Special Review Committee composed of other government officers,

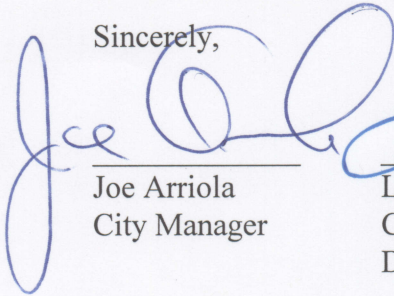
independent certified public accountants, educators and others with particular expertise in government accounting and financial reporting. We believe that the 2004 Comprehensive Annual Financial Report continues to conform to the high standards of the Certificate of Achievement Program and we are submitting it to the GFOA for consideration.

ACKNOWLEDGEMENTS

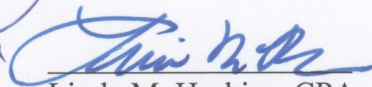
The Comprehensive Annual Financial Report's preparation was made possible through the efficient, dedicated and professional efforts of the entire staff in the Finance Department. The significant amount of year-end closing procedures required prior to the audit, could not have been accomplished without 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, Rachlin Cohen and Holtz LLP in association with Harvey, Branker & Associates, Rodriguez, Trueba & Co., CPA, P.A., and Susan M. Garcia, P.A., for their cooperation and assistance. Lastly we wish to express our appreciation to the City's Office of Communication for the use of the photographs and General Services Administration for the reproduction of this report.

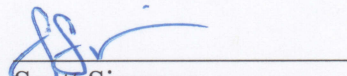
Sincerely,



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, 2003. 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, 2003

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.



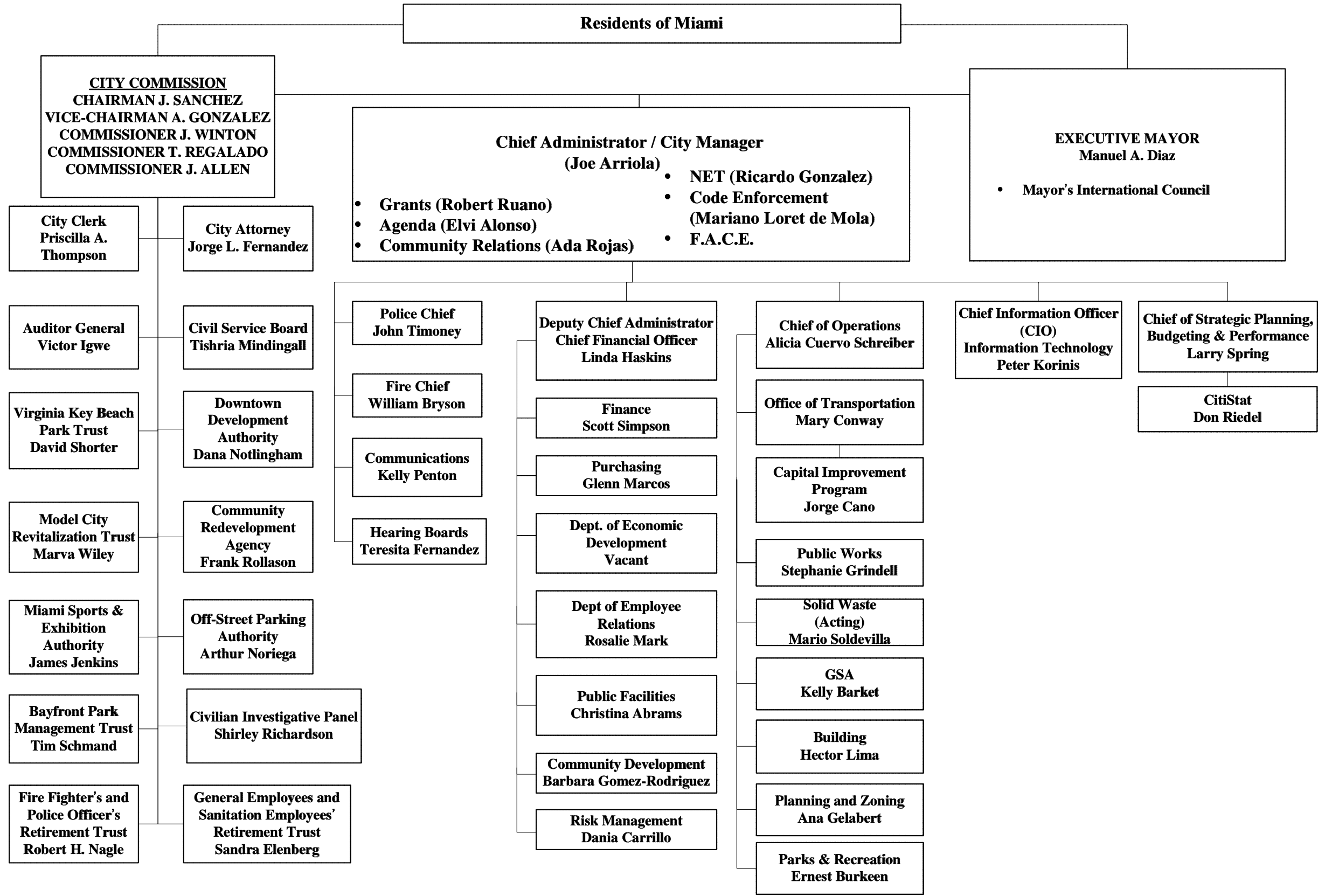
Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

CITY OF MIAMI TABLE OF ORGANIZATION



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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS
(Government-wide Financial Statements)
(Fund Financial Statements)

NOTES TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commission and City Manager
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 fiscal year ended September 30, 2004, 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, the Gusman and Olympia Special Revenue Fund, the Virginia Key Beach Park Trust, the Model City Community Revitalization District Trust, the Firefighters' and Police Officers' Retirement Trust and the General Employees' and Sanitation Employees' Retirement Trust, which represent 90% and 75%, respectively, of the assets and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the Downtown Development Authority, the Department of Off-Street Parking, the Miami Sports and Exhibition Authority and the Bayfront Park Management Trust 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 the aggregate remaining fund information and discretely presented component units is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 provides 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, as of September 30, 2004, and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States.



Rachlin Cohen & Holtz LLP

One Southeast Third Avenue ■ Tenth Floor ■ Miami, Florida 33131 ■ Phone 305.377.4228 ■ Fax 305.377.8331 ■ www.rachlin.com

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Honorable Mayor, City Commission and City Manager
City of Miami, Florida
Page Two

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2005 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 grant agreements. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information on pages 3-12 and pages 59-63, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States. We 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 financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

Rachlin Cohen & Holtz LLP

Miami, Florida
February 8, 2005

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, 2004. 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 – xiv of this report.

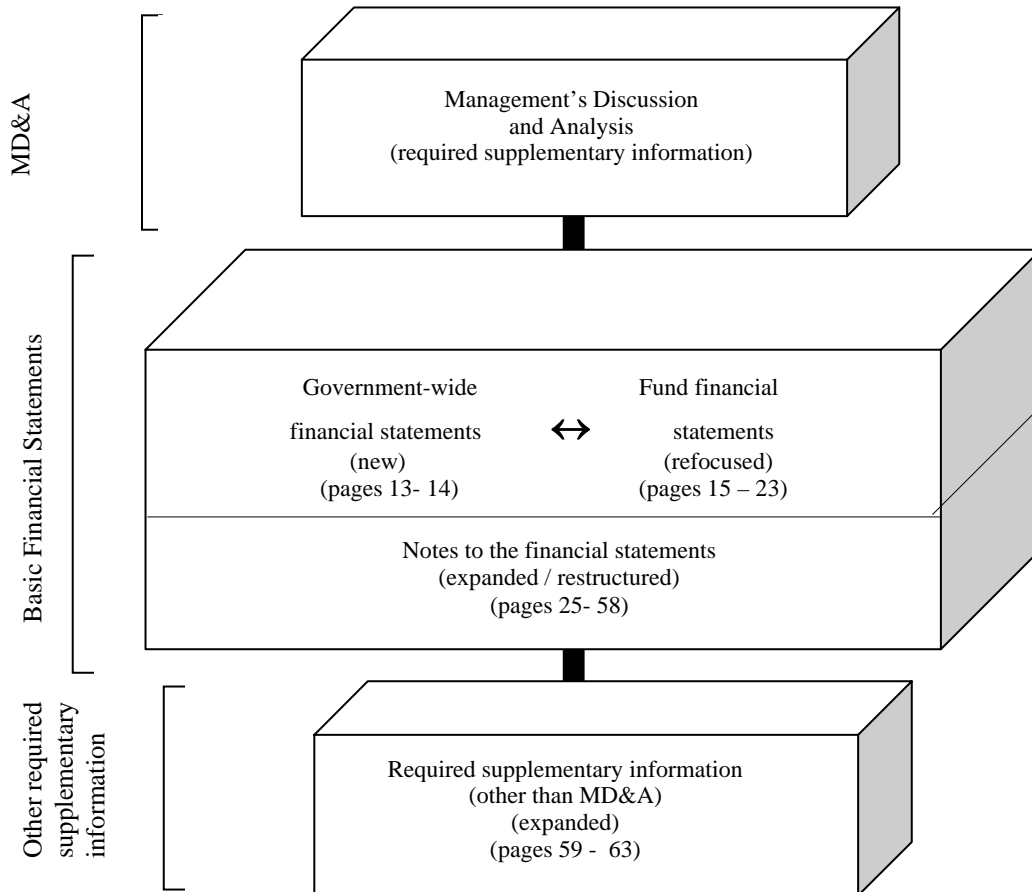
FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$671,501,732 (net assets).
- The governmental activities revenue increased \$57,834,099 (or 11.5%) and the net results from activities decreased by \$27,999,273 (or 1,724.3%). In 2004 and 2003, the results of activities produced a change in net assets of \$(26,375,450) and \$1,623,823, respectively.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reflects a decrease in fund balance of \$5,009,574 (or 3.5%).
- The City's total debt decreased by \$19,129,165 (or 4.2%) 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 are comprised of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 activities 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 subsidies, 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, General Government Capital Projects Fund, and the Streets and Sidewalks Capital Projects Fund, which are considered to be major funds. Data from the other twenty-seven 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, Special Revenue Funds, and Debt Service 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 governmental fund financial 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 financial statements. The notes to the financial statements can be found on pages 25 – 58 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 59 – 63 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 70 – 100 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$671,501,732 at the close of the most recent fiscal year.

The largest portion of the City's net assets (87.34%) 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 (22.21%) represents resources that are subject to external restrictions on how they may be used.

The remaining unrestricted net assets deficit of \$64,134,990 is primarily due to outstanding borrowings of approximately \$76 million for which there is no offsetting assets.

The deficit in unrestricted net assets in government activities increased by \$28,900,642. The increase in the deficit was primarily attributable to the accrual of certain claims.

The following schedule reflects a summary of net assets compared to prior year.

Summary of Net Assets as of September 30

	Governmental Activities	
	2004	2003
Current and other assets	\$ 558,907,935	\$ 572,120,755
Capital assets	804,769,718	807,941,738
Total assets	1,363,677,653	1,380,062,493
Other liabilities	71,223,521	76,205,441
Long-term liabilities	620,952,400	605,979,870
Total liabilities	692,175,921	682,185,311
Net assets:		
Invested in capital assets, net of debt	586,493,178	618,784,135
Restricted	149,143,544	114,327,395
Unrestricted (Deficit)	(64,134,990)	(35,234,348)
Total net assets	\$ 671,501,732	\$ 697,877,182

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

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

	Changes in Net Assets	
	Governmental Activities	
	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$ 176,758,048	\$ 159,152,165
Operating grants and contributions	42,967,708	34,441,899
Capital grants and contributions	19,952,074	9,646,560
General revenues:		
Property taxes	182,988,575	166,770,291
Franchise fees and licensing fees	35,024,215	30,750,743
State revenue sharing	32,631,162	32,631,162
Public service taxes	60,024,832	58,900,480
Investment earnings	5,618,813	8,833,535
Other	4,072,796	1,077,289
Total revenues	<u>560,038,223</u>	<u>502,204,124</u>
Expenses:		
General government	85,252,892	85,176,588
Planning and development	13,148,696	13,579,968
Community development	40,349,703	32,088,517
Community redevelopment areas	4,618,714	6,477,916
Public works	49,498,193	60,708,046
Public safety	282,427,868	226,580,865
Public facilities	17,458,726	10,561,373
Parks and recreation	44,275,606	20,152,074
Interest on long-term debt	23,235,705	19,489,387
Unallocated depreciation	26,147,570	25,765,567
Total expenses	<u>586,413,673</u>	<u>500,580,301</u>
Change in net assets	(26,375,450)	1,623,823
Net Assets - Beginning	697,877,182	696,253,359
Net Assets - Ending	<u>\$ 671,501,732</u>	<u>\$ 697,877,182</u>

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

Governmental Activities – As noted earlier, governmental activities decreased the City’s net assets by \$26,375,450. Key elements of this decrease are as follows:

The increase in charges for services in the current year was primarily due to an increase in impact fees and private contributions.

The increase in operating and capital grants and contributions are primarily the result of a increase in U.S. Department of Housing and Urban Development awards (\$7.9 million) and an increase in grant awards from the Free Trade Area of the Americas (FTAA) (\$8.5 million).

Property taxes increased by 9.7% (\$16.2 million) during the year. The increase was due to a 11.4% (\$1.9 billion) increase of the net assessed value of taxable property. The City has decreased the overall millage rate for the last five years to the current rate of 9.8425 (Operating: 8.7625, Debt Service: 1.08).

Investment earnings for fiscal year 2004 was reduced as a result of Citywide unrealized losses in investments (GASB 31 Mark to Market) (excluding pension funds) of \$2,581,436.

Community development expenses were impacted by increases in U.S. Housing and Urban Development grant revenues resulting in increases in community development activities.

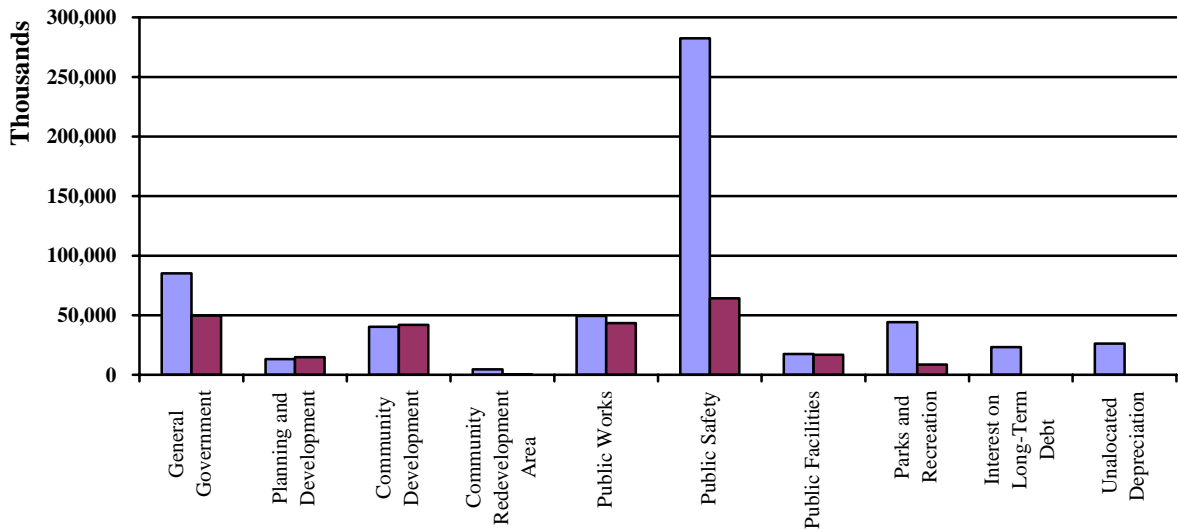
Public safety experienced an increase of \$55.8 million in expenses. The primary reasons for the increase was an increase of \$20.8 million in the current year's pension plan contributions as well as an accrual for pending litigation in the amount of \$17.9 million.

Public facilities expenses increased by \$6.8 million in fiscal 2004. This increase is primarily due to operational and maintenance expenditures for the Orange Bowl (\$1.5 million), marinas (\$.3 million), and affordable housing projects (\$1.0 million).

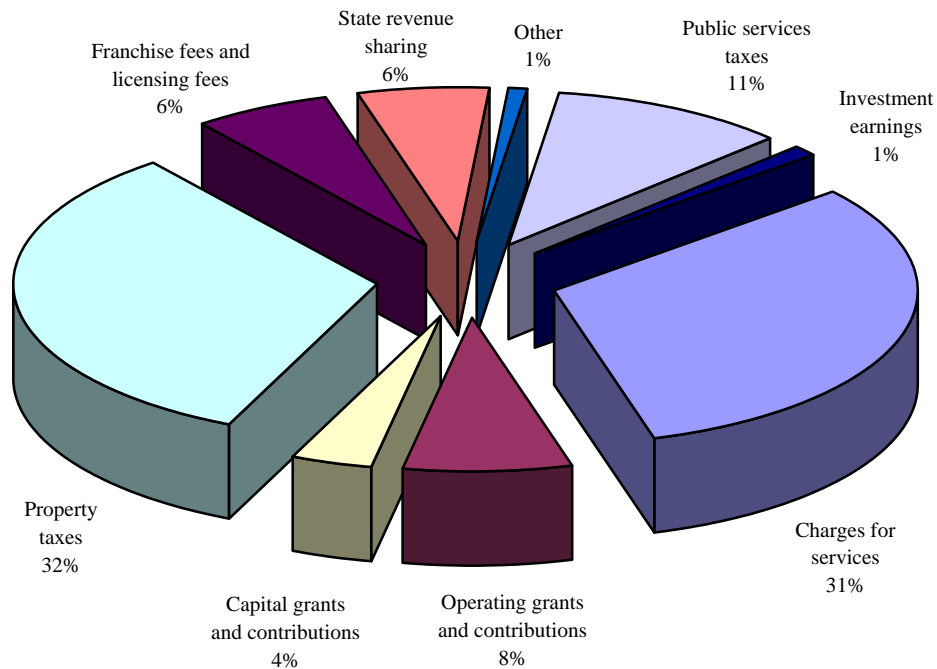
Public works expense allocations are subject to annual classification of either maintenance (shown as expenditures) or capital (capitalized and therefore not reflected as expenditures). There was a \$20.3 million increase in capital acquisitions resulting in a corresponding decrease in the operating expenditures for the same amount. There was a \$2.0 million increase in the operational expenses in the National Pollution Discharge System activities.

Parks and recreation 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 \$23.5 million decrease in capital acquisitions resulting in a corresponding increase in the operating expenditures for the same amount.

Expenses and Program Revenues - Governmental Activities



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 \$133,413,642, while the total fund balance reached \$136,852,762. 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 22.7% of the total expenditures and transfers-out for recurring operational costs reported in other funds, while total fund balance represents 23.3% of that same total amount.

The General Fund’s fund balance decreased by \$5,009,574 during the current fiscal year. Key factors in this decrease are as follows:

- An increase in taxable property values resulted in an additional \$19,787,456 in property tax revenue.
- Budgeted expenditures were less than actual amounts resulting in a \$17,162,546 favorable variance.
- Fund balance was reduced by \$47 million of pension contributions which was an increase of \$28.5 million from the previous year.

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

The Community Development Fund had a total fund balance of \$8,656,528, of which \$44,562 is reserved for encumbrances. The increase in fund balance during the current year of \$1,822,058 was attributable to increased program activities as well as better grant management.

The Public Services Tax Fund had a total fund balance of \$13,777,780, of which \$8,916,249 is designated for the payment of future settlements. 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 \$71,261,970, of which \$4,486,337 is reserved for encumbrances. The \$19,055,605 decrease in fund balance from the prior year can be attributed to the commencement of various capital projects in the current fiscal year.

