

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED SEPTEMBER 30TH, 2011



COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Miami, Florida
For the Year Ended September 30, 2011

Prepared by the Finance Department

City of Miami, Florida

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2011

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INTRODUCTORY SECTION

PRINCIPAL CITY OFFICIALS

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

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City of Miami, Florida Principal City Officials

September 30, 2011

MAYOR

Tomás P. Regalado

CITY COMMISSION

Francis X. Suarez, Chairman

Marc D. Sarnoff, Vice-Chairman

Wilfredo (Willy) Gort, Commissioner

Frank X. Carollo, Commissioner

Michelle Spence-Jones, Commissioner

CITY MANAGER

Johnny Martinez

CITY ATTORNEY

Julie O. Bru

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May 18, 2012

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 (CAFR) of the City of Miami, Florida (the “City”) for the fiscal year ended September 30, 2011 is hereby submitted. This report consists of management’s representations concerning the finances of the City. The CAFR is designed to fairly represent the City’s financial position and results of operations as measured by the financial activity of the various funds. The City is responsible for both the accuracy of the data and the completeness and fairness of the presentations, based upon a comprehensive framework of internal control that it has established for this purpose. Sufficient internal accounting controls exist to provide reasonable, rather than absolute, assurance regarding the safekeeping of assets and fair presentation of the financial statement, supporting schedules, and statistical tables. The data presented is accurate in all material respects. All disclosures necessary to enable the reader to acquire an understanding of the City’s financial activity are in the financial section of this report, which includes management’s discussion and analysis (MD&A). MD&A and the footnotes to the financial statements complements this letter of transmittal and should be read in conjunction with it.

Ernst & Young, LLP is a firm of licensed Certified Public Accountants, have 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, 2011 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, 2011 were presented fairly in conformity with GAAP. The independent auditor’s 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.

CITY PROFILE & GOVERNMENT STRUCTURE

Now 115 years old, the City is part of the nation's seventh largest metropolitan area. Incorporated in 1896, the City is the only municipality conceived and founded by a woman - Julia Tuttle. According to the U.S. Census Bureau, the City's population in 1900 was 1,700 people. Today it is a city rich in cultural and ethnic diversity of approximately 424,662 residents, 58.9% of them foreign born. In physical size, the City is not large, encompassing only 35.87 square miles of land and 19.5 square miles of water. In population, the City is the largest of the 35 municipalities that make up Miami-Dade County and is the county seat.

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 the "mayor-city commissioner plan," with the City Commission consisting of five members elected from single-member districts and an Executive Mayor who is responsible for appointing a chief administrative officer, known as the City Manager. The City continues to provide 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 35 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 the services fall below minimum standards set by the County Commission, or with the consent of the governing body of the City. Accordingly, the County's financial statements are not included in this report.

The accompanying financial statements include those of the City (the primary government) and those of its component units. Component units are 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, the ability of the City to impose its will on that organization, or 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 below have been included in the City's reporting entity as either blended or discretely presented component units.

BLENDDED

Southeast Overtown Park West CRA
OMNI CRA
Midtown CRA
Virginia Key Beach Park Trust
Liberty City Revitalization District Trust
Neighborhood Improvement Districts

DISCRETELY PRESENTED

Miami Sports and Exhibition Authority
Downtown Development Authority
Department of Off-Street Parking
Bayfront Management Trust
Health Facility Authority
Civilian Investigative Panel
Coconut Grove Business Improvement District

Blended component units, although legally separate entities, are, in substance, part of the City's operations. Specifically, because by definition the City is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that they are legally separate from the City. The financial activities and balances for each blended and discretely presented component unit are as of and for the year ended September 30, 2011.

ECONOMIC CONDITION AND OUTLOOK

Continuing in fiscal year 2011, the City of Miami is experiencing the negative impacts of the real estate crisis and the stagnating housing market is being felt statewide. The City's tax base was reduced to \$30.3 billion this fiscal year. This downward trend is continuing as significant improvements in the housing market have yet to be experienced; resulting in the decline in the City's tax base of \$6.6 billion or 17.8%.

Housing - According to the US Census Bureau, American Community Survey, single-family home prices in Miami fell from an median value of \$330,800 at the end of 2007 to \$222,100 at the end of 2010 - a cumulative 48.9% decrease while the national average fell \$197,600 to \$179,900 - a cumulative 9.8 % decrease. At the end of 2011, Florida had the 5th highest foreclosure rate among all states with Miami-Dade County had the 7th highest foreclosure rate of all Florida Counties. In Miami, one in every 277 housing units received foreclosure filing as reported by www.realtytrac.com.

Employment - As reported in numerous articles within the national press, the downturn in the economy has effected Florida particularly hard. According to the Bureau of Labor Statistics, prior to the great recession, Florida's unemployment rate was close to 3.5% while the national average was near 4.6%. By the end of 2010, Miami's unemployment rate climbed to 13.1% and stayed near that elevated level through 2010 while the national average rose and stayed near 9.6%. The increased volatility when compared to the national data was due to the high proportion of Florida jobs that were in housing and finance related industries such as construction, real estate and financial management. The recession also impacted the leisure and hospitality industry; another major job cluster in Florida.

Wealth - While the City's unemployment rate has improved moderately over the past year, regional home prices continue to decline - falling to levels not seen since before 2002 - and both Miami's median household income levels at \$27,291 and the poverty rate of 32.4% worsened from 2009 to 2010 as compared to the national levels that were \$50,046 and 15.3% respectively.

However, our regional economic base remains diversified, comprised of wholesale and retail trade, construction, light manufacturing, finance, and tourism. The City has made improvements in the areas of telecommunications and biomedical industries. 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.

LOCAL ECONOMY

Brickell Citi Centre

The Mayor announced in his State of the City Address that plans have been finalized and in the following months, the Swire Group will begin the construction of the "Brickell Citi Centre", an eight hundred million dollar project which encompasses four city blocks and includes hotel and condominium towers, a below level parking area and plenty of shops and office spaces. This project alone will be generating 1700 construction jobs in the next four years and, when finished, it will employ 3800 people. The Swire Group Project will provide our City with over four million dollars annually in property taxes, plus over a million dollars in parking surcharges.

American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act (ARRA) is an unprecedented effort to jumpstart our economy, preserve or create jobs, make investments in infrastructure, energy and science and provide unemployment assistance, and state and local economic stabilization. The ARRA was signed into law by President Barrack Obama on February 17, 2009. The ARRA provides \$787 Billion in spending and tax relief Projects. The federal legislation includes grant funds that are distributed in two ways: (1) directly to states and cities by formula, and (2) by competitive grants for which applicants must apply.

Through April 2011, over \$47 million has been allocated to the City of Miami, and over \$1.4 billion throughout Miami-Dade County in formulaic and competitive grant funding for projects. In addition to the funds received for projects, the City has leveraged stimulus funding provided through other agencies to provide over 50 temporary jobs to area residents.

LONG-TERM FINANCIAL PLANNING

On April 30, 2010, the City declared financial urgency pursuant to Section 447.4095 of the Florida Statutes. The statute provides that, in the event of a financial urgency requiring modification of a collective bargaining agreement, the City and the representative of the bargaining unit are required to meet as soon possible to negotiate the impact of financial urgency. As a result, the City reformed two (2) of its three (3) defined benefit pension plans, by reducing several of the variable factors used to determine retirement eligibility as well as the benefits received.

RELEVANT FINANCIAL POLICIES

Debt Management - The City adopted a debt management policy on July 21, 1998 to provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the City and to provide for the preparation and implementation necessary to assure compliance and conformity with the policy. It is the responsibility of the City's finance committee to review and make recommendations regarding the issuance of debt obligations and the management of outstanding debt.

The City (a) will not issue debt obligations or use debt proceeds to finance current operations; (b) will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the projects to finance the project over its useful life; (c) will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten, and twenty year periods.

Cash Management - the City adopted a detailed written investment policy on May 10, 2001, that applies to all cash and investments held or controlled by the City and identified as "general operating funds" of the City with the exception of the City's Pension Funds, Deferred Compensation & Section 401a Plans, such funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

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

Financial Integrity Ordinance - On February 10, 2000, the City enacted Ordinance No. 11890 (the "Financial Integrity Ordinance") establishing thirteen financial integrity principles. One of the principles established certain parameters for the reserve fund for the general operating fund of the City, including having general fund reserves equal to twenty percent (20%) of the prior three years average of general revenues, excluding transfers. The Fiscal Year 2011 General Fund balance falls short of the required 20%, as such, the City is not in compliance. While there is no consequence for such non-compliance, City management continues to implement balanced budgets and restore general fund reserves to required levels as quickly as reasonably possible.

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 a pay as you go basis. Insurance coverage is maintained with independent carriers for property damage to City facilities. The City maintains excess coverage with independent carriers for workers' compensation and general liability.

Current Ratings and Other Activities

In June 2011, Fitch downgraded several of the City's bonds from an A to an A-. Fitch reviewed the City's financial position subsequent to Fiscal Year 2011 and maintained the downgraded ratings, while moving the rating watch from negative outlook or stable outlook.

In that same month of June 2011, Standard and Poor's also lowered the City's rating on several bonds and placed the City on a negative outlook.

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, 2010. 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 2010 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. A Certificate of Achievement is valid for a period of one year. We believe that the 2011 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.

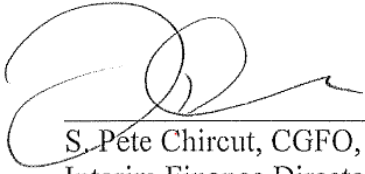
The City has also received the award for Outstanding Achievement in Popular Annual Reporting for the September 30, 2010 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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 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, Ernst & Young, LLP for their cooperation and assistance. Lastly, we

wish to express our appreciation to the City's General Services Administration for the reproduction of this report.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

S. Pete Chircut, CGFO, CGFM
Interim Finance Director

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, 2010

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.

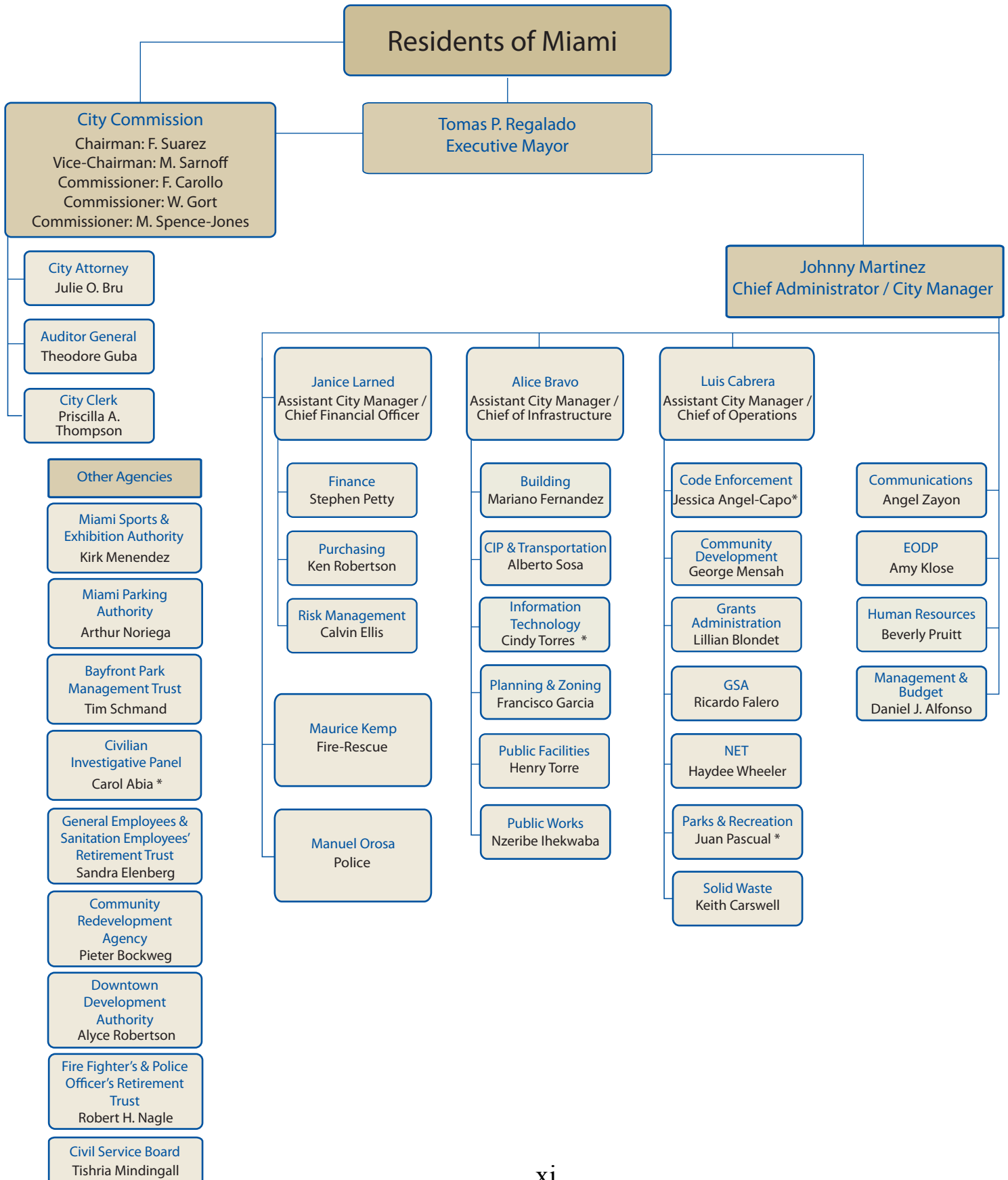


Linda C. Davison

President

Jeffrey R. Emer

Executive Director



*Acting/Interim

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S 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

Report of Independent Certified Public Accountants

The Honorable Mayor; Members of the 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 year ended September 30, 2011, 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 discretely presented component units which represent 100% of the assets and revenues of the aggregate discretely presented component units. We also did not audit the Firefighters' and Police Officers' Retirement Trusts and the General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts which represents 92% and 45% of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as they relate to the amounts included for the aggregate discretely presented component units and pension trust funds referred to above, are based on the reports of 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. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund,

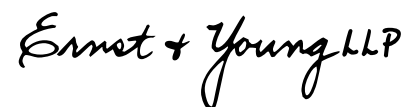
and the aggregate remaining fund information of the City as of September 30, 2011, and the respective changes in financial position for the year then ended in conformity with US generally accepted accounting principles.

As more fully discussed in Note 1, during the year ended September 30, 2011, the City adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedules-major funds (general and special revenue), and the schedule of funding progress and schedule of employer contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

May 18, 2012

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, 2011. 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 iii – x of this report.

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.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$447,843,412.
- The governmental activities revenue increased by \$7,937,622 (or 1.19%) and the net results from activities increased by \$3,912,880 (or 4.31%). In 2011 and 2010, the results of activities produced a change in net assets of \$(86,935,967) and \$(90,848,847), respectively.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reflects an increase in fund balance of \$2,170,889 or 12.42% (as restated per Governmental Accounting Standards Board Statement #54).
- The City's total debt for bonds and loans had a net increase of \$22,581,496 (or 3.21%) as of the close of the current fiscal year. New and refunding debt in the amount of \$120,645,000 was issued in the current fiscal year.

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 is designed to be similar to bottom line results for the City and its governmental activities. This statement reflects the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. The primary government of the City does not report 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.

Discretely presented component units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidies, 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 reflect the City's basic services, including police, fire, solid waste collection, parks and cultural activities, and general administration. Property taxes, other local taxes, and 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's fund types:

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, a reconciliation is provided to facilitate the comparison between governmental funds and governmental activities.

The City maintains thirty-eight 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, Special Obligation Bonds Debt Service Fund, Public Safety Capital Projects Fund, Public Facilities Capital Projects 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 thirty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements 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 Special Obligation Bonds Debt Service 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 – 18 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 – 84 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 85 – 89 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 91 – 132 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 \$447,843,412 at the close of the most recent fiscal year.

The largest portion of the City's net assets reflects its investment in capital assets (e.g. infrastructure, 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, 21.41%, represents resources that are subject to restrictions on how they may be used.

The remaining unrestricted net assets deficit of \$341,277,310 is primarily due to outstanding borrowings of approximately \$73.6 million for which there are no off-setting assets along with an increase in claims payable, pension obligation, and the recognition of the City's Other Post Employment Benefits. The following schedule reflects a summary of net assets compared to the prior year:

Summary of Net Assets as of September 30,

	Governmental Activities			
	2011	2010	Change	% Change
Current and other assets	\$ 528,278,910	\$ 610,547,037	\$ (82,268,127)	-13.47%
Capital assets	1,160,899,016	1,118,784,875	42,114,141	3.76%
Total assets	<u>1,689,177,926</u>	<u>1,729,331,912</u>	<u>(40,153,986)</u>	<u>-2.32%</u>
Other liabilities	150,725,759	192,130,358	(41,404,599)	-21.55%
Long-term liabilities	1,090,608,755	1,002,422,175	88,186,580	8.80%
Total liabilities	<u>1,241,334,514</u>	<u>1,194,552,533</u>	<u>46,781,981</u>	<u>3.92%</u>
Net assets:				
Invested in capital assets, net of debt	693,247,304	752,506,507	(59,259,203)	-7.87%
Restricted	95,873,418	88,283,946	7,589,472	8.60%
Unrestricted (Deficit)	<u>(341,277,310)</u>	<u>(306,011,074)</u>	<u>(35,266,236)</u>	<u>11.52%</u>
Total net assets	<u>\$ 447,843,412</u>	<u>\$ 534,779,379</u>	<u>(86,935,967)</u>	<u>-16.26%</u>

The following table provides a summary of the City's changes in net assets for the fiscal years ended September 30, 2011 and 2010.

	Changes in Net Assets			
	Governmental Activities			
	2011	2010	Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 153,560,915	\$ 139,367,469	\$ 14,193,446	10.18%
Operating grants and contributions	94,339,110	73,139,270	21,199,840	28.99%
Capital grants and contributions	21,824,134	27,113,487	(5,289,353)	-19.51%
General revenues:				
Property taxes	261,325,155	287,210,960	(25,885,805)	-9.01%
Franchise taxes	44,881,126	43,120,713	1,760,413	4.08%
State revenue sharing - unrestricted	11,429,920	10,516,183	913,737	8.69%
Sales and other use taxes	25,987,633	22,665,743	3,321,890	14.66%
Public services tax	59,426,883	61,966,455	(2,539,572)	-4.10%
Investment earnings - unrestricted	2,393,381	3,217,623	(824,242)	-25.62%
Other	1,087,268	-	1,087,268	100.00%
Total revenues	<u>676,255,525</u>	<u>668,317,903</u>	<u>7,937,622</u>	<u>1.19%</u>
Expenses:				
General government	155,563,797	152,726,749	2,837,048	1.86%
Planning and development	10,945,321	12,019,294	(1,073,973)	-8.94%
Community development	40,875,284	39,654,938	1,220,346	3.08%
Community redevelopment areas	4,695,820	29,288,203	(24,592,383)	-83.97%
Public works	66,183,960	69,969,816	(3,785,856)	-5.41%
Public safety	340,739,499	371,351,024	(30,611,525)	-8.24%
Public facilities	11,303,648	16,848,482	(5,544,834)	-32.91%
Parks and recreation	39,547,833	39,775,607	(227,774)	-0.57%
Interest on long-term debt	43,336,330	27,532,637	15,803,693	57.40%
Contribution to Port Tunnel	50,000,000	-	50,000,000	100.00%
Total expenses	<u>763,191,492</u>	<u>759,166,750</u>	<u>4,024,742</u>	<u>0.53%</u>
Change in net assets	<u>(86,935,967)</u>	<u>(90,848,847)</u>	<u>3,912,880</u>	<u>4.31%</u>
Net assets - Beginning	<u>534,779,379</u>	<u>625,628,226</u>	<u>(90,848,847)</u>	<u>-14.52%</u>
Net assets - Ending	<u>\$ 447,843,412</u>	<u>\$ 534,779,379</u>	<u>\$ (86,935,967)</u>	<u>-16.26%</u>

Governmental Activities – As noted earlier, governmental activities decreased the City's net assets by \$86,935,967. The major changes are as follows:

The increase in charges for services of \$14.2 million is primarily the result of the increase in revenue of \$10.1 million from General Government, and \$3.4 million from Planning and Development.

The increase in operating grants and contributions of \$21.2 million is primarily the result of increases in funding received in the current year relative to the prior year related to an increase of approximately 2.1 million to Community Development, approximately \$18.3 million to Public Safety.

The decrease in capital grants and contributions of \$5.3 million is primarily due to decrease in federal funding for Public Facilities and Public Safety Departments.