The Street and Sidewalks Capital Projects Fund had a fund balance of \$63,602,258, of which \$14,267,046 is reserved for encumbrances. The \$16,791,849 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 \$27,693,627 from the original budget (an increase of 6.59%). This increase can be summarized as follows (please see budget to actual comparison on page 59):

- \$2,616,756 in miscellaneous increases in general government activities
- \$43,146 in increases allocated to the Planning and Development department
- \$687,149 in increases allocated to the Public Works department
- \$18,967,443 in increases allocated to public safety
- \$7,160 in decreases allocated to Public Facilities
- \$34,947 in increases allocated to Parks and Recreation
- \$5,337,026 in increases in transfers to other funds

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

The budget for intergovernmental revenues was increased primarily due to recognition of \$10,997,694 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. Accordingly, the public safety function experienced a \$10,997,694 increase in the budget for personnel costs due to the recognition of the Chapter 175 and 185 pension trust plans payments. Additional information on the plan can be found in Note 11 on page 48 in the notes to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the City had \$804,769,718, net of accumulated depreciation, invested in a variety of capital assets, as reflected in the following schedule, which represents a net decrease (additions less retirements and depreciation) of \$3,172,020 or .40% from the end of prior year.

Capital Assets at Year End (Net of Depreciation)

	Governmental Activities	
	2004	2003
Land	\$ 66,981,990	\$ 64,372,140
Construction in Progress	28,735,874	52,458,462
Buildings	80,294,777	84,190,700
Improvements Other Than Buildings	14,618,392	5,429,933
Building Improvements	25,729,124	1,866,036
Machinery and Equipment	51,242,407	47,833,422
Infrastructure	537,167,154	551,791,045
Total	\$ 804,769,718	\$ 807,941,738

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

- The City purchased various land in amount of \$792,000 for the development of Little Haiti Park. In addition, the City made land acquisitions for community and real estate development in excess of \$1.5 million dollars.
- Model city purchased Royalty Heights apartment building at a cost of approximately \$500,000.
- Also, \$4 million was invested in the replacement of various City vehicles, police cars, and fire and rescue apparatus. Additionally, the Police Department had a large purchase of a Freedom Call recording system at a cost of approximately \$556,000

Additional information on the City's capital assets can be found in Note 1 on page 30 and Note 6 on page 38 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 \$439,236,581. Of this amount, \$236,446,335 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 Revenue Bonds and Loans**

	Governmental Activities	
	2004	2003
General Obligation Bonds	\$ 236,446,335	\$ 245,670,908
Special Obligation Bonds, Revenue Bonds and Loans	202,790,246	212,694,568
Total	\$ 439,236,581	\$ 458,365,476

The City’s total debt decreased \$19,129,165 (or 4.2%) 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 net present value economic gain of \$519,676.

The City maintained bond rating on its general obligation debt of 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 9 on pages 42 - 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 2004 budget. Included among these factors were uncertainties regarding the fire assessment fee, pension costs, and health insurance costs, and various economic indicators.

Per the U.S. Department of Labor, the unemployment rate for South Florida is currently 5.7%, which is a decreased from a rate of 7.5% a year ago. This rate is lower than the State’s average unemployment rate of 5.1% and the national average rate of 6.0%. The region’s inflation rate of 2.3% is comparable to the national indices of 2.5%.

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
September 30, 2004

	Governmental Activities	Component Units
Assets		
Cash, Cash Equivalents and Investments	\$ 498,320,689	\$ 27,615,119
Receivables - Net	38,290,002	2,347,059
Accrued Interest	2,448,182	8,480
Inventory	-	5,000
Prepays	754,271	509,492
Other Assets	606,224	182,742
Restricted Assets:		
Cash, Cash Equivalents and Investments	14,539,511	726,420
Capital Assets:		
Non-depreciable	95,717,864	21,039,562
Depreciable - Net	709,051,854	47,778,793
Deferred Charges - Bond Issuance Costs	3,949,056	331,346
Total Assets	1,363,677,653	100,544,013
Liabilities		
Accounts Payable and Accrued Liabilities	47,090,235	2,471,081
Due to Other Governments	30,431	23,260
Deferred Revenue	11,426,509	676,781
Deposits	8,010,623	354,589
Accrued Interest Payable	4,665,723	1,262,026
Non-Current Liabilities		
Due Within One Year:		
Bonds and Loans Payable	18,770,229	33,505,000
Capital Lease	604,759	-
Compensated Absences	4,688,967	80,527
Claims Liability	32,539,863	-
Due In More Than One Year:		
Bonds and Loans Payable	420,466,352	9,829,430
Capital Lease	1,921,177	-
Compensated Absences	63,244,412	23,918
Claims Liability	78,716,641	-
Total Liabilities	692,175,921	48,226,612
Net Assets		
Invested in Capital Assets - Net of Related Debt	586,493,178	25,854,797
Restricted for:		
Capital Projects	135,566,810	8,374,989
Debt Service	11,536,933	3,602,007
Law Enforcement	2,039,801	-
Unrestricted (Deficit)	(64,134,990)	14,485,608
Total Net Assets	\$ 671,501,732	\$ 52,317,401

City of Miami, Florida
Statement of Activities
For the Year Ended September 30, 2004

Functions/Programs Activities:	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
General Government	\$ 85,252,892	\$ 48,955,278	\$ -	\$ 738,032	\$ (35,559,582)	\$ -
Planning and Development	13,148,696	14,352,919	-	494,609	1,698,832	-
Community Development	40,349,703	2,069,068	39,820,229	-	1,539,594	-
Community Redevelopment Areas	4,618,714	220,517	-	-	(4,398,197)	-
Public Works	49,498,193	42,608,182	605,428	237,945	(6,046,638)	-
Public Safety	282,427,868	48,507,121	947,564	14,738,617	(218,234,566)	-
Public Facilities	17,458,726	16,736,649	-	33,375	(688,702)	-
Parks and Recreation	44,275,606	3,308,314	1,594,487	3,709,496	(35,663,309)	-
Interest on Long-Term Debt	23,235,705	-	-	-	(23,235,705)	-
Unallocated Depreciation	26,147,570	-	-	-	(26,147,570)	-
Total primary government	\$ 586,413,673	\$ 176,758,048	\$ 42,967,708	\$ 19,952,074	\$ (346,735,843)	\$ -
Component Units:						
Miami Sports Exhibition Authority	\$ 7,124,119	\$ 947,253	\$ -	\$ -	\$ -	\$ (6,176,866)
Department of Off-Street Parking	12,779,312	12,520,747	-	-	-	(258,565)
Downtown Development Authority	2,010,370	-	24,964	-	-	(1,985,406)
Bayfront Park	3,842,845	2,156,200	-	-	-	(1,686,645)
Total component units	\$ 25,756,646	\$ 15,624,200	\$ 24,964	\$ -	\$ -	\$ (10,107,482)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					163,056,413	2,422,101
Property taxes, levied for debt service					19,932,162	-
Convention Development Taxes					-	9,046,022
Franchise Fees and Licensing Fees					35,024,215	620,750
State revenue sharing (sales tax and fuel tax)					32,631,162	-
Public Service Taxes					60,024,832	-
Investment Earnings					5,618,813	202,794
Other					4,072,796	1,279,281
Total General Revenues					320,360,393	13,570,948
Change in Net Assets					(26,375,450)	3,463,466
Net assets - Beginning					697,877,182	48,853,935
Net assets - Ending					\$ 671,501,732	\$ 52,317,401

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

City of Miami, Florida
Balance Sheet
Governmental Funds
September 30, 2004

	General	Community Development	Public Services Tax	General Government	Street & Sidewalks	Other Governmental Funds	Total Governmental Funds
Assets							
Cash, Cash Equivalents and Investments	\$ 162,921,516	\$ 6,958,064	\$ 4,043,058	\$ 74,305,548	\$ 65,404,257	\$ 184,688,246	\$ 498,320,689
Restricted Cash and Investments	190,958	-	-	-	-	14,348,553	14,539,511
Receivables							
(Net of Allowances for Uncollectibles):							
Accounts	10,020,559	1,197,337	-	-	-	768,158	11,986,054
Taxes	7,875,416	-	-	-	-	1,020,382	8,895,798
Special Assessments	-	283,273	-	-	-	113,197	396,470
Due from Other Funds	-	-	2,460,908	-	-	-	2,460,908
Due from Other Governments	1,563,256	4,228,835	7,273,814	-	-	3,945,775	17,011,680
Accrued Interest	1,452,134	19,806	-	182,938	218,167	575,137	2,448,182
Prepays	447,887	-	-	-	-	306,384	754,271
Other Assets	-	-	-	-	306,224	300,000	606,224
Total Assets	\$ 184,471,726	\$ 12,687,315	\$ 13,777,780	\$ 74,488,486	\$ 65,928,648	\$ 206,065,832	\$ 557,419,787
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 28,674,542	\$ 3,069,222	\$ -	\$ 3,113,150	\$ 2,326,390	\$ 7,246,876	\$ 44,430,180
Due to Other Funds	-	-	-	-	-	2,460,908	2,460,908
Due to Other Governments	28,406	-	-	-	-	2,025	30,431
Deferred Revenue	12,129,667	890,382	-	113,366	-	2,453,036	15,586,451
Deposits	6,786,349	71,183	-	-	-	1,153,091	8,010,623
Total Liabilities	47,618,964	4,030,787	-	3,226,516	2,326,390	13,315,936	70,518,593
Fund Balances:							
Reserved for:							
Encumbrances	2,991,233	44,562	-	4,486,337	14,267,046	27,611,097	49,400,275
Debt Service	-	-	-	-	-	10,386,933	10,386,933
Law Enforcement	-	-	-	-	-	2,039,801	2,039,801
Prepaid Items	447,887	-	-	-	-	306,384	754,271
Unreserved, Designated for, Reported in:							
Subsequent Years Expenditures	39,157,336	-	-	-	-	4,568,935	43,726,271
Future Settlements	-	-	8,916,249	-	-	-	8,916,249
Strategic Initiatives	1,648,710	-	-	-	-	-	1,648,710
Management Initiatives	53,264,960	-	-	-	-	-	53,264,960
Unreserved, Undesignated Reported in:							
General Fund	39,342,636	-	-	-	-	-	39,342,636
Special Revenue Funds	-	8,611,966	4,861,531	-	-	22,093,006	35,566,503
Capital Projects Funds	-	-	-	66,775,633	49,335,212	125,743,740	241,854,585
Total Fund Balances	136,852,762	8,656,528	13,777,780	71,261,970	63,602,258	192,749,896	486,901,194
Total Liabilities and Fund Balances	\$ 184,471,726	\$ 12,687,315	\$ 13,777,780	\$ 74,488,486	\$ 65,928,648	\$ 206,065,832	\$ 557,419,787

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, 2004

Fund Balances - Total Governmental Funds		\$ 486,901,194
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental Capital Assets	\$ 1,446,092,354	
Less: Accumulated Depreciation	<u>(641,322,636)</u>	804,769,718
<p>Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.</p>		
		4,159,942
<p>Unamortized bond issuance costs are not available to pay for current period expenditures and therefore are not reported in the governmental funds.</p>		
		3,949,056
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds and Loans Payable	(439,236,581)	
Capital Lease	(2,525,936)	
Compensated Absences	(67,933,379)	
Claims Liability	(111,256,504)	
Accrued Interest Payable	(4,665,723)	
Accrued Liabilities	<u>(2,660,055)</u>	<u>(628,278,178)</u>
Net Assets of Governmental Activities		<u>\$ 671,501,732</u>

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

City of Miami, Florida
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended September 30, 2004

	General Fund	Community Development	Public Services Tax	General Government	Street & Sidewalks	Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$ 159,391,679	\$ -	\$ -	\$ -	\$ -	\$ 27,110,275	\$ 186,501,954
Franchise Fees and Other Taxes	34,988,629	-	67,786,829	-	-	35,589	102,811,047
Licenses and Permits	23,011,688	-	-	-	-	-	23,011,688
Fines and Forfeitures	4,732,357	-	-	-	-	917,095	5,649,452
Intergovernmental Revenues	49,260,814	35,835,281	-	-	574,419	38,482,599	124,153,113
Charges for Services	87,591,034	4,965,852	-	-	-	9,615,677	102,172,563
Interest	5,438,411	68,493	-	-	832,519	2,714,999	9,054,422
Impact Fees	-	-	-	-	3,743,183	-	3,743,183
Other	5,828,412	1,019,670	-	168,749	-	8,353,598	15,370,429
Total Revenues	370,243,024	41,889,296	67,786,829	168,749	5,150,121	87,229,832	572,467,851
Expenditures							
Current Operating:							
General Government	64,208,736	-	-	-	-	7,535,895	71,744,631
Planning and Development	10,722,800	-	-	-	-	1,697,965	12,420,765
Community Development	-	39,073,478	-	-	-	-	39,073,478
Community Redevelopment Areas	-	-	-	-	-	4,610,070	4,610,070
Public Works	56,926,608	-	-	-	-	-	56,926,608
Public Safety	243,181,936	-	-	-	-	22,392,132	265,574,068
Public Facilities	5,911,254	-	-	-	-	4,332,619	10,243,873
Parks and Recreation	14,763,846	-	-	-	-	1,918,211	16,682,057
Debt Service:							
Principal	-	-	-	-	-	19,839,464	19,839,464
Interest and Other Charges	-	-	-	-	-	22,694,233	22,694,233
Capital Outlay	-	-	-	13,366,705	11,041,884	30,298,415	54,707,004
Total Expenditures	395,715,180	39,073,478	-	13,366,705	11,041,884	115,319,004	574,516,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,472,156)	2,815,818	67,786,829	(13,197,956)	(5,891,763)	(28,089,172)	(2,048,400)
Other Financing Sources (Uses)							
Transfers In	49,400,444	672,550	-	58,010,454	33,095,291	83,769,605	224,948,344
Transfers Out	(32,142,211)	(1,666,310)	(60,812,983)	(63,868,103)	(10,411,679)	(56,047,058)	(224,948,344)
Refunding Bonds Issued	-	-	-	-	-	4,180,000	4,180,000
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	(4,062,502)	(4,062,502)
Capital Leases	3,204,349	-	-	-	-	-	3,204,349
Total Other Financing Sources (Uses)	20,462,582	(993,760)	(60,812,983)	(5,857,649)	22,683,612	27,840,045	3,321,847
Net Changes in Fund Balances	(5,009,574)	1,822,058	6,973,846	(19,055,605)	16,791,849	(249,127)	1,273,447
Fund Balances - Beginning	141,862,336	6,834,470	6,803,934	90,317,575	46,810,409	192,999,023	485,627,747
Fund Balances - Ending	\$ 136,852,762	\$ 8,656,528	\$ 13,777,780	\$ 71,261,970	\$ 63,602,258	\$ 192,749,896	\$ 486,901,194

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, 2004

Net Changes in Fund Balances - Total Governmental Funds \$ 1,273,447

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

Cumulative over funding of annual required pension contribution. (3,382,512)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes (3,513,379)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of these assets are depreciated over their estimated useful lives. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold, and, therefore, were not capitalized.

Expenditures for Capital Assets	\$ 40,556,430	
Less: Current Year Depreciation	<u>(41,657,284)</u>	(1,100,854)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (2,071,166)

Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond loan and capital lease principal is a expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities.

Refunding Bonds Issued	(4,180,000)	
Capital Lease	(3,204,349)	
Principal Paid on Bonds and Loans	19,839,464	
Principal Paid on Capital Lease	678,413	
Payment to Refunded Bond Escrow Agent	4,062,502	
Refunding Bonds Issuance Costs	63,115	
Amortization of Issuance Costs, Premiums, Discounts, and Accretion	<u>(2,013,121)</u>	15,246,024

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

Compensated Absences	(2,057,586)	
Claims Liability	(29,517,903)	
Accrued Interest Payable	1,408,534	
Accrued Liabilities	<u>(2,660,055)</u>	<u>(32,827,010)</u>

Change in Net Assets of Governmental Activities \$ (26,375,450)

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

City of Miami, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2004

	Employee Retirement Funds
Assets	
Cash and Short-Term Investments	\$ 39,871,290
Accounts Receivable	19,990,198
Capital Assets	4,344,932
	64,206,420
Investments, at fair value	
U.S. Government Obligations	268,238,933
Corporate Bonds	241,982,046
Corporate Stocks	1,083,579,875
Money Market Funds and Commercial Paper	17,072,002
Mutual Funds	58,003,816
Real Estate	30,263,649
Total Investments	1,699,140,321
Securities Lending Collateral	146,958,999
Total Assets	1,910,305,740
Liabilities	
Obligations Under Security Lending	146,958,999
Accounts Payable	1,311,695
Accrued Liabilities	9,686,086
Payable for Securities Purchased	35,031,913
Total Liabilities	192,988,693
Net Assets	
Held in Trust for Pension Benefits	\$ 1,717,317,047

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, 2004

	<u>Employee Retirement Funds</u>
Additions	
Contributions:	
Employer	\$ 48,244,837
Plan Members	32,397,025
Total Contributions	<u>80,641,862</u>
Investment Earnings:	
Net Increase in Fair Value of Investments	149,872,508
Interest	25,470,262
Dividends	14,149,637
Other Income, net	3,281,096
Total Investment Earnings	<u>192,773,503</u>
Less Investment Expenses	<u>6,248,780</u>
Net Investment Earnings	<u>186,524,723</u>
Total Additions	<u>267,166,585</u>
Deductions	
Benefits	95,042,669
Refunds upon Resignation, Death, etc.	1,191,082
Distribution to Retirees	9,916,255
Administrative and Other Expenses	2,419,336
Total Deductions	<u>108,569,342</u>
Change in Net Assets	158,597,243
Net Assets - Beginning of Year	<u>1,558,719,804</u>
Net Assets - End of Year	<u><u>\$ 1,717,317,047</u></u>

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

City of Miami, Florida
Statement of Net Assets
Discretely Presented Component Units
September 30, 2004

	Miami Sports and Exhibition Authority	Department of Off-Street Parking	Downtown Development Authority	Bayfront Park	Total
Assets					
Cash, Cash Equivalents and Investments	\$ 16,081,780	\$ 4,533,527	\$ 3,122,874	\$ 3,876,938	\$ 27,615,119
Receivables (Net)					
Accounts	75,338	1,317,791	-	222,575	1,615,704
Taxes	705,705	-	25,650	-	731,355
Accrued Interest	7,245	1,235	-	-	8,480
Inventory	-	-	-	5,000	5,000
Prepays	261,595	243,076	-	4,821	509,492
Other Assets	-	182,742	-	-	182,742
Restricted Assets:					
Cash, Cash Equivalents and Investments	-	626,420	-	100,000	726,420
Capital Assets:					
Non-depreciable	7,080,662	13,442,771	-	516,129	21,039,562
Depreciable, Net	29,744,301	15,150,666	264,167	2,619,659	47,778,793
Deferred Charges - Bond Issuance Costs	-	331,346	-	-	331,346
Total Assets	53,956,626	35,829,574	3,412,691	7,345,122	100,544,013
Liabilities					
Accounts Payable and Accrued Liabilities	186,346	2,095,457	92,013	97,265	2,471,081
Due to Other Governments	-	-	23,260	-	23,260
Deferred Revenue	21,389	411,414	4,771	239,207	676,781
Deposits	-	205,268	-	149,321	354,589
Accrued Interest Payable	1,016,673	245,353	-	-	1,262,026
Non-Current Liabilities					
Due Within One Year:					
Bonds and Loans Payable	32,820,000	685,000	-	-	33,505,000
Compensated Absences	-	-	80,527	-	80,527
Due In More Than One Year:					
Bonds and Loans Payable	-	9,829,430	-	-	9,829,430
Compensated Absences	-	-	23,918	-	23,918
Total Liabilities	34,044,408	13,471,922	224,489	485,793	48,226,612
Net Assets					
Invested in Capital Assets, Net of Related Debt	4,004,963	18,449,879	264,167	3,135,788	25,854,797
Restricted for:					
Capital Projects	8,374,989	-	-	-	8,374,989
Debt Service	2,715,177	886,830	-	-	3,602,007
Unrestricted	4,817,089	3,020,943	2,924,035	3,723,541	14,485,608
Total Net Assets	\$ 19,912,218	\$ 22,357,652	\$ 3,188,202	\$ 6,859,329	\$ 52,317,401

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, 2004

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Miami Sports				
Exhibition Authority				
Culture and Recreation	\$ 7,124,119	\$ 947,253	\$ -	\$ -
Total Miami Sports Exhibition Authority	<u>7,124,119</u>	<u>947,253</u>	<u>-</u>	<u>-</u>
Department				
of Off-Street Parking				
Transportation	12,779,312	12,520,747	-	-
Total Department of Off-Street Parking	<u>12,779,312</u>	<u>12,520,747</u>	<u>-</u>	<u>-</u>
Downtown				
Development Authority				
General Government	1,460,107	-	24,964	-
Community Development	550,263	-	-	-
Total Downtown Development Authority	<u>2,010,370</u>	<u>-</u>	<u>24,964</u>	<u>-</u>
Bayfront Park				
Parks and Recreation	3,842,845	2,156,200	-	-
Total Bayfront Park	<u>3,842,845</u>	<u>2,156,200</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 25,756,646</u>	<u>\$ 15,624,200</u>	<u>\$ 24,964</u>	<u>\$ -</u>

General Revenues:

Taxes:
 Property taxes, levied for general purposes
 Convention Development Taxes
 Licensing Fees
Investment Earnings
Other
 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	Totals
\$ (6,176,866)	\$ -	\$ -	\$ -	\$ (6,176,866)
(6,176,866)	-	-	-	(6,176,866)
-	(258,565)	-	-	(258,565)
-	(258,565)	-	-	(258,565)
-	-	(1,435,143)	-	(1,435,143)
-	-	(550,263)	-	(550,263)
-	-	(1,985,406)	-	(1,985,406)
-	-	-	(1,686,645)	(1,686,645)
-	-	-	(1,686,645)	(1,686,645)
(6,176,866)	(258,565)	(1,985,406)	(1,686,645)	(10,107,482)
-	-	2,422,101	-	2,422,101
9,046,022	-	-	-	9,046,022
-	-	-	620,750	620,750
103,436	59,079	8,013	32,266	202,794
97	-	-	1,279,184	1,279,281
9,149,555	59,079	2,430,114	1,932,200	13,570,948
2,972,689	(199,486)	444,708	245,555	3,463,466
16,939,529	22,557,138	2,743,494	6,613,774	48,853,935
\$ 19,912,218	\$ 22,357,652	\$ 3,188,202	\$ 6,859,329	\$ 52,317,401

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CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

A. Reporting Entity

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2004.