Property taxes revenues decreased by approximately \$25.9 million or 9.01% over the prior year. This reduction is primarily due to a decrease in overall assessed property value and the reduction in the operating millage rate to 7.571 mills.

Public Services Tax decreased by approximately \$2.5 million due to the decreased revenue because of a change to the data plan in the communication taxes received from the State of Florida.

Investment income decreased \$0.8 million due to historic low interest rates during fiscal year 2011. Additionally, the City had lower cash balances throughout the year than in the previous year.

State Revenue Sharing and State Half Cent Taxes increased during Fiscal Year 2011 by \$4.2 million due to better collection at the State Level.

Other Revenue increased by approximately \$1.1 million due to a one-time sale of land.

General Government expenditures experienced an increase of \$2.8 million from the prior year primarily as a result of personnel and operating costs.

Planning and Development Department expenditures decreased by \$1.1 million due to a reduction in personnel and operating costs.

Community Redevelopment Area (CRA) expenditures decreased by \$24.6 million as a result of a one-time transfer to reimburse the City for community redevelopment related expenditures, that were incurred in prior years when the CRA's TIF revenues were insufficient to cover all the costs; and other capital cost reductions during fiscal year 2011.

Public Works Department expenditures decreased \$3.8 million due to a reduction in personnel and operating costs.

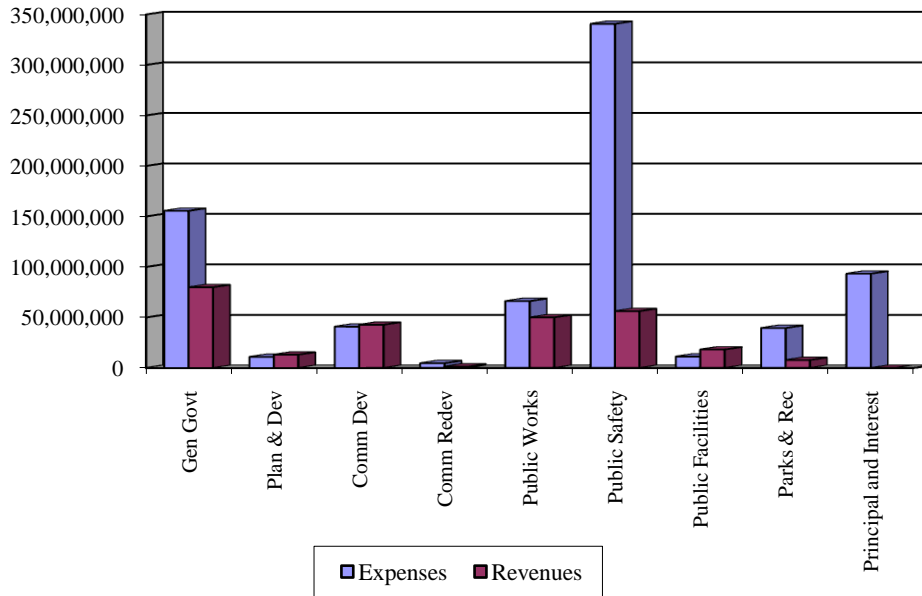
Public Safety experienced a decrease of approximately \$30.6 million in expenditure from the prior year due primarily to decreases in personnel and operating costs.

Public Facilities experienced a decrease of \$5.5 million in expenditures from the prior year due primarily to capital expenditures.

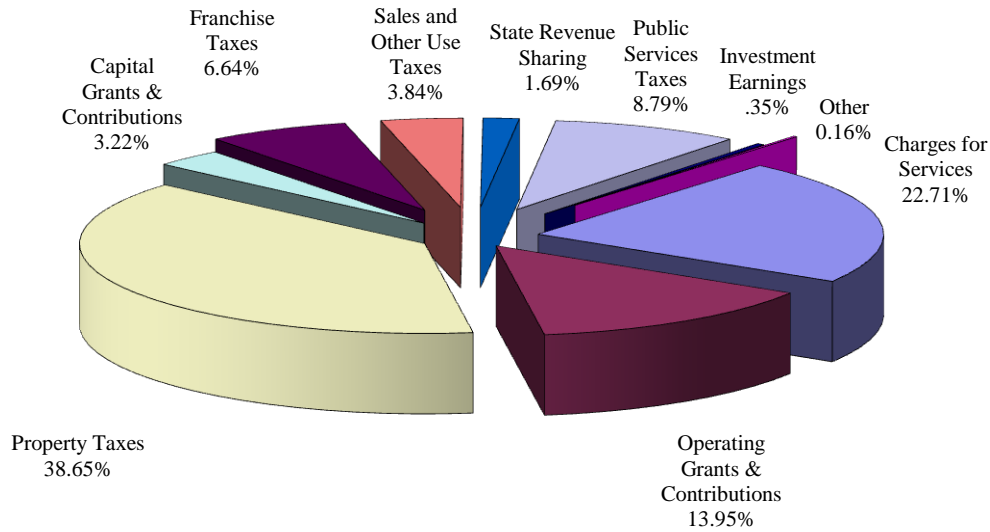
Interest expense on long term debt and other related costs increased by \$15.8 million due to increased payments of principal and interest on general and special obligations bonds including the first payment to the Marlins' Garages and Retail debts.

One-time contribution to the State of Florida for the Port Tunnel project increased by \$50.0 million due to the issuance of a loan from Wells Fargo Bank for the City's portion of the construction costs.

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, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, \$3,149,498 is recorded as non-spendable for prepaid expenses, long term receivable and endowment trust. \$16,494,676 is assigned fund balance in accordance with the City’s Financial Integrity Ordinance which requires 10% of the average 3 years revenue to be designated as assigned fund balance.

General Fund's fund balance had a net increase of \$2,170,889 during the current fiscal year. Key factors in the overall increase were due to:

- The imposed salary and benefit reductions approved by the City Commission reducing overall salaries, pension and health benefits offset by reduction on revenues and reduction on inter-fund transfers.
- The City was very diligent in creating stop-gaps in the FY11 budget by reserving funds for one-time payouts, uncollectable revenues and managing expenditures.

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

The Special Obligation Bond Debt Service Fund has a fund balance of \$31,800,461 which decreased by \$683,109 from the prior year due to the pay down of current debt as dictated by the amortization schedules.

The Street and Sidewalks Capital Projects Fund has a fund balance of \$101,462,943; a decrease of \$14,503,326 in fund balance from the prior year can be attributed to the continuation of projects funded out of this fund.

Public Safety Capital Projects Fund has a fund balance of \$675,535; an increase in fund balance of \$407,581 from the prior year due primarily to decreases in project costs.

The Public Facilities Capital Project Fund has a fund balance of \$39,325,616 which decreased by \$50,098,733 from the prior year due to the construction of the Marlins Garages.

The General Government Capital Project Fund has a fund balance of \$64,717,980 which decreased by \$12,550,155 from the prior year can be attributed to the continuation of projects funded out of this fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget major components for Fiscal Year 2010-2011 can be summarized as follows (please see budget to actual comparison on page 85):

- \$ 4,400,770 decreased allocation to the General Government Departments.
- \$ 3,096,047 decreased allocation to the Public Works Department.
- General Government Departments were decreased primarily due to the reductions in salaries and group health benefits as imposed by the City Commission after the declaration of financial urgency.
- The budget for the Public Works Department was decreased due to the reductions in group health benefits salaries imposed by the City Commission after the declaration of financial urgency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2011, the City had a total of \$1,160,899,016 net of accumulated depreciation, invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions less retirements and depreciation) of \$42,114,141 or 3.76% from the end of the prior year.

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

**Governmental
Activities**

	2011	2010	Change	% Change
Land	\$ 92,726,315	\$ 91,904,132	\$ 822,183	0.89%
Construction-in-Progress	251,326,647	260,003,838	(8,677,191)	-3.34%
Buildings	104,694,188	70,975,141	33,719,047	47.51%
Improvements	147,838,849	120,123,295	27,715,554	23.07%
Machinery and Equipment	49,647,636	63,142,482	(13,494,846)	-21.37%
Infrastructure	514,665,381	512,635,987	2,029,394	0.40%
Total	\$ 1,160,899,016	\$ 1,118,784,875	\$ 42,114,141	3.76%

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

- Construction in progress decreased approximately \$8.7 million due to the infrastructure projects completed during Fiscal Year 2011 and fewer projects being constructed.
- Projects totaling approximately \$122.0 million were closed during the fiscal year and were transitioned out of Construction in Progress.

Additional information on the City's capital assets can be found in Note 1 on page 33 and Note 5 on page 52 in the notes to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$726,859,266. Of this amount, \$25,435,000 is backed by the full faith and credit of the City and \$226,131,791 is backed Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation, Revenue bonds and loans secured solely by Non-Ad Valorem revenue source

	2011	2010	Change	% Change
General Obligation Bonds	\$ 251,566,791	\$ 265,804,455	\$ (14,237,664)	-5.36%
Special Obligation,				
Revenue Bonds and Loans	475,292,475	438,473,315	\$ 36,819,160	8.40%
Total	\$ 726,859,266	\$ 704,277,770	\$ 22,581,496	3.21%

The City's net debt increased during the current fiscal year by \$22,581,496 million (or 3.21%). This increase is due to the issuance of a \$50,000,000 million loan with Wells Fargo Bank for the Port Tunnel project and the refunding of \$70,645,000 million of outstanding Sunshine State loans. The increase is offset by bond principal payments of \$98,063,504 million.

The City maintained its bond rating on its special obligation debt of BBB+ from Standard & Poor's, A3 from Moody's, and A- from Fitch Ratings.

Additional information on the City's long-term liabilities can be found in Note 8 on 56-61 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The budget process begins with the preparation of the financial outlook; a comprehensive review of allocation needs that are expected to be required by the City for its operations. These allocations include a review of salaries and wages (growth as dictated by negotiated union contracts); pension requirement needs, anticipated insurance premium increases, etc. These allocation needs are then compared to the City's

anticipated revenue inflows to determine whether these needs can be satisfied. It is with this analysis, along with the Mayor and City Commissioners' feedback, and the City's comprehensive strategic plan, that the guidelines for preparing the budget toolkit are determined and compiled into an all-inclusive instructional booklet that is then distributed to departments for their use in preparing their budget submissions. The City's elected and appointed officials considered many factors when adopting the fiscal year 2011 budget. Included among these factors were uncertainties regarding pension costs, health insurance costs, other post employment benefit costs, and various other economic indicators.

The City of Miami, like many municipalities throughout the State, is experiencing the impact of a slowing economy. Recently approved property tax legislation, rising fuel prices, and increases in utility costs continue to impact every resident and business in the City. Recently approved State legislation along with a constitutional amendment passed by Florida voters, lowered the City's taxable values while establishing controls on its millage rate (discussed below). This legislation and amendment was also a clear indication by the people of the State of Florida that not enough was done in the previous year to provide property owners with tax relief.

In fiscal year 2011, the City adopted its operating millage rate at 7.571 mills with a unanimous vote and anticipated to collect \$218.3 million in property tax revenues. The millage rate recommended in the fiscal year 2011 budget required City officials to fully understand the impact property taxes were having on Miami residents and to become more creative in managing government.

The economic downturn has not only affected property tax values. Per the U.S. Department of Labor, the unemployment rate for South Florida is currently 11.5% which is a decrease of 4.96% from the prior year. This rate is higher than the State's average unemployment rate of 10.6% and higher than the national average rate of 9.8%. The region's inflation rate of 1.2% is significantly higher than the national indices of 1.1%.

All of these factors indicate that local economic conditions are not expected to be as favorable for fiscal year 2012 as compared to previous years. The continuing economic downturn further adds to the concern and uncertainty as to the overall revenue impact on local governments.

The City is currently monitoring and managing its limited resources to address the current state of its General Fund balance. The City has in place a financial integrity ordinance that requires the City to have a 20% reserve on the average of the last three years General Fund revenues. The 20% reserve requirement is comprised of two designations of reserves. The first 10% is assigned and the second 10% is unassigned. The City fell out of compliance with this requirement on September 30, 2011. Over the last two years the City has been actively pursuing various options to replenish the reserves without impacting the residents monetarily or by reduction in services. To that end the City Commission imposed changes to employee wages and benefits during the budget process which resulted in reductions to the overall budget of approximately \$72 million.

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 Director of the City of Miami's Finance Department, 444 Southwest 2nd Avenue, Suite 618, Miami, Florida 33130, or visit the City's web site at www.miamigov.com.

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City of Miami, Florida
Statement of Net Assets
September 30, 2011

	Governmental Activities	Component Units
Assets		
Cash, Cash Equivalents, and Investments	\$ 255,689,437	\$ 20,594,596
Receivables - Net	33,247,071	1,333,434
Accrued Interest	304,949	4,794
Due from Other Governments	28,544,847	281,103
Inventory	548,108	-
Prepays	2,847,580	439,502
Other Assets	19,110	560,066
Cash, Cash Equivalents, and Investments related to Bond Proceeds	174,782,897	-
Restricted Cash, Cash Equivalents, and Investments	21,258,990	9,066,889
Capital Assets:		
Non-Depreciable	344,052,962	14,901,200
Depreciable - Net	816,846,054	65,632,968
Deferred Charges	11,035,921	1,982,645
Total Assets	1,689,177,926	114,797,197
Liabilities		
Accounts Payable and Accrued Liabilities	45,168,007	3,039,745
Due to Other Governments	1,541,043	1,609,267
Unearned Revenue	20,371,593	578,962
Deposits	6,425,379	171,086
Accrued Interest Payable	10,577,497	1,790,286
Non-Current Liabilities		
Due Within One Year:		
Bonds and Loans Payable	29,841,055	1,060,000
Compensated Absences	9,763,583	521,550
Claims Payable	27,037,602	-
Due In More Than One Year:		
Bonds and Loans Payable	726,857,942	70,549,753
Compensated Absences	59,065,070	230,552
Claims Payable	180,904,000	-
Other Post Employment Benefits	119,206,547	60,803
Net Pension Obligation	4,575,196	-
Total Liabilities	1,241,334,514	79,612,004
Net Assets		
Invested in Capital Assets - Net of Related Debt	693,247,304	17,273,293
Restricted for:		
Capital Projects	-	107,460
Debt Service	30,195,182	910,363
Parking Waiver	-	441,912
Law Enforcement	3,832,474	-
Community Redevelopment	53,196,909	-
Choice Housing Voucher Program	937,079	-
E-911	7,540,346	-
Storm Water	171,428	-
Unrestricted (Deficit)	(341,277,310)	16,452,165
Total Net Assets	\$ 447,843,412	\$ 35,185,193

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

City of Miami, Florida
Statement of Activities
For the Year Ended September 30, 2011

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	\$ 155,563,797	\$ 48,813,671	\$ 13,198,926	\$ 17,919,348	\$ (75,631,852)	\$ -
Planning and Development	10,945,321	13,124,742	36,291	-	2,215,712	-
Community Development	40,875,284	1,584,506	41,188,399	-	1,897,621	-
Community Redevelopment Areas	4,695,820	224,476	1,179,266	-	(3,292,078)	-
Public Works	66,183,960	49,349,451	731,850	-	(16,102,659)	-
Public Safety	340,739,499	15,996,730	36,640,610	3,615,205	(284,486,954)	-
Public Facilities	11,303,648	18,243,535	1,462	18,375	6,959,724	-
Parks and Recreation	39,547,833	6,223,804	1,362,306	271,206	(31,690,517)	-
Interest on Long-Term Debt	43,336,330	-	-	-	(43,336,330)	-
Contribution to Port Tunnel	50,000,000	-	-	-	(50,000,000)	-
Total primary government	<u>\$ 763,191,492</u>	<u>\$ 153,560,915</u>	<u>\$ 94,339,110</u>	<u>\$ 21,824,134</u>	<u>(493,467,333)</u>	<u>-</u>
Component Units:						
Miami Sports Exhibition Authority	\$ 238,552	\$ -	\$ -	\$ -	-	(238,552)
Department of Off-Street Parking	27,495,854	25,519,675	-	-	-	(1,976,179)
Downtown Development Authority	5,047,502	-	-	-	-	(5,047,502)
Bayfront Park	3,980,006	4,119,596	-	-	-	139,590
Coconut Grove BID	1,362,730	-	-	-	-	(1,362,730)
Civilian Investigative Panel	339,481	-	464,000	-	-	124,519
Total component units	<u>\$ 38,464,125</u>	<u>\$ 29,639,271</u>	<u>\$ 464,000</u>	<u>\$ -</u>	<u>-</u>	<u>(8,360,854)</u>
General Revenues:						
Taxes:						
Property Taxes, levied for general purposes					233,193,302	5,484,268
Property Taxes, levied for debt service					28,131,853	-
Franchise Taxes					44,881,126	-
State Revenue Sharing - Unrestricted					11,429,920	-
Sales and Other Use Taxes					25,987,633	-
Public Service Taxes					59,426,883	-
Investment Earnings - Unrestricted					2,393,381	102,353
Other					-	337,172
Gain on Sale of Capital Assets					1,087,268	-
Total General Revenues					<u>406,531,366</u>	<u>5,923,793</u>
Change in Net Assets					<u>(86,935,967)</u>	<u>(2,437,061)</u>
Net assets - Beginning					<u>534,779,379</u>	<u>37,622,254</u>
Net assets - Ending					<u>\$ 447,843,412</u>	<u>\$ 35,185,193</u>

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

**City of Miami, Florida
Balance Sheet
Governmental Funds
September 30, 2011**

	Major Funds						Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Public Safety	Public Facilities	General Government	Street & Sidewalks		
Assets								
Pooled Cash, Cash Equivalents and Investments	\$ 21,595,837	\$ 15,338,247	\$ 11,849,078	\$ 46,009,274	\$ 65,941,438	\$ 106,875,314	\$ 162,863,146	\$ 430,472,334
Restricted Cash, Cash Equivalents, and Investments	-	16,212,214	208,910	-	-	-	4,837,866	21,258,990
Receivables (Net of Allowances for Uncollectibles):								
Accounts	17,680,799	250,000	-	-	-	-	2,076,671	20,007,470
Loans Receivable	-	-	-	-	-	-	1,793	1,793
Taxes	11,916,633	-	-	-	-	-	1,321,175	13,237,808
Due from Other Governments	7,124,771	-	11,527	60,736	370,483	797,739	20,179,591	28,544,847
Due from Other Funds	2,775,698	-	-	-	-	-	216,655	2,992,353
Accrued Interest	160,367	-	-	7,693	9,328	41,263	86,298	304,949
Prepays	2,099,923	-	-	-	-	-	747,657	2,847,580
Other Assets	-	-	-	-	-	-	19,110	19,110
Total Assets	\$ 63,354,028	\$ 31,800,461	\$ 12,069,515	\$ 46,077,703	\$ 66,321,249	\$ 107,714,316	\$ 192,349,962	\$ 519,687,234
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 21,267,097	\$ -	\$ 186,741	\$ 5,936,854	\$ 1,221,878	\$ 5,448,670	\$ 11,106,767	\$ 45,168,007
Due to Other Funds	216,655	-	-	-	-	-	2,775,698	2,992,353
Due to Other Governments	-	-	-	-	-	-	1,541,043	1,541,043
Deferred or Unearned Revenues	16,136,923	-	11,207,239	815,233	381,391	802,703	14,906,653	44,250,142
Deposits	6,089,179	-	-	-	-	-	336,200	6,425,379
Total Liabilities	43,709,854	-	11,393,980	6,752,087	1,603,269	6,251,373	30,666,361	100,376,924
Fund Balances (Deficit):								
Non-Spendable Fund Balance								
Non Spendable	3,149,498	-	-	-	-	-	1,747,657	4,897,155
Spendable Fund Balance								
Restricted	-	31,800,461	675,535	39,325,616	63,249,090	99,047,540	148,035,442	382,133,684
Committed	-	-	-	-	-	2,415,403	15,933,929	18,349,332
Assigned	16,494,676	-	-	-	1,468,890	-	944,655	18,908,221
Unassigned	-	-	-	-	-	-	(4,978,082)	(4,978,082)
Total Fund Balances	19,644,174	31,800,461	675,535	39,325,616	64,717,980	101,462,943	161,683,601	419,310,310
Total Liabilities and Fund Balances	\$ 63,354,028	\$ 31,800,461	\$ 12,069,515	\$ 46,077,703	\$ 66,321,249	\$ 107,714,316	\$ 192,349,962	\$ 519,687,234

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, 2011

Fund Balances - Total Governmental Funds (Page 17) \$ 419,310,310

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

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

Governmental Capital Assets	\$ 2,133,035,163	
Less: Accumulated Depreciation	<u>(972,136,147)</u>	1,160,899,016