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. The funds of the SEOPW included within the reporting entity are special revenue fund (SEOPW CRA), a debt service fund (CRA - Other Special Obligation), and a capital projects fund (Community Redevelopment Agency).

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 (Omni CRA).

VIRGINIA KEY BEACH PARK TRUST (“VKBPT”)- On December 14, 2000 (and effective

January 2001), via sections 38-230 through 38-242 of Chapter 38 of the Code of the City of Miami Ordinance 12003, the 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 Recreation 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 and provides services entirely or almost entirely to the primary government. 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 and Planning Services Special Revenue Fund.

NEIGHBORHOOD IMPROVEMENT DISTRICTS
There are four neighborhood improvement districts. All four districts were inactive during fiscal year 2004.

Discretely Presented Component Units

MIAMI SPORTS AND EXHIBITION AUTHORITY (“MESA”) – The 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 the MSEA in the accompanying financial statements.

DOWNTOWN DEVELOPMENT AUTHORITY (“DDA”) – The DDA was created by the City in 1965 pursuant to Chapter 65-1090 of the General Laws of Florida and City Code Section 14-25. 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 the DDA's operating budget and the millage levied on the special taxing district established to fund the DDA. Therefore, the City is financially accountable and is discretely presenting the DDA in the accompanying 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 of City of Miami Resolution No. 10348. BFP was created for the purpose of managing and

operating the events held at Bayfront and Bicentennial Park and the daily maintenance and upkeep of the grounds, its various amenities including the amphitheater and the Mildred and Claude Pepper Fountain. The governing body of BFP consists of nine appointed members serving initial terms of one to three years. Upon expiration of an initial term, each successor member may be appointed by the City Commission for terms of one to three years. BFP has appointed an executive director to act as the chief executive officer, subject to policy directives. BFP 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 \$138,480,000 at September 30, 2004. HFA, does not issue stand-alone audited financial statements. The HFA was inactive during fiscal year 2004.

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Model City
4800 NW 12th Avenue
Miami, Florida 33142

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

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the City as a whole and its component units. The primary government is reported separately from the legally separate component units. The Statement of Net Assets presents the financial position of the City and its component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among

program revenues are reported instead as general revenues.

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

C. Fund Financial Statements

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

General Fund – The General Fund is the general operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

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.

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

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

Streets and Sidewalks Fund – This Capital Projects Fund accounts for capital expenditures made for streets, sidewalks, and other traffic related projects.

Additionally, the City reports the follow fund types:

Pension Trust Funds - The pension trust funds divide the City of Miami Fire Fighters’ and Police Officers’ Retirement Trust (“FIPO”), the City of Miami General Employees’ and Sanitation Employees’ Retirement Trust (“GESE”) and the Elected Officers’ Retirement Trust (“EORT”). The pension trust funds accumulate resources for pension benefit payments.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Revenues resulting from expenditure driven transactions such as certain grants are considered collectible at the time the expenditure has been made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims are recorded only when payment is due.

Property taxes, sales tax, franchise and utility taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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

E. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The City has defined “cash and cash equivalents” to include cash on hand, demand deposits, and cash with fiscal agents. 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.

All investments, including those of the Pension Trust Funds, are stated at fair value, which is based on quoted market price.

Interfund Receivables and Payables

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

Receivables

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or specific program expenditures are incurred. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables.

Prepays

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

Inventory

There are no inventory values presented in the balance sheets of the respective governmental funds of the City. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Restricted Assets

Certain proceeds from bonds and loans, as well as resources for debt service payments, and law enforcement trust monies, are classified as restricted assets because their use is limited by applicable bond covenants and restrictions.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, sidewalks, drainage and similar items), are reported in the applicable governmental type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$1,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of the donation.

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

Property, plant, equipment and infrastructure of the City, and its component units, are depreciated using the straight-line method over the following use lives.

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

Deferred Charges

Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over term of the respective bond issue.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, deferred revenues consist of unearned revenue or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in the fund financial statements are those assets where asset recognition criteria has been met, but for which revenue recognition criteria has not been met. Such amounts have been deemed to measurable but not “available” pursuant to accounting principles generally accepted in the United States.

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick leave, which will be paid upon separation from service. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary related payments, where applicable.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are

reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Assets

Equity in the government-wide state of net assets is displayed in three categories: 1) invested in capital assets, net of related debt, 2) restricted, 3) unrestricted. Net assets invested in capital assets net of related debt consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Net assets are reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of unreserved fund balance in governmental funds indicate the utilization of these resources in the ensuing year’s budget or tentative plans for future use. The following is a description of the reserves and designations used by the City.

Reserve for encumbrances - This amount is equal to the outstanding purchase orders for goods and services at year end. The subsequent year’s

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

appropriations will be amended to provide the authority to complete the transactions.

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.

Reserve for prepaid items - This reserve is provided to account for payments made in advance. This reserve indicates the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Reserve for law enforcement trust fund - This is the amount of the outstanding commitments of the Law Enforcement Trust Fund.

Designated for subsequent year's expenditures – These are amounts are to be appropriated in the ensuing year's budget.

Designated for future settlements - These are amounts that are to be appropriated in future years for lawsuits and claims that management has determined are probable and the amount of that loss can be reasonably estimated.

Designated for strategic initiatives – These are amounts that are to be appropriated in future years for those projects that either enhance revenue producing activities or reduce future expenditures.

Designated for management initiatives - These are amounts that are to be appropriated in future years for those specific projects that management has approved and has set aside monies to pay for these items in accordance with the City's Financial Integrity Ordinance.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also

affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from estimates.

NOTE 2. – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

The expenditures of the Gusman and Olympia Special Revenue Fund exceeded their budgetary authorizations by \$559,409.

Fund Deficits

The following funds had undesignated deficits in the amounts indicated as of September 30, 2004:

Fund:	
Special Revenue Funds:	
Fire Rescue Services	\$ 205,039
Police Services	2,015,806
Capital Projects Fund:	
Disaster Recovery	2,161,039

These undesignated deficits are the result of encumbrances exceeding available fund balances. The City plans to eliminate these deficits in the ensuing fiscal year.

NOTE 3. – DEPOSITS AND INVESTMENTS

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 zero balance accounts with daily sweeps allows for the City's portfolio to be fully invested at all times.

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held

CITY OF MIAMI, FLORIDA
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in banking institutions approved by the State Treasurer of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, the City's deposits, and all discretely presented component unit deposits, at year end are insured or collateralized with securities held by the entity or by its agent in the entity's name.

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 State of Florida 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, 2004 and are classified as follows:

<u>Primary Government</u>	<u>Credit Risk Category</u>		<u>Fair Value</u>
	<u>1</u>	<u>2</u>	
Investment Type:			
U.S. Treasury Notes and Bills.....	\$ 7,306,751	\$ -	\$ 7,279,160
U.S. Agencies Obligations.....	457,409,715	1,860,368	456,715,705
Short-Term Commercial Paper.....	33,469,457	-	33,469,025
Total	<u>\$ 498,185,923</u>	<u>\$ 1,860,368</u>	497,463,890
Investments Not Subject to Risk Categorization:			
Money Market Mutual Fund.....			14,657,082
Total Investments			<u>\$ 512,120,972</u>

Investments in the money market mutual fund are not required to be categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Reconciliation of Deposits and Investments to the Statement of Net Assets:

By Category:		
Deposits		\$ 739,228
Investments		512,120,972
		<u>\$ 512,860,200</u>

Statement of Net Assets

Cash, Cash Equivalents and Investments.....	\$ 498,320,689
Restricted Assets - Cash, Cash Equivalents and Investments.....	14,539,511
	<u>\$ 512,860,200</u>

CITY OF MIAMI, FLORIDA
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Component Units	MSEA	DOSP Category 2	Total	Fair Value
Investment Type:				
U.S. Government Securities.....	\$ -	\$ 1,761,243	\$ 1,761,243	<u>\$ 1,761,243</u>
Investments Not Subject to Risk Categorization:				
Money Market Mutual Fund.....	13,510,396	-	13,510,396	
Investment Pool.....	-	863,428	863,428	
Total Investments.....	<u>\$ 13,510,396</u>	<u>\$ 2,624,671</u>	<u>\$ 16,135,067</u>	

Investments in the money market mutual fund and the investment pool are not required to be categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Reconciliation of Deposits and Investments to the Statement of Net Assets:

	Deposits	Investments	Total
MSEA.....	\$ 2,571,384	\$ 13,510,396	\$ 16,081,780
DOSP.....	2,535,276	2,624,671	5,159,947
DDA.....	3,122,874	-	3,122,874
BFP.....	3,976,938	-	3,976,938
	<u>\$ 12,206,472</u>	<u>\$ 16,135,067</u>	<u>\$ 28,341,539</u>

Statement of Net Assets

Cash, Cash Equivalents and Investments.....	\$ 27,615,119
Restricted Assets - Cash, Cash Equivalents and Investments.....	726,420
	<u>\$ 28,341,539</u>

PENSION TRUST FUNDS

	Credit Risk Category 1	Fair Value
U.S. Government and Agency.....	\$ 222,836,767	\$ 222,836,767
Corporate Stocks.....	994,458,688	994,458,688
Corporate Bonds.....	232,855,204	232,855,204
Total.....	<u>\$ 1,450,150,659</u>	1,450,150,659

Investments Not Categorized:

Investments Held By Broker-Dealer Under Securities Loans With Cash Collateral

U.S. Government and Agency.....	45,402,166
Corporate Stocks.....	89,121,187
Corporate Bonds.....	9,126,842
Money Market Funds.....	17,072,002
Mutual Funds.....	58,003,816
Real Estate Fund.....	30,263,649
Total Pension Investments.....	<u>\$ 1,699,140,321</u>

Investments in money market funds, mutual funds and the real estate fund 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. Short-term investments totaling \$39,871,290 in mutual funds and investment pools are also not categorized.

CITY OF MIAMI, FLORIDA
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The following represents the balances relating to securities lending transactions at September 30, 2004:

<u>Securities lent:</u>	Fair Value Underlying Securities	Cash Collateral Received/Securities Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:			
U.S government and agency obligations	\$ 45,402,166	\$ 46,257,034	\$ 45,257,034
Domestic corporate stocks	81,643,970	83,548,975	83,548,975
Domestic corporate bonds	9,126,842	9,332,517	9,332,517
International corporate stocks	7,477,217	7,820,473	7,820,473
	143,650,195	146,958,999	145,958,999
Lent for securities collateral:			
U.S government and agency obligations	6,086,857	6,200,255	-
Domestic corporate stocks	3,390,728	3,472,403	-
Domestic corporate bonds	433,103	435,481	-
International corporate stocks	9,910,688	10,108,139	-
	153,560,883	157,067,138	145,958,999
Total securities lent	\$ 153,560,883	\$ 157,067,138	\$ 145,958,999

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.

The City's pension plans (the Plans) have investments in a combination of stocks, bonds, governments securities and other investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to a level of risk associated with certain investments securities and the level of uncertainty related to changes in value of investment securities, it is least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. The Plans, through their investment advisors, monitor their investments and the risks associated therewith on a regular basis, which the City believes minimizes these risks.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 4. - RECEIVABLES

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

	General	Community Development	Public Services Tax	General Government	Nonmajor Governmental Funds	Total
Receivables						
Accounts	\$ 21,226,603	\$ 2,790,638	\$ -	\$ 575,000	\$ 845,366	\$ 25,437,607
Taxes	7,875,416	-	-	-	1,020,382	8,895,798
Special Assessments	-	283,273	-	-	113,197	396,470
Due from Other						
Governments	1,563,256	4,228,835	7,273,814	-	3,945,775	17,011,680
Loans	288,000	56,948,944	-	-	-	57,236,944
Gross Receivables	30,953,275	64,251,690	7,273,814	575,000	5,924,720	108,978,499
Less: Allowance						
for Uncollectibles	(11,494,044)	(58,542,245)	-	(575,000)	(77,208)	(70,688,497)
Net Total Receivables	\$ 19,459,231	\$ 5,709,445	\$ 7,273,814	\$ -	\$ 5,847,512	\$ 38,290,002

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, 2004, rehabilitation loans outstanding totaled approximately \$56,948,944.

Component Units

	MSEA	DOSP	DDA	BFP	Total
Receivables					
Accounts	\$ 75,338	\$ 1,350,762	\$ -	\$ 240,223	\$ 1,666,323
Taxes	705,705	-	25,650	-	731,355
Gross Receivables	781,043	1,350,762	25,650	240,223	2,397,678
Less: Allowance for					
Uncollectibles	-	(32,971)	-	(17,648)	(50,619)
Net Total Receivables	\$ 781,043	\$ 1,317,791	\$ 25,650	\$ 222,575	\$ 2,347,059

NOTE 5. - 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 tax sale certificate is sold at auction. The County bills and collects all

property taxes for the City, and sells tax certificates for delinquent taxes.

The assessed value of property, as established by the Miami-Dade County Property Appraiser, at January 1, 2003, upon which the 2003-2004 levy was based, was \$18,923,356,299. 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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2004, was \$8.7625 per \$1,000. The debt service tax rate for the same period was \$1.08 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, 2004. Property taxes that are not considered “available” have been reported as deferred revenues in the governmental funds Balance Sheet.

NOTE 6. - CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2004:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 64,372,140	\$ 2,609,850	\$ -	\$ 66,981,990
Construction in progress	52,458,462	22,847,377	(46,569,965)	28,735,874
Total capital assets, not being depreciated	<u>116,830,602</u>	<u>25,457,227</u>	<u>(46,569,965)</u>	<u>95,717,864</u>
Capital assets, being depreciated:				
Buildings	168,737,839	499,155	-	169,236,994
Improvements other than buildings	24,061,858	10,603,863	-	34,665,721
Building improvements	2,318,389	24,758,797	-	27,077,186
Machinery and equipment	93,643,559	14,283,674	(5,455,819)	102,471,414
Infrastructure	1,005,399,496	11,523,679	-	1,016,923,175
Total capital assets, being depreciated	<u>1,294,161,141</u>	<u>61,669,168</u>	<u>(5,455,819)</u>	<u>1,350,374,490</u>
Less accumulated depreciation for:				
Buildings	(84,547,139)	(4,395,078)	-	(88,942,217)
Improvements other than buildings	(18,631,925)	(1,415,404)	-	(20,047,329)
Building improvements	(452,353)	(895,709)	-	(1,348,062)
Machinery and equipment	(45,810,137)	(8,803,523)	3,384,653	(51,229,007)
Infrastructure	(453,608,451)	(26,147,570)	-	(479,756,021)
Total accumulated depreciation	<u>(603,050,005)</u>	<u>(41,657,284)</u>	<u>3,384,653</u>	<u>(641,322,636)</u>
Total capital assets, being depreciated, net	<u>691,111,136</u>	<u>20,011,884</u>	<u>(2,071,166)</u>	<u>709,051,854</u>
Governmental activities capital assets, net	<u>\$ 807,941,738</u>	<u>\$ 45,469,111</u>	<u>\$ (48,641,131)</u>	<u>\$ 804,769,718</u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Depreciation expense was charged to government functions as follows:

General Government	\$ 2,906,802
Planning and Development	73,227
Community Development	41,863
Public Works	3,824,033
Public Safety	5,063,127
Public Facilities	399,196
Parks and Recreation	3,201,466
Unallocated	26,147,570
Total depreciation expense	<u><u>\$ 41,657,284</u></u>

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	49,118,304	46,317	-	49,164,621
Miami Arena equipment	2,135,317	6,969	-	2,142,286
Office equipment	253,343	10,241	-	263,584
Art in public places	187,587	-	-	187,587
Vehicles	10,184	-	-	10,184
Total capital assets, being depreciated	<u>51,704,735</u>	<u>63,527</u>	<u>-</u>	<u>51,768,262</u>
Less accumulated depreciation for:				
Miami Arena	(18,677,311)	(1,230,037)	-	(19,907,348)
Miami Arena equipment	(1,684,604)	(122,341)	-	(1,806,945)
Office equipment	(199,653)	(28,482)	-	(228,135)
Art in public places	(69,956)	(7,503)	-	(77,459)
Vehicles	(2,037)	(2,037)	-	(4,074)
Total accumulated depreciation	<u>(20,633,561)</u>	<u>(1,390,400)</u>	<u>-</u>	<u>(22,023,961)</u>
Total capital assets, being depreciated, net	<u>31,071,174</u>	<u>(1,326,873)</u>	<u>-</u>	<u>29,744,301</u>
MSEA capital assets, net	<u>\$ 38,151,836</u>	<u>\$ (1,326,873)</u>	<u>\$ -</u>	<u>\$ 36,824,963</u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

DOSP

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 13,086,793	\$ 26,668	\$ -	\$ 13,113,461
Construction in progress	223,360	141,450	(35,500)	329,310
Total capital assets, not being depreciated	13,310,153	168,118	(35,500)	13,442,771
Capital assets, being depreciated:				
Building and structures	23,456,349	21,956	-	23,478,305
Leasehold improvements	5,436,769	1,067,034	-	6,503,803
Furniture and fixtures	169,496	-	-	169,496
Equipment	9,529,724	631,430	(800)	10,160,354
Total capital assets, being depreciated	38,592,338	1,720,420	(800)	40,311,958
Less accumulated depreciation for:				
Building and structures	(11,987,206)	(685,937)	-	(12,673,143)
Leasehold improvements	(4,390,661)	(184,835)	-	(4,575,496)
Furniture and fixtures	(153,117)	(4,661)	-	(157,778)
Equipment	(6,981,097)	(773,778)	-	(7,754,875)
Total accumulated depreciation	(23,512,081)	(1,649,211)	-	(25,161,292)
Total capital assets, being depreciated, net	15,080,257	71,209	(800)	15,150,666
DOSP capital assets, net	\$ 28,390,410	\$ 239,327	\$ (36,300)	\$ 28,593,437

DDA

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, being depreciated:				
Furniture and equipment	\$ 235,033	\$ 239,610	\$ (84,366)	\$ 390,277
Less accumulated depreciation for:				
Furniture and equipment	(169,136)	(41,340)	84,366	(126,110)
DDA capital assets, net	\$ 65,897	\$ 198,270	\$ -	\$ 264,167

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

BFP

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 516,129	\$ -	\$ -	\$ 516,129
Capital assets, being depreciated:				
Buildings	2,609,840	-	-	2,609,840
Public domain and system infrastructure	1,651,527	130,946	-	1,782,473
Machinery and equipment	508,723	25,956	(205,616)	329,063
Total capital assets, being depreciated	4,770,090	156,902	(205,616)	4,721,376
Less accumulated depreciation for:				
Buildings	(809,050)	(52,197)	-	(861,247)
Public domain and system infrastructure	(986,293)	(82,201)	-	(1,068,494)
Machinery and equipment	(274,202)	(26,356)	128,582	(171,976)
Total accumulated depreciation	(2,069,545)	(160,754)	128,582	(2,101,717)
Total capital assets, being depreciated, net	2,700,545	(3,852)	(77,034)	2,619,659
BFP capital assets, net	\$ 3,216,674	\$ (3,852)	\$ (77,034)	\$ 3,135,788

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

MSEA	\$ 1,390,400
DOSP	1,649,211
DDA	41,340
BFP	160,754
Total depreciation expense	\$ 3,241,705

NOTE 7. - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at September 30, 2004 consisted of the following:

	General	Community Development	General Government	Street & Sidewalks	Nonmajor Governmental Funds	Total
Vendors	\$ 19,538,169	\$ 2,905,246	\$ 3,023,930	\$ 2,326,390	\$ 6,884,717	\$ 34,678,452
Salaries and Benefits	9,136,373	163,976	89,220	-	362,159	9,751,728
Total Payables	\$ 28,674,542	\$ 3,069,222	\$ 3,113,150	\$ 2,326,390	\$ 7,246,876	\$ 44,430,180

NOTE 8. - Interfund Receivables, Payables, and Transfers

The balances reflected as due from/due to other funds as of September 30, 2004 is as follows:

Receivable Fund	Payable Fund	Amount
Public Services Tax	General Obligations	
Special Revenue Fund	Debt Service Fund	\$ 2,460,908

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

These outstanding balances between funds result mainly 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.