Inventory (Land) held for resale are not financial resources and therefore are not reported in the governmental funds.		548,108
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Grant revenues are reported as deferred revenue in the fund financial statements due to availability of funds; under full accrual accounting they are reported as revenues.		16,388,658
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Tax revenues are reported as deferred revenue in the fund financial statements due to availability of funds; under full accrual accounting they are reported as revenues.		7,489,891
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Unamortized bond and loan issuance costs are not available to pay for current period expenditures and therefore are not reported in the governmental funds.		11,035,921
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds, Notes, and Loans Payable	(756,698,997)	
Compensated Absences	(68,828,653)	
Claims Liability	(207,941,602)	
Other Post Employment Benefit	(119,206,547)	
Net Pension Obligation	(4,575,196)	
Accrued Interest Payable	<u>(10,577,497)</u>	<u>(1,167,828,492)</u>

Net Assets of Governmental Activities (Page 14)		<u>\$ 447,843,412</u>
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The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Revenues, Expenditures and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended September 30, 2011

	Major Funds						Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Public Safety	Public Facilities	General Government	Street & Sidewalks		
Revenues								
Property Taxes	\$ 210,697,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,627,877	\$ 261,325,154
Franchise and Other Taxes	104,277,344	-	-	-	-	-	31,733	104,309,077
Licenses and Permits	33,965,077	-	-	-	-	-	65,665	34,030,742
Fines and Forfeitures	4,673,959	-	-	-	-	-	1,780,025	6,453,984
Intergovernmental Revenues	54,540,146	3,000,000	381,355	6,347,146	4,124	1,051,673	105,430,933	170,755,377
Charges for Services	85,226,353	-	294,606	-	-	-	9,189,930	94,710,889
Interest	1,915,415	45,075	-	70,745	76,899	101,251	183,997	2,393,382
Impact Fees	-	-	-	-	1,355,126	-	-	1,355,126
Other	7,247,510	-	-	-	129,726	-	2,725,230	10,102,466
Total Revenues	502,543,081	3,045,075	675,961	6,417,891	1,565,875	1,152,924	170,035,390	685,436,197
Expenditures								
Current Operating:								
General Government	57,590,383	-	-	-	2,453,555	87,118	7,799,126	67,930,182
Planning and Development	8,309,065	-	-	-	-	-	19,205	8,328,270
Community Development	-	-	-	-	-	-	40,432,177	40,432,177
Community Redevelopment Areas	-	-	-	-	-	-	4,394,953	4,394,953
Public Works	46,634,027	-	-	-	-	-	10,135	46,644,162
Public Safety	205,193,532	-	131,668	-	-	-	13,372,738	218,697,938
Public Facilities	4,334,995	-	-	330,556	-	-	5,137,214	9,802,765
Parks and Recreation	23,403,186	-	-	-	-	-	3,137,069	26,540,255
Contribution to Port Tunnel	-	50,000,000	-	-	-	-	-	50,000,000
Risk Management	26,546,382	-	-	-	-	-	-	26,546,382
Pensions	72,194,979	-	-	-	-	-	-	72,194,979
Group Benefits	30,523,550	-	-	-	-	-	-	30,523,550
Debt Service:								
Principal	-	14,839,340	-	-	-	-	14,652,664	29,492,004
Interest and Other Charges	-	25,736,004	-	-	-	-	13,911,541	39,647,545
Debt Issuance Costs	-	2,048,181	-	-	-	-	-	2,048,181
Capital Outlay	166,365	-	2,256,138	57,740,405	3,704,453	13,904,278	36,115,891	113,887,530
Total Expenditures	474,896,464	92,623,525	2,387,806	58,070,961	6,158,008	13,991,396	138,982,713	787,110,873
Excess (Deficiency) of Revenues Over Expenditures	27,646,617	(89,578,450)	(1,711,845)	(51,653,070)	(4,592,133)	(12,838,472)	31,052,677	(101,674,676)
Other Financing Sources (Uses)								
Transfers In	12,817,357	35,112,040	2,119,426	1,795,837	5,336,367	5,003,232	38,375,471	100,559,730
Transfers Out	(38,293,085)	(2,524)	-	(241,500)	(13,294,389)	(6,668,086)	(42,060,146)	(100,559,730)
Proceeds from Sale of Property	-	-	-	-	-	-	1,087,268	1,087,268
Proceeds Received From Refunding	-	68,894,025	-	-	-	-	-	68,894,025
Payment To Escrow Agent For Refunding	-	(68,571,500)	-	-	-	-	-	(68,571,500)
Premium (Discount) on Debt	-	1,712,325	-	-	-	-	-	1,712,325
Issuance of Debt	-	51,750,975	-	-	-	-	-	51,750,975
Total Other Financing Sources (Uses)	(25,475,728)	88,895,341	2,119,426	1,554,337	(7,958,022)	(1,664,854)	(2,597,407)	54,873,093
Net Changes in Fund Balances	2,170,889	(683,109)	407,581	(50,098,733)	(12,550,155)	(14,503,326)	28,455,270	(46,801,583)
Fund Balances - Beginning	17,473,285	32,483,570	267,954	89,424,349	77,268,135	115,966,269	133,228,331	466,111,893
Fund Balances - Ending	\$ 19,644,174	\$ 31,800,461	\$ 675,535	\$ 39,325,616	\$ 64,717,980	\$ 101,462,943	\$ 161,683,601	\$ 419,310,310

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, 2011

Net Changes in Fund Balances - Total Governmental Funds (Page 17)		\$ (46,801,583)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Grant revenues are reported as deferred revenue in the fund financial statements due to availability of funds; under full accrual accounting they are reported as revenues.		10,807,196
Revenues in the statement of activities for the previous year provided current financial resources and, as such, are reported as revenues in the funds for the current year.		(21,075,137)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is depreciated over their estimated useful lives.		
Expenditures for Capital Assets	\$ 125,432,759	
Less: Current Year Depreciation	<u>(72,651,886)</u>	52,780,873
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, etc) that decrease net assets.		(10,118,624)
Repayment of bond and loan principal is an 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.		
Principal Paid on Bonds and Loans	98,063,504	
Net effect of Deferring and Amortizing Issuance Costs, Premiums, Discounts, and Accretion Issuance of Debt	<u>642,946</u> <u>(120,645,000)</u>	(21,938,550)
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	15,447,461	
Claims Liability	(27,513,344)	
Other Post Employment Benefits	(34,446,374)	
Net Pension Obligation	(82,010)	
Accrued Interest Payable	<u>(3,995,875)</u>	<u>(50,590,142)</u>
Change in Net Assets of Governmental Activities (Page 14)		<u>\$ (86,935,967)</u>

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

City of Miami, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2011

	Employee Retirement Funds
Assets	
Cash and Short-Term Investments	\$ 69,457,784
Accounts Receivable	18,329,972
Capital Assets	4,285,921
	92,073,677
Investments	
U.S. Government Obligations	287,071,593
Corporate Bonds	337,696,719
Corporate Stocks	729,071,369
Money Market Funds and Commercial Paper	28,601,609
International Equity	192,716,086
Mutual Funds	125,863,217
Real Estate	129,462,053
Private Equity	41,208,816
Total Investments	1,871,691,462
Securities Lending Collateral	233,290,589
Total Assets	2,197,055,728
Liabilities	
Obligations Under Security Lending	233,290,589
Accounts Payable	1,188,404
Accrued Liabilities	125,866,986
Payable for Securities Purchased	14,041,939
Total Liabilities	374,387,918
Net Assets	
Held in Trust for Pension Benefits	\$ 1,822,667,810

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, 2011

	<u>Employee Retirement Funds</u>
Additions	
Contributions:	
Employer	\$ 66,402,881
Plan Members	16,401,234
Total Contributions	<u>82,804,115</u>
Investment Earnings:	
Net Increase in Fair Value of Investments	13,244,161
Interest	32,681,533
Dividends	16,721,817
Other	432,657
Total Investment Gain	<u>63,080,168</u>
Security Lending Activities:	
Security Lending Income	725,231
Security Lending Fees and Rebates	(181,163)
Net Income From Security Lending Activities	<u>544,068</u>
Net Investment Gain	<u>7,603,058</u>
Net Investment Gain	55,477,110
Reimbursement from City for Administrative Costs	3,184,832
Total	<u>142,010,125</u>
Deductions	
Benefit Payments	196,736,950
Refunds upon Resignation, Death, etc.	2,222,273
Distribution to Retirees	17,363,841
Administrative and Other Expenses	3,318,278
Total	<u>219,641,342</u>
Change in Net Assets	(77,631,217)
Net Assets - Beginning of Year	<u>1,900,299,027</u>
Net Assets - End of Year	<u><u>\$ 1,822,667,810</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, 2011

	Miami Sports and Exhibition Authority	Department of Off-Street Parking	Downtown Development Authority	Bayfront Park	Coconut Grove BID	Civilian Investigative Panel	Total
Assets							
Cash, Cash Equivalents and Investments	\$ 666,782	\$ 6,419,455	\$ 4,831,196	\$ 4,870,525	\$ 3,569,972	\$ 236,666	\$ 20,594,596
Receivables (Net)							
Accounts	-	573,553	-	3,201	243,980	-	820,734
Taxes	-	-	512,700	-	-	-	512,700
Accrued Interest	-	4,794	-	-	-	-	4,794
Due From Other Government	-	281,103	-	-	-	-	281,103
Prepays	7,244	345,588	63,074	17,378	6,218	-	439,502
Other Assets	-	560,066	-	-	-	-	560,066
Restricted Assets:							
Cash, Cash Equivalents, and Investments	-	9,066,889	-	-	-	-	9,066,889
Capital Assets:							
Non-Depreciable	-	14,385,071	-	516,129	-	-	14,901,200
Depreciable, Net	-	60,609,876	154,964	4,868,128	-	-	65,632,968
Deferred Charges	-	1,982,645	-	-	-	-	1,982,645
Total Assets	<u>674,026</u>	<u>94,229,040</u>	<u>5,561,934</u>	<u>10,275,361</u>	<u>3,820,170</u>	<u>236,666</u>	<u>114,797,197</u>
Liabilities							
Accounts Payable and Accrued Liabilities	-	2,269,155	539,620	73,071	126,403	31,496	3,039,745
Due to Other Governments	-	1,609,267	-	-	-	-	1,609,267
Unearned Revenue	-	403,088	-	175,874	-	-	578,962
Deposits	-	126,151	-	44,935	-	-	171,086
Accrued Interest Payable	-	1,790,286	-	-	-	-	1,790,286
Non-Current Liabilities							
Due Within One Year:							
Bonds and Loans Payable	-	1,060,000	-	-	-	-	1,060,000
Compensated Absences	-	513,777	7,773	-	-	-	521,550
Due In More Than One Year:							
Bonds and Loans Payable	-	70,549,753	-	-	-	-	70,549,753
Other Post-Employment Benefit Obligation	-	60,803	-	-	-	-	60,803
Compensated Absences	-	79,182	151,370	-	-	-	230,552
Total Liabilities	<u>-</u>	<u>78,461,462</u>	<u>698,763</u>	<u>293,880</u>	<u>126,403</u>	<u>31,496</u>	<u>79,612,004</u>
Net Assets							
Invested in Capital Assets, Net of Related Debt	-	11,734,072	154,964	5,384,257	-	-	17,273,293
Restricted for:							
Capital Projects	107,460	-	-	-	-	-	107,460
Debt Service	-	910,363	-	-	-	-	910,363
Parking Waiver	-	-	-	-	441,912	-	441,912
Unrestricted (Deficit)	566,566	3,123,143	4,708,207	4,597,224	3,251,855	205,170	16,452,165
Total Net Assets	<u>\$ 674,026</u>	<u>\$ 15,767,578</u>	<u>\$ 4,863,171</u>	<u>\$ 9,981,481</u>	<u>\$ 3,693,767</u>	<u>\$ 205,170</u>	<u>\$ 35,185,193</u>

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, 2011

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Miami Sports			
Exhibition Authority			
Culture and Recreation	\$ 238,552	\$ -	\$ -
Total Miami Sports Exhibition Authority	<u>238,552</u>	<u>-</u>	<u>-</u>
Department			
of Off-Street Parking			
Transportation	27,495,854	25,519,675	-
Total Department of Off-Street Parking	<u>27,495,854</u>	<u>25,519,675</u>	<u>-</u>
Downtown			
Development Authority			
Economic Development	5,047,502	-	-
Total Downtown Development Authority	<u>5,047,502</u>	<u>-</u>	<u>-</u>
Bayfront Park			
Parks and Recreation	3,980,006	4,119,596	-
Total Bayfront Park	<u>3,980,006</u>	<u>4,119,596</u>	<u>-</u>
Coconut Grove BID			
General Government	1,362,730	-	-
Total Coconut Grove BID	<u>1,362,730</u>	<u>-</u>	<u>-</u>
Civilian Investigative Panel			
General Government	339,481	-	464,000
Total Civilian Investigative Panel	<u>339,481</u>	<u>-</u>	<u>464,000</u>
Total Component Units	<u>\$ 38,464,125</u>	<u>\$ 29,639,271</u>	<u>\$ 464,000</u>

General Revenues:

Taxes:
 Property Taxes, levied for general purpose:
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	Coconut Grove BID	Civilian Investigative Panel	Totals
\$ (238,552)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (238,552)
(238,552)	-	-	-	-	-	(238,552)
-	(1,976,179)	-	-	-	-	(1,976,179)
-	(1,976,179)	-	-	-	-	(1,976,179)
-	-	(5,047,502)	-	-	-	(5,047,502)
-	-	(5,047,502)	-	-	-	(5,047,502)
-	-	-	139,590	-	-	139,590
-	-	-	139,590	-	-	139,590
-	-	-	-	(1,362,730)	-	(1,362,730)
-	-	-	-	(1,362,730)	-	(1,362,730)
-	-	-	-	-	124,519	124,519
-	-	-	-	-	124,519	124,519
\$ (238,552)	\$ (1,976,179)	\$ (5,047,502)	\$ 139,590	\$ (1,362,730)	\$ 124,519	(8,360,854)
-	-	4,495,889	-	988,379	-	5,484,268
980	41,338	8,164	7,455	44,416	-	102,353
2,516	-	230,748	103,903	-	5	337,172
3,496	41,338	4,734,801	111,358	1,032,795	5	5,923,793
(235,056)	(1,934,841)	(312,701)	250,948	(329,935)	124,524	(2,437,061)
909,082	17,702,419	5,175,872	9,730,533	4,023,702	80,646	37,622,254
\$ 674,026	\$ 15,767,578	\$ 4,863,171	\$ 9,981,481	\$ 3,693,767	\$ 205,170	\$ 35,185,193

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CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Miami, Florida (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, which is located in the county of Miami-Dade, was incorporated in 1896, and has a population of 399,457 according to the 2010 census. 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’s Charter was adopted by the electors of the City of Miami at an election held on May 17, 1921 and was legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. During fiscal year 1997, the residents of the City voted on a referendum that created single-member districts and an Executive Mayor form of government. The City continues to operate under the Commission/City Manager form of government and provides the following services: police and fire protection, public works activities, 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 City’s powers, but supplements them. The County can take over particular activities of the City’s operations if (1) the services fall below minimum standards set by the County Commission or (2) with the consent of the governing body of the City. Accordingly, the County’s financial statements are not included in this report.

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

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* and GASB Statement No. 39 - *Determining Whether Certain Organizations Are Component Units* 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Based upon the application of the criteria in GASB Statements No. 14 and 39, the financial statements of the component units listed on the following pages have been included in the City's reporting entity as either blended or discretely presented component units.

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that they are legally separate from the City. The financial activities and balances for each blended and discretely presented component unit are as of and for the year ended September 30, 2011.

Blended Component Units

SOUTHEAST OVERTOWN PARK WEST REDEVELOPMENT AGENCY ("SEOPW")-SEOPW is an Agency established by the City in 1983 under the authority of Section 163.330, Florida Statutes and City Resolution No. 82-755. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Southeast Over-town Park West area. 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 also the Board of Directors of the SEOPW. The City has issued debt for the 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 Section 163.330, Florida Statutes and City Resolution No. 86-868. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Omni area. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the 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 Redevelopment Trust Fund. The ORA is included within the reporting entity as a special revenue fund (Omni CRA).

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

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

NEIGHBORHOOD IMPROVEMENT DISTRICTS – There are four neighborhood improvement districts. All four districts were inactive during fiscal year 2011.

Discretely Presented Component Units

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

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

BAYFRONT PARK MANAGEMENT TRUST (“BFP”) –The BFP was established by the City in 1987 under the authority of City of Miami Resolution No. 10348. The BFP was created for the purpose of managing and operating the events held at Bayfront and Bicentennial Park and the daily maintenance and upkeep of the grounds, its various amenities including the amphitheater and the Mildred and Claude Pepper Fountain. The governing body of the BFP consists of nine appointed members serving initial terms of one to three years. Upon expiration of an initial term, each successor member may be appointed by the City Commission for terms of one to three years. The BFP has appointed an executive director to act as the chief executive officer, subject to policy directives. The BFP prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the City is financially accountable and is discretely presenting the 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 the HFA’s board membership and operating budget. Therefore, the City is financially accountable and is discretely presenting the 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 amount of conduit debt obligations totaled \$21,540,000 at September 30, 2011. The HFA does not issue stand-alone audited financial statements. During Fiscal Year 2011 Mercy Hospital redeemed the Miami Health facilities Authority Series 1998, 2002, 2008, and 2009 bonds on June 1, 2011. Series 2003 Bonds were defeased on June 1, 2011 to their call date 11/15/2013. The debt service payment was made by Miami Jewish Home.

The City of Miami Health Facilities Authority conduit debt outstanding as of September 30, 2011 is as follows:

	Mercy Hospital	Miami Jewish Home	Principal Payment	Outstanding Balance
Series 1998A	\$ 10,025,000	\$ -	\$ 10,025,000	\$ -
Series 2002	35,000,000	-	35,000,000	-
Series 2003	14,285,000	-	14,285,000	-
Series 2008	33,595,000	-	33,595,000	-
Series 2009	29,635,000	-	29,635,000	-
Series 2005	-	22,250,000	710,000	21,540,000
Total	\$ 122,540,000	\$ 22,250,000	\$123,250,000	\$ 21,540,000

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Proceeds from these bond issues were used to finance construction of buildings and parking facilities; land acquisitions; equipment purchases including beds and other medical apparatus; renovation of existing facilities; and engineering costs.

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

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

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

SEOPW / ORA/ MRA
49 NW 5th Street, Suite 100
Miami, Florida 33128-1811

MSEA
3500 Pan American Drive
Miami, Florida 33133

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

VKBPT
4020 Virginia Beach Drive
Miami, Florida 33149

DDA
200 South Biscayne Blvd.
Suite 2929
Miami, Florida 33131

CIP
155 South Miami Ave
Penthouse 1-B
Miami, FL 33130-1609

Liberty City
4800 NW 12th Avenue
Miami, Florida 33127-2218

DOSP
40 NW 3rd Street Suite 1103
Miami, Florida 33128

BID
3390 Mary Street, Suite 130
Coconut Grove, FL 33133

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 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not deemed to be program revenues are reported instead as general revenues.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, 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 used to account for assets held by the City in a trustee capacity. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented 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 accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

Special Obligation Bonds – The Special Obligation Bonds Fund accounts for monies for payment of principal, interest, and other costs related to various special obligation and revenue bonds and loans.

Public Safety – This Capital Projects Fund accounts for the acquisition or construction of major capital facilities that support the City of Miami's Police and Fire operations.

Public Facilities – This Capital Projects Fund accounts for the acquisition or construction of major capital facilities for public use such as marinas and stadiums.

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

Additionally, the City reports the following fiduciary fund type:

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

D. Measurement Focus and the 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. 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, insurable claims, pensions, pollution remediation obligations, and other post employment benefits are recorded only when payment is due or when City has made a decision to fund these obligations with current available resources.

Certain revenues associated with the current fiscal period are considered to be susceptible to accrual and are recognized as revenues of the current fiscal period such as:

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

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

As a general rule, the effect of inter-fund 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

All investments, including those of the Pension Trust Funds, are stated at fair value, using quoted market price or the best available estimate thereof. Investments that have a maturity of one year or less at the time of purchase are reported at amortized cost. Alternative investments which include private equity, private debt, venture capital and equity real estate investments where no readily ascertainable market value exists, management, in consultation with the general partner and investment advisors, have determined the fair values for the individual investments based upon the partnership's most recent available financial information.

Interfund Receivables and Payables

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

Receivables

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

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 non-spendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventory

Purchases of inventorable items are recorded as expenditures/expense at the time of purchase and year-end balances are not material.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Restricted Assets

Certain proceeds from bonds, loans and deposits, as well as advances from grants, are classified as restricted assets because their use is limited by applicable bond indentures, contracts, and agreements.

Capital Assets

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

<u>Asset</u>	<u>Years</u>
Buildings	20 - 50
Improvements other than buildings	10 - 30
Machinery and equipment	3 - 15
Vehicles (including heavy equipment)	3 - 10
Infrastructure	15 - 75

In the government-wide financial statements, infrastructure has been capitalized in accordance with GASB Statement Number 34.

In the governmental funds, capital assets are recorded as expenditures and no depreciation expense is recorded.

Deferred Charges

Deferred charges in the government-wide financial statements represent the unamortized portion of the cost incurred for the issuance of long-term debt and the difference between the reacquisition price and the net carrying amount of the old debt, relating to current and advance refunding resulting in the defeasance of debt. These costs are being amortized over the term of the respective bond issue or the shorter of the amortization period remaining from the prior refunding or the life of the latest refunding debt. The costs are amortized using the effective interest method. For governmental funds, these costs are considered to be period costs.

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 City accrues a liability for compensated absences as well as certain other salary related costs associated with the payment of compensated absences. The liability for such accumulated leave is reflected in the government-wide financial statements as current

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

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

At September 30, 2011 the City recorded a net pension obligation related to the General Employees and Sanitation Employees (GESE) Excess Benefit Plan in its government-wide statement of net assets. The net pension obligation is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers contributions made to the plan. Please refer to Note 10 for further information.

Post Employment Benefits Other Than Pensions (OPEB) - Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 75% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City currently provides these benefits in accordance with the vesting and retirement requirements for its General and Sanitation Employees, Firefighters and Police Officers.

The City is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City records a net OPEB obligation in its government-wide financial statements related to the implicit subsidy. Please refer to Note 11 for further information.

Unearned/Deferred Revenues

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and fund financial statements. In addition, amounts related to government fund receivables that are measurable, but not available, are recorded as deferred revenue in the governmental fund financial statements. Unearned/Deferred revenues in the government-wide and governmental funds financial statements at September 30, 2011 are as follows:

Source	Government-Wide Level	Governmental Funds Level
College of Policing	\$ 11,188,386	\$ 11,207,239
Burgular Alarms and Business Taxes Receipts	7,711,830	7,711,830
SHIP Program	855,164	855,164
MESA	616,213	616,213
Deferred Taxes	-	7,489,891
Grants and Others	-	16,369,805
Total	\$ 20,371,593	\$ 44,250,142

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bonds payable are reported net of the applicable bond premiums or discounts and deferred refunding amounts. Bond premiums, discounts, and issuance costs are amortized over the life of the bonds using the effective interest method. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method, which does not result in a material difference from the effective interest method. Bonds payable are presented net of applicable bond discounts, premiums, and deferred refunding amounts, whereas issuance costs are recorded as deferred charges.

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. Payment of debt principal is reported as an expenditure.

Risk Management – The City is self-insured for automobile liability, general liability, including public official’s liability and property damage claims pursuant to Florida Statute Section 768.28 (*Waiver of Statute of Limitations; Exclusions: Indemnifications; Risk Management Programs*). Per Florida Statute section 768.28, the City is self-insured up to \$100,000 per person/\$200,000 per occurrence. The City is also self-insured for workers’ compensation claims. The City is self-insured for health claims and uses a commercial carrier as the administrator. The discounted accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end including claims incurred but not yet reported.

Net Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 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 State Statutes or 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.

The government-wide statement of net assets reports \$95,873,418 of restricted net assets of which \$65,678,236 is restricted by enabling legislation and \$30,195,182 is restricted by certain debt agreements.

Fund Equity

In the fund financial statements, governmental funds report constraints on the use of resources. During the year ended September 30, 2011, the City implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which established the accounting and financial reporting standards for government entity to report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following is a description of the classifications used by the City.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Non Spendable Fund Balance – This amount includes amount that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

Committed Fund Balance – This amount includes amount that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority which is the City Commission.

Assigned Fund Balance – This amount includes amount that is constrained by the City’s intent to be used for specific purposes, but neither restricted nor committed. Intent is expressed by the City Commission itself or a body or official to which the City Commission has delegated that authority.

Unassigned Fund Balance – This amount is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

As a result of the implementation, the beginning fund balances of the following funds have been adjusted and restated:

Governmental Funds

Major Funds:

General Funds:	
<i>Fund Balance as reported, September 30, 2010</i>	\$ 13,442,370
Adjustment for the discontinuation of separate reporting of:	
Public Service Tax Fund	3,787,169
Parks Special Revenue Fund - Grapeland Park Operations	106,108
Local Option Gas Tax Special Revenue Fund	137,638
<i>Fund Balance as reported, September 30, 2010</i>	<u>\$ 17,473,285</u>

Non-Major Funds:

<i>Fund Balance as reported, September 30, 2010</i>	\$ 176,404,053
General Special Revenue - Debt Repayment reported as Special Obligation Bonds	(3,677,305)
General Obligation Bond classified as Major in 2011	(28,806,265)
	<u>(32,483,570)</u>
Public Service Tax Fund	(3,787,169)
Parks Special Revenue Fund - Grapeland Park Operations	(106,108)
Local Option Gas Tax Special Revenue Fund	(137,638)
Public Safety classified as Major in 2011	(267,954)
Fire Rescue Services classified as nonmajor in 2011	(6,393,283)
	<u>(10,692,152)</u>
<i>Fund Balance as reported, September 30, 2010</i>	<u>\$ 133,228,331</u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following schedule classify the City's fund balance as of fiscal year end September 30, 2011:

City of Miami, Florida Fund Balance Classifications Major Governmental Funds September 30, 2011								
FUND BALANCES	Major Funds						Other	Total
	General	Special Obligation Bonds	Public Safety	Public Facilities	General Government	Street & Sidewalks	Non-Major Governmental Funds	Governmental Funds
Non Spendable:								
Recycling Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Prepaid Items	2,099,923	-	-	-	-	-	747,657	2,847,580
Long Term Due from Other Funds	1,049,575	-	-	-	-	-	-	1,049,575
Total	3,149,498	-	-	-	-	-	1,747,657	4,897,155
Spendable:								
Restricted for:								
Debt Service Reserved by Debt Covenants	-	31,800,461	-	-	-	-	1,118,789	32,919,250
Environmental Projects	-	-	-	-	1,803,317	-	1,612,017	3,415,334
Water-Sewer Combination	-	-	-	-	-	-	31,093,810	31,093,810
Emergency and Disaster Relief	-	-	-	-	-	-	1,058,944	1,058,944
Other Grants	-	-	-	24,677	-	2,374,375	1,846,514	4,245,566
Park Projects	-	-	-	-	-	-	23,294,555	23,294,555
Capital Improvements	-	-	-	-	56,872,341	75,983,486	-	132,855,827
Transportation and Transit	-	-	-	-	-	20,689,679	13,980,158	34,669,837
Computer and Software Upgrade	-	-	560,551	-	4,573,432	-	137,758	5,271,741
Housing and Urban Development	-	-	-	-	-	-	7,376,020	7,376,020
Equipment	-	-	-	-	-	-	74,555	74,555
Public Safety	-	-	114,984	-	-	-	12,607,946	12,722,930
Other Infrastructure and Development	-	-	-	-	-	-	194,320	194,320
Other Facilities Improvement	-	-	-	39,300,939	-	-	-	39,300,939
Community Redevelopment Agencies	-	-	-	-	-	-	53,196,909	53,196,909
Other	-	-	-	-	-	-	443,147	443,147
Total	-	31,800,461	675,535	39,325,616	63,249,090	99,047,540	148,035,442	382,133,684
Committed to:								
Elected Officials	-	-	-	-	-	-	170,869	170,869
Planning Projects	-	-	-	-	-	-	1,212,969	1,212,969
Housing and Urban Development	-	-	-	-	-	-	3,275,116	3,275,116
Park Projects	-	-	-	-	-	-	1,442,145	1,442,145
Capital Improvements	-	-	-	-	-	-	2,109,172	2,109,172
Downtown Development	-	-	-	-	-	-	6,320,391	6,320,391
Transportation Projects	-	-	-	-	-	2,415,403	-	2,415,403
Other	-	-	-	-	-	-	1,403,267	1,403,267
Total	-	-	-	-	-	2,415,403	15,933,929	18,349,332
Assigned to:								
Strategic and Management Initiatives	16,494,676	-	-	-	-	-	-	16,494,676
Other	-	-	-	-	1,468,890	-	944,655	2,413,545
Total	16,494,676	-	-	-	1,468,890	-	944,655	18,908,221
Unassigned:								
Unassigned	-	-	-	-	-	-	(4,978,082)	(4,978,082)
Total	-	-	-	-	-	-	(4,978,082)	(4,978,082)
Total Fund Balances	\$ 19,644,174	\$ 31,800,461	\$ 675,535	\$ 39,325,616	\$ 64,717,980	\$ 101,462,943	\$ 161,683,601	\$ 419,310,310

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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Excess of Expenditures over Appropriations

The following funds exceeded their budgetary authorization as of September 30, 2011:

<u>Fund</u>	<u>Exceed Budget Authorization</u>
Special Revenue:	
Gusman and Olympia	\$ 471,357
Emergency Services	232,727
Liberty City Revitalization Trust	165,413
Midtown CRA	3,767
Departmental Improvement Initiatives	12
Fire Rescue Services	4

These expenditures over appropriations are the result of higher than expected expenditures outflows. The excess will be closely monitored and evaluated as needed.

Fund Deficits

The following funds had deficits in the amounts indicated as of September 30, 2011:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
General Special Revenue	\$ 1,045,344
Fire Rescue Services	652,151
Homeless	24,474
Capital Projects:	
Disaster Recovery	772,383

These unassigned fund balance deficits are the result of lower than expected revenue inflows and deferral of revenue recognition related to certain grant agreements. The City plans to eliminate these deficits by collecting outstanding receivables, identifying other funding sources, etc. in the near future.

Correction of Prior Year Errors

In fiscal year 2011, the City recorded adjustments for errors relating to prior years with a cumulative increase to change in net assets of \$7,656,494 as of September 30, 2011. Had these errors been corrected in fiscal year 2010, the impact would have been an increase in beginning net assets of \$7,656,494 in fiscal year 2011.

NOTE 2. – DEPOSITS AND INVESTMENTS

Deposits

The City, excluding the Pension Trust Funds and restricted cash balances, maintains a cash management pool for its cash, cash equivalents, and investments in which each fund and/or account or sub-account of a fund participates on a dollar equivalent and daily transaction basis. Interest income (which includes

CITY OF MIAMI, FLORIDA
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unrealized gains and losses) is distributed monthly to all eligible funds, accounts and/or sub-account, based on the available cash balance at month end. The yield is determined for these eligible funds, based on the amount of time they are available for investing. A cash balance that is needed within a 3 month period will receive the yield on a 3 month treasury bill as determined by the current bond market. The use of zero balance accounts with daily sweeps allows for the City’s portfolio to be fully invested at all times.

Custodial Credit Risk – This is the risk that in the event of a bank failure, the City’s deposits may not be recoverable. In addition to insurance provided by the Federal Deposit Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of Florida to hold public funds. The City’s adopted policy is governed by Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, which 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.

Investments

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City’s name and all securities are registered in the City’s name. 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, the State Board of Administration Investment Pool, and prime commercial paper.

At September 30, 2011, the pooled cash, cash equivalents and investments of the primary government, exclusive of the Pension Trust Funds and discrete component units, consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$ 100,836,205
Federal Home Loan Mortgage Corporation	47,767,652
Federal Farm Credit Bank	94,321,700
Federal Home Loan Bank	33,396,795
Commercial Paper	148,646,561
Money Market Fund	24,283,188
Total Investments	<u>449,252,101</u>
Bank Deposits	2,479,223
Total Pooled Cash, Cash Equivalents and Investments	<u><u>\$ 451,731,324</u></u>

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As of September 30, 2011, \$174,782,897 of the total balance listed above relates to unspent bond proceeds. Unspent bond proceeds consisted of the following:

<u>Issue</u>	<u>Unspent Proceeds</u>
1986 Sunshine State Revenue Loan (Series 2008)	\$ 22,389,051
1986 Sunshine State Revenue Loan (Series 2007)	3,675,507
2007 Street & Sidewalks	20,447,100
Special Obligations A	1,825,312
2007BLimited	4,393,824
2009 Limited	36,426,297
2009 Streets and Sidewalks	55,917,631
2010A Marlins Garage	26,119,461
2010B Marlins Retail	3,588,714
	<u>\$ 174,782,897</u>

Interest Rate Risk - Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. The City’s policy limits the maturity of an investment to a maximum of 5 years. As of September 30, 2011, the City of Miami had the following investments with the respective weighted average maturity in years. The respective weighted average maturities were based on the securities’ call date, not the maturity date.

<u>Investment Type</u>	<u>Weighted Average Maturity in Years</u>
United States Treasury Notes and Bills	0.00
Federal National Mortgage Association	0.28
Federal Home Loan Mortgage Corporation	0.51
Federal Farm Credit Bank	0.31
Federal Home Loan Bank	0.22
Commercial Paper	0.15
Money Market	Less than 1 year

Credit Risk – Credit Risk is the risk that a security or portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City’s investment policy (the Policy), minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. The credit ratings below were consistent among the two major rating agencies (Moody’s and Fitch). During FY 2011 Standard and Poors downgraded the US Treasury and Obligation of the U.S. Government or obligations explicitly guaranteed by U. S. Government from AAA to AA+.

CITY OF MIAMI, FLORIDA
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The table below summarizes the investments by credit rating at September 30, 2011:

<u>Investment Type</u>	<u>Moody's & Fitch Credit Rating</u>
Federal National Mortgage Association	AAA
Federal Home Loan Mortgage Corporation	AAA
Federal Farm Credit Bank	AAA
Federal Home Loan Bank	AAA
Commercial Paper	A1/P1/F1
Money Market Fund	Not Rated

Concentration of Credit Risk – The City’s policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The policy provides that a maximum of 20% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund. A maximum of 100% of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100% of the total portfolio may be invested in U.S. Government securities and federal instruments, with a limit of 25% invested in any one issuer of federal instruments. A maximum of 35% of the portfolio may be invested in prime commercial paper with a maximum of 10% with any one issuer. A maximum of 10% of the portfolio may be invested in banker’s acceptances with a maximum of 10% with any one issuer.

As of September 30, 2011, the following issuers held 10% or more of the investment portfolio:

<u>Issuer</u>	<u>Percentage</u>
Federal Farm Credit Bank	22%
Federal Home Loan Bank	8%
Federal Home Loan Mortgage Corp.	11%
Federal National Mortgage Association	24%
United States Treasury Notes	0%

The above excludes investments in mutual funds and external investments pools.

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

FIPO’s investment policy is determined by its Board of Trustees and is implemented by investment managers. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain property, real, personal or mixed and investments specifically including, bonds, debentures and other corporate obligations, and stocks, preferred or common.

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

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control this risk. Information about the sensitivity of fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2011:

	<u>U.S. Treasuries</u>	<u>U.S. Agencies</u>	<u>Corporate Bonds</u>	<u>Total</u>
Fair Value	\$ 113,967,836	\$ 90,064,269	\$ 270,479,451	\$ 474,511,556
Investment Maturities:				
Less than 1 year	5,927,328	524,836	4,847,035	11,299,199
1 to 5 years	43,436,369	1,811,253	81,539,488	126,787,110
6 to 10 years	50,318,714	3,082,333	125,837,728	179,238,775
More than 10 years	14,285,425	84,645,847	58,255,200	157,186,472

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

The following table discloses credit ratings, at September 30, 2011:

<u>Investment Type/Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. Government guaranteed*	\$ 204,032,105	43.00%
Credit risk debt securities		
AAA	28,304,313	5.96%
AA	27,335,786	5.76%
A	73,987,241	15.59%
BBB	68,050,776	14.34%
BB and lower	70,339,935	14.82%
Not Rated	2,461,400	0.52%
Total credit risk debt securities	<u>270,479,451</u>	<u>57.00%</u>
Total fixed income securities	<u>\$ 474,511,556</u>	<u>100.00%</u>

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

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name.

Concentration of Credit Risk - The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net assets at September 30, 2011

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Foreign Currency Risk - Foreign currency is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. Each investment manager, through the purchase of units in a commingled investment trust fund or international equity mutual fund, establishes investments in international equities. FIPO has an indirect exposure to foreign currency fluctuation as follows:

<u>Currency</u>	<u>Holdings valued in U.S. Dollars - International Equities</u>
Swiss Franc	\$ 6,213,686
Canadian Dollar	287,662
Euro	11,979,226
British Pound Sterling	4,125,255
Hong Kong Dollar	1,683,565
Japanese Yen	16,667,880
South Korean Won	2,602,122
Swedish Krona	319,609
Mexican Peso	932,607
Signapore Dollar	3,333,367
Australian Dollar	874,601
Other	1,551,442
	<u>\$ 50,571,022</u>

Securities Lending Transactions - A retirement system is authorized by state statutes and board of trustees' policies to lend its investment securities. The lending is managed by the Trust's custodial bank. All loans can be terminated on demand by either the Trust or the borrowers, although the average term of loans is approximately 92 days. The custodial bank and its affiliates are prohibited from borrowing the system's securities.

The agent lends the Trust's U.S. government and agency securities and domestic corporate fixed-income and equity securities for securities or cash collateral of 102% and international securities of 105% of the securities plus any accrued interest. The securities lending contracts do not allow the Trust to pledge or sell any collateral securities unless the borrower defaults. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. Investments are restricted to issuers with a credit rating A3 or A- or higher by Moody's or Standard & Poor's. At year-end, the pool has a weighted average term to maturity of 38 days.

The relationship between the maturities of the investment pool and the Trust's loans is affected by the maturities of the securities' loans made by other entities that use the agent's pool, which the Trust cannot determine. There are policy restrictions by the custodial bank that limits the amount of securities that can be lent at one time or to one borrower.

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The following represents the balances relating to securities lending transactions at September 30, 2011:

Securities Lent:	Fair Value of Underlying Securities	Cash Collateral Received/Securities Collateral Value	Cash Collateral Investment Value
	<u> </u>	<u> </u>	<u> </u>
Lent for cash collateral:			
U.S. government and agency obligations	\$ 63,434,656	\$ 64,936,073	\$ 64,936,073
International equities	2,237,971	2,402,920	2,402,920
Domestic corporate stocks	124,406,897	129,991,293	129,991,293
Domestic corporate bonds	34,732,674	35,960,303	35,960,303
Total securities lent	<u>\$ 224,812,198</u>	<u>\$ 233,290,589</u>	<u>\$ 233,290,589</u>

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 has no credit risk exposure to borrowers because the amounts of collateral held by the Trust exceed 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. There is no income distributions owing on securities lent.

	<u>2011 Total</u>
Investments, at fair value:	
U.S. Government and agency obligations	\$ 204,032,105
Domestic Fixed Income	270,479,451
Domestic Equity	414,939,501
International Equity	192,716,086
Private Equity	41,208,816
Real Estate Equity	103,587,826
Mutual Funds - DROP	125,863,217
Total Investments	<u>\$ 1,352,827,002</u>
Security Lending Cash Collected - invested	\$ 233,290,589

Domestic equity is valued at current market price. Private equity and real estate are listed under alternative investment valuation. DROP –mutual fund represent the value of the DROP liability which is held outside and included on the financial statement for disclosure purposes. The contra amount is recorded in the liability section at asset value.

Investments are recorded at fair value. Fair values of investments are determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at cost which approximates market; mortgages are valued

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based on current market yield. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on similar sales.

Alternative investments which include private equity, private debt, venture capital and equity real estate investments where no readily ascertainable market value exists, management, in consultation with the general partner and investment advisors, has determined the fair values for the individual investments based upon the partnership’s most recent available financial information adjusted for cash flow activities through September 30, 2011.

GESE Pension Trust Funds

Investments for the City of Miami Employees and Sanitation Employees Retirement Trust (GESE Trust) and the City of Miami General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (Staff Trust), as of September 30, 2011, is as follows:

Investment Type	Fair Value	
	GESE Trust	Staff Trust
U.S. Government and Agency Securities	\$ 83,039,488	\$ -
Corporate Stocks	312,970,506	1,161,362
Corporate Bonds	66,351,963	865,305
	<u>462,361,957</u>	<u>2,026,667</u>
Real Estate Fund	25,874,227	-
Money Market Fund and Commercial Paper	23,246,806	-
Total Investments	<u>\$ 511,482,990</u>	<u>\$ 2,026,667</u>

GESE Trust

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

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

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The following represents the investment's value and duration of the securities at September 30, 2011:

Investment Type	Fair Value	Weighted Avg. Maturity Years
Other Gov't	\$ 434,000	13.66
Asset-Backed	281,000	0.08
Corporate-Bank	10,125,000	3.42
Corporate-Finance	10,547,000	4.87
Corporate-Industrial	28,715,000	6.13
Corporate-Transportation	1,326,000	6.79
Corporate-Comm. Utility	4,220,000	5.49
Corporate-Electric Utility	988,000	6.72
US Treasury	17,197,000	20.47
US Agency	23,079,000	3.87
Yankee-Industrial	320,000	8.06
Mortgages	51,599,000	16.85
Cash	4,123,000	0.01
Other	1,818,000	4.60
Total	\$ 154,772,000	4.67

Credit Risk – The GESE Trust utilizes portfolio diversification in order to limit this risk as well as limiting investments to the highest rated securities as rated by nationally recognized rating agencies. The GESE Trust's Investment Policy Statement limits credit risk by requiring fixed-income securities to be rated by Moody's as a Baa/BBB or better. However, a maximum of 5% of each manager's portfolio may be invested in high yield securities rated by Moody's/S&P as Caa/CCC or better.