The following is a summary of transfers for the year ended September 30, 2004:

Transfer Out	<u>Transfer In</u>					Total
	General Fund	Community Development	General Government	Street & Sidewalks	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 125,000	\$ 19,794,020	\$ -	\$ 12,223,191	\$ 32,142,211
Community Development	-	97,550	-	-	1,568,760	1,666,310
Public Services Tax	47,417,828	-	-	-	13,395,155	60,812,983
General Government	-	-	36,006,842	13,151,788	14,709,473	63,868,103
Street & Sidewalks	-	-	1,048,661	7,945,453	1,417,565	10,411,679
Nonmajor Governmental Funds	1,982,616	450,000	1,160,931	11,998,050	40,455,461	56,047,058
Total	\$ 49,400,444	\$ 672,550	\$ 58,010,454	\$ 33,095,291	\$ 83,769,605	\$ 224,948,344

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 9. - LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2004:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General obligation bonds	\$ 236,549,956	\$ 4,180,000	\$ (14,785,000)	\$ 225,944,956	\$ 10,215,000
Special obligation and revenue bonds, and loans	179,797,088	-	(9,099,464)	170,697,624	8,555,229
Accretion	34,290,866	-	1,132,817	35,423,683	-
Deferred amounts	7,727,566	-	(557,248)	7,170,318	-
Total bonds, notes, and loans	458,365,476	4,180,000	(23,308,895)	439,236,581	18,770,229
Other liabilities:					
Capital Lease	-	3,204,349	(678,413)	2,525,936	604,759
Compensated absences	65,875,793	6,518,465	(4,460,879)	67,933,379	4,688,967
Claims payable	81,738,601	47,745,666	(18,227,763)	111,256,504	32,539,863
Total governmental activity long-term liabilities	\$ 605,979,870	\$ 61,648,480	\$ (46,675,950)	\$ 620,952,400	\$ 56,603,818

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Bonds and Loans Outstanding – Summarized below are the City’s bond and loan issues, which are outstanding at September 30, 2004:

<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 Obligation Bonds:					
General Obligations Refunding Bonds Series 1992	Refunding	\$ 70,100,000	\$ 21,580,000	5.7%-6%	\$ 7,332,320
Homeland Defense/Neighborhood CIP Series 2002A	Homeland Defense	153,186,406	152,689,956	1.8%-4.97%	19,720,375
General Obligation Refunding Bonds Series 2002A	Refunding	32,510,000	29,475,000	3.4%-5.375%	6,682,281
General Obligation Bonds Other Issues	Housing	23,190,000	2,175,000	.5%-4%	427,358
General Obligation Refunding Bonds Series 2003	Refunding	18,680,000	15,845,000	3%-5%	3,630,475
General Obligation Refunding Bonds Series 2003B	Refunding	4,180,000	4,180,000	2%-3.5%	1,446,838
		<u>\$ 301,846,406</u>	<u>\$ 225,944,956</u>		
Special Obligation and Revenue Bonds and Loans:					
Special Revenue Refunding Bonds Series 1987	Refunding	\$ 65,271,325	\$ 12,075,260	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	3,380,000	5%-5.7%	665,830
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	72,000,000	64,460,000	6.5%-7.25%	5,812,300
Special Revenue Refunding Bonds Series 2002A	Refunding	27,895,000	27,895,000	3.4%-5.375%	3,353,539
Special Revenue Refunding Bonds Series 2002B	Refunding	13,170,000	7,320,000	3%-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	13,568,500	(1)	(2)
Sunshine State Government Financing SEOPW - Section 108 HUD Loan	Redevelopment	5,100,000	4,250,000	8.39%-9.03%	737,563
Wynwood - Section 108 HUD Loan	Redevelopment	5,500,000	3,900,000	(3)	(3)
Sunshine State Government Financing Commission-Secondary Loan	SCI, Melreese	3,500,000	2,140,000	(1)	(2)
Gran Central Corporation Loan	Redevelopment	1,708,864	1,708,864	0.00%	1,708,864
		<u>283,666,089</u>	<u>170,697,624</u>		
Total		<u>\$ 585,512,495</u>	<u>\$ 396,642,580</u>		

- (1) These variable rate loans are subject to a 15% interest rate cap. The Commission loan had an average interest rate of 2.02% on September 30, 2004.
- (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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Annual Debt Service Requirements To Maturity

The annual debt service requirements for all bonds and loans outstanding as of September 30, 2004, are as follows:

Year Ended September 30,	General Obligation Bonds		Special Obligation, Revenue Bonds, and Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 10,215,000	\$ 9,309,399	\$ 8,555,229	\$ 12,498,532	\$ 18,770,229	\$ 21,807,931
2006	10,423,024	9,107,030	8,795,770	12,359,295	19,218,794	21,466,325
2007	10,372,523	9,157,173	9,713,753	12,186,284	20,086,276	21,343,457
2008	10,295,643	9,236,563	11,726,363	11,961,517	22,022,006	21,198,080
2009	10,205,263	9,326,490	10,335,759	11,734,297	20,541,022	21,060,787
2010 - 2014	50,515,250	46,997,115	49,971,343	52,877,575	100,486,593	99,874,690
2015 - 2019	69,248,253	29,342,175	31,609,407	22,750,048	100,857,660	52,092,223
2020 - 2024	54,670,000	4,488,554	27,660,000	9,300,088	82,330,000	13,788,642
2025 - 2029	-	-	12,330,000	868,800	12,330,000	868,800
	<u>\$ 225,944,956</u>	<u>\$ 126,964,499</u>	<u>\$ 170,697,624</u>	<u>\$ 146,536,436</u>	<u>\$ 396,642,580</u>	<u>\$ 273,500,935</u>

Advance Refunding

On December 2, 2003, the City issued \$4,180,000 in General Obligation Refunding Bonds, Series 2003, with interest rates ranging from 2% to 3.5%, depending on maturity. The proceeds were used to advance refund \$4,045,000 of the City's \$70,100,000 General Obligation Bonds, Series 1992, which had an interest rate of 5.5%. The net proceeds of \$4,062,502 (after payments of \$117,498 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 refunded portion of the 1992 bonds. As a result, \$4,045,000 of the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the statement of net assets. The City advance refunded a portion of the 1992 bonds to reduce its total debt service over 10 years by \$626,150 and to obtain a net present value economic gain of \$519,676.

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, 2004, the statutory limitation for the City amounted to \$3,370,271,636 providing a debt margin of \$3,141,372,970 after consideration of \$225,944,956 of general obligation bonds outstanding at September 30, 2004 and adjusted for the fund balance of \$966,126 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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

Escrow Agreement

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

Prior Years' Defeased Debt:

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

Guarantee Entitlement Bonds\$ 2,500,000

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

Housing Bonds.....\$ 735,000

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

City Administration Building\$15,090,000

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

Risk Management\$11,270,000

\$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.....\$ 7,030,000

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.

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, 2004, the City has issued \$153,186,405 of the approved bonds.

Prior Year 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 payments on the defeased bonds. At September 30, 2004, the following outstanding bonds are considered defeased:

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

\$31,860,000 General Obligation Bonds Refunding Bonds, Series 1993
 Storm and Sanitary.....\$21,800,000

\$22,500,000 General Obligation Bonds Refunding Bonds, Series 1995
 Sanitary Sewer\$16,435,000

Grand Total Prior Defeased Debt:\$75,425,000

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of computer equipment. The lease agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital lease are as follows:

Asset:	
Machinery and equipment	\$ 3,204,349
Less accumulated depreciation	<u>320,369</u>
Total	<u>\$ 2,883,980</u>

The future minimum lease obligations and the net present value of those minimum lease payments as of September 30, 2004, were as follows:

Year Ending September 30,	Amount
2005	\$ 677,758
2006	677,758
2007	677,758
2008	<u>677,758</u>
Total Minimum lease payments	2,711,032
Less: amount representing interest	<u>(185,096)</u>
Present value of minimum lease payments	<u>\$ 2,525,936</u>

Discretely Presented Component Units Long-Term Debt

The changes in long-term debt activity of MSEA during 2004 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds Payable	\$ 34,655,000	\$ -	\$ 1,835,000	\$ 32,820,000	\$ 32,820,000

The annual debt service requirements for all bonds outstanding are as follows:

Year Ending September 30,	Principal	Interest
2005	\$ 32,820,000	\$ 2,350,596

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

As explained in Note 14, the MSEA land, building, and related equipment was sold on December 15, 2004. The terms of the sale require the repayment of the bonds. Consequently the entire balance of the bonds is deemed to be payable in one year.

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.

The changes in DOSP's long-term debt during 2004 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 11,120,000	\$ -	\$ 655,000	\$ 10,465,000	\$ 685,000
Deferred amounts	36,294	13,136	-	49,430	-
	<u>\$ 11,156,294</u>	<u>\$ 13,136</u>	<u>\$ 655,000</u>	<u>\$ 10,514,430</u>	<u>\$ 685,000</u>

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2004:

Year Ending September 30,	Principal	Interest	Total
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	800,000	354,000	1,154,000
2010-2014	4,585,000	1,168,000	5,753,000
2015-2017	2,175,000	116,000	2,291,000
Total	<u>\$ 10,465,000</u>	<u>\$ 3,368,000</u>	<u>\$ 13,833,000</u>

Range of Rates 3.75%-5.25%

In prior years, the DOSP defeased, in substance, its 1993AParking Facilities Revenue Bonds and at September 30, 2004, the outstanding balance of defeased bonds was \$5,865,000.

NOTE 10. – 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, workers' compensation, 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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 official's 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, 2004, the total estimated liability of \$111,256,504 is discounted at an interest rate of 5% and recorded on the government-wide financial statements. Changes in claims liability amount in 2003 and 2004 were as follows:

Fiscal Year Ended September 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claims Payments	Balance at Fiscal Year End
2003	\$ 82,527,448	\$ 15,759,754	\$ 16,548,601	\$ 81,738,601
2004	81,738,601	47,745,666	18,227,763	111,256,504

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, 2004, the plan covered approximately 2,159 active employees, 1,047 retirees and 1,314 employee-retiree dependent units. Costs of the plan for the 2004 fiscal year were approximately \$24,445,300. The liability for the group accident and health program totaled approximately \$4,200,000 at September 30, 2004 and is included in claims payable in the government-wide Statement of Net Assets.

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 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. This plan is non-contributory.

Separate audited financial statements are provided for FIPO and GESE. The EORT does not issue separate statements. The stand alone statement for FIPO and GESE can be obtained from the respective pension boards at the following addresses: FIPO, 1895 SW 3rd Avenue, Miami, Florida 33129 and GESE, 2901 Bridgeport Avenue, Coconut Grove, Florida 33133.

NOTE 11. - PENSIONS

Pension Plans

The City sponsors two separate single employer defined benefit pension plans under the administration and management of separate Boards of Trustees: The City of Miami Fire Fighters' and

The financial statements for all three Pension Plans are prepared using the accrual basis of accounting

CITY OF MIAMI, FLORIDA
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and all three plans are reported as pension trust funds. Trust member 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, 2004 was approximately \$100.5 million, \$72.6 million and \$554 thousand, respectively; the City's total payroll was \$228,047,062.

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	1,896	5
Current Employees	1,622	1,555	6
Total Members	3,117	3,451	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. 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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 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 40.204 of the City of Miami Code. Benefits are subject to review and modification in accordance with City of Miami Code Section 40.204, 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 the 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 the 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 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 investment 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

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

FIPO:

Valuation date.....	October 1, 2003
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.....	4.8% to 0% reducing by attained age
Mortality table.....	Ga94 - Mortality table changed for current year
Mortality, disability, retirements and turnover....	Pension Benefit Guaranty Corporation ("PBG") Non-OASDI basis rate tables

GESE:

Valuation date.....	October 1, 2003
Actuarial cost method.....	Modified entry age normal
Amortization method.....	Level dollar amount, closed
Remaining amortization period.....	14-20 years
Asset valuation method.....	3 year smoothed market value of assets
Actuarial assumptions:	
Investment rate of return.....	8.1%
Projected salary increases.....	5.00%
Includes inflation at.....	3.5%
Cost of living adjustments.....	4% per year with \$54 per year minimum and \$400 per year maximum

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

EORT:

Valuation date.....	December 31, 2003
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

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.

\$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, \$3,382,512, and \$0 for fiscal years ended September 30, 2002, 2003, and 2004 respectively, has been reported in the government-wide Statement of Net Assets.

FIPO

Contributions are determined applying the actuarially calculated aggregate cost method.

The annual required contribution for fiscal year 2004 of \$36,341,515 was reduced by \$3,382,512. The interest earnings attributable to the NPO were \$0 (or 0.00%), which resulted in a net reduction to the NPO of \$3,382,512 and a balance of \$0 at September 30, 2004.

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

For the years ended September 30, 2004, 2003 and 2002 contributions totaling \$36,659,614 (\$32,959,003 - FIPO Plan, \$3,700,611 – COLA Fund), \$18,582,646 (\$15,024,366 - FIPO Plan, \$3,558,280 – COLA Fund), and \$5,400,784 (FIPO PLAN) were made to FIPO in accordance with actuarially determined contribution requirements, based on an actuarial valuation performed for each respective year.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

GESE

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

For the years ended September 30, 2004, 2003 and 2002 contributions totaling \$11,285,223 (\$10,669,846 – GESE Plan, \$98,044 – Staff Plan, \$517,333 – Excess Plan), \$3,985,926 (\$3,602,457 – GESE Plan, \$83,234 – Staff Plan, \$300,235 – Excess Plan), and \$2,499,618 (\$2,090,701 – GESE Plan, \$57,500 – Staff Plan, \$351,417 – Excess Plan) were made to GESE in accordance with actuarially determined contribution requirements, based on an actuarial valuation performed for each respective year.

The EORT does not issue separate stand-alone financial statements, and therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the year ended September 30, 2004:

EORT

Contributions are determined applying the actuarially calculated aggregate cost method.

For the years ended September 30, 2004, 2003 and 2002 contributions totaling \$300,000 (\$255,871- EORT Plan, \$44,129 – Excess Plan), \$265,287 (\$82,447 - EORT Plan, \$182,840 – Excess Plan), and \$665,203 (\$82,447 - EORT Plan, \$582,756 – Excess Plan) were made to EORT in accordance with actuarially determined contribution requirements, based on an actuarial valuation performed for each respective year.

City of Miami, Florida - Elected Officers' Retirement Trust
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2004

Assets	
Cash and Short-Term Investments	\$ <u>175</u>
Investments, at fair value	
U.S Government Obligations	1,838,268
Money Market Funds and Commerical Paper	<u>192,649</u>
Total Investments	<u>2,030,917</u>
Total Assets	<u>2,031,092</u>
Net Assets	
Held in Trust for Pension Benefits	<u>\$ <u>2,031,092</u></u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

City of Miami, Florida - Elected Officer's Retirement Trust
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2004

Additions

Contributions:		
Employer	\$	300,000
Investment Earnings:		
Interest		25,889
Total Additions		325,889

Deductions

Benefits		137,055
Administrative and Other Expenses		5,300
Total Deductions		142,355

Change in Net Assets		183,534
Net Assets - Beginning of Year		1,847,558
Net Assets - End of Year	\$	2,031,092

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, 2004 is as follows:

	Year Ended September 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation (Asset)
FIPO	2004	\$ 36,341,515	90%	\$ -
	2003	18,163,588	83	(3,382,512)
	2002	1,051,629	514	(6,278,444)
	2001	4,003,892	135	(1,371,422)
	2000	5,400,784	100	-
	1999	10,376,473	100	-
GESE	2004	10,669,846	100	-
	2003	3,602,457	100	-
	2002	2,090,701	100	-
	2001	8,458,735	100	-
	2000	8,216,415	100	-
	1999	-	100	-
EORT	2004	255,871	100	-
	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

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, 2004 is as follows:

	<u>FIPO</u>	<u>GESE</u>
Funding provided by the City - current year	\$ 1,366,081	\$ 1,768,295
Budget advance (deficit)- beginning of year	(90,378)	(634,756)
	<u>1,275,703</u>	<u>1,133,539</u>
Administrative costs incurred, including custodian and consultants' fees, personnel and other office expenses	1,499,260	2,371,310
Budget deficit - end of year	<u>\$ (223,557)</u>	<u>\$ (1,237,771)</u>

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

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	\$228,047,062
Current year's payroll for participating employees	\$5,342,571
Current year employer contributions	\$455,444

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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 \$10,997,694-for the year ended September 30, 2004. 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 12. - 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 1,047 of the 3,026 covered participants are retirees). The City's cost of the post-employment health benefits, funded on a pay-as-you-go basis, was approximately \$8,609,400 for the year ended September 30, 2004.

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 \$2,653,334 for the current year.

NOTE 13. - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

The City's claim administrator along with the City attorney has reviewed the status of the City's claims and has determined, except for the cases disclosed below, the liability reflected for claims in the government-wide statements are sufficient to satisfy any resulting payment.

Eva Nagymihaly, etc. et. al. v. City of Miami is a class action challenge to the City of Miami Fire Assessment Ordinance which essentially contends that the assessment is an unconstitutional tax on real property. The Florida Supreme Court recently held in *City of North Lauderdale v. SMM Properties, Inc.*, that a similar ordinance was unconstitutional to the extent it included a charge for emergency medical services.

The City of Miami's assessment for fiscal years 1998-1999 and 1999-2000 included emergency medical services. Subsequent assessments, however, did not include emergency medical services. Because of the *City of North Lauderdale* decision, the litigation now concerns the question of whether the City will be required to refund, or give a credit, for the emergency medical services component of the assessments for fiscal years 1988-1999 and 1999-2000. Although the City attempted to settle the claim, that settlement is being challenged.

There are three lawsuits involving Wynwood Community Economic Development Corporation. In case No. 94-12875 CA 25, Wynwood alleges that the City breached a settlement agreement by, among other things, failing to provide Community Development Block Grant funding for the development of a foreign trade zone, which alleged caused Wynwood to sustain a financial injury.