At September 30, 2011, the following table displays Moody's ratings and the market value of the total fixed-income portfolio invested:

	Fair Value	Percent
US Treasury*	\$ 17,197,000	11.11%
US Agency*	23,079,000	14.91%
Other Government - AAA	434,000	0.28%
Asset-Backed**	281,000	0.18%
Mortgages**	51,599,000	33.34%
Aaa	37,000	0.02%
Aa	10,549,000	6.82%
A	31,327,000	20.24%
Baa	13,947,000	9.01%
Ba	2,070,000	1.34%
Not Rated	129,000	0.08%
Cash	4,123,000	2.66%
Total	\$ 154,772,000	100.00%

Implied AAA rating

There is no rating classification for these investments.

Custodial Credit Risk - The GESE Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open end mutual funds.(SSgA Government STIF). All cash in each money manager's portfolio is swept into this STIF account on a daily basis.

Concentration of Credit Risk - The GESE Trust utilizes limitations on securities of a single issuer or industry to manage this risk. The GESE Trust investment policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 7% (at market) of the value of the portfolio. Single industry weightings will be a maximum of 25%, except U.S. government and agency securities. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. At September 30, 2011 the GESE Trust did not have any corporate bond investments with issuers greater than 5%.

Foreign Currency Risk - The GESE Trust Investment policy allows a maximum of 10% of each manager's portfolio to be invested in aggregate to Yankee bonds, foreign credits, Eurodollar bonds, and Rule 144A securities. At September 30, 2011, the GESE Trust did not have any foreign denominated fixed income investments.

Staff Trust

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

Interest Rate Risk – The Staff Trust limits the maturities of investments to control this risk. The Staff Trust investment policy requires that the average duration of the fixed-income asset class be targeted within a range of three to ten years. In addition, the manager is expected to keep its duration at +/- one year of the benchmark duration. The effective duration of the passive mutual funds is 4.96 years.

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

The Board of Trustees for the GESE Trust has elected to hire outside investment professionals to manage the assets for the Staff Pension Plan. As of September 30, 2011, the fixed income assets of the pension plan were invested in a mutual fund managed passively by Vanguard.

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The value of the fixed income portfolio was approximately \$865,000. Vanguard manages the assets in accordance with the investment policy statement approved by the trustees. The table below summarizes the investments by credit rating at September 30, 2011:

<u>Investment Type/Rating</u>	<u>Fair Value</u>	<u>Percent</u>
Government*	\$ 694,000	80.23%
Aaa	2,000	0.23%
Aa	27,000	3.12%
A	79,000	9.13%
Baa	63,000	7.28%
Other	-	0.00%
	<u>\$ 865,000</u>	<u>100.00%</u>

* Implied AAA rating

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Staff Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds. All cash in each money manager’s portfolio is swept into a money market mutual fund on a daily basis.

Concentration of Credit Risk - The Staff Trust utilizes limitations on securities of a single issuer or industry to manage this risk. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. The Staff Trust investment policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 20% (at market) of the value of the portfolio. Single industry weightings will be a maximum of 20%, except U.S. government and agency securities. As of September 30, 2011, the Staff Trust did not have any positions with issuers greater than 5%.

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

Elected Official Retirement Trust (EORT)

At September 30, 2011, the investments of EORT consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$ 1,126,114
Federal Home Loan Mortgage Corporation	1,132,237
Federal Home Loan Bank	2,695,559
Money Market Funds	400,893
	<u>\$ 5,354,803</u>

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Interest Rate Risk - Interest rate risk is the risk that as market rate changes the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rate. The City’s investment policy limits the maturity of an investment to a maximum of 5 years. As of September 30, 2011, EORT had the following investments with the respective weighted average maturity in years. The respective weighted average maturities were based on the securities call date, not the maturity date.

<u>Investment Type</u>	<u>Weighted Average Maturity In Years</u>
Federal National Mortgage Association	2.17
Federal Home Loan Mortgage Association	0.17
Federal Home Loan Bank	4.88
Money Market Funds	Less than 1 year

The investments at September 30, 2011 are in compliance with the City’s investment policy.

Credit Risk - The Plan’s investment policy minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Investments in the State Board of Administration, The Local Government Surplus Funds Trust Fund, do not have a rating from the NRSRO. Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. At September 30, 2011, majority of the Plan’s investments were held in Money Market Funds. Money Market Funds are authorized by the City’s investment policy, but are not rated by the major rating agencies.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The EORT Plan utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds. All cash in each money manager’s portfolio is swept into a money market mutual fund on a daily basis. All investments are held by the plans custodial bank and registered in the City’s name.

Concentration of Credit Risk - The Plan’s policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The policy provides that a maximum of 20% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund. A maximum of 100% of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100% of the total portfolio may be invested in U.S. Government securities and federal instruments, with a limit of 25% invested in any one issuer of federal instruments. A maximum of 35% of the portfolio may be invested in prime commercial paper with a maximum of 10% with any one issuer. A maximum of 10% of the portfolio may be invested in banker’s acceptances with a maximum of 10% with any one issuer. At September 30, 2011, the EORT Trust did not have any positions with issuers greater than 10%.

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NOTE 3. – RECEIVABLES

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

	General	Special Obligation Bonds	Public Safety	Public Facilities	General Government	Streets & Sidewalks	Non-Major Govt Funds	Total
Accounts	\$ 31,304,030	\$ 250,000	\$ -	\$ 1,344,651	\$ 3,017,099	\$ 103,671	\$ 3,230,476	\$ 39,249,927
Property Taxes	11,916,633	-	-	-	-	-	1,321,175	13,237,808
Due from Other Govts	7,124,771	-	11,527	60,736	370,483	797,739	20,179,591	28,544,847
Loan to Component Unit	-	-	-	-	-	-	2,100,000	2,100,000
Loan Receivable	-	17,781,187	-	-	-	-	1,793	17,782,980
Gross Receivables	50,345,434	18,031,187	11,527	1,405,387	3,387,582	901,410	26,833,035	100,915,562
Less: Allowance for								
Uncollectable	(13,623,231)	(17,781,187)	-	(1,344,651)	(3,017,099)	(103,671)	(3,253,805)	(39,123,644)
Net Total Receivables	\$ 36,722,203	\$ 250,000	\$ 11,527	\$ 60,736	\$ 370,483	\$ 797,739	\$ 23,579,230	\$ 61,791,918

As part of its Community Development Block Grant (CDBG) program, the City issues single and multi-family housing rehabilitation loans to qualified residents. All repayments of the loans, including interest earned, remain in the loan program. As collection of the loans is not assured, the loans are fully reserved. The loan to the component unit represents a receivable from DOSP in the amount of \$2,100,000, which is fully reserved for as of September 30, 2011 (see Note 8).

Loan receivable amount represents a loan to Parrot Jungle Island authorized under the loan participation agreement with Miami-Dade County. The agreement required the City to assume 80% of the payments from August 2006 – August 2011. The balance of \$17,781,187 as of September 30, 2011 represents payments made by the City on behalf of Parrot Jungle Island to Miami-Dade County. The repayments to the City are deferred until August 2019. Due to the uncertainty of the Parrot Jungle Island’s ability to repay the amounts due to the City, the City has set up an allowance for the entire balance.

Single-Family Homeownership and Rehabilitation Programs

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

A summary of single-family, deferred long-term loans that are not recognized in the financial statements is as follows:

	September 30, 2011	
Program	Loans Outstanding	Amount
CDBG	70 loans	\$ 1,554,577
HOME	553 loans	22,924,812
SHIP	292 loans	11,597,596
Other	95 loans	1,773,353
Total	1,010 loans	\$ 37,850,338

Home Ownership and Rental Multi-Family Loans

As of September 30, 2011, there are 103 projects aggregating to \$54,108,050 for new construction or rehabilitation of multi-family units, which under the terms of the loan agreement are to be repaid if program conditions are not met. Home ownership loans are usually “forgiven” to the developer and transferred to the home buyer. The home buyer loans are usually amortizable or deferred during the life of the affordability period. Such loans will be forgiven and become grants if the homeowners remain in their homes during the full term of the loan. Given the nature of these “loans”, collection on loans are not assured, consequently they are not recognized in the financial statements.

Economic Development Commercial Loans

As of September 30, 2011, there are 31 loans aggregating to \$9,684,446 for Special Economic Development projects under the CDBG program. Those projects are collateralized by placing a mortgage against the property of the business or non-profit entity’s assets to ensure repayment of the loan and interest to the City. Some of these “loans” are written with no interest payment or deferred payments and are “forgivable”, if all program conditions are met. Given the nature of these “loans”, collection on loans is not assured, consequently they are not recognized in the financial statements.

NOTE 4. – PROPERTY TAXES

Property taxes are assessed according to the value determined by the Miami-Dade County Property Appraiser on January 1st of each year and are due, 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 4%. 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, 2010, upon which the 2010-2011 levy was based, was \$30,352,746,208. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation long-term debt. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services (other than the payment of principal and interest on general obligation long-term debt) for the year ended September 30, 2011, was \$7.5710 per \$1,000. The debt service tax rate for the same period was \$0.9300 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, 2011. Property taxes that are not considered “available” have been reported as deferred revenues in the governmental funds Balance Sheet.

CITY OF MIAMI, FLORIDA
 NOTES TO FINANCIAL STATEMENTS

NOTE 5. – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2011:

	Primary Government			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 91,904,132	\$ 1,731,497	\$ 909,314	\$ 92,726,315
Construction in Progress	260,003,838	113,337,940	122,015,131	251,326,647
Total Capital Assets, not being depreciated	351,907,970	115,069,437	122,924,445	344,052,962
Depreciable Assets:				
Buildings	156,085,464	39,192,224	225,000	195,052,688
Improvements	175,220,091	42,620,049	-	217,840,140
Machinery and Equipment	184,433,015	8,784,163	7,855,857	185,361,321
Infrastructure	1,158,249,933	32,478,120	-	1,190,728,053
Total Capital Assets being depreciated	1,673,988,503	123,074,556	8,080,857	1,788,982,202
Less Accumulated Depreciation for:				
Buildings	85,110,323	5,248,177	-	90,358,500
Improvements	55,096,796	14,904,495	-	70,001,291
Machinery and Equipment	121,290,533	22,050,488	7,627,336	135,713,685
Infrastructure	645,613,946	30,448,726	-	676,062,672
Total accumulated depreciation	907,111,598	72,651,886	7,627,336	972,136,148
Total Capital Assets being depreciated, net	766,876,905	50,422,670	453,521	816,846,054
Governmental activities capital assets, net	\$ 1,118,784,875	\$ 165,492,107	\$ 123,377,966	\$ 1,160,899,016

Depreciation expense was charged to governmental functions as follows:

Function/Program Activities	Depreciation Expense
General Government	\$ 40,724,954
Planning and Development	94,827
Community Development	42,790
Community Redevelopment Areas	300,867
Public Works	8,903,857
Public Safety	15,209,293
Public Facilities	445,448
Parks and Recreation	6,929,850
Total depreciation expense	\$ 72,651,886

Construction Commitments

At September 30, 2011, the City had in process various construction projects that were not completed with a remaining balances totaling \$57,295,171. Funding of these projects is to be made primarily through the proceeds of the related bond issues, loans, and future tax revenues.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Discretely Presented Component Units Capital Assets

The following is a summary of changes in capital assets of the component units during the year ended September 30, 2011:

MSEA and CIP did not have any capital asset balances at September 30, 2011.

A summary of the changes in capital assets for DOSP is as follows:

	Balance	Transfers In	Transfers Out	Balance
Capital assets, not being depreciated:				
Land	\$ 14,152,054	\$ -	\$ -	\$ 14,152,054
Construction in progress	127,968	105,049	-	233,017
Total capital assets, not being depreciated	14,280,022	105,049	-	14,385,071
Capital assets, being depreciated:				
Building and structures	71,588,430	603,203	-	72,191,633
Leasehold improvements	10,500,140	130,283	-	10,630,423
Furniture and fixtures	908,064	172,731	-	1,080,795
Equipment	17,856,878	562,133	(8,250)	18,410,761
Total capital assets, being depreciated	100,853,512	1,468,350	(8,250)	102,313,612
Less accumulated depreciation for:				
Building and structures	16,695,147	1,879,355	-	18,574,502
Leasehold improvements	8,088,125	411,946	-	8,500,071
Furniture and fixtures	270,675	56,243	-	326,918
Equipment	13,135,935	1,166,310	-	14,302,245
Total accumulated depreciation	38,189,882	3,513,854	-	41,703,736
Total capital assets, being depreciated, net	62,663,630	(2,045,504)	(8,250)	60,609,876
DOSP capital assets, net	\$ 76,943,652	\$ (1,940,455)	\$ (8,250)	\$ 74,994,947

A summary of the changes in capital assets for DDA is as follows:

	DDA			
	Beginning			Ending
	Balance	Additions	Retirements	Balance
Capital assets, being depreciated:				
Furniture and equipment	\$ 540,844	\$ 29,906	\$ (54,941)	\$ 515,809
Less accumulated depreciation for:				
Furniture and equipment	(388,127)	(27,659)	54,941	(360,845)
DDA capital assets, net	\$ 152,717	\$ 2,247	\$ -	\$ 154,964

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

A summary of changes in capital assets for BFP is as follows:

	BFP			
	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 516,129	\$ -	\$ -	\$ 516,129
Construction in progress	561,123	-	(561,123)	-
Total capital assets, not being depreciated	1,077,252	-	(561,123)	516,129
Capital assets, being depreciated:				
Buildings	2,637,934	-	-	2,637,934
Public domain and system infrastructure	4,609,487	754,072	-	5,363,559
Machinery and equipment	437,924	6,201	-	444,125
Total capital assets, being depreciated	7,685,345	760,273	-	8,445,618
Less accumulated depreciation for:				
Buildings	(1,177,238)	(52,759)	-	(1,229,997)
Public domain and system infrastructure	(1,806,886)	(191,493)	-	(1,998,379)
Machinery and equipment	(325,705)	(23,409)	-	(349,114)
Total accumulated depreciation	(3,309,829)	(267,661)	-	(3,577,490)
Total capital assets being depreciated, net	4,375,516	492,612	-	4,868,128
BFP capital assets, net	\$ 5,452,768	\$ 492,612	\$ (561,123)	\$ 5,384,257

Summary of discretely presented component unit capital assets is as follows:

	DOSP	DDA	BFP	Total
Capital Assets:				
Non-depreciable	\$ 14,385,071	\$ -	\$ 516,129	\$ 14,901,200
Depreciable, Net	60,609,876	154,964	4,868,128	65,632,968
	\$ 74,994,947	\$ 154,964	\$ 5,384,257	\$ 80,534,168

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

Entity	Depreciation Expense
DOSP	\$ 3,513,854
DDA	27,660
BFP	267,661
Total depreciation expense	\$ 3,809,175

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 6. – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at September 30, 2011 consisted of the following:

	General	Public Safety	Public Facilities	General Government	Street & Sidewalks	Nonmajor Governmental Funds	Total
Vendors	\$ 14,776,206	\$ 186,741	\$ 5,936,854	\$ 1,219,917	\$ 5,447,864	\$ 10,892,158	\$ 38,459,740
Salaries and Benefits	6,490,891	-	-	1,961	806	214,609	6,708,267
Total	\$ 21,267,097	\$ 186,741	\$ 5,936,854	\$ 1,221,878	\$ 5,448,670	\$ 11,106,767	\$ 45,168,007

NOTE 7. – Interfund Receivables, Payables, and Transfers

The balances reflected as due from/due to other funds as of September 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Non-Major Governmental Funds	\$ 2,775,698
Gusman and Olympia (Other Non-Major Governmental Funds)	General Fund	216,655
	Total	\$ 2,992,353

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 interfund transfers for the year ended September 30, 2011:

<u>Transfer Out</u>	<u>Transfer In</u>							Total
	General	Special Obligation Bonds	Public Safety	Public Facilities	General Government	Street & Sidewalks	Nonmajor Governmental Funds	
General	\$ -	\$ 17,492,710	\$ 400,000	\$ 523,030	\$ 5,334,867	\$ 1,387,203	\$ 13,155,275	\$ 38,293,085
Special Obligation Bonds	2,524	-	-	-	-	-	-	2,524
Public Facilities	-	-	-	-	1,500	-	240,000	241,500
General Government	-	-	1,719,426	561,319	-	893,220	10,120,424	13,294,389
Street & Sidewalks	-	-	-	-	-	-	6,668,086	6,668,086
Nonmajor Governmental Funds	12,814,833	17,619,330	-	711,488	-	2,722,809	8,191,686	42,060,146
Total	\$ 12,817,357	\$ 35,112,040	\$ 2,119,426	\$ 1,795,837	\$ 5,336,367	\$ 5,003,232	\$ 38,375,471	\$ 100,559,730

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)

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

move unrestricted revenues collected in the general and public services tax funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the fiscal year, transfers in to the General Fund totaled \$12.8 million. This total was comprised of:

- \$9.7 million one-time transfer from the CRAs
- \$2.0 million one-time transfer from the emergency services fund for reimbursement from FEMA
- \$0.8 million reimbursement from the ARRA grants for police pension costs and
- \$0.3 million from Community Development for indirect costs covered by the general fund.

The one-time transfer from the CRAs were for expenditures incurred by the City over a number of years for approved projects within the designated districts. The \$2.0 million one-time transfer from the emergency services fund was for expenditures covered by the general fund during Hurricane Katrina and Wilma.

Transfers into the Special Obligation Bond Fund for the payment of debt service includes funds from the PSTs, Local Option Gas Tax, Transportation Surtax, Parking Surcharge and JL Knight Convention Center revenue.

NOTE 8. – 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, 2011:

Primary Government	Beginning Balance	Additions	Reduction	Ending Balance	Due within One Year
General Obligation bonds	\$ 265,804,455	\$ -	\$ (14,237,664)	\$ 251,566,791	\$ 11,578,376
Special obligation and revenue bonds and loans	438,473,315	120,645,000	(83,825,840)	475,292,475	18,262,679
Accretion	29,549,038	-	(1,678,134)	27,870,904	-
Bond Premium (discounts)	5,193,156	1,712,325	(707,817)	6,197,664	-
Deferred loss on Advance Refunding	(5,618,525)	1,389,688	-	(4,228,837)	-
Total bonds and loans	<u>733,401,439</u>	<u>123,747,013</u>	<u>(100,449,455)</u>	<u>756,698,997</u>	<u>29,841,055</u>
Other liabilities:					
Compensated absences	84,276,114	14,942,211	30,389,672	68,828,653	9,763,583
Claims payable	180,428,258	79,326,585	(51,813,241)	207,941,602	27,037,602
Other Post Employment Benefits	84,760,173	48,560,615	(14,114,241)	119,206,547	-
Net pension obligation	4,493,186	82,010	-	4,575,196	-
Total governmental activities long-term liabilities	<u>\$ 1,087,359,170</u>	<u>\$ 266,658,434</u>	<u>\$ (135,987,265)</u>	<u>\$ 1,157,250,995</u>	<u>\$ 66,642,240</u>

Claims and judgments, compensated absences, and the net pension obligations are generally liquidated by the General Fund.

Claims payable balance of \$207,941,602 includes \$3,100,000 accrual for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution.