The City filed a mortgage foreclosure action in Case No. 99-13742 CA 25, as a result of the failure of

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Dade Foreign Trade Zone, Inc., to make payments on the mortgage securing the Community Development Block Grant funding. This action has been consolidated with case No. 94-12875 CA 25. In pretrial motions, the Court ruled the Plaintiff is not entitled to monetary damages. The judge denied the City the right to foreclose and granted the Plaintiff \$17,000 for architectural costs and an undetermined amount of attorney's fees. This ruling will be appealed.

In the federal action Case No. 00-4680-Civ-Lenard, Wynwood alleges that the City discriminated against it on the basis of national origin by denying Community Development Block Grant funding, delivering a defective property deed, and abridging privileges and immunities secured by the federal Constitution. A motion to dismiss the complaint is pending. This matter has been stayed pending the outcome of the state court litigation.

In Florida Paralegic Association, Inc., et. al. v. City of Miami, the Association claiming to represent Florida disabled individuals is suing the City to make modifications to City parks and related facilities and otherwise compel the City to comply with provisions of the American's with Disabilities Act. No damages are available but attorney's fees and costs are awarded to prevailing Plaintiffs. The case is in the final stages of settlement negotiations.

At September 30, 2004, the City had in process various uncompleted construction projects with remaining balances totaling \$15,647,283. Funding of these projects is to be made primarily through the proceeds of the related bond issues, loans and future taxes.

Some of the former BFP employees are under investigation by the U.S. District Attorney's Office and various law enforcement agencies for alleged improprieties committed prior to February 15, 2000, when the City of Miami took over BFP's managerial responsibilities and decision-making and instituted a new management group. As of the date of the financial statements, the management of BFP and legal counsel can not determine the outcome of the

investigation and the liability, if any, that will result from the alleged improprieties.

An environmental claim is presently being asserted by the United States of America involving an alleged disposal by the City of Miami Fire Department's service garage of 280 gallons of waste oil to Petroleum Products Corporation (PPC) on November 25, 1972. PPC allegedly operated as a processor and broker of waste oil at a site located in Hollywood, Florida, and allegedly during its period of operation disposed of sludges generated from the oil refining process in unlined pits on the site. Contamination assessment and initial remedial activities undertaken by the United States Environmental Protection Agency (EPA) and the State Department of Environmental Regulation (DER) during the past ten (10) years allegedly indicate that the soils and groundwater at the site are significantly contaminated by waste oil and other hazardous wastes.

The EPA has indicated that it considers the City a generator of hazardous wastes at the site and, therefore, jointly and severally liable for the cleanup and recovery costs at the site.

The City has joined the group of Potentially Responsible Parties (PRPs), and has entered into a Consent Decree with EPA on the first phase of a three-phase approach to the clean-up of the site, generally known as Operable Units 1, 2 and 3. Following the execution of the Consent Decree by all settling PRPs, and completion of the remedial design at the site, the group of settling PRPs has taken a very aggressive technical posture at the site. The just completed remedial design addresses not only free product recovery and aims to achieve significant flushing of impacted soils. Both the EPA and the State of Florida Department of Environmental Protection have enthusiastically responded to this progressive effort, which will result in a cost of cleanup estimated at \$1.5 million for this stage of the process. This claim is being handled by outside counsel.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

NOTE 14. – SUBSEQUENT EVENTS

On October 12, 2004 the DOSP entered into an 18-month forward starting interest-rate swap agreement with Bear Stearns Capital Markets, Inc. Under the terms of this agreement, the DOSP can issue up to \$25 million dollars of 30 year bonds and pay a fixed interest rate of 4.533%. Under the terms of the agreement, the DOSP could be liable for certain termination payments, if it fails to issue said bonds by April 1, 2006 or if it decides it does not want to issue the bonds. The actual amount of said termination payments is not determinable at this time because they are dependent on the interest rates at the time of termination.

In March 2004, the MSEA Board of Directors voted and approved the proposed sale of the Miami Arena for \$25 million to Green Acres, LLC. The sale was subject to the completion of two appraisals and approval from Miami-Dade County. In the event that the appraisals indicated that Miami Arena to have a value greater than \$25 million the Arena would be sold to the highest bidder in a public auction which was held August 10, 2004. The winning bidder was Glenn Straub of the Palm Beach Polo Club for \$28,010,000. The sale was closed on December 15, 2004.

The contract for the sale provides for the retirement or redemption all series 1992 bonds (see Note 9 within 90 days of the sale date and the establishment of the defeasance escrow for all series 1992 bonds that is sufficient to pay for all the required principal, interest and call premiums for the bonds. Any remaining sale proceeds will be spent on Orange Bowl improvements by December 14, 2006.

The sale required a new inter-local agreement between the City of Miami and Miami-Dade County that provides for the future use of the convention development tax revenues.

The sale of the Arena released certain restrictions and reserves of the funds set aside for amounts in public places and capital projects. These revenues have been transferred or reclassified from the MSEA Board and the City of Miami Commission.

**City of Miami, Florida
Budgetary Comparison Schedule
General Fund
For The Year Ended September 30, 2004**

	<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	\$ 157,961,936	\$ 157,961,936	\$ 159,391,679	\$ 1,429,743
Franchise Fees and Other Taxes	32,142,969	34,962,778	34,988,629	25,851
Licenses and Permits	21,238,517	21,288,517	23,011,688	1,723,171
Fines and Forfeitures	4,197,600	4,197,600	4,732,357	534,757
Intergovernmental Revenues	34,400,939	46,966,514	49,260,814	2,294,300
Charges for Services	80,224,371	80,344,371	87,591,034	7,246,663
Interest	8,107,000	8,107,000	5,438,411	(2,668,589)
Other	1,552,510	9,127,540	41,822,908	32,695,368
Transfers In	47,636,792	48,939,479	49,400,444	460,965
Capital Lease	-	-	3,204,349	3,204,349
Amounts Available for Appropriation	<u>387,462,634</u>	<u>411,895,735</u>	<u>458,842,313</u>	<u>46,946,578</u>
Charges To Appropriations (outflows):				
General Government	67,193,768	69,810,524	64,649,218	5,161,306
Planning and Development	11,624,735	11,667,881	10,761,657	906,224
Public Works	59,769,042	60,456,191	58,721,690	1,734,501
Public Safety	229,644,647	248,612,090	243,680,286	4,931,804
Public Facilities	6,648,799	6,655,959	5,969,786	686,173
Parks and Recreation	14,866,417	14,901,364	14,802,837	98,527
Transfers Out	30,449,196	35,786,222	32,142,211	3,644,011
Total Charges to Appropriations	<u>420,196,604</u>	<u>447,890,231</u>	<u>430,727,685</u>	<u>17,162,546</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(32,733,970)	(35,994,496)	28,114,628	64,109,124
Fund Balance Allocation	<u>32,733,970</u>	<u>35,994,496</u>	-	<u>(35,994,496)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,114,628</u>	<u>\$ 28,114,628</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.	\$ 458,842,313
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(3,204,349)
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(35,994,496)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(49,400,444)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 370,243,024</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 430,727,685
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.	(2,870,294)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(32,142,211)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 395,715,180</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, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Intergovernmental Revenues	\$ 37,224,984	\$ 75,188,581	\$ 35,835,281	\$ (39,353,300)
Charges for Services	-	-	4,965,852	4,965,852
Interest	-	-	68,493	68,493
Other	-	428,386	1,103,828	675,442
Transfers In	-	547,551	672,550	124,999
Amounts Available for Appropriation	<u>37,224,984</u>	<u>76,164,518</u>	<u>42,646,004</u>	<u>(33,518,514)</u>
Charges To Appropriations (outflows):				
Community Development	36,018,984	74,556,676	39,073,478	35,483,198
Transfers Out	1,206,000	1,692,000	1,666,310	25,690
Total Charges to Appropriations	<u>37,224,984</u>	<u>76,248,676</u>	<u>40,739,788</u>	<u>35,508,888</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(84,158)	1,906,216	1,990,374
Fund Balance Allocation	-	84,158	-	(84,158)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,906,216</u>	<u>\$ 1,906,216</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.	\$ 42,646,004
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(84,158)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(672,550)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 41,889,296</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 40,739,788
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.	(1,666,310)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 39,073,478</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, 2004**

	<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):				
Franchise Fees and Other Taxes	\$ 60,812,983	\$ 64,465,670	\$ 67,786,829	\$ 3,321,159
Amounts Available for Appropriation	<u>60,812,983</u>	<u>64,465,670</u>	<u>67,786,829</u>	<u>3,321,159</u>
Charges To Appropriations (outflows):				
Transfers Out	<u>60,812,983</u>	<u>64,465,670</u>	<u>60,812,983</u>	<u>3,652,687</u>
Total Charges to Appropriations	<u>60,812,983</u>	<u>64,465,670</u>	<u>60,812,983</u>	<u>3,652,687</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	6,973,846	6,973,846
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,973,846</u>	<u>\$ 6,973,846</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.	\$ 67,786,829
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 67,786,829</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 60,812,983
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.	<u>(60,812,983)</u>
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, 2004

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.

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

For governmental funds, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

B. BUDGET-LEGAL COMPLIANCE

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

- Prior to August 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 2004, supplemental appropriations totaling \$27,693,627, \$39,023,692, and \$3,652,687 in the General Fund, Community Development 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)	Unfunded	Funded	(3)	Unfunded (Overfunded) as a Percentage of
Actuarial Valuation Date	(1) Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) AAL (2) - (1)	Ratio (1)/(2)	Covered Payroll	Covered Payroll ((2)-(1))/(3)
GESE(b):						
10/01/03	555,480	682,360	126,880	81	70,718	179
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

- a. For information regarding pension contribution percentage rates, assumptions, amortization, method (See Note 11).
- b. Entry Age Normal Actuarial Accrued Liability
- c. FIPO and EORT are not reflected on this schedule since they use the aggregate method which does not separately identify an actuarial accrued liability.

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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.

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

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

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

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

Stormwater Utility - To account for 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 obligation and revenue bonds and loans.

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



CAPITAL PROJECTS 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.

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
Nonmajor Governmental Funds
September 30, 2004

	Special Revenue Funds				
	Omni CRA	SEOPW CRA	Convention Center	Economic Development & Planning Services	Fire Rescue Services
Assets					
Cash, Cash Equivalents and Investments	\$ 3,583,259	\$ 3,836,883	\$ 309,022	\$ 6,028,172	\$ 2,444,311
Restricted Cash and Investments	-	-	452,885	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	41,600	69,721	14,792	645
Taxes	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	-	-	-	195,137	-
Accrued Interest	3,754	4,718	-	11,818	6,011
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	\$ 3,587,013	\$ 3,883,201	\$ 831,628	\$ 6,249,919	\$ 2,450,967
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 111,457	\$ 214,293	\$ 14,619	\$ 191,394	\$ 506,505
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	361,239	-	-	769,871
Deposits	-	-	-	459,278	108,476
Total Liabilities	111,457	575,532	14,619	650,672	1,384,852
Fund Balances (Deficits):					
Reserved for:					
Encumbrances	389,868	304,615	2,664	1,098,319	1,271,154
Debt Service	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Unreserved, Designated for,					
Subsequent Years Expenditures	-	-	-	660,167	-
Unreserved, Undesignated	3,085,688	3,003,054	814,345	3,840,761	(205,039)
Total Fund Balances	3,475,556	3,307,669	817,009	5,599,247	1,066,115
Total Liabilities and Fund Balances	\$ 3,587,013	\$ 3,883,201	\$ 831,628	\$ 6,249,919	\$ 2,450,967

Special Revenue Funds

Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust	Public Works Services	City Clerk Services	Local Option Gas Tax
\$ 1,038,214	\$ 2,598,302	\$ 5,279,558	\$ 2,665,965	\$ 1,498,720	\$ 155,926	\$ 1,252,546
-	487,497	-	-	-	-	-
-	2,694	392,402	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	38,599	321,205	-	-	-	-
15	1,798	9,860	16,151	5,460	-	-
-	11,567	233,732	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,038,229</u>	<u>\$ 3,140,457</u>	<u>\$ 6,236,757</u>	<u>\$ 2,682,116</u>	<u>\$ 1,504,180</u>	<u>\$ 155,926</u>	<u>\$ 1,252,546</u>
\$ 225,300	\$ 140,573	\$ 747,578	\$ 377,912	\$ -	\$ 4,431	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,336	574,826	-	-	-	-
300,445	-	-	120,717	-	-	-
<u>525,745</u>	<u>141,909</u>	<u>1,322,404</u>	<u>498,629</u>	<u>-</u>	<u>4,431</u>	<u>-</u>
6,988	47,123	6,696,427	143,686	-	-	-
-	-	-	-	-	-	-
-	-	-	2,039,801	-	-	-
-	11,567	233,732	-	-	-	-
-	624,195	-	-	-	-	-
505,496	2,315,663	(2,015,806)	-	1,504,180	151,495	1,252,546
512,484	2,998,548	4,914,353	2,183,487	1,504,180	151,495	1,252,546
<u>\$ 1,038,229</u>	<u>\$ 3,140,457</u>	<u>\$ 6,236,757</u>	<u>\$ 2,682,116</u>	<u>\$ 1,504,180</u>	<u>\$ 155,926</u>	<u>\$ 1,252,546</u>

(continued)

City of Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2004

Special Revenue Funds					
	Stormwater Utility	Department Improvement Initiatives	Transportation & Transit	Gusman and Olympia	Total
Assets					
Cash, Cash Equivalents and Investments	\$ 774,127	\$ 3,595,096	\$ 3,231,937	\$ 62,705	\$ 38,354,743
Restricted Cash and Investments	-	-	-	-	940,382
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	237,568	759,422
Taxes	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Governments	20,105	-	2,563,836	-	3,138,882
Accrued Interest	-	-	-	-	59,585
Prepays	-	-	-	9,125	254,424
Other Assets	-	-	-	-	-
Total Assets	<u>\$ 794,232</u>	<u>\$ 3,595,096</u>	<u>\$ 5,795,773</u>	<u>\$ 309,398</u>	<u>\$ 43,507,438</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ 110,314	\$ 21,213	\$ 94,000	\$ 2,759,589
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	1,707,272
Deposits	-	-	-	144,337	1,133,253
Total Liabilities	<u>-</u>	<u>110,314</u>	<u>21,213</u>	<u>238,337</u>	<u>5,600,114</u>
Fund Balances (Deficits):					
Reserved for:					
Encumbrances	-	140,314	-	-	10,101,158
Debt Service	-	-	-	-	-
Law Enforcement	-	-	-	-	2,039,801
Prepaid Items	-	-	-	9,125	254,424
Unreserved, Designated for,					
Subsequent Years Expenditures	-	2,134,573	-	-	3,418,935
Unreserved, Undesignated	794,232	1,209,895	5,774,560	61,936	22,093,006
Total Fund Balances	<u>794,232</u>	<u>3,484,782</u>	<u>5,774,560</u>	<u>71,061</u>	<u>37,907,324</u>
Total Liabilities and Fund Balances	<u>\$ 794,232</u>	<u>\$ 3,595,096</u>	<u>\$ 5,795,773</u>	<u>\$ 309,398</u>	<u>\$ 43,507,438</u>

Debt Service Funds

General Obligation Bonds	Other Special Obligation Bonds	CRA Other Special Obligation	Total
\$ -	\$ 9,014	\$ 448,953	\$ 457,967
3,042,079	9,506,198	606,642	13,154,919
-	-	-	-
1,020,382	-	-	1,020,382
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 4,062,461</u>	<u>\$ 9,515,212</u>	<u>\$ 1,055,595</u>	<u>\$ 14,633,268</u>
\$ 106	\$ -	\$ -	\$ 106
2,460,908	-	-	2,460,908
-	-	-	-
632,567	-	-	632,567
2,754	-	-	2,754
<u>3,096,335</u>	<u>-</u>	<u>-</u>	<u>3,096,335</u>
-	-	-	-
966,126	8,365,212	1,055,595	10,386,933
-	-	-	-
-	-	-	-
-	1,150,000	-	1,150,000
-	-	-	-
<u>966,126</u>	<u>9,515,212</u>	<u>1,055,595</u>	<u>11,536,933</u>
<u>\$ 4,062,461</u>	<u>\$ 9,515,212</u>	<u>\$ 1,055,595</u>	<u>\$ 14,633,268</u>

(continued)

City of Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2004

	Capital Projects Funds				
	Community Redevelopment Agency	Public Safety	Sanitary Sewers	Storm Sewers	Solid Waste
Assets					
Cash, Cash Equivalents and Investments	\$ 2,695,930	\$ 26,902,354	\$ 25,590,154	\$ 28,082,133	\$ 1,979,436
Restricted Cash and Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	301
Taxes	-	-	-	-	-
Special Assessments	-	-	-	-	113,197
Due from Other Governments	-	-	-	-	-
Accrued Interest	2,426	77,337	116,251	54,519	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>\$ 2,698,356</u>	<u>\$ 26,979,691</u>	<u>\$ 25,706,405</u>	<u>\$ 28,136,652</u>	<u>\$ 2,092,934</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ 165,522	\$ 44,478	\$ 855,607	\$ -
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	2,025	-	-	-
Deferred Revenue	-	-	-	-	113,197
Deposits	1,356	15,728	-	-	-
Total Liabilities	<u>1,356</u>	<u>183,275</u>	<u>44,478</u>	<u>855,607</u>	<u>113,197</u>
Fund Balances (Deficits):					
Reserved for:					
Encumbrances	-	2,960,127	317,581	2,271,358	206,660
Debt Service	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Unreserved, Designated for,					
Subsequent Years Expenditures	-	-	-	-	-
Unreserved, Undesignated	2,697,000	23,836,289	25,344,346	25,009,687	1,773,077
Total Fund Balances	<u>2,697,000</u>	<u>26,796,416</u>	<u>25,661,927</u>	<u>27,281,045</u>	<u>1,979,737</u>
Total Liabilities and Fund Balances	<u>\$ 2,698,356</u>	<u>\$ 26,979,691</u>	<u>\$ 25,706,405</u>	<u>\$ 28,136,652</u>	<u>\$ 2,092,934</u>

Capital Projects Funds

Public Facilities	Parks & Recreation	Disaster Recovery	Total	Total Nonmajor Governmental Funds
\$ 22,379,107	\$ 36,594,862	\$ 1,651,560	\$ 145,875,536	\$ 184,688,246
-	253,252	-	253,252	14,348,553
8,435	-	-	8,736	768,158
-	-	-	-	1,020,382
-	-	-	113,197	113,197
-	686,244	120,649	806,893	3,945,775
82,302	182,717	-	515,552	575,137
-	51,960	-	51,960	306,384
-	300,000	-	300,000	300,000
<u>\$ 22,469,844</u>	<u>\$ 38,069,035</u>	<u>\$ 1,772,209</u>	<u>\$ 147,925,126</u>	<u>\$ 206,065,832</u>
\$ 543,674	\$ 1,870,011	\$ 1,007,889	\$ 4,487,181	\$ 7,246,876
-	-	-	-	2,460,908
-	-	-	2,025	2,025
-	-	-	113,197	2,453,036
-	-	-	17,084	1,153,091
<u>543,674</u>	<u>1,870,011</u>	<u>1,007,889</u>	<u>4,619,487</u>	<u>13,315,936</u>
1,213,032	7,615,822	2,925,359	17,509,939	27,611,097
-	-	-	-	10,386,933
-	-	-	-	2,039,801
-	51,960	-	51,960	306,384
-	-	-	-	4,568,935
20,713,138	28,531,242	(2,161,039)	125,743,740	147,836,746
<u>21,926,170</u>	<u>36,199,024</u>	<u>764,320</u>	<u>143,305,639</u>	<u>192,749,896</u>
<u>\$ 22,469,844</u>	<u>\$ 38,069,035</u>	<u>\$ 1,772,209</u>	<u>\$ 147,925,126</u>	<u>\$ 206,065,832</u>