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, 2011:

<u>DESCRIPTION</u>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Outstanding Balance</u>	<u>Interest Rate Range</u>
General Obligation Bonds:				
Homeland Defense/Neighborhood CIP Series 2002 (Limited)	Homeland Defense	\$ 153,186,406	\$ 26,306,791	4.17%-4.97%
General Obligation Refunding Bonds Series 2002A	Refunding	32,510,000	20,995,000	5.0%-5.375%
General Obligation Bonds Series 2003B	Refunding	4,180,000	4,030,000	2.635%-3.5%
General Obligation Refunding Bonds Series 2003	Refunding	18,680,000	410,000	3%-5%
General Obligation Refunding Bonds Series 2007A (Limited)	Refunding	103,060,000	102,650,000	4%-5%
General Obligation Refunding Bonds Series 2007B (Limited)	Homeland Defense	50,000,000	50,000,000	4.995%-5%
General Obligation Refunding Bonds Series 2009 (Limited)	Homeland Defense	51,055,000	47,175,000	3%-5.5%
Total General Obligation Bonds		\$ 412,671,406	\$ 251,566,791	
Special Obligation and Revenue Bonds and Loans:				
Special Revenue Refunding Bonds Series 1987	Refunding	\$ 65,271,325	\$ 3,027,612	5.25%-7.3%
Community Redevelopment Revenue Bonds Series 1990	Redevelopment	11,500,000	1,405,000	8.50%
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	72,000,000	28,950,000	6.5%-7.25%
Special Revenue Refunding Bonds Series 2002A	Refunding	27,895,000	20,705,000	3.5%-5.375%
Special Revenue Refunding Bonds Series 2002C	Refunding	28,390,000	16,065,000	3.1%-4.375%
Non-Ad Valorem Refunding Bonds Series 2009	Refunding	37,435,000	36,160,000	3.4%-7.55%
Special Revenue Bonds, Marlins Garage Series 2010A	Stadium	84,540,000	84,540,000	5%-5.25%
Special Revenue Bonds, Marlins Retail Series 2010B	Retail	16,830,000	16,830,000	5.9375%-7.443%
SEOPW - Section 108 HUD Loan	Redevelopment	5,100,000	1,800,000	0.86% - 1.80%
Wagner Square Section 108 HUD Loan	Redevelopment	4,000,000	3,611,000	0.526% (1)
Special Revenue Bonds Series 2007	Street & Sidewalks	80,000,000	75,755,000	3.5%-5.0%
Special Revenue Bonds Series 2009	Street & Sidewalks	65,000,000	64,090,000	2.5%-5.625%
Port of Miami Tunnel	Tunnel	50,000,000	50,000,000	4.16% (2)
Special Obligation Refunding Bonds Series 2011-A	Refunding	70,645,000	70,645,000	4.00%-6.00%
Gran Central Corporation Loan	Redevelopment	1,708,863	1,708,863	(3)
Total Special Obligation Bonds, Revenue Bonds, and Loans		\$ 620,315,188	\$ 475,292,475	
Total Bonds and Loans		\$ 1,032,986,594	\$ 726,859,266	

- (1) This is a variable rate loan based on LIBOR plus 0.2%. The interest is calculated monthly and paid to the trustee quarterly. The rate is the interest rate as of September 30, 2011.
- (2) This is a variable rate loan based on the SIFMA index floating rate. The interest is calculated yearly and paid to the trustee annually. The rate is the interest rate as of September 30, 2011.
- (3) Repayment of loan is based on revenue generated from the completed project. As of September 30, 2011, there has been no revenue generated by the project in the designated portion of the CRA to repay any portion of the loan.

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, 2011 are as follows:

Year Ended	General Obligation Bonds		Special Obligation, Revenue Bonds, and Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
September 30, *2012	\$ 11,578,376	\$ 13,673,035	\$ 18,262,679	\$ 30,181,791	\$ 29,841,055	\$ 43,854,826
2013	11,017,644	13,731,697	57,297,229	29,385,586	68,314,873	43,117,283
2014	11,592,519	13,780,673	13,970,160	26,701,753	25,562,679	40,482,426
2015	12,339,949	13,741,374	9,806,407	25,782,566	22,146,356	39,523,940
2016	14,908,303	11,165,643	9,975,000	20,768,280	24,883,303	31,933,923
2017-2021	94,440,000	36,215,643	92,616,000	88,427,539	187,056,000	124,643,182
2022-2026	65,660,000	14,965,290	67,085,000	66,903,575	132,745,000	81,868,865
2027-2031	30,030,000	1,902,563	80,675,000	45,733,013	110,705,000	47,635,576
2032-2036	-	-	76,275,000	24,757,113	76,275,000	24,757,113
2037-2039	-	-	49,330,000	4,312,328	49,330,000	4,312,328
Total	<u>\$ 251,566,791</u>	<u>\$ 119,175,918</u>	<u>\$ 475,292,475</u>	<u>\$ 362,953,544</u>	<u>\$ 726,859,266</u>	<u>\$ 482,129,462</u>

(*) The repayment of this loan was based on the generated revenue from a designated portion of the CRA. As of this statement date sufficient revenue was not generated by the designated portion of the CRA to repay to loan in The amount of \$1,708,863.

Summary of New Debt Issue

\$70,645,000 Special Obligation Non-Ad Valorem Revenue Refunding Bonds, Series 2011-A – On July 21, 2011, the City issued \$70,645,000 in Special Obligation Non-Ad Valorem Revenue Refunding Bonds, Series 2011-A for the purpose of refunding all or a portion of the following loans on a current refunding basis: (a) Loan secured by a Loan Agreement between Sunshine State Governmental Financing Commission and the City dated as of September 30, 1987 issued in the original amount of \$20,800,000, currently outstanding in the principal amount of \$4,349,000, (b) Loan secured by a Loan Agreement between Sunshine State Governmental Financing Commission and the City dated as of January 27, 1988 issued in the original amount \$150,000, currently outstanding in the principal amount of \$32,000, (c) Loan secured by a Loan Agreement Sunshine State Governmental Financing Commission and the City dated as of May 31, 1988 issued in the original amount of \$6,680,900, currently outstanding in the principal amount \$1,470,500, (d) Loan secured by a Loan agreement between Sunshine state Governmental Financing Commission and the City as of June 30, 1995 issued in the original amount of \$3,500,000, currently outstanding in the principal amount of \$920,000, (e) Loan secured by a Loan Agreement between Sunshine State Governmental Financing Commission and the City dated as of October 3, 2007 issue in the original amount of \$6,600,000, currently outstanding in the principal amount of \$6,600,000, (f) Loan secured by a Loan agreement between Sunshine State Governmental Financing Commission and the City dated as of August 14, 2008 issued in the original amount \$42,500,000, currently outstanding in the principal amount of \$42,500,000, and (g) Loan secured by a Loan Agreement between Sunshine State Governmental Financing Commission and the City dated as of March 25, 2009 issued in the original amount of \$20,000,000, currently outstanding in the principal amount \$12,700,000. The interest rate on the loans above were variable rate and for the past two years had an average rate of 1.39% with a final maturity of July 1,2016. The refunding bonds

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

interest rate ranges from 4.00%-6.00% with final maturity of February 1,2031. This issue was a current refunding and resulted in an economic gain of approximately \$579,000 and a deferred loss of \$322,525.

Port of Miami Tunnel and Access Improvement Project/Wells Fargo Bank, National Association \$50,000,000 Revenue Note Series 2010. On December 16, 2010, the City obtained a Revenue Note in the amount of \$50,000,000 from Wells Fargo Bank N.A under a loan agreement dated January 5, 2011 for the purpose of financing the Miami Port Tunnel Project of which the \$50,000,000 was paid to the Florida Department of Transportation in the form of a grant. The Series 2010 Note bears interest from the Closing Date until paid, at the Securities Industry and Financial Markets Association (SIFMA) Index Floating Rate for the actual days elapsed, payable on each interest Payment date, and the principal thereof will be payable unless sooner paid, (i) on January 5, 2012, in the amount of \$5,000,000 and the balance on January 5, 2013, on which date all unpaid principal, and interest on the Series 2010 Notes Matured. The SIFMA index floating Rate on September 30, 2011 was 4.16%. The Series 2010 Notes are secured by covenanted to budget and appropriate in the City's annual budget from non-ad valorem revenues.

Synopsis of Bond Covenants

Debt service for general obligation bonds are 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, 2011, the statutory limitation of assessed non-exempt property value for the City amounted to \$4,383,368,821 providing a debt margin of \$4,132,138,550 after consideration of \$251,230,271 of general obligation bonds outstanding at September 30, 2011 and adjusted for the fund balance of \$336,520 in the related Debt Service Fund.

Pledged Revenue

The City pledged future revenue proceeds of (i) 80% People Transportation Taxes, (ii) 100% new Local Option Gas Taxes, and (iii) 20% of the City's Parking Surcharge to repay \$80,000,000 in Special Obligation Revenue Bonds, Series 2007 and \$65,000,000 in Special Obligation Revenue Bonds, Series 2009. The proceeds from the bonds were used for the improvement of streets and sidewalks within the City. The bonds are payable solely from the pledged revenues listed above through January 1, 2039. Principal and interest paid for the current year were \$2,380,000 and \$7,126,250 respectively. The current year revenues were (i) \$13,038,990, (ii) \$7,066,468, and (iii) \$16,956,281 respectively. Principal and interest to be paid in subsequent years totals \$135,836,228 on the Series 2007 bonds and \$130,329,460 on the Series 2009 bonds.

The City further pledged future revenue proceeds of (i) 100% Convention Development Taxes, (ii) Parking Revenues in connection with MLB Home Games at the Miami Marlins Baseball Stadium, and (iii) Parking Surcharge revenues on the Parking Revenues to repay \$84,540,000 Tax-Exempt Special Obligation Parking Revenue Bonds, Series 2010A and \$16,830,000 Taxable Special Obligation Parking Revenue Bonds, Series 2010B. The proceeds from the bonds were used for the construction of the parking facilities for the new Miami Marlins Baseball Stadium. The bonds are payable solely from the pledged revenues listed above through July 1, 2039. Debt service payments began on January 1, 2011. Principal and interest to be paid in subsequent years totals \$185,860,063 on the Series 2010A bonds and \$32,459,638 on the Series 2010B bonds.

All other Special Obligation debt of the City is collateralized by pledges of non-ad valorem revenues in accordance with their bond indentures. The bond indentures require that sufficient funds be available in

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the sinking fund to meet the annual debt service requirements. At September 30, 2011, the City had approximately \$31.8 million available in the sinking fund to meet this requirement. Principal and interest to be paid in subsequent years totals \$352,832,919 on all other Special Obligation debt of the City.

Escrow Agreement

On March 17, 1997, an agreement was entered into by and among an Escrow Agent, the Oversight Board, acting through its committee (Fiscal Sufficiency Advisory Board), and the City. The agreement directs the Escrow Agent to establish two escrow accounts, and maintain appropriate balances to ensure the timely payment of debt service on outstanding General Obligation and Revenue 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. The City also made deposits of \$16,865,901 with the Escrow Agent during fiscal year 2011 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.

Defeasance of Long-Term Debt

In prior years, the City had 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, 2011, the following outstanding bond is considered defeased:

Defeased Debt:

	<u>Balance</u>
\$153,186,406 Limited Ad Valorem Tax Bonds, Series 2002: Homeland Defense/Neighborhood Capital Improvement Projects.....	\$102,305,000

Discretely Presented Component Units Long-Term Debt

DOSP

The changes in DOSP’s long-term debt for 2011 are as follows (‘000):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 72,520	\$ -	\$ 875	\$ 71,645	\$ 910
Deferred amounts	(2,204)	-	(69)	(2,135)	-
Compensated absences	631	500	538	593	514
Other post-employment benefit obligation	42	19	-	61	
Loan from primary government	2,250	-	150	2,100	150
	\$ 73,239	\$ 519	\$ 1,494	\$ 72,264	\$ 1,574

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The City has issued fixed rate 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 the DOSP.

The DOSP, on July 21, 2005, entered into a loan agreement with the City of Miami. The loan was obtained through CDBG program funds up to a maximum of \$3,000,000 to be used for the construction of a parking garage facility. Funds are disbursed on a reimbursement basis. The loan bears no interest and is payable in 40 semi-annual installments of \$75,000 starting December 1, 2005. As of September 30, 2009, DOSP has drawn \$3,000,000 of this loan. The balance as of September 30, 2011 is \$2,100,000.

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2011:

Year Ending September 30,	Bonds			Loan
	Principal	Interest	Total	Principal
2012	\$ 910,000	\$ 3,557,822	\$ 4,467,822	\$ 150,000
2013	960,000	3,511,072	4,471,072	150,000
2014	1,005,000	3,460,690	4,465,690	150,000
2015	1,060,000	3,406,484	4,466,484	150,000
2016	1,115,000	3,349,391	4,464,391	150,000
2017-2021	8,380,000	15,312,408	23,692,408	750,000
2022-2026	10,635,000	12,999,132	23,634,132	600,000
2027-2031	13,405,000	10,056,613	23,461,613	-
2032-2036	17,115,000	6,147,444	23,262,444	-
2037-2040	17,060,000	1,369,485	18,429,485	-
Total	<u>\$ 71,645,000</u>	<u>\$ 63,170,541</u>	<u>\$ 134,815,541</u>	<u>\$ 2,100,000</u>
	Range of Rates	<u>4.25%-5.66%</u>		

NOTE 9. – SELF-INSURANCE

A. Risk Management

The City is self-insured for various risk of loss as defined below 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. Certain employees and retirees of the City contribute, through payroll deductions or deductions from pension payments, to the cost of health benefits.

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated using an independent actuarial valuation. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The process used in computing claims liability is based on actuary and legal calculations and does not necessarily result in an exact amount because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

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The City maintains excess coverage with independent insurance carriers for the worker’s compensation, police torts, auto liability, public officials’ liability, and general liability self-insurance programs. Premiums are charged to the Risk Management Department and are determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. The property insurance program provides coverage for windstorm and hail subject to a 5% of the total values at the time of loss at each location involved in the loss, subject to a minimum of \$250,000 deductible for any one occurrence.

At September 30, 2011, the total estimated liability of \$207,941,602 is undiscounted and recorded in the government-wide financial statements. Changes in the claims liability amount in 2010 and 2011 were as follows:

Fiscal Year Ended September 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claim Payments	Balance at Fiscal Year End
2010	\$ 155,115,174	\$ 75,952,195	\$ 50,639,111	\$ 180,428,258
2011	180,428,258	79,326,585	51,813,241	207,941,602

NOTE 10. – PENSIONS

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

Basis of Accounting

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

Method Used to Value Investments

Investments of the Plans are recorded at fair market value. Securities traded on a national exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. Commercial paper, time deposits, and short-term investment pools are valued at fair market value and mortgages are valued based on current market yield which approximates fair value. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Interest and dividends are reported as investment earnings. Realized gains and losses on the sale of investments are based on average cost.

Alternative investments which include private equity, private debt, venture capital and equity real estate investments where no readily ascertainable market value exists, management, in consultation with the

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general partner and investment advisors, has determined the fair values for the individual investments based upon the partnership's most recent available financial information adjusted for cash flow activities through September 30, 2011.

FIPO

Plan Description

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

At October 1, 2010, the date of the most recent actuarial valuation, membership in the FIPO consisted of 2,264 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 1,227 as of that date.

Separate audited financial statements are provided for FIPO and can be obtained from the pension board at: FIPO, 1895 SW 3rd Avenue, Miami, Florida, 33129.

Pension Benefits

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

Plan A

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

Plan B

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

A member entitled to a normal retirement benefit shall receive a retirement allowance equal to 3% of the member's average compensation (as defined in the city code section 40-191), multiplied by years of creditable service for the first 15 years of such creditable service, plus a retirement allowance equal to 3% (3½% for members who retired prior to October 1, 2010) of member's average final compensation multiplied by the years of creditable service in excess of 15 years, paid in monthly installments.

The maximum benefit for members who retire after September 30, 2010 is 100% of average final compensation or \$100,000 per year, whichever is less, as of retirement or DROP entry date.

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

Early retirement, disability, death and other benefits are also provided.

Cost of Living Adjustment (COLA)

Effective January 1, 1994, the FIPO Trust entered into an agreement with the City with regards to the funding methods, employee benefits, employee contributions, and retiree COLA. Members no longer contribute to the original COLA account (COLA I); a new COLA account (COLA II) was established. The agreement included the following: (a) the funding method was changed to an aggregate cost method, (b) all accounts were combined for investment purposes (membership and benefit, COLA I, and COLA II), (c) retirees receive additional COLA benefits, and (d) active members no longer contribute 2% of pretax earnings to fund the original retiree COLA account (COLA I).

The COLA II account is funded annually by a percentage of the excess investment return from the COLA I account assets. The excess earnings contributed to the COLA II account are used to fund a minimum annual payment of \$2.5 million, increasing by 4% compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by the annual excess 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).

Deferred Retirement Option Plan (DROP)

Members who are eligible for service retirement or Rule of 64 after September 1998 may elect to enter the 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 July 24, 2008, firefighter DROP participants may also continue City employment for up to 54 full months (48 full months prior to July 24, 2008 and 36 full months prior to October 1, 2001). Police officers who elect the DROP on or after May 8, 2008, may continue City employment for up to 84 full months (48 full months prior to May 8, 2008 and 36 full months prior to October 1, 2003). 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

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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.

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.

Contributions and Funding Policies

Members of FIPO are required to contribute 7% for Police Officers' member and 10% for Firefighters' member (9% prior to October 1, 2010) of their salary on a bi-weekly basis. The City is required to contribute such amounts annually as necessary to maintain the actuarial soundness of the plan and to provide FIPO with assets sufficient to meet the benefits to be paid to participants. Contributions to FIPO are authorized pursuant to City of Miami Code Sections 40.196 (a) and (b). Contributions to the FIPO Cost of Living Adjustment Accounts are authorized pursuant to Section 40.204 of the City of Miami Code. The City's contributions to FIPO provide for non-investment expenses and normal costs. The yield on investments on FIPO serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the Trust.

The payroll for employees covered by FIPO for the year ended September 30, 2011 was approximately \$73.7 million; the City's total payroll was approximately \$268.2 million.

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Annual Pension Cost

The City’s current year contribution was determined through an actuarial valuation performed as of October 1, 2010. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

- Valuation date: October 1, 2010
- Actuarial cost method: Aggregate Cost Method
- Amortization method: Not Applicable
- Remaining amortization period: Not Applicable
- Asset valuation method: 20% Write-Up Method: Expected value is based on the Interest Discount/Investment Return rate applied to the actuarial asset value as of previous valuation date and cash flow during the year. 20% of the difference between Expected Value and the Market Value (net of pending transfers to the COLA Fund) is added to the Expected Value. The result cannot be greater than 120% of market value or less than 80% of market value (net of pending COLA transfers).

Actuarial assumptions

- Investment rate of return: 7.50%, compounded annually
- Projected salary increases due to inflation: 3.25%
 - Seniority/merit 5.00% to 0% reducing by attained age
 - Promotion/other 1.50%
- Mortality table: RP 2000 Mortality Table Projected to 2020
- Mortality, disability, retirement and turnover: RP 2000 Disabled Mortality Table Projected to 2020

FIPO contributions are determined using the aggregate cost method. The aggregate cost method does not identify and separately amortize the unfunded actuarial liabilities. The annual pension cost is equal to the annual required contribution each year.

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 36,993,395	100%	-
2010	59,025,379	100%	-
2011	47,156,797	100%	-

GESE

The Board of Trustees of the City of Miami General Employees and Sanitation Employees (GESE) Retirement Trust administers three defined benefit pension plans - (1) City of Miami General Employees and Sanitation Employees Retirement Trust (“GESE Trust”), (2) an Excess Benefit Plan for the City of Miami and (3) City of Miami General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (“Staff Trust”). Each plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

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

City of Miami General Employees and Sanitation Employees Retirement Trust (GESE Trust)

Plan Description

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

At October 1, 2010 the date of the most recent actuarial valuation, membership in the GESE Trust consisted of 2,200 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 1,446 as of that date.

Pension Benefits

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

Retirement benefits are generally based on 3% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. Early retirement, disability, death, and other benefits are also provided as defined in City of Miami Ordinance No. 12111. For service after September 30, 2010 for members not eligible to retire as of that date, 2.25% of average final compensation multiplied by creditable service up to 15 years, 2.5% of average final compensation for 16 to 20 years of service and 2.75% for service over 20 years. Effective September 30, 2010, for members not eligible to retire on that date, member retirement allowances shall not exceed the lesser of 100 percent of the member's average final compensation or an annual retirement allowance of \$100,000.

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

Cost of Living Adjustment (COLA)

Effective October 1, 1998, the Plan was amended to provide for an increase in the COLA paid to retirees to 4% with a \$400 annual maximum increase, provided the retiree's first anniversary of retirement has been reached. The amendment also provided for retirees electing the return of contribution option to receive a minimum COLA benefit of \$27 per year and a maximum COLA benefit of \$200 added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached.

Deferred Retirement Option Plan (DROP)

The City of Miami General Employees and Sanitation Employees Retirement Trust made the DROP available to all GESE Trust members effective May 1, 2002. The DROP is an enhancement to the GESE

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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 in the DROP program while continuing to work and receive pay and benefits as an active employee. At the end of the DROP period, when the participant is officially required to retire, the participant receives monthly pension payments based on the years of service and salary at the time that the participant enrolled in the DROP. 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.