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2004

	Special Revenue Funds				
	Omni CRA	SEOPW CRA	Convention Center	Economic Development & Planning Services	Fire Rescue Services
Revenues					
Property Taxes	\$ 4,498,041	\$ 2,417,956	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	-	1,215,812	494,609	3,734,418
Charges for Services	-	21,500	3,669,451	1,086,347	4,272,243
Interest	76,044	70,549	2,888	41,062	22,886
Other	-	154,209	481,325	558,281	122
Total Revenues	4,574,085	2,664,214	5,369,476	2,180,299	8,029,669
Expenditures					
Current Operating:					
General Government	-	-	-	-	-
Planning and Development	-	-	-	1,697,965	-
Community Redevelopment Areas	2,163,256	2,446,814	-	-	-
Public Safety	-	-	-	-	4,411,800
Public Facilities	-	-	2,938,005	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	2,163,256	2,446,814	2,938,005	1,697,965	4,411,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,410,829	217,400	2,431,471	482,334	3,617,869
Other Financing Sources (Uses)					
Transfers In	-	1,344,597	1,628,908	695,777	40,497
Transfers Out	(456,643)	(699,392)	(4,081,055)	-	(8,294,366)
Refunding Bonds Issued	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	(456,643)	645,205	(2,452,147)	695,777	(8,253,869)
Net Changes in Fund Balances	1,954,186	862,605	(20,676)	1,178,111	(4,636,000)
Fund Balances - Beginning	1,521,370	2,445,064	837,685	4,421,136	5,702,115
Fund Balances - Ending	\$ 3,475,556	\$ 3,307,669	\$ 817,009	\$ 5,599,247	\$ 1,066,115

Special Revenue Funds

Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust	Public Works Services	City Clerk Services	Local Option Gas Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	917,095	-	-	-
-	1,831,169	13,191,195	-	-	-	-
-	6,510	-	-	-	128,219	-
-	14,069	46,525	63,534	20,116	-	-
157	4,398	11,100	-	142,292	-	-
<u>157</u>	<u>1,856,146</u>	<u>13,248,820</u>	<u>980,629</u>	<u>162,408</u>	<u>128,219</u>	<u>-</u>
5,825,318	-	-	-	-	150,090	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	14,804,180	3,176,152	-	-	-
-	-	-	-	-	-	-
-	1,918,211	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,825,318</u>	<u>1,918,211</u>	<u>14,804,180</u>	<u>3,176,152</u>	<u>-</u>	<u>150,090</u>	<u>-</u>
<u>(5,825,161)</u>	<u>(62,065)</u>	<u>(1,555,360)</u>	<u>(2,195,523)</u>	<u>162,408</u>	<u>(21,871)</u>	<u>-</u>
6,334,426	1,235,500	177,050	113,630	-	31,000	-
-	(97,551)	-	(177,050)	-	-	(632,082)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,334,426</u>	<u>1,137,949</u>	<u>177,050</u>	<u>(63,420)</u>	<u>-</u>	<u>31,000</u>	<u>(632,082)</u>
509,265	1,075,884	(1,378,310)	(2,258,943)	162,408	9,129	(632,082)
3,219	1,922,664	6,292,663	4,442,430	1,341,772	142,366	1,884,628
<u>\$ 512,484</u>	<u>\$ 2,998,548</u>	<u>\$ 4,914,353</u>	<u>\$ 2,183,487</u>	<u>\$ 1,504,180</u>	<u>\$ 151,495</u>	<u>\$ 1,252,546</u>

(continued)

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2004

Special Revenue Funds					
	Stormwater Utility	Department Improvement Initiatives	Transportation & Transit	Gusman and Olympia	Total
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,915,997
Franchise Fees and Other Taxes	35,589	-	-	-	35,589
Fines and Forfeitures	-	-	-	-	917,095
Intergovernmental Revenues	-	-	12,891,306	615,046	33,973,555
Charges for Services	-	-	-	431,407	9,615,677
Interest	-	-	-	-	357,673
Other	-	-	-	166,266	1,518,150
Total Revenues	<u>35,589</u>	<u>-</u>	<u>12,891,306</u>	<u>1,212,719</u>	<u>53,333,736</u>
Expenditures					
Current Operating:					
General Government	-	1,217,635	342,852	-	7,535,895
Planning and Development	-	-	-	-	1,697,965
Community Redevelopment Areas	-	-	-	-	4,610,070
Public Safety	-	-	-	-	22,392,132
Public Facilities	-	-	-	1,394,614	4,332,619
Parks and Recreation	-	-	-	-	1,918,211
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,217,635</u>	<u>342,852</u>	<u>1,394,614</u>	<u>42,486,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,589</u>	<u>(1,217,635)</u>	<u>12,548,454</u>	<u>(181,895)</u>	<u>10,846,844</u>
Other Financing Sources (Uses)					
Transfers In	-	2,160,486	-	589,765	14,351,636
Transfers Out	(968,064)	(794,125)	(11,365,093)	-	(27,565,421)
Refunding Bonds Issued	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(968,064)</u>	<u>1,366,361</u>	<u>(11,365,093)</u>	<u>589,765</u>	<u>(13,213,785)</u>
Net Changes in Fund Balances	(932,475)	148,726	1,183,361	407,870	(2,366,941)
Fund Balances - Beginning	<u>1,726,707</u>	<u>3,336,056</u>	<u>4,591,199</u>	<u>(336,809)</u>	<u>40,274,265</u>
Fund Balances - Ending	<u>\$ 794,232</u>	<u>\$ 3,484,782</u>	<u>\$ 5,774,560</u>	<u>\$ 71,061</u>	<u>\$ 37,907,324</u>

Debt Service Funds

General Obligation Bonds	Other Special Obligation Bonds	CRA Other Special Obligation	Total
\$ 20,194,278	\$ -	\$ -	\$ 20,194,278
-	-	-	-
-	-	-	-
-	-	300,000	300,000
-	-	-	-
51,743	49,179	1,495	102,417
-	-	-	-
<u>20,246,021</u>	<u>49,179</u>	<u>301,495</u>	<u>20,596,695</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
10,740,000	8,974,464	125,000	19,839,464
10,068,259	12,304,430	321,544	22,694,233
-	-	-	-
<u>20,808,259</u>	<u>21,278,894</u>	<u>446,544</u>	<u>42,533,697</u>
<u>(562,238)</u>	<u>(21,229,715)</u>	<u>(145,049)</u>	<u>(21,937,002)</u>
5,504,344	19,196,469	457,860	25,158,673
(5,504,344)	(1,367,420)	(222,219)	(7,093,983)
4,180,000	-	-	4,180,000
(4,062,502)	-	-	(4,062,502)
<u>117,498</u>	<u>17,829,049</u>	<u>235,641</u>	<u>18,182,188</u>
(444,740)	(3,400,666)	90,592	(3,754,814)
<u>1,410,866</u>	<u>12,915,878</u>	<u>965,003</u>	<u>15,291,747</u>
<u>\$ 966,126</u>	<u>\$ 9,515,212</u>	<u>\$ 1,055,595</u>	<u>\$ 11,536,933</u>

(continued)

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2004

	Capital Projects Funds				
	Community Redevelopment Agency	Public Safety	Sanitary Sewers	Storm Sewers	Solid Waste
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	105,252	-	237,935	-
Charges for Services	-	-	-	-	-
Interest	44,810	478,888	471,003	158,281	-
Other	-	9,323	-	-	71,201
Total Revenues	44,810	593,463	471,003	396,216	71,201
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	-	2,966,530	62,012	3,239,327	296,634
Total Expenditures	-	2,966,530	62,012	3,239,327	296,634
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,810	(2,373,067)	408,991	(2,843,111)	(225,433)
Other Financing Sources (Uses)					
Transfers In	-	17,830,531	151,819	3,417,335	80,049
Transfers Out	-	(3,663,300)	(179,319)	(1,810,385)	(445,392)
Refunding Bonds Issued	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	-	14,167,231	(27,500)	1,606,950	(365,343)
Net Changes in Fund Balances	44,810	11,794,164	381,491	(1,236,161)	(590,776)
Fund Balances - Beginning	2,652,190	15,002,252	25,280,436	28,517,206	2,570,513
Fund Balances - Ending	\$ 2,697,000	\$ 26,796,416	\$ 25,661,927	\$ 27,281,045	\$ 1,979,737

Public Facilities	Parks & Recreation	Disaster Recovery	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 27,110,275
-	-	-	-	35,589
-	-	-	-	917,095
33,375	3,709,496	122,986	4,209,044	38,482,599
-	-	-	-	9,615,677
305,666	796,261	-	2,254,909	2,714,999
2,966,850	497,591	3,290,483	6,835,448	8,353,598
<u>3,305,891</u>	<u>5,003,348</u>	<u>3,413,469</u>	<u>13,299,401</u>	<u>87,229,832</u>
-	-	-	-	7,535,895
-	-	-	-	1,697,965
-	-	-	-	4,610,070
-	-	-	-	22,392,132
-	-	-	-	4,332,619
-	-	-	-	1,918,211
-	-	-	-	19,839,464
-	-	-	-	22,694,233
6,996,211	12,707,092	4,030,609	30,298,415	30,298,415
<u>6,996,211</u>	<u>12,707,092</u>	<u>4,030,609</u>	<u>30,298,415</u>	<u>115,319,004</u>
<u>(3,690,320)</u>	<u>(7,703,744)</u>	<u>(617,140)</u>	<u>(16,999,014)</u>	<u>(28,089,172)</u>
7,064,106	15,180,160	535,296	44,259,296	83,769,605
(3,601,077)	(11,343,459)	(344,722)	(21,387,654)	(56,047,058)
-	-	-	-	4,180,000
-	-	-	-	(4,062,502)
<u>3,463,029</u>	<u>3,836,701</u>	<u>190,574</u>	<u>22,871,642</u>	<u>27,840,045</u>
(227,291)	(3,867,043)	(426,566)	5,872,628	(249,127)
<u>22,153,461</u>	<u>40,066,067</u>	<u>1,190,886</u>	<u>137,433,011</u>	<u>192,999,023</u>
<u>\$ 21,926,170</u>	<u>\$ 36,199,024</u>	<u>\$ 764,320</u>	<u>\$ 143,305,639</u>	<u>\$ 192,749,896</u>

City of Miami, Florida
Budgetary Comparison Schedule
Omni CRA
For The Year Ended September 30, 2004

	<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	\$ 2,451,649	\$ 2,451,649	\$ 4,498,041	\$ 2,046,392
Intergovernmental Revenues	1,774,495	1,774,495	-	(1,774,495)
Interest	60,840	60,840	76,044	15,204
Other	652,224	-	726,283	726,283
Transfers In	785,209	-	-	-
Amounts Available for Appropriation	<u>5,724,417</u>	<u>4,286,984</u>	<u>5,300,368</u>	<u>1,013,384</u>
Charges To Appropriations (outflows):				
Community Redevelopment Areas	5,285,274	4,556,624	2,163,256	2,393,368
Transfers Out	439,143	456,643	456,643	-
Total Charges to Appropriations	<u>5,724,417</u>	<u>5,013,267</u>	<u>2,619,899</u>	<u>2,393,368</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(726,283)	2,680,469	3,406,752
Fund Balance Allocation	-	726,283	-	(726,283)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,680,469</u>	<u>\$ 2,680,469</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.	\$ 5,300,368
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(726,283)
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>\$ 4,574,085</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,619,899
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.	(456,643)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 2,163,256</u>

City of Miami, Florida
Budgetary Comparison Schedule
SEOPW CRA
For The Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Property Taxes	\$ 1,474,398	\$ 1,474,398	\$ 2,417,956	\$ 943,558
Intergovernmental Revenues	1,008,564	1,008,564	-	(1,008,564)
Charges for Services	30,000	30,000	21,500	(8,500)
Interest	91,904	91,904	70,549	(21,355)
Other	-	-	5,060,590	5,060,590
Transfers In	895,388	1,680,597	1,344,597	(336,000)
Amounts Available for Appropriation	<u>3,500,254</u>	<u>4,285,463</u>	<u>8,915,192</u>	<u>4,629,729</u>
Charges To Appropriations (outflows):				
Community Redevelopment Areas	7,104,188	8,482,627	2,446,814	6,035,813
Transfers Out	696,066	709,217	699,392	9,825
Total Charges to Appropriations	<u>7,800,254</u>	<u>9,191,844</u>	<u>3,146,206</u>	<u>6,045,638</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(4,300,000)	(4,906,381)	5,768,986	10,675,367
Fund Balance Allocation	<u>4,300,000</u>	<u>4,906,381</u>	<u>-</u>	<u>(4,906,381)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,768,986</u>	<u>\$ 5,768,986</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.	\$ 8,915,192
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(4,906,381)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(1,344,597)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,664,214</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,146,206
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.	(699,392)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 2,446,814</u>

City of Miami, Florida
Budgetary Comparison Schedule
Convention Center
For The Year Ended September 30, 2004

	<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	\$ 1,040,810	\$ 1,040,810	\$ 1,215,812	\$ 175,002
Charges for Services	4,343,422	4,648,877	3,669,451	(979,426)
Interest	52,000	52,000	2,888	(49,112)
Other	5,362	5,362	481,325	475,963
Transfers In	1,628,908	1,628,908	1,628,908	-
Amounts Available for Appropriation	<u>7,070,502</u>	<u>7,375,957</u>	<u>6,998,384</u>	<u>(377,573)</u>
Charges To Appropriations (outflows):				
Public Facilities	3,021,119	3,026,574	2,943,367	83,207
Transfers Out	4,049,383	4,349,383	4,081,055	268,328
Total Charges to Appropriations	<u>7,070,502</u>	<u>7,375,957</u>	<u>7,024,422</u>	<u>351,535</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(26,038)	(26,038)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,038)</u>	<u>\$ (26,038)</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.	\$ 6,998,384
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(1,628,908)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 5,369,476</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 7,024,422
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.	(5,362)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(4,081,055)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 2,938,005</u>

City of Miami, Florida
Budgetary Comparison Schedule
Economic Development & Planning Services
For The Year Ended September 30, 2004

	<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	\$ -	\$ 1,381,204	\$ 494,609	\$ (886,595)
Charges for Services	243,798	414,498	1,086,347	671,849
Interest	-	-	41,062	41,062
Other	24,720	24,720	4,461,514	4,436,794
Transfers In	-	-	695,777	695,777
Amounts Available for Appropriation	<u>268,518</u>	<u>1,820,422</u>	<u>6,779,309</u>	<u>4,958,887</u>
Charges To Appropriations (outflows):				
Planning and Development	268,518	4,891,420	1,722,685	3,168,735
Transfers Out	-	832,235	-	832,235
Total Charges to Appropriations	<u>268,518</u>	<u>5,723,655</u>	<u>1,722,685</u>	<u>4,000,970</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(3,903,233)	5,056,624	8,959,857
Fund Balance Allocation	-	3,903,233	-	(3,903,233)
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,056,624</u>	<u>\$ 5,056,624</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.	\$ 6,779,309
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(3,903,233)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(695,777)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 2,180,299</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,722,685
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.	(24,720)
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>\$ 1,697,965</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Fire Rescue Services
For The Year Ended September 30, 2004**

	<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	\$ 11,430,087	\$ 14,721,832	\$ 3,734,418	\$ (10,987,414)
Charges for Services	4,382,176	4,272,183	4,272,243	60
Interest	-	-	22,886	22,886
Other	-	4,222,183	1,735,298	(2,486,885)
Transfers In	108,600	149,097	40,497	(108,600)
Amounts Available for Appropriation	<u>15,920,863</u>	<u>23,365,295</u>	<u>9,805,342</u>	<u>(13,559,953)</u>
Charges To Appropriations (outflows):				
Public Safety	12,493,593	16,806,105	4,411,800	12,394,305
Transfers Out	4,072,183	8,294,366	8,294,366	-
Total Charges to Appropriations	<u>16,565,776</u>	<u>25,100,471</u>	<u>12,706,166</u>	<u>12,394,305</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(644,913)	(1,735,176)	(2,900,824)	(1,165,648)
Fund Balance Allocation	<u>644,913</u>	<u>1,735,176</u>	<u>-</u>	<u>(1,735,176)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,900,824)</u>	<u>\$ (2,900,824)</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.	\$ 9,805,342
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(1,735,176)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(40,497)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 8,029,669</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 12,706,166
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.	(8,294,366)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 4,411,800</u>

City of Miami, Florida
Budgetary Comparison Schedule
NET Offices
For The Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Other	\$ -	\$ -	\$ 157	\$ 157
Transfers In	6,065,301	6,334,426	6,334,426	-
Amounts Available for Appropriation	<u>6,065,301</u>	<u>6,334,426</u>	<u>6,334,583</u>	<u>157</u>
Charges To Appropriations (outflows):				
General Government	6,065,301	6,334,426	5,825,318	509,108
Total Charges to Appropriations	<u>6,065,301</u>	<u>6,334,426</u>	<u>5,825,318</u>	<u>509,108</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	509,265	509,265
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,265</u>	<u>\$ 509,265</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.	\$ 6,334,583
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(6,334,426)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 157</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 5,825,318
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>\$ 5,825,318</u>

City of Miami, Florida
Budgetary Comparison Schedule
Parks & Recreation Services
For The Year Ended September 30, 2004

	<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	\$ 518,299	\$ 2,827,212	\$ 1,831,169	\$ (996,043)
Charges for Services	-	60,000	6,510	(53,490)
Interest	-	-	14,069	14,069
Other	-	539,760	4,398	(535,362)
Transfers In	-	-	1,235,500	1,235,500
Amounts Available for Appropriation	<u>518,299</u>	<u>3,426,972</u>	<u>3,091,646</u>	<u>(335,326)</u>
Charges To Appropriations (outflows):				
Parks and Recreation	518,299	3,329,421	1,918,211	1,411,210
Transfers Out	-	97,551	97,551	-
Total Charges to Appropriations	<u>518,299</u>	<u>3,426,972</u>	<u>2,015,762</u>	<u>1,411,210</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	1,075,884	1,075,884
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,884</u>	<u>\$ 1,075,884</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.	\$ 3,091,646
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(1,235,500)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,856,146</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 2,015,762
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.	(97,551)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 1,918,211</u>

City of Miami, Florida
Budgetary Comparison Schedule
Police Services
For The Year Ended September 30, 2004

	<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	\$ 18,146,166	\$ 25,055,557	\$ 13,191,195	\$ (11,864,362)
Charges for Services	-	69,487	-	(69,487)
Interest	-	37,282	46,525	9,243
Other	517,711	5,311,399	11,100	(5,300,299)
Transfers In	108,600	294,116	177,050	(117,066)
Amounts Available for Appropriation	<u>18,772,477</u>	<u>30,767,841</u>	<u>13,425,870</u>	<u>(17,341,971)</u>
Charges To Appropriations (outflows):				
Public Safety	18,772,477	30,767,841	14,804,180	15,963,661
Total Charges to Appropriations	<u>18,772,477</u>	<u>30,767,841</u>	<u>14,804,180</u>	<u>15,963,661</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	(1,378,310)	(1,378,310)
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,378,310)</u>	<u>\$ (1,378,310)</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.	\$ 13,425,870
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(177,050)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 13,248,820</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 14,804,180
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>\$ 14,804,180</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Law Enforcement Trust
For The Year Ended September 30, 2004**

	<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	\$ -	\$ -	\$ 917,095	\$ 917,095
Interest	-	-	63,534	63,534
Other	-	-	5,703,668	5,703,668
Transfers In	-	113,630	113,630	-
Amounts Available for Appropriation	<u>-</u>	<u>113,630</u>	<u>6,797,927</u>	<u>6,684,297</u>
Charges To Appropriations (outflows):				
Public Safety	6,302,588	5,640,248	3,176,152	2,464,096
Transfers Out	-	177,050	177,050	-
Total Charges to Appropriations	<u>6,302,588</u>	<u>5,817,298</u>	<u>3,353,202</u>	<u>2,464,096</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(6,302,588)	(5,703,668)	3,444,725	9,148,393
Fund Balance Allocation	<u>6,302,588</u>	<u>5,703,668</u>	<u>-</u>	<u>(5,703,668)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,444,725</u>	<u>\$ 3,444,725</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.	\$ 6,797,927
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(5,703,668)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(113,630)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 980,629</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 3,353,202
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.	(177,050)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 3,176,152</u>

City of Miami, Florida
Budgetary Comparison Schedule
Public Works Services
For The Year Ended September 30, 2004

	<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	\$ -	\$ 180,000	\$ -	\$ (180,000)
Interest	1,115,120	1,115,120	20,116	(1,095,004)
Other	-	-	142,292	142,292
Amounts Available for Appropriation	<u>1,115,120</u>	<u>1,295,120</u>	<u>162,408</u>	<u>(1,132,712)</u>
Charges To Appropriations (outflows):				
Public Works	1,115,120	1,295,120	-	1,295,120
Total Charges to Appropriations	<u>1,115,120</u>	<u>1,295,120</u>	<u>-</u>	<u>1,295,120</u>
Excess (Deficiency) of Resources Over				
Charges to Appropriations	-	-	162,408	162,408
Fund Balance Allocation				
	-	-	-	-
Excess (Deficiency) of Resources Over				
Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,408</u>	<u>\$ 162,408</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.	\$ 162,408
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 162,408</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, 2004

	<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	\$ 150,430	\$ 150,430	\$ 128,219	\$ (22,211)
Other	-	-	5,000	5,000
Transfers In	35,000	35,000	31,000	(4,000)
Amounts Available for Appropriation	<u>185,430</u>	<u>185,430</u>	<u>164,219</u>	<u>(21,211)</u>
Charges To Appropriations (outflows):				
General Government	190,430	190,430	150,090	40,340
Total Charges to Appropriations	<u>190,430</u>	<u>190,430</u>	<u>150,090</u>	<u>40,340</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(5,000)	(5,000)	14,129	19,129
Fund Balance Allocation	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,129</u>	<u>\$ 14,129</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.	\$ 164,219
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(5,000)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(31,000)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 128,219</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 150,090
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.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 150,090</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Local Option Gas Tax
For The Year Ended September 30, 2004**

	<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):				
Other	\$ -	\$ -	\$ 632,082	\$ 632,082
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>632,082</u>	<u>632,082</u>
Charges To Appropriations (outflows):				
Transfers Out	-	632,082	632,082	-
Total Charges to Appropriations	<u>-</u>	<u>632,082</u>	<u>632,082</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(632,082)	-	632,082
Fund Balance Allocation	<u>-</u>	<u>632,082</u>	<u>-</u>	<u>(632,082)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.	\$ 632,082
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(632,082)
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>\$ -</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 632,082
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.	(632,082)
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
For The Year Ended September 30, 2004**

	<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	\$ -	\$ -	\$ 35,589	\$ 35,589
Other	-	-	968,064	968,064
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>1,003,653</u>	<u>1,003,653</u>
Charges To Appropriations (outflows):				
Transfers Out	-	968,064	968,064	-
Total Charges to Appropriations	<u>-</u>	<u>968,064</u>	<u>968,064</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(968,064)	35,589	1,003,653
Fund Balance Allocation	<u>-</u>	<u>968,064</u>	<u>-</u>	<u>(968,064)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,589</u>	<u>\$ 35,589</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.	\$ 1,003,653
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(968,064)
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>\$ 35,589</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 968,064
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.	<u>(968,064)</u>
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, 2004**

	<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):				
Other	\$ -	\$ -	\$ 3,199,439	\$ 3,199,439
Transfers In	-	2,650,713	2,160,486	(490,227)
Amounts Available for Appropriation	<u>-</u>	<u>2,650,713</u>	<u>5,359,925</u>	<u>2,709,212</u>
Charges To Appropriations (outflows):				
General Government	1,777,577	4,526,723	1,611,731	2,914,992
Transfers Out	-	1,323,429	794,125	529,304
Total Charges to Appropriations	<u>1,777,577</u>	<u>5,850,152</u>	<u>2,405,856</u>	<u>3,444,296</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(1,777,577)	(3,199,439)	2,954,069	6,153,508
Fund Balance Allocation	<u>1,777,577</u>	<u>3,199,439</u>	<u>-</u>	<u>(3,199,439)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,954,069</u>	<u>\$ 2,954,069</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.	\$ 5,359,925
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(3,199,439)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(2,160,486)
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.	\$ 2,405,856
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.	(394,096)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(794,125)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 1,217,635</u>

City of Miami, Florida
Budgetary Comparison Schedule
Transportation & Transit
For The Year Ended September 30, 2004

	<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	\$ 13,025,000	\$ 13,025,000	\$ 12,891,306	\$ (133,694)
Amounts Available for Appropriation	<u>13,025,000</u>	<u>13,025,000</u>	<u>12,891,306</u>	<u>(133,694)</u>
Charges To Appropriations (outflows):				
General Government	1,659,907	1,659,907	342,852	1,317,055
Transfers Out	11,365,093	11,365,093	11,365,093	-
Total Charges to Appropriations	<u>13,025,000</u>	<u>13,025,000</u>	<u>11,707,945</u>	<u>1,317,055</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	1,183,361	1,183,361
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,183,361</u>	<u>\$ 1,183,361</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.	\$ 12,891,306
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,891,306</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 11,707,945
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.	(11,365,093)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 342,852</u>

City of Miami, Florida
Budgetary Comparison Schedule
Gusman & Olympia
For The Year Ended September 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Intergovernmental Revenues	\$ -	\$ -	\$ 615,046	\$ 615,046
Charges for Services	321,000	321,000	431,407	110,407
Other	514,205	514,205	166,266	(347,939)
Transfers In	-	-	589,765	589,765
Amounts Available for Appropriation	<u>835,205</u>	<u>835,205</u>	<u>1,802,484</u>	<u>967,279</u>
Charges To Appropriations (outflows):				
Public Facilities	835,205	835,205	1,394,614	(559,409)
Total Charges to Appropriations	<u>835,205</u>	<u>835,205</u>	<u>1,394,614</u>	<u>(559,409)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	407,870	407,870
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,870</u>	<u>\$ 407,870</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.	\$ 1,802,484
Differences - budget to GAAP:	
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(589,765)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 1,212,719</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 1,394,614
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>\$ 1,394,614</u>

**City of Miami, Florida
Budgetary Comparison Schedule
General Obligation Bonds
For The Year Ended September 30, 2004**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Resources (inflows):				
Property Taxes	\$ 19,689,164	\$ 19,689,164	\$ 20,194,278	\$ 505,114
Interest	-	-	51,743	51,743
Other	-	1,214,053	1,038,717	(175,336)
Transfers In	-	5,504,344	5,504,344	-
Refunding Bonds Issued	-	4,180,000	4,180,000	-
Amounts Available for Appropriation	<u>19,689,164</u>	<u>30,587,561</u>	<u>30,969,082</u>	<u>381,521</u>
Charges To Appropriations (outflows):				
Debt Service:				
Principal	10,740,000	10,740,000	10,740,000	-
Interest and Other Charges	9,987,881	11,319,432	10,068,259	1,251,173
Transfers Out	-	5,504,344	5,504,344	-
Payments To Refunded Bond Escrow Agent	-	4,062,502	4,062,502	-
Total Charges to Appropriations	<u>20,727,881</u>	<u>31,626,278</u>	<u>30,375,105</u>	<u>1,251,173</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(1,038,717)	(1,038,717)	593,977	1,632,694
Fund Balance Allocation	<u>1,038,717</u>	<u>1,038,717</u>	<u>-</u>	<u>(1,038,717)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,977</u>	<u>\$ 593,977</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.	\$ 30,969,082
Differences - budget to GAAP:	
Loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(4,180,000)
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(1,038,717)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(5,504,344)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 20,246,021</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 30,375,105
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.	(4,062,502)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(5,504,344)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 20,808,259</u>

**City of Miami, Florida
Budgetary Comparison Schedule
Other Special Obligation Bonds
For The Year Ended September 30, 2004**

	<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):				
Interest	\$ -	\$ -	\$ 49,179	\$ 49,179
Other	-	-	1,500,000	1,500,000
Transfers In	19,808,457	24,681,320	19,196,469	(5,484,851)
Amounts Available for Appropriation	<u>19,808,457</u>	<u>24,681,320</u>	<u>20,745,648</u>	<u>(3,935,672)</u>
Charges To Appropriations (outflows):				
Debt Service:				
Principal	17,157,336	8,974,464	8,974,464	-
Interest and Other Charges	4,151,121	12,333,993	12,304,430	29,563
Transfers Out	-	4,872,863	1,367,420	3,505,443
Total Charges to Appropriations	<u>21,308,457</u>	<u>26,181,320</u>	<u>22,646,314</u>	<u>3,535,006</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(1,500,000)	(1,500,000)	(1,900,666)	(400,666)
Fund Balance Allocation	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,900,666)</u>	<u>\$ (1,900,666)</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.	\$ 20,745,648
Differences - budget to GAAP:	
Loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(1,500,000)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(19,196,469)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 49,179</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 22,646,314
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.	(1,367,420)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 21,278,894</u>

**City of Miami, Florida
Budgetary Comparison Schedule
CRA Other Special Obligation Bonds
For The Year Ended September 30, 2004**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (inflows):				
Intergovernmental Revenues	\$ 302,475	\$ 524,694	\$ 300,000	\$ (224,694)
Interest	-	-	1,495	1,495
Transfers In	57,275	157,275	457,860	300,585
Amounts Available for Appropriation	<u>359,750</u>	<u>681,969</u>	<u>759,355</u>	<u>77,386</u>
Charges To Appropriations (outflows):				
Debt Service:				
Principal	135,000	135,000	125,000	10,000
Interest and Other Charges	224,750	324,750	321,544	3,206
Transfers Out	-	222,219	222,219	-
Total Charges to Appropriations	<u>359,750</u>	<u>681,969</u>	<u>668,763</u>	<u>13,206</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	90,592	90,592
Fund Balance Allocation	-	-	-	-
Excess (Deficiency) of Resources Over Charges to Appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,592</u>	<u>\$ 90,592</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.	\$ 759,355
Differences - budget to GAAP:	
Loan proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-
Equipment purchased with a capital lease is a budgetary resource but is not a current-year revenue 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.	(457,860)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 301,495</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 668,763
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.	(222,219)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 446,544</u>



FIDUCIARY FUNDS

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

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 actuarial valuations.

City of Miami, Florida
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2004

	Employee Retirement Funds			Totals
	Firefighter and Police (FIPO)	General and Sanitation (GESE)	Elected Officer's Retirement Trust (EORT)	Employee Retirement Funds
Assets				
Cash and Short-Term Investments	\$ 39,458,822	\$ 412,293	\$ 175	\$ 39,871,290
Accounts Receivable	12,143,073	7,847,125	-	19,990,198
Capital Assets	2,341,720	2,003,212	-	4,344,932
	<u>53,943,615</u>	<u>10,262,630</u>	<u>175</u>	<u>64,206,420</u>
Investments, at fair value				
U.S. Government Obligations	195,061,435	71,339,230	1,838,268	268,238,933
Corporate Bonds	164,596,730	77,385,316	-	241,982,046
Corporate Stocks	734,044,817	349,535,058	-	1,083,579,875
Money Market Funds and Commercial Paper	-	16,879,353	192,649	17,072,002
Mutual Funds	58,003,816	-	-	58,003,816
Real Estate	-	30,263,649	-	30,263,649
Total Investments	<u>1,151,706,798</u>	<u>545,402,606</u>	<u>2,030,917</u>	<u>1,699,140,321</u>
Securities Lending Collateral	146,958,999	-	-	146,958,999
Total Assets	<u>1,352,609,412</u>	<u>555,665,236</u>	<u>2,031,092</u>	<u>1,910,305,740</u>
Liabilities				
Obligations Under Security Lending	146,958,999	-	-	146,958,999
Accounts Payable	406,532	905,163	-	1,311,695
Accrued Liabilities	9,686,086	-	-	9,686,086
Payable for Securities Purchased	27,313,761	7,718,152	-	35,031,913
Total Liabilities	<u>184,365,378</u>	<u>8,623,315</u>	<u>-</u>	<u>192,988,693</u>
Net Assets				
Held in Trust for Pension Benefits	<u>\$ 1,168,244,034</u>	<u>\$ 547,041,921</u>	<u>\$ 2,031,092</u>	<u>\$ 1,717,317,047</u>

City of Miami, Florida
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2004

	Employee Retirement Funds			Totals
	Firefighter and Police (FIPO)	General and Sanitation (GESE)	Elected Officer's Retirement Trust (EORT)	Employee Retirement Funds
Additions				
Contributions:				
Employer	\$ 36,659,614	\$ 11,285,223	\$ 300,000	\$ 48,244,837
Plan Members	24,415,150	7,981,875	-	32,397,025
Total Contributions	<u>61,074,764</u>	<u>19,267,098</u>	<u>300,000</u>	<u>80,641,862</u>
Investment Earnings:				
Net Increase in Fair				
Value of Investments	106,824,154	43,048,354	-	149,872,508
Interest	18,158,906	7,285,467	25,889	25,470,262
Dividends	9,147,251	5,002,386	-	14,149,637
Other Income, net	835,291	2,445,805	-	3,281,096
Total Investment Earnings	<u>134,965,602</u>	<u>57,782,012</u>	<u>25,889</u>	<u>192,773,503</u>
Less Investment Expenses	3,901,006	2,347,774	-	6,248,780
Net Investment Earnings	<u>131,064,596</u>	<u>55,434,238</u>	<u>25,889</u>	<u>186,524,723</u>
Total Additions	<u>192,139,360</u>	<u>74,701,336</u>	<u>325,889</u>	<u>267,166,585</u>
Deductions				
Benefits	53,249,449	41,656,165	137,055	95,042,669
Refunds upon Resignation, Death, etc.	307,893	883,189	-	1,191,082
Distribution to Retirees	9,916,255	-	-	9,916,255
Administrative and Other Expenses	42,726	2,371,310	5,300	2,419,336
Total Deductions	<u>63,516,323</u>	<u>44,910,664</u>	<u>142,355</u>	<u>108,569,342</u>
Change in Net Assets	<u>128,623,037</u>	<u>29,790,672</u>	<u>183,534</u>	<u>158,597,243</u>
Net Assets - Beginning of Year	<u>1,039,620,997</u>	<u>517,251,249</u>	<u>1,847,558</u>	<u>1,558,719,804</u>
Net Assets - End of Year	<u>\$ 1,168,244,034</u>	<u>\$ 547,041,921</u>	<u>\$ 2,031,092</u>	<u>\$ 1,717,317,047</u>

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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	106
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	112
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	116
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	121
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	123

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

**CITY OF MIAMI, FLORIDA
NET ASSETS BY COMPONENT
LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year		
	2002	2003	2004
Primary Government			
Invested in Capital Assets, Net of Related Debt	\$ 598,154,380	\$ 618,784,135	\$ 586,493,178
Restricted	115,031,965	114,327,395	149,143,544
Unrestricted	(16,932,986)	(35,234,348)	(64,134,990)
Total Primary Government Net Assets	<u>\$ 696,253,359</u>	<u>\$ 697,877,182</u>	<u>\$ 671,501,732</u>

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
- (2) The City does not have any business type activities for financial reporting purposes.

**CITY OF MIAMI, FLORIDA
CHANGES IN NET ASSETS
LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year		
	2002	2003	2004
Expenses			
Governmental Activities:			
General Government	\$ 94,349,348	\$ 85,176,588	\$ 85,252,892
Planning and Development	13,289,988	13,579,968	13,148,696
Community Development	47,186,103	32,088,517	40,349,703
Community Redevelopment Areas	6,125,242	6,477,916	4,618,714
Public Works	53,950,238	60,708,046	49,498,193
Public Safety	200,727,361	226,580,865	282,427,868
Public Facilities	9,832,601	10,561,373	17,458,726
Parks and Recreation	19,550,960	20,152,074	44,275,606
Interest on Long-Term Debt	17,252,301	19,489,387	23,235,705
Unallocated Depreciation	25,765,566	25,765,567	26,147,570
Total Primary Government Expenses	\$ 488,029,708	\$ 500,580,301	\$ 586,413,673
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$ 25,145,862	\$ 38,112,181	\$ 48,955,278
Planning and Development	16,639,268	12,192,540	14,352,919
Community Development	3,121,251	2,058,660	2,069,068
Community Redevelopment Areas	2,848,509	310,182	220,517
Public Works	45,174,858	39,697,353	42,608,182
Public Safety	46,840,040	48,061,754	48,507,121
Public Facilities	13,605,750	16,273,110	16,736,649
Parks and Recreation	2,416,563	2,446,385	3,308,314
Operating Grants and Contributions	51,137,825	34,441,899	42,967,708
Capital Grants and Contributions	23,053,287	9,646,560	19,952,074
Total Primary Government Program Revenues	\$ 229,983,213	\$ 203,240,624	\$ 239,677,830
Net (Expense)/Revenue			
Total Primary Government Net Expense	\$ (258,046,495)	\$ (297,339,677)	\$ (346,735,843)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Taxes			
Property Taxes, Levied for General Purposes	\$ 133,633,077	\$ 146,828,411	\$ 163,056,413
Property Taxes, Levied for Debt Service	17,981,523	19,941,880	19,932,162
Franchise Fees and Licensing Fees	28,390,470	31,556,387	35,024,215
State Revenue Sharing (Sales Tax and Fuel Tax)	36,644,840	31,825,518	32,631,162
Public Service Taxes	58,314,804	58,900,480	60,024,832
Investment Earnings	10,645,639	8,833,535	5,618,813
Other	4,035,765	1,077,289	4,072,796
Total Primary Government	289,646,118	298,963,500	320,360,393
Change in Net Assets			
Total Primary Government	\$ 31,599,623	\$ 1,623,823	\$ (26,375,450)

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
- (2) The City does not have any business type activities for financial reporting purposes.

CITY OF MIAMI, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST THREE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Ad Valorem Taxes General Purpose	Ad Valorem Taxes Debt Service	Franchise Fees and Licensing Fees	State Revenue Sharing	Public Service Taxes	Total
2002	\$ 133,633,077	\$ 17,981,523	\$ 28,290,470	\$ 36,644,840	\$ 58,314,804	\$ 274,864,714
2003	146,828,411	19,941,880	31,556,387	31,825,518	58,900,480	289,052,676
2004	163,056,413	19,932,162	35,024,215	32,631,162	60,024,832	310,668,784

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* .

CITY OF MIAMI, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	2002	2003	2004
General Fund			
Reserved	\$ 3,205,250	\$ 4,957,194	\$ 3,439,120
Unreserved	138,322,603	136,905,142	133,413,642
Total General Fund	<u>\$ 141,527,853</u>	<u>\$ 141,862,336</u>	<u>\$ 136,852,762</u>
All Other Governmental Funds			
Reserved	\$ 50,030,424	\$ 47,462,015	\$ 59,142,160
Unreserved, reported in:			
Special Revenue Funds	37,641,587	42,890,394	47,901,687
Debt Service Funds	-	-	1,150,000
Capital Projects Funds	248,291,182	253,413,002	241,854,585
Total All Other Governmental Funds	<u>\$ 335,963,193</u>	<u>\$ 343,765,411</u>	<u>\$ 350,048,432</u>

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* .