Contributions and Funding Policies

Members of the GESE Trust are required to contribute 10% of their salary on a bi-weekly basis. The contribution rate was increased to 13% of base salaries or wages for its union members for the year ended September 30, 2010. The Trusts' funding policies provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the Trust and to accumulate sufficient assets to pay benefits when due. The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide all benefits as they become payable. Contributions to the GESE Trust are authorized pursuant to City of Miami Code Section 40-241 (a) and (b). Contributions from the City are designed to fund the GESE Trust's non-investment expenses and normal costs and to fund the unfunded actuarial accrued liability. The yield (interest, dividends, and net realized and unrealized gains and losses) on investments of the Trust serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the GESE Trust.

The payroll for employees covered by the GESE Trust for the year ended September 30, 2011 was approximately \$68.4 million; the City's total payroll was approximately \$268.2 million.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2010. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	October 1, 2010
Actuarial cost method:	Modified entry age normal
Amortization method:	Level percent, closed
Remaining amortization period:	9 - 20 years
Asset valuation method:	5-Year Smoothed Market
<u>Actuarial assumptions</u>	
Investment rate of return:	8.10%
Projected salary increases:	5.25%
Payroll Growth	3.00%
Includes inflation at:	3.50%
Cost of living adjustments:	4% per year, with \$54 per year minimum and \$400 per year maximum.

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GESE Trust contributions are determined using the entry age normal cost method with frozen actuarial accrued liability. The annual pension cost is equal to the annual required contribution each year.

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 23,191,828	100%	-
2010	24,037,093	100%	-
2011	20,092,441	100%	-

GESE Excess Benefit Plan

Plan Description

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

At October 1, 2010, the date of the most recent actuarial valuation, membership in the Excess Benefit Plan, consisted of 35 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them and there are no current employees in the plan.

Contributions and Funding Policies

The payment of the City’s contribution of excess retirement benefits for eligible members of the Plan above the limits permitted by the Internal Revenue Code is: (a) funded from the City’s General Fund, (b) paid annually concurrently with the City’s annual contribution to normal pension costs which causes the City to realize a reduction in normal pension costs in the same amount, and (c) deposited in a separate account established specifically for the GESE Trust to receive the City’s excess retirement benefit contributions. This account is separate and apart from the accounts established to receive the City’s normal pension contributions for the GESE Trust. The City is required to contribute amounts as benefits become payable.

The payroll for employees covered by the Excess Benefit Plan for the year ended September 30, 2011 was approximately \$68.4 million; the City's total payroll was approximately \$268.2 million.

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Annual Pension Cost and Net Pension Obligation

The City’s current year contribution was determined through an actuarial valuation performed as of October 1, 2010. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	October 1, 2010
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar, closed
Remaining amortization period:	20 years
Asset valuation method:	Not Applicable
<u>Actuarial assumptions</u>	
Investment rate of return:	8.10%
Projected salary increases	5.25%
Includes inflation at:	3.50%
Cost of living adjustment	None

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

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 490,082	95%	\$ 4,291,360
2010	541,428	63%	4,493,186
2011	488,253	83%	4,575,196

The City’s annual pension cost and net pension obligation to the GESE Excess Plan for the current fiscal year was as follows:

Annual required contribution	\$ 585,357
Interest on net pension obligation	363,948
Adjustment to annual required contribution	<u>(461,052)</u>
Annual pension cost	488,253
Contributions made	<u>(406,243)</u>
Increase in net pension obligation	82,010
Net pension obligation, beginning of year	4,493,186
Net pension obligation, end of year	<u><u>\$ 4,575,196</u></u>

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

Plan Description

The Staff Trust is a single-employer, defined benefit plan. The Staff Trust was established by the rule-making authority of the GESE Retirement Trust, pursuant to Chapter 40 of the Miami city code. The Staff Trust covers all administrative full-time employees and other positions as may be named by the

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Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full-time employees, other than those eligible to decline membership, as defined by the Plan document.

At October 1, 2010, the date of the most recent actuarial valuation, membership in the Staff Trust had no retirees and beneficiaries currently receiving benefits; 1 terminated employees entitled to benefits but not yet receiving them and current employees equaled 11 as of that date.

Pension Benefits

Any member who has 10 or more years of continuous creditable service may elect to retire, regardless of age. Retirement benefits are generally based on 3% of the average final compensation during the highest two years of membership service multiplied by years of creditable service, which is paid annually in monthly installments.

Contributions and Funding Policies

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

The payroll for employees covered by the Staff Trust for the year ended September 30, 2011 was approximately \$843,000; the City's total payroll was approximately \$268.2 million.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2010. Significant actuarial assumptions used to compute the contribution requirements are as follows:

Valuation date:	October 1, 2010
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar amount, closed
Remaining amortization period:	6 - 20 years
Asset valuation method:	3-year smoothed market
<u>Actuarial assumptions</u>	
Investment rate of return:	8.10%
Projected salary increases:	6.00%
Includes inflation at:	3.50%
Cost of living adjustments:	None

Staff Trust contributions are determined using the entry age normal cost method with frozen actuarial accrued liability. The annual pension cost is equal to the annual required contribution each year.

Three Year Trend Information

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 159,837	100%	-
2010	132,542	100%	-
2011	164,490	100%	-

Elected Officers Retirement Trust (EORT)

Plan Description

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”). Under the EORT Plan, eligibility requires 7 years of total service as an elected official of the City to be vested without requiring that such service be continuous. This plan is non-contributory.

The City of Miami Commission, in July 2000, 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 are not diminished by changes in the Internal Revenue Code. EORT’s fiduciary administers the excess benefit plan.

At December 31, 2010, the date of the most recent actuarial valuation, membership in the EORT consisted of 7 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 4 as of that date.

Pension Benefits

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 100% at 17 or more years of service. An active participant will be fully vested upon death and a single sum death benefit is payable.

Contributions and Funding Policies

Funding is in level payments under the individual aggregate cost method. Assets are allocated first to the non-active participants, then to the active participants based on their accrued liability. The unfunded present value of future benefits is determined for each individual and spread over their expected future working lifetime with the City. All funding is provided by the City. There are no participant contributions to the Trust.

The payroll for employees covered by EORT for the year ended September 30, 2011 was approximately \$336,000; the City's total payroll was approximately \$268.2 million.

CITY OF MIAMI, FLORIDA
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Annual Pension Cost

The City’s current year contribution was determined through an actuarial valuation determined as of December 31, 2010. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	December 31, 2010
Actuarial cost method:	Individual Aggregate Cost Method
Amortization method:	Not Applicable
Remaining amortization period:	Not Applicable
Asset valuation method:	December 31 market values
<u>Actuarial assumptions</u>	
Investment rate of return:	3.75%
Projected salary increases:	
Inflation:	N/A
Merit, longevity, etc:	N/A
Mortality table:	RP-2000 White Collar Active/Retiree, Healthy Mortality table without setback
Disability, turnover and retirements:	No disability or turnover assumed. Retirement is assumed at the end of the current term or 100% vested.

EORT contributions are determined using the aggregate cost method. This method does not separately identify and amortize unfunded actuarial liabilities. The following contributions were made to EORT in accordance with actuarially determined contribution requirements, based on the actuarial valuation performed for each respective year. The annual pension cost is equal to the annual required contribution each year. As such, the three year trend information is combined with the six year required supplementary information as follows:

Year Ended September 30	Annual Pension Cost (APC) and Annual Required Contribution	Percentage Contributed	Net Pension Obligation
2011	\$ 432,170	100%	\$ -
2010	1,275,242	100%	-
2009	412,588	100%	-

Separate stand-alone financial statements are not issued for EORT therefore, presented below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets as of and for the year ended September 30, 2011:

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NOTES TO FINANCIAL STATEMENTS

Statement of Fiduciary Net Assets

Assets	
Investments, at fair value	\$ 4,953,910
Money Market Funds	400,893
Total Assets	<u>5,354,803</u>
Net Assets	
Held in Trust for Pension Benefits	<u>\$ 5,354,803</u>

Statement of Changes in Fiduciary Net Assets

Additions	
Contributions:	
Employer	\$ 432,170
Investment Earnings:	
Interest	12,450
Total Additions	<u>444,620</u>
Deductions	
Benefits	263,535
Total Deductions	<u>263,535</u>
Change in Net Assets	181,085
Net Assets - Beginning of Year	5,173,718
Net Assets - End of Year	<u>\$ 5,354,803</u>

The following table presents the Pension Trust Funds schedule of funding progress:

Pension Trust Fund*	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	Unfunded (Overfunded)		(3) Covered Payroll	Unfunded (Overfunded) as a Percentage of Covered Payroll ((2) - (1))/(3)
				AAL (2) - (1)	Funded Ratio (1)/(2)		
GESE Retirement Trust	10/1/2010	\$ 652,999,926	\$ 840,871,136	\$ 187,871,210	77.66%	\$ 68,762,827	273.22%
GESE Staff Plan	10/1/2010	1,834,600	2,827,000	992,400	64.90%	843,000	117.72%
GESE Excess Plan	10/1/2010	-	5,704,602	5,704,602	0.00%	68,762,827	8.30%
FIPO	10/1/2010	1,180,649,632	1,544,546,146	363,896,514	76.44%	80,152,355	454.01%

*EORT is not reflected on this schedule since it uses the aggregate method which does not separately identify an actuarial accrued liability.

The actuary used the aggregate actuarial cost method for valuation. This method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose and that the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

The required schedule of funding progress disclosed above presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. See Required Supplementary Information Section for multi-year Pension Trust Fund and Other Post Employment Benefits Schedule of Funding Progress.

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, 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 City does not have any fiduciary responsibility relating to the plan, consequently the amount accrued for benefits are not recorded in the fiduciary funds.

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

Total current year's payroll for all employees	\$	268,215,510
Current year's payroll for participating employees		3,427,824
Current year employer contributions		289,634

In addition to coverage under the FIPO Pension Plan, City of Miami fire fighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These two plans are funded solely from the proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within the City limits. This tax, which is collected from insurers by the State of Florida, is remitted directly to the plans' Boards of Trustees. The City is entitled to levy such excise taxes solely for the use of the money purchase benefit plans as long as the minimum benefit provisions of Florida Statutes, Chapters 175 and 185 are met by FIPO. The City does not have any fiduciary responsibility relating to the plan, consequently amount accrued for benefits are not recorded in the fiduciary funds. The total of such excise taxes received from the State of Florida and remitted to the plans was \$9,375,374 for the year ended September 30, 2011. Accordingly, these monies are recorded as pass through funds in the City's financial statements. Benefits are allocated to the participants based upon their service during the year and the level of funding received during said year. Participants are fully vested after nine years of service. Upon termination of service, a participant may elect to receive one of three options: 1) a lump sum payment, 2) five substantially equal payments, or 3) 10% or more in the first year and the remainder in any way over the next four years. The total must be paid out within five years.

NOTE 11. – POST-EMPLOYMENT HEALTH CARE BENEFITS

Pursuant to Section 112.0801 of the Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retired Police Officers are offered coverage at a discounted premium. For Non-Police retirees (Fire Fighters, General Employees, Sanitation Employees, and Elected Officials) and their dependents, the City has a stated policy of providing health coverage and life insurance at a discounted premium equal to 75% of the blended group rate.

GASB Statement No. 45 allows flexibility to governmental employers in the use of various actuarial cost methods. Several such acceptable actuarial cost methods were evaluated, including the entry age normal cost method, the frozen entry age normal cost method, the aggregate cost method, and the projected unit

credit normal cost method. The goal was for to the City to adopt an actuarial cost method which is acceptable, appropriate, and commonly used. The City's annual Other Post Employment Benefit (OPEB) liability was calculated using the entry age normal cost method.

Plan Description

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

The City offers to its' retirees comprehensive medical coverage and life insurance benefits through its 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, sanitation employees, police, and firefighters may become eligible for these benefits when they reach normal retirement age while working for the City (approximately 1,884 of the 5,278 covered participants are retirees).

Funding Policy

The City Commission is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. The City Commission establishes the contributions requirements of plan members and the City. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost.

The 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 annually.

Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's cost of the OPEB benefits, funded on a pay-as-you-go basis, was \$14,114,241 for the year ended September 30, 2011.

The ultimate implicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. The City selected an interest discount rate of 4.25%, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of the OPEB. This is consistent with GASB Statement 45 guidance.

CITY OF MIAMI, FLORIDA
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Significant actuarial assumptions and methods used to estimate the OPEB liability are as follows:

Valuation date	October 1, 2008
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent of Payroll
Amortization Period	28 years
Actuarial assumptions:	
Assumed discounted rate	4.25%
Assumed health care cost trend rates:	
	2009 - 10.0%
	2010 - 6.8%
	2011 - 8.5%
	2012 - 8.0%
	2013 - 7.5%
	2014 - Thereafter - 7.0% - 5.0%

The following table is the Other Post Employment Benefits schedule of funding progress:

	Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
Non-Police	10/1/2008	\$ -	\$ 146,555,676	146,555,676	0.00%	\$ 185,062,991	79.19%
Police	10/1/2008	-	394,127,144	394,127,144	0.00%	72,712,631	542.03%
Total		\$ -	\$ 540,682,820	\$ 540,682,820	0.00%	\$ 257,775,622	209.75%

* Amounts based on actuarial valuation. No assets existed in the plan at September 30, 2010

Actuarial Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of the several factors, such as future interest rates, discounts, medical cost inflation, Medicare coverage risk, and changes in marital status, could result in actual costs being greater or less than estimated.

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

Annual OPEB Cost and Net OPEB Obligation

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB

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Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City’s annual OPEB cost for the fiscal year was \$36,016,664 for Police retirees and \$12,543,951 for the Non-Police retirees. The City’s annual OPEB cost and the net OPEB obligation for the fiscal year ended September 30, 2011 for both Non-Police and Police retirees are as follows:

	Non-Police Retirees	Police Retirees	Total
Annual required contribution (ARC)	\$ 12,464,535	\$ 35,732,002	\$ 48,196,537
Interest on net OPEB obligation	785,767	2,816,540	3,602,307
Adjustment to annual required contribution	(706,351)	(2,531,878)	(3,238,229)
Annual OPEB cost (expense)	12,543,951	36,016,664	48,560,615
Contributions made	(4,931,874)	(9,182,367)	(14,114,241)
Increase in net OPEB obligation	7,612,077	26,834,297	34,446,374
Net OPEB obligation - beginning of year	18,488,637	66,271,536	84,760,173
Net OPEB obligation - end of year	<u>\$ 26,100,714</u>	<u>\$ 93,105,833</u>	<u>\$ 119,206,547</u>

The City’s percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations for the fiscal year ended September 30, 2011 are as follows:

	Fiscal Year Ending	Beginning Balance Net OPEB Obligation	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Ending Balance Net OPEB Obligation
Police	9/30/2011	\$ 66,271,536	\$ 36,016,664	\$ 9,182,367	25.49%	\$ 93,105,833
	9/30/2010	42,312,854	31,572,155	7,613,473	24.11%	66,271,536
	9/30/2009	21,668,339	26,959,115	6,314,600	23.42%	42,312,854
Non-Police	9/30/2011	18,488,637	12,543,951	4,931,874	39.32%	26,100,714
	9/30/2010	11,230,755	12,540,416	5,282,534	42.12%	18,488,637
	9/30/2009	5,524,398	10,926,498	5,220,141	47.78%	11,230,755

The 2011 contributions for the Police and non-Police retiree plans represented 25.49% and 39.32% respectively, of the annual required contributions. See Required Supplementary Information Section for multi-year Pension Trust Fund and Other Post Employment Benefits Schedule of Funding Progress.

NOTE 12. – COMMITMENTS AND CONTINGENCIES

The City participates in a number of federal and state assisted programs. These programs are subject to audit under the requirements of the Single Audit Act and Chapter 10.550, Rules of the Auditor General. The City received revenues and contributions related to grants from Federal agencies and the State of Florida. These grants are for specific purposed and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures being disallowed under the grant terms. Based upon prior experience, the City’s management believes any requests for reimbursement, if any, will not be significant.

Throughout the fiscal year 2011, the City continued to experience the significant negative economic developments surrounding the overall market liquidity, credit availability, and market collateral levels. Consequently, the City’s required contribution amount to the GESE, FIPO and EORT plans, which are

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necessary to maintain the actuarial soundness and to provide the level of assets sufficient to meet participant benefits, could significantly increase in future periods

Global Agreement: In December 2007, the City, the County, the OMNI CRA, and the Southeast Overtown Park West CRA, entered into an inter-local agreement that establishes the funding framework for the several major facilities and infrastructure improvement projects. Those projects include the Arsht Performing Arts Center, Miami Port Tunnel, Museum Park improvements, and the Miami Marlins Baseball Stadium.

The agreement specifically calls for the OMNI CRA to increase its contribution to the County to service debt and other loans on the Arsht Performing Art Center. Further, the agreement established parameters by which the City, County, and CRAs would move forward with the legal process of extending the lives and expanding the geographic boundaries of both CRAs, and utilizing the additional tax increment revenues to finance affordable housing, infrastructure, and redevelopment projects consistent with the CRAs' redevelopment plans. The additional OMNI CRA tax increment revenues could also be used to finance the City's contributions to the Miami Port Tunnel project and the Museum Park improvements. Finally, the agreement addresses the City's and County's Miami Marlins Major League Baseball project stadium which currently is being built on the former Orange Bowl location site. To date, the total contributions required to be made by the City for the Museum Park Improvement projects has not been determined. Commitments related to the baseball stadium project and Port Tunnel project are detailed below.

International Police Training Facility and Law Enforcement High School: On November 9, 2007, the City Commission adopted Resolution No. R-07-0650 which authorized the design, construction, funding and contingencies of a co-located International Police Training Facility and Law Enforcement High School on City-owned property located at 405 Northwest 3rd Avenue (known as the "College of Policing and Forensic High School") with The School Board of Miami-Dade County (the "School Board").

The City and the School Board entered into an Operating Agreement in the form of a lease agreement whereby the School Board leases its portion of the facility from the City for an initial term forty (40) years for the cost of \$1.00 per year with the \$40 payable in advance of occupancy. At the end of the initial term, the School Board will have four (4) ten-year options to renew the lease. The School Board may exercise this option upon six (6) months prior written notice to the City, provided that the School Board is not otherwise in default under the Operating Agreement and provided the Parties come to a mutual agreement regarding any capital expenditures that may be required to continue the useful life of the facility during the option period(s). The parties will share the operating/maintenance costs in proportion to their occupancy percentages (59% for the City and 41% for the School Board).

The City considered the the School Board contribution as prepaid rent for the next 40 years for the use of the facility. For the City, since this rental income has not yet been earned, the amount must be recorded as unearned until the term of the lease expired. This unearned revenue will then be recognized into revenue at a rate of 1/40th per year for the next 40 years. As of September 30, 2011 the construction of the College of Policing and Forensic High School was substantially complete and the facility is in operation. The City recognized \$294,606 revenue for the fiscal year ended September 30, 2011.

Fraternal Order of Police (FOP), Walter E. Headley, Jr., Miami Lodge No. 20 v. City of Miami, Case No.: CA-2010-119. This is a matter filed before the Public Employees Relations Commission

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("PERC") by the FOP (hereinafter "Union") claiming the City committed an unfair labor practice as a result of its declaration of a financial urgency pursuant to F.S. 447.4095. The FOP alleges that it had a Collective Bargaining Agreement ("CBA") with the City, effective through September 30, 2010, that the parties exchanged initial proposals for a successor agreement, and that the parties have held several bargaining sessions. The Union further alleges that during the several bargaining sessions, the City never advised the Union that there was a need to reach settlement on economic items expeditiously, or that the City intended to declare a "financial urgency" and invoke the process set forth in Section 447.4095, F.S. The Union contends that Section 447.4095 may only be invoked to modify the terms of an existing agreement. The Union further alleges that although the parties continued to bargain for a successor collective bargaining agreement on August 9 and 12, 2010, the parties never discussed wages or pensions, but on August 16, 2010, the City advised PERC that it had engaged in negotiations on the impact of the financial urgency, and any action necessitated by the financial urgency, and that a dispute existed. The Union further alleges that on August 31, 2010, the City unilaterally took action to alter the terms and conditions of employment before reaching impasse with the Union, in violation of Section 447.501(1)(a) and (1)(c). Additionally, the Union claims that, although the changes were not discussed with them, they were discussed in a closed door unnoticed "shade" meeting conducted in violation of Section 447.605, F.S. (an exemption to the Sunshine Law). The Union contends that the failure of the City to have any discussions with the Union on these matters constitutes bad faith or surface bargaining in violation of Section 447.501(1)(a), F.S. It also asserts that by unilaterally altering terms and conditions of employment before completion of the impasse procedure set forth in Section 447.403, F.S., and by not responding to a request for records, the City violated Section 447.501(1)(a) and (1)(c), F.S. The Union seeks reinstatement of all benefits (pension and wages) modified by the City Commission. Hearings were held and concluded before a Special Magistrate. A Recommended Order was received on July 1, 2011 and the City was found in compliance with F.S. 447.4095. The Hearing Officer found the City did not commit an unfair labor practice. Final Order by Commission is pending.