CITY OF MIAMI, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST THREE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year		
	2002	2003	2004
Revenues			
Property Taxes	\$ 151,466,110	\$ 165,276,692	\$ 186,501,954
Franchise Fees and Other Taxes	82,420,792	90,536,519	102,811,047
Licenses and Permits	21,375,993	21,469,973	23,011,688
Fines and Forfeitures	7,873,608	6,171,539	5,649,452
Intergovernmental Revenues	119,200,594	95,596,305	124,153,113
Charges for Services	112,810,566	98,801,168	102,172,563
Interest	14,361,868	12,869,537	9,054,422
Impact Fees	2,518,983	1,016,942	3,743,183
Other	11,819,604	9,518,349	15,370,429
Total Revenues	523,848,118	501,257,024	572,467,851
Expenditures			
General Government	90,559,876	79,149,782	71,744,631
Planning and Development	8,697,063	10,060,699	12,420,765
Community Development	47,497,163	32,025,868	39,073,478
Community Redevelopment Areas	6,055,846	6,935,388	4,610,070
Public Works	46,334,524	50,591,533	56,926,608
Public Safety	181,544,596	209,518,537	265,574,068
Public Facilities	7,926,285	7,867,401	10,243,873
Parks and Recreation	12,920,245	14,987,253	16,682,057
Debt Service			
Principal	23,073,400	22,056,400	19,839,464
Interest and Other Charges	19,336,603	17,834,229	22,694,233
Capital Outlay	45,276,403	42,570,640	54,707,004
Total Expenditures	489,222,004	493,597,730	574,516,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,626,114	7,659,294	(2,048,400)
Other Financing Sources (Uses)			
Transfers In	142,497,540	162,945,393	224,948,344
Transfers Out	(142,497,540)	(162,945,393)	(224,948,344)
Refunding Bonds Issued	73,575,000	47,070,000	4,180,000
Payments to Refunded Bond Escrow Agent	(69,980,000)	(46,592,593)	(4,062,502)
Proceeds of Long-Term Capital-Related Debt	155,130,087	-	-
Capital Leases	-	-	3,204,349
Total Other Financing Sources	158,725,087	477,407	3,321,847
Net Change In Fund Balances	\$ 193,351,201	\$ 8,136,701	\$ 1,273,447
Debt Service as a Percentage of Non-Capital Expenditures	9.55%	8.84%	8.18%

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* .

CITY OF MIAMI, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST THREE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Ad Valorem Taxes General Purpose	Ad Valorem Taxes Debt Service	Franchise Taxes	State Revenue Sharing	Public Service Taxes	Total
2002	\$ 133,398,797	\$ 18,067,313	\$ 28,290,470	\$ 36,644,840	\$ 58,314,804	274,716,224
2003	145,520,698	19,755,994	31,556,387	31,825,518	58,900,480	287,559,077
2004	166,121,214	20,380,740	35,024,215	32,631,162	67,786,829	321,944,160

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF MIAMI, FLORIDA
NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Real Property		Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value (1)
	Residential Property	Commercial Property					
1995	\$ 4,481,680,377	\$4,743,333,226	\$ 1,264,806,533	\$ 10,489,820,136	11.71	\$ 15,339,834,878	68.38%
1996	4,667,399,202	5,022,893,973	1,301,197,462	10,991,490,637	11.71	16,123,104,241	68.17%
1997	4,935,864,809	5,089,651,385	1,323,876,600	11,349,392,794	11.71	16,578,047,476	68.46%
1998	5,183,731,875	5,183,760,882	1,329,476,797	11,696,969,554	11.52	17,112,988,091	68.35%
1999	5,476,130,675	5,564,886,455	1,334,992,653	12,376,009,783	11.79	17,901,918,921	69.13%
2000	5,796,864,025	5,835,981,002	1,480,211,283	13,113,056,310	10.90	18,857,553,034	69.54%
2001	6,000,474,083	6,113,340,757	1,657,551,519	13,771,366,359	10.28	20,061,032,742	68.65%
2002	6,612,151,524	6,730,517,606	1,770,392,311	15,113,061,441	10.21	22,035,829,555	68.58%
2003	7,679,048,886	7,380,571,799	1,878,266,085	16,937,886,770	10.07	24,759,964,620	68.41%
2004	8,789,474,779	8,369,950,851	1,711,697,688	18,871,123,318	9.84	27,717,908,682	68.08%

Source: Miami-Dade County Property Appraiser's Office.

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

(1) Includes tax-exempt property.

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

Fiscal Year	Tax Roll Year	City of Miami, Florida			Overlapping Rates (1)						Total Direct and Overlapping Rates
		General Operations	Debt Service	Total City	Miami-Dade County School Board	Miami-Dade County	Miami-Dade Children's Trust	Miami-Dade County Library System	South Florida Water Management District	Florida Inland Navigation District	
1995	1994	\$ 9.5995	\$ 2.1060	\$ 11.7055	\$ 10.4450	\$ 8.0700	\$ -	\$ 0.3430	\$ 0.4970	\$ 0.0490	\$ 31.1095
1996	1995	\$ 9.5995	\$ 2.1060	\$ 11.7055	10.4890	7.6170	-	0.3290	0.5470	0.0400	30.7275
1997	1996	\$ 9.5995	\$ 2.1060	\$ 11.7055	10.4660	7.2430	-	0.3390	0.5720	0.0380	30.3635
1998	1997	\$ 9.5995	\$ 1.9200	\$ 11.5195	10.5620	6.9520	-	0.3160	0.5970	0.0500	29.9965
1999	1998	\$ 10.0000	\$ 1.7900	\$ 11.7900	10.2600	6.8600	-	0.3340	0.5970	0.0470	29.8880
2000	1999	\$ 9.5000	\$ 1.4000	\$ 10.9000	9.7440	6.6250	-	0.3210	0.5970	0.0440	28.2310
2001	2000	\$ 8.9950	\$ 1.2800	\$ 10.2750	9.7170	6.4030	-	0.3510	0.5970	0.0410	27.3840
2002	2001	\$ 8.9950	\$ 1.2180	\$ 10.2130	9.4760	6.2650	-	0.4510	0.5970	0.0385	27.0405
2003	2002	\$ 8.8500	\$ 1.2180	\$ 10.0680	9.3520	6.2790	-	0.4860	0.5970	0.0385	26.8205
2004	2003	\$ 8.7625	\$ 1.0800	\$ 9.8425	9.2000	6.2540	0.5000	0.4860	0.5970	0.0385	26.9180

Sources: City of Miami, Florida Finance Department and Miami-Dade County Property Appraiser's Office.

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Miami, Florida. Not all overlapping rates apply to all City of Miami, Florida property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

**CITY OF MIAMI, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

2004				1995			
<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>	<u>Taxpayer</u>	<u>Net Assessed Value</u>	<u>Rank</u>	<u>Percent of Total City Net Assessed Value</u>
SRI Miami Ventures, LP	\$ 250,000,000	1	1.32%	Florida Power & Light	\$ 184,509,000	2	1.76%
Florida Power & Light	229,863,398	2	1.22%	Prudential Insurance Co.	75,111,000	7	0.72%
Teachers Ins & Annuity Assoc of America	228,000,000	3	1.21%	Southern Bell Telephone	195,468,000	1	1.86%
Terremark	173,192,356	4	0.92%	Aetna Life Insurance	145,000,000	3	1.38%
Prudential Insurance Co.	135,000,000	5	0.72%	Metropolitan Life Insurance Co.	124,368,000	4	1.19%
Swire Properties	119,329,542	6	0.63%	Brickell Associates	107,248,000	5	1.02%
1111 Brickell Office LLC	112,500,000	7	0.60%	Equitable Life Assurance	103,496,000	6	0.99%
1000 Brickell LTD	98,715,075	8	0.52%	Inter-Continental Florida	67,666,000	8	0.65%
Biscayne Tower Group	87,300,000	9	0.46%	One Biscayne Tower	63,515,000	9	0.61%
Bellsouth	83,560,461	10	0.44%	Knight Rider/Miami Herald	53,120,000	10	0.51%
	<u>\$ 1,517,460,832</u>		<u>8.04%</u>		<u>\$ 1,119,501,000</u>		<u>10.69%</u>

Source: Tax roll provided by Miami-Dade County Property Appraisers Office

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

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year's	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1995	\$ 120,805,000	\$115,936,000	95.97%	\$ 4,544,000	\$120,480,000	99.73%
1996	128,661,000	120,519,000	93.67%	7,777,558	128,296,558	99.72%
1997	132,850,000	128,783,000	96.94%	3,479,776	132,262,776	99.56%
1998	134,743,241	127,911,000	94.93%	6,330,294	134,241,294	99.63%
1999	145,913,155	143,515,000	98.36%	1,405,841	144,920,841	99.32%
2000	142,932,314	136,028,063	95.17%	6,174,244	142,202,307	99.49%
2001	141,425,410	134,535,715	95.13%	5,959,373	140,495,088	99.34%
2002	152,339,301	146,185,141	95.96%	4,079,641	150,264,782	98.64%
2003	167,490,551	157,339,038	93.94%	7,735,274	165,074,312	98.56%
2004	186,253,134	183,845,937	98.71%	-	183,845,937	98.71%

Source: City of Miami, Finance Department and Miami-Dade County Tax Collector's Office

CITY OF MIAMI, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities			Total	Percent of Personal Income (1,2)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Loans Payable			
1995	\$ 183,180,000	\$ 144,086,325	\$ 80,862,000	\$ 408,128,325	2.01%	\$ 1,064
1996	170,650,000	199,531,325	75,868,000	446,049,325	1.89%	1,163
1997	157,020,000	162,726,368	71,724,000	391,470,368	2.12%	1,071
1998	142,755,000	156,146,325	72,689,364	371,590,689	2.35%	1,017
1999	130,205,000	149,331,325	67,923,364	347,459,689	2.62%	951
2000	119,150,000	142,061,325	65,357,964	326,569,289	2.92%	893
2001	107,620,000	134,531,325	62,040,564	304,191,889	3.17%	839
2002	252,615,822	128,861,019	58,877,164	440,354,005	2.20%	1,215
2003	236,549,956	151,566,324	28,230,764	416,347,044	N/A	1,149
2004	225,944,956	145,130,260	25,567,364	396,642,580	N/A	1,094

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

- (1) See the Schedule of Demographic and Economic Statistics on page 123 for personal income and population data.
- (2) Information not available at time of publication.

CITY OF MIAMI, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
1995	\$ 183,100,000	\$ 2,301,000	\$ 180,799,000	1.179%	\$ 471.57
1996	170,650,000	2,489,000	168,161,000	1.096%	438.60
1997	157,020,000	4,730,000	152,290,000	0.993%	416.61
1998	142,755,000	2,645,000	140,110,000	0.913%	383.29
1999	130,205,000	4,280,363	125,924,637	0.821%	344.48
2000	119,150,000	4,314,466	114,835,534	0.749%	314.15
2001	107,620,000	3,795,503	103,824,497	0.677%	286.44
2002	249,711,406	5,140,714	244,570,692	1.594%	674.73
2003	236,549,956	1,410,866	235,139,090	1.533%	648.71
2004	225,944,956	966,126	224,978,830	1.467%	620.68

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

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 114 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 123 for population data.

CITY OF MIAMI, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2004

Government Unit	Net Debt Outstanding	Percentage Applicable to the City of Miami (1)	Amount Applicable to the City of Miami
Debt Repaid With Property Taxes:			
Miami-Dade County	\$ 221,553,560	19.00%	\$ 42,095,176
Miami-Dade County School Board	1,160,289,001	19.00%	<u>220,454,910</u>
Subtotal, Overlapping Debt			<u>262,550,087</u>
City of Miami, Florida Direct Debt			<u>225,944,956</u>
Total Direct and Overlapping Debt			<u>\$ 488,495,043</u>

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Miami. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

**CITY OF MIAMI, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Debt Limit	\$ 1,573,473,000	\$ 1,648,724,000	\$ 1,702,409,000	\$ 1,754,545,433	\$ 1,856,401,467	\$ 1,966,958,447	\$ 2,065,704,949	\$ 2,266,959,216	\$ 2,540,683,016	\$ 2,830,668,498
Total Net Debt Applicable to Limit	180,879,000	168,161,000	153,629,000	139,360,000	127,927,234	114,914,079	103,824,851	249,711,407	236,549,956	224,978,830
Legal Debt Margin	\$ 1,392,594,000	\$ 1,480,563,000	\$ 1,548,780,000	\$ 1,615,185,433	\$ 1,728,474,233	\$ 1,852,044,368	\$ 1,961,880,098	\$ 2,017,247,809	\$ 2,304,133,060	\$ 2,605,689,668
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.50%	10.20%	9.02%	7.94%	6.89%	5.84%	5.03%	11.02%	9.31%	7.95%

Legal Debt Margin Calculation for Fiscal Year 2004

Assessed value	\$ 19,944,740,269
Less: Homestead Exempt Valuation	<u>\$ (1,073,616,951)</u>
Total Assessed Value	\$ 18,871,123,318
Debt Limit for Bonds (15% of Total Assessed Value)	2,830,668,498
Present Debt Application to Debt Limitation	
General Obligation Debt	225,944,956
Less: Amount Available in Debt Service Fund	<u>(966,126)</u>
Total Net Debt Applicable to Limit	<u>224,978,830</u>
Legal Debt Margin	<u>\$ 2,605,689,668</u>

Note: 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
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Non-Ad Valorem Revenues (1)	Debt Service		2x Annual Debt Service	Coverage (2)
		Principal	Interest		
1995	\$119,197,000	\$8,818,400	\$11,228,295	\$40,093,390	2.97
1996	141,906,000	10,709,400	13,933,727	49,286,254	2.88
1997	187,672,000	11,121,400	17,000,831	56,244,462	3.34
1998	205,663,020	11,241,400	12,677,883	47,838,566	4.30
1999	170,186,403	9,240,400	11,886,971	42,254,742	4.03
2000	211,641,947	9,602,400	11,924,590	43,053,980	4.92
2001	226,040,821	10,243,400	10,524,127	41,535,054	5.44
2002	240,074,038	8,546,400	13,652,298	44,397,396	5.41
2003	250,581,519	7,809,464	13,997,817	43,614,562	5.75
2004	260,251,789	9,099,464	12,625,974	43,450,876	5.99

Note:

- (1) Non ad valorem revenues shall mean all legally available revenues and taxes of the governmental unit in the Funds (defined as the general fund, special revenue funds, the capital project funds, the special assessment funds, and the expandable trust fund(s) derived from any source whatever other than ad valorem taxation on real and personal property, including appropriated fund balances in the funds and applicable operating transfers (in). Non Ad Valorem Revenues are required to be two times greater than projected debt service.
- (2) The Sunshine State Government Financing Loans require that available non-ad valorem revenues to be two times the annual projected debt service for all debt other general obligation debt of the City.

**CITY OF MIAMI, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (2)	Per Capital Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
1995	383,402	\$ 8,189,850	\$ 21,361	35.0	321,955	7.40%
1996	383,402	8,443,662	22,023	35.0	333,444	7.30
1997	365,548	8,312,562	22,740	35.0	340,904	7.10
1998	365,548	8,749,391	23,935	35.0	345,861	6.40
1999	365,548	9,087,523	24,860	35.0	352,595	5.80
2000	365,548	9,538,244	26,093	35.6	360,202	5.30
2001	362,470	9,639,527	26,594	35.9	368,453	6.90
2002	362,470	9,706,947	26,780	36.9	374,725	7.70
2003	362,470	(5)	(5)	37.0	371,482	7.50
2004	362,470	(5)	(5)	(5)	369,578	5.70

Sources:

- (1) United States Census Bureau
- (2) Miami-Dade County Finance Department
- (3) Miami-Dade County School Board Budget Office
- (4) Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics
- (5) Information not available at time of publication.

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

Employer	2004			1995		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	54,387	1	5.22%	29,720	1	3.10%
Miami-Dade County	32,265	2	3.10%	28,000	2	2.92%
U.S. Federal Government	20,100	3	1.93%	18,300	3	1.91%
State of Florida	18,900	4	1.81%	16,000	4	1.67%
Public Health Trust/Jackson Memorial Hospital	11,700	5	1.12%	7,216	7	0.75%
Baptist Health Systems of South Florida	10,300	6	0.99%	-	-	-
University of Miami	9,367	7	0.90%	7,219	6	0.75%
American Airlines	9,000	8	0.86%	8,200	5	0.86%
Miami-Dade Community College	7,500	9	0.72%	-	-	-
Florida International University	5,000	10	0.48%	-	-	-
United Parcel Service	5,000	10	0.48%	-	-	-
Bell South Telecommunications, Inc.	-	-	-	5,798	8	0.61%
Winn Dixie Stores	-	-	-	4,972	9	0.52%
Florida Power & Light	-	-	-	3,978	10	0.42%
Total	183,519		17.61%	129,403		13.50%

Source: The Beacon Council/Miami-Dade County, Florida

CITY OF MIAMI, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST YEN FISCAL YEARS

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of Employees:										
General Government	436	382	487	390	460	488	511	523	587	594
Planning and Development	91	80	114	192	109	109	127	141	140	138
Community Development	56	28	73	23	140	140	172	170	91	77
Public Works	609	396	554	447	477	479	500	507	498	497
Public Safety	2,287	2,149	1,624	1,655	2,345	2,388	2,346	2,275	2,248	2,140
Public Facilities	65	49	48	44	34	34	37	37	33	43
Culture and Recreation	151	165	67	126	128	129	136	136	141	148
Total Number of Employees	3,695	3,249	2,967	2,877	3,693	3,767	3,829	3,789	3,738	3,637

Source: City of Miami, Budget Department

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

<u>Function/Program</u>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Community Development:										
Entitlements/Grants Received	\$ 38,721,300	\$ 30,973,205	\$ 30,242,954	\$ 30,238,553	\$ 44,278,455	\$ 35,755,804	\$ 53,634,346	\$ 38,337,736	\$ 35,569,042	\$ 32,351,101
Public Safety:										
Police:										
Part 1 Crimes - (1)	59,170	52,922	50,271	44,930	40,048	39,759	35,291	33,952	33,527	30,966
Part 1 Arrests - (1)	10,615	9,244	9,242	8,154	8,320	7,521	8,812	8,368	6,729	6,662
Part 2 Arrests - (2)	24,889	24,159	23,440	27,461	42,198	42,236	41,089	31,077	26,786	38,467
Fire:										
Number of Fire Calls	11,859	11,597	11,567	12,239	11,897	13,310	12,945	12,228	15,571	17,889
Number of EMS Calls	59,421	59,707	58,716	57,930	58,507	60,166	63,104	63,041	62,784	64,500
Number of Alarms	71,280	71,304	70,283	70,169	70,404	73,476	76,049	75,269	78,355	82,389
Planning and Development:										
Certificate of Use Permits Issued	20,093	20,085	20,362	19,351	19,394	19,682	19,483	20,366	20,625	20,422
Occupational Licenses Issued	35,462	33,954	37,488	37,116	36,250	36,867	38,207	37,524	39,040	39,422
Culture and Recreation:										
Summer Food Program - Meals Served (Lunches)	103,729	115,108	92,619	97,276	68,603	67,589	83,515	96,249	124,701	122,749
Summer Food Program - Meals Served (Snacks)	122,144	130,439	103,558	117,363	92,285	96,128	116,899	132,481	146,786	115,837
Summer Reading Program - Children Reached	-	-	-	-	-	-	-	-	1,000	1,200
Solid Waste:										
Refuse Collected (Tons/Day)	N/A	N/A	N/A	706	735	748	725	805	768	793
Recyclables Collected (Tons/Day)	N/A	N/A	N/A	N/A	N/A	N/A	28	28	24	21

Sources: Various City Departments

Note: Indicators are not available for the general government function

- (1) Part 1 crimes and arrests include murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft
- (2) Part 2 arrests include all other arrests that are not Part 1 crimes.

**CITY OF MIAMI, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Public Safety:										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub-Stations	2	2	2	2	2	2	2	2	2	2
Fire:										
Fire Stations	12	12	12	12	12	12	12	12	12	12
Solid Waste:										
Collection Trucks	N/A	N/A	N/A	N/A	N/A	117	132	153	172	176
Public Works:										
Streets (Miles- Paved)	661.0	661.0	661.0	660.8	660.8	660.5	659.2	659.0	658.9	658.9
Streets (Miles - Unpaved)	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4
Transportation:										
Street Resurfacing (Miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25.0	33.5
Culture and Recreation:										
Parks Acreage	800	800	800	800	800	800	800	800	800	800
Parks	110	110	110	110	110	110	110	110	110	111
Swimming Pools	10	10	10	10	10	10	10	10	10	10
Tennis Courts	N/A	53	53	53	53	53	53	53	53	53
Community Centers	N/A	25	25	25	25	26	26	30	30	31
Basketball Courts	N/A	63	63	63	63	63	63	63	63	63
Water Playgrounds	-	-	-	-	-	-	-	-	-	1
Soccer Fields	N/A	6	6	6	6	6	6	6	6	7
Football Fields	N/A	12	12	12	12	12	12	12	12	12
Baseball Fields	N/A	25	25	25	25	25	25	25	25	25

Sources: Various City Departments

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

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