International Association of Firefighters (IAFF), Local 587 v. City of Miami, Case No.: CA-2010-124. This is a matter filed before the Public Employees Relations Commission ("PERC") by the IAFF Local 587 (hereinafter "Union") claiming the City committed an unfair labor practice. Specifically, the Union asserts that it had a Collective Bargaining Agreement ("CBA") with the City, effective through October 1, 2010, that, in 2010, in exchange for concessions by the Union, the CBA was extended through September 30, 2011, and that the City expressly waived its right not to fund any year of the CBA except in the case of "true fiscal emergency", defined in the CBA (ARTICLE 18) as, "the City must demonstrate that there is no other reasonable alternative means of appropriating monies to fund the agreement for that year or years". The Union further alleges that less than six (6) months after agreeing to the extension, on April 30, 2010, the City invoked the process under Section 447.4095, F.S., claiming "financial urgency," and on August 31, 2010, unilaterally took action to modify wages, insurance and pension benefits. The Union asserts that the invocation of Section 447.4095, F.S. was improper and was waived by the City in the CBA. Further, the Union alleges that, prior to their enactment, the modifications to the CBA were discussed in a closed door, unnoticed shade meeting in violation of Section 447.605, F.S. (an exemption to the Sunshine Law). Finally, the Union asserts that the City failed to bargain collectively and in good faith by enacting the changes of August 31, 2010, by not providing the Union with notice in advance, and by failing to discuss, bargain over, impact bargain, or complete the process set forth in Section 447.403 and/or Section 447.4095, F.S. The Union seeks reinstatement of all benefits (pension and wages) modified by the City Commission. A hearing was scheduled before a Special Magistrate and closing briefs are due by June 2, 2011. A Recommended Order was received on July 7, 2011 and the City was found in compliance with F.S. 447.4095. The Hearing Officer found the City did not commit an unfair labor practice. Final Order by Commission is pending.

Securities and Exchange Commission (SEC) Investigation: City Bond Offerings in 2007 and 2009.

On December 10, 2009, the City was notified by the Miami Regional Office of the SEC that the staff of the SEC was conducting a non-public inquiry concerning City bond offerings to determine whether there have been any violations of federal securities laws. In letters dated December 10, 2009, and December 23, 2009, the SEC staff requested that the City voluntarily provide the SEC staff with documents concerning (a) City bond offerings in 2007 and 2009, (b) the transfer of approximately \$13.1 million from the Capital Projects Fund to the General Fund in Fiscal Year 2007, (c) the transfer of approximately \$24.4 million from the Capital Projects fund to the General Fund in Fiscal Year 2007, and (d) Audit Report No. 010-005, Audit of compliance with the financial Integrity Principles, issued by the City of Miami Office of Independent Auditor General in November, 2009.

The City has been cooperating fully with the SEC investigation and has been providing information in response to the SEC's requests and later subpoena. The SEC staff recently informed the City that it has concluded its investigation and may recommend civil charges against the City; however at this time, the City has not been issued a Wells notice. The City has begun discussions with the SEC staff about whether the City and the SEC can resolve this matter. The City cannot predict the outcome of these ongoing discussions. The SEC investigation has from time to time temporarily diverted the attention of City officials and employees from the conduct of City operations, has caused the City to incur significant expenses, and could have a material effect on the City's future financial condition and operations. The City cannot predict the ultimate consequences resulting from any action on the part of the SEC.

Securities and Exchange Commission (SEC) Investigation: Florida Marlins Stadium Bonds.

On December 1, 2011, the City was notified by subpoena by the Miami Regional Office of the SEC that the SEC's staff was conducting a non-public inquiry concerning, inter alia, Miami-Dade County ("County") bond offerings in connection with the financing and construction of a Major League Baseball Stadium ("Stadium") with the Miami Marlins, City taxable and tax-exempt bond offerings in connection with the financing and construction of ancillary parking facilities, and financial matters of the Miami Marlins.

The City is cooperating fully with the SEC investigation and is providing information in response to the SEC's subpoena. The SEC has not advised the City when the investigation, which appears to be in its early stages, is expected to be concluded or of any potential outcome of the investigation, and the City cannot predict either the duration of the investigation or its outcome. The SEC investigation has temporarily diverted the attention of City officials and employees from the conduct of City operations and may continue to do so, could cause the City to incur significant expenses, and could have a material effect on the City's future financial condition and operations. The City cannot predict the outcome of this investigation or the ultimate consequences resulting from any action on the part of the SEC.

Internal Revenue Service Examination: \$153,060,000 City of Miami, Florida Limited Ad Valorem Tax Refunding Bonds, Series 2007A (Homeland Defense/Neighborhood Capital Improvement Projects) & City of Miami, Florida Limited Ad Valorem Tax Bonds, Series 2007B (Homeland Defense/Neighborhood Capital Improvement Projects) dated July 10, 2007 (collectively, the "2007 Homeland Defense/Neighborhood Capital Improvement Bonds"). On November 18, 2011, the City was notified by an examination request letter from the Department of Treasury Internal Revenue Service ("IRS") informing the City that its 2007 Homeland Defense/Neighborhood Capital Improvement Bonds have been selected for review regarding arbitrage under Sections 148 and 149 of the Internal Revenue Code.

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The City is cooperating fully with the IRS examination and is providing information in response to the IRS’s requests. The IRS has not advised the City when the examination is expected to be concluded or of any potential outcome of the examination, and the City cannot predict whether the duration of the examination or its outcomes. The IRS examination has temporarily diverted the attention of City officials and employees from the conduct of City operations, could cause the City to incur significant expense, and could have a material effect on the City’s future financial condition and operations. The City cannot predict the outcome of this examination or the ultimate consequences resulting from any action on the part of the IRS.

Litigation

The City is involved in various lawsuits arising in the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of management of the City based upon consultation with legal counsel, that the outcome of these matters will not have an adverse material effect on the financial position of the City beyond the amounts accrued for its self-insured liability.

Encumbrances

The City has outstanding encumbrances in the governmental funds. The following is a summary of these commitments at September 30, 2011:

Governmental Funds

Major Funds	
Public Safety	\$ 1,031,725
Public Facilities	22,818,741
General Government	6,418,585
Street & Sidewalks	18,731,788
Other Non-Major Governmental Funds	44,202,862
	<u>\$ 93,203,701</u>

NOTE 13. – SUBSEQUENT EVENTS

During the period after October 1, 2011, the City entered into a number of settlement agreements. None of the settlements were greater than \$100,000 on a case by case basis.

NOTE 14. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (That is, agent employers). This Statement amends Statement No. 45, *Accounting and Financial reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which requires that a defined benefit OPEB plan obtain an actuarial agent

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2012.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, was issued in December 2010. The Statement amends GASB Statement No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The Statement is intended to improve the existing standards for defining and presenting the financial reporting entity by guiding governments to: include the organizations that should be included; exclude the organizations that should not be included and display and disclose financial information about component units in the most appropriate and useful manner. The Statement's most significant effects include increasing the emphasis on financial relationships between a primary government and component units. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued in December 2010. The Statement is intended to enhance the usefulness of GASB Codification by incorporating certain accounting guidance issued by the FASB and the AICPA that is applicable to state and local governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued in June 2011. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*, was issued in June 2011. This Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider arising from the application of the termination of hedge accounting provisions in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2012.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was issued in March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2014.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, was issued in March 2012. This Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two prior pronouncements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2014.

The City's management has not yet determined the effect these statements will have on the City's financial statements; if any.

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - General Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Property Taxes	\$ 223,537,412	\$ 223,537,400	\$ 210,697,277	(12,840,123)
Franchise and Other Taxes	105,708,304	106,070,500	104,277,344	(1,793,156)
Licenses and Permits	30,794,313	30,794,300	33,965,077	3,170,777
Fines and Forfeitures	6,075,969	15,633,100	4,673,959	(10,959,141)
Intergovernmental Revenues	43,419,282	43,419,200	54,540,146	11,120,946
Charges for Services	81,549,665	81,549,700	85,226,353	3,676,653
Interest	1,500,000	1,500,000	1,915,415	415,415
Other	19,107,143	11,050,000	7,247,510	(3,802,490)
Total Revenues	<u>511,692,088</u>	<u>513,554,200</u>	<u>502,543,081</u>	<u>(11,011,119)</u>
Expenditures:				
General Government				
Mayor	643,722	643,700	639,652	4,048
Board of Commissioners	1,700,000	1,700,000	1,584,385	115,615
Office of City Manager	6,700,375	7,963,100	7,303,653	659,447
Office of City Clerk	1,061,146	1,061,100	1,041,780	19,320
Office of Civil Service	292,626	292,600	288,432	4,168
Office of Auditor General	858,420	858,400	610,716	247,684
Office of Communications	728,704	681,600	681,589	11
Employee Relations	2,386,146	2,452,200	2,299,161	153,039
Information Technology	10,890,204	10,890,200	9,952,187	938,013
Office of the City Attorney	5,238,951	4,328,100	4,327,941	159
Office of Strategic Planning & Budgeting	1,384,387	1,384,400	1,052,369	332,031
Purchasing	1,121,183	1,121,200	836,846	284,354
Office of Equal Opportunity & Diversity	247,719	247,700	216,430	31,270
Finance	6,320,160	5,568,000	5,567,757	243
Capital Improvement Administration	1,052,732	1,634,300	1,634,325	(25)
Non-Departmental	25,660,695	21,059,800	19,647,665	1,412,135
Total General Government	<u>66,287,170</u>	<u>61,886,400</u>	<u>57,684,888</u>	<u>4,201,512</u>
Planning and Development				
Building	5,146,364	5,146,400	5,084,203	62,197
Department of Planning	2,591,624	2,591,700	2,456,635	135,065
Office of Zoning	783,526	783,500	768,227	15,273
Total Planning and Development	<u>8,521,514</u>	<u>8,521,600</u>	<u>8,309,065</u>	<u>212,535</u>
Public Works				
Solid Waste	19,358,548	18,967,200	18,939,428	27,772
General Service Administration	16,025,173	16,025,200	16,003,368	21,832
Public Works	14,396,026	11,691,300	11,691,231	69
Total Public Works	<u>49,779,747</u>	<u>46,683,700</u>	<u>46,634,027</u>	<u>49,673</u>
Public Safety				
Fire- Rescue	72,315,697	76,781,500	76,781,454	46
Police	124,317,436	128,484,000	128,483,938	62
Total Public Safety	<u>196,633,133</u>	<u>205,265,500</u>	<u>205,265,392</u>	<u>108</u>
Pensions				
G.E.S.E. Pension	25,914,855	24,188,400	24,188,240	160
F.I.P.O. Pension	44,914,901	47,574,600	47,574,569	31
Elected Officials & Administrators Pension	1,250,000	432,000	432,170	(170)
Total Pension	<u>72,079,756</u>	<u>72,195,000</u>	<u>72,194,979</u>	<u>21</u>
Public Facilities				
Parks and Recreation	4,226,509	4,335,000	4,334,995	5
Risk Management	22,364,797	22,537,000	23,403,186	(866,186)
Risk - Group Benefits	28,814,106	28,814,100	26,546,382	2,267,718
Total Expenditures	<u>482,736,676</u>	<u>485,363,100</u>	<u>474,896,464</u>	<u>10,466,636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>28,955,412</u>	<u>28,191,100</u>	<u>27,646,617</u>	<u>(544,483)</u>
Other Financing Sources (Uses):				
Transfers In	9,865,260	10,102,100	12,817,357	2,715,257
Transfers Out	(38,820,672)	(38,293,200)	(38,293,085)	115
Total Other Financing Sources (Uses)	<u>(28,955,412)</u>	<u>(28,191,100)</u>	<u>(25,475,728)</u>	<u>2,715,372</u>
Net Change in Fund Balance	-	-	2,170,889	2,170,889
Fund Balance - Beginning of Year	-	-	17,473,285	17,473,285
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,644,174</u>	<u>\$ 19,644,174</u>

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

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Special Obligation Bonds Fund
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -
Interest	-	44,800	45,075	275
Other	-	2,179,300	-	(2,179,300)
Total Revenues	-	5,224,100	3,045,075	(2,179,025)
Expenditures:				
Debt Service:				
Principal	13,204,410	83,410,900	14,839,340	68,571,560
Interest and Other Charges	21,785,695	25,779,400	25,736,004	43,396
Debt Insurance Cost	6,434	2,011,100	2,048,181	(37,081)
Total Expenditures	34,996,539	111,201,400	42,623,525	68,577,875
Excess (Deficiency) of Revenues Over Expenditures	(34,996,539)	(105,977,300)	(39,578,450)	66,398,850
Other Financing Sources (Uses):				
Transfers In	34,996,539	35,394,700	35,112,040	(282,660)
Transfers Out	-	(2,500)	(2,524)	(24)
Contribution to Port Tunnel	-	-	(50,000,000)	(50,000,000)
Proceeds Received From Refunding	-	-	68,894,025	68,894,025
Payment To Escrow Agent For Refunding	-	-	(68,571,500)	(68,571,500)
Premium (Discount) Issuance Costs	-	-	1,712,325	1,712,325
Proceeds Received From Long-Term Debt	-	70,585,100	51,750,975	(18,834,125)
Total Other Financing Sources (Uses)	34,996,539	105,977,300	38,895,341	(67,081,959)
Net Change in Fund Balance	-	-	(683,109)	(683,109)
Fund Balance - Beginning of Year	-	-	32,483,570	32,483,570
Fund Balance - End of Year	\$ -	\$ -	\$ 31,800,461	\$ 31,800,461

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

CITY OF MIAMI, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2011
(UNAUDITED)

NOTE 1. - BUDGETARY POLICY

A. BUDGET POLICY

The City Commission annually adopts an operating budget ordinance for all governmental funds of the City, except for the Capital 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 2011, supplemental appropriations totaling \$2,099,000 in the General Fund, \$5,417,000 in the Fire Rescue Services Fund, \$651,000 in Public Safety Capital Fund, \$4,263,800 in General Government Capital Fund, \$14,015,200 in Streets and Sidewalks Capital Fund, \$1,793,400 in Public Facilities Capital Fund, \$79,219,700 in Special Obligation Bonds and \$38,030,400 in Other Non-Major Funds was required to fund expenditures for unanticipated program requirements.

City of Miami, Florida
Pension Trust Funds and Other Post Employment Benefits

Schedule of Funding Progress (a)
(Unaudited)

Actuarial Valuation Date	(1) Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (2) - (1)	Funded Ratio (1)/(2)	(3) Covered Payroll	Unfunded (Overfunded) as a Percentage of Covered Payroll ((2) - (1))/(3)
GESE Retirement Trust (b)						
10/1/2010	\$ 652,999,926	\$ 840,871,136	\$ 187,871,210	77.66%	\$ 68,762,827	273.22%
10/1/2009	645,614,641	780,625,200	135,010,559	82.70%	90,045,202	149.94%
10/1/2008	691,791,000	808,618,183	116,827,183	85.55%	90,974,647	128.42%
10/1/2007	664,145,175	770,218,984	106,073,809	86.23%	82,052,702	129.28%
10/1/2006	618,482,563	732,016,189	113,533,626	84.49%	75,609,062	150.16%
10/1/2005	588,495,706	746,324,834	157,829,128	78.85%	71,485,284	220.79%
GESE Staff Plan (b)						
10/1/2010	\$ 1,834,600	\$ 2,827,000	\$ 992,400	64.90%	\$ 843,000	117.72%
10/1/2009	1,556,718	2,121,806	565,088	73.37%	738,898	76.48%
10/1/2008	1,313,407	1,748,147	434,740	75.13%	632,259	68.76%
10/1/2007	1,138,655	1,622,719	484,064	70.17%	734,116	65.94%
10/1/2006	939,698	1,129,276	189,578	83.21%	643,770	29.45%
10/1/2005	768,336	1,084,275	315,939	70.86%	455,220	69.40%
GESE Excess Plan (b)						
10/1/2010	\$ -	\$ 5,704,602	\$ 5,704,602	0.00%	\$ 68,762,827	8.30%
10/1/2009	-	5,833,742	5,833,742	0.00%	90,045,202	6.48%
10/1/2008	-	5,151,124	5,151,124	0.00%	90,974,647	5.66%
10/1/2007	-	8,600,801	8,600,801	0.00%	82,052,702	10.48%
10/1/2006	-	7,999,872	7,999,872	0.00%	75,609,062	10.58%
10/1/2005	-	8,402,351	8,402,351	0.00%	71,485,284	11.75%
FIPO (c)						
10/1/2010	\$ 1,180,649,632	\$ 1,544,546,146	\$ 363,896,514	76.44%	\$ 80,152,355	454.01%
10/1/2009	970,811,000	1,391,200,000	420,389,000	69.78%	122,200,000	344.02%
10/1/2008	1,018,900,000	1,452,500,000	433,600,000	70.15%	129,400,000	335.09%
10/1/2007	1,268,900,000	1,318,400,000	49,500,000	96.25%	103,600,000	47.78%
10/1/2006	1,147,900,000	1,260,500,000	112,600,000	91.07%	90,400,000	124.56%
10/1/2005	1,091,900,000	1,221,600,000	129,700,000	89.38%	91,500,000	141.75%
City of Miami Other Post Employment Benefits (d)						
10/1/2008	\$ -	\$ 540,682,820	\$ 540,682,820	0.00%	\$ 257,775,622	209.75%
10/1/2006	-	480,319,812	480,319,812	0.00%	187,489,148	256.19%

- a. For information regarding pension contribution percentage rates, assumptions, amortization method, see Note 10.
- b. Calculated using Modified Entry Age Normal
- c. Calculated using the Entry Age Normal Cost Method
- d. Amounts based on actuarial valuation. No assets existed in the plan at September 30, 2011
- e. EORT is not reflected on this schedule since it uses the aggregate method which does not separately identify an actuarial accrued liability.

City of Miami, Florida
Pension Trust Funds and Other Post Employment Benefits

Schedule of Employer Contributions
(Unaudited)

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed
<u>GESE Retirement Trust</u>			<u>FIPO Trust</u>		
9/30/2011	\$ 20,092,441	100%	9/30/2011	\$ 47,156,797	100%
9/30/2010	24,037,093	100%	9/30/2010	59,025,379	100%
9/30/2009	23,191,828	100%	9/30/2009	36,993,395	100%
9/30/2008	22,762,902	100%	9/30/2008	36,040,251	100%
9/30/2007	24,229,028	100%	9/30/2007	40,542,078	100%
9/30/2006	22,018,443	100%	9/30/2006	50,635,213	100%
<u>GESE Staff Plan</u>			<u>GESE Excess Plan</u>		
9/30/2011	\$ 164,490	100%	9/30/2011	\$ 585,357	69%
9/30/2010	132,542	100%	9/30/2010	625,539	54%
9/30/2009	159,837	100%	9/30/2009	566,046	82%
9/30/2008	109,163	100%	9/30/2008	898,149	50%
9/30/2007	57,995	100%	9/30/2007	823,371	58%
9/30/2006	72,380	100%	9/30/2006	824,766	56%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Contributed
<u>City of Miami Other Post Employment Benefits - Police</u>			<u>City of Miami Other Post Employment Benefits - Non-Police</u>		
9/30/2011	\$ 9,182,367	25.49%	9/30/2011	\$ 4,931,874	39.32%
9/30/2010	7,613,473	24.11%	9/30/2010	5,282,534	42.12%
9/30/2009	6,314,600	23.42%	9/30/2009	5,220,141	47.78%
9/30/2008	4,910,046	18.47%	9/30/2008	5,261,988	48.78%
(a)			(a)		

The information presented in the Required Supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The City's subsidy to OPEB benefits is undunded. There are no separate Trust Funds or equivalent arrangements to advance-fund the OPEB obligations (See Note 11).

(a) The City implemented GASB 45 in fiscal year September 30, 2008

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Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

Community Redevelopment Agency (SEOPW) – To account for revenues and expenditures to be used for special operations in the defined Southeast Overtown Park West Community Redevelopment Area.

Homeless Program – To account for the activities of the City’s homeless program.

Community Development – To account for the proceeds from the Federal government under the U.S. Department of Housing and Urban Development.

Choice Housing Vouchers – To account for the monies received for administration and assistance to be provided in accordance with Section 8 of the U.S. Housing Act of 1937, as amended, under the Choice Housing Voucher Program.

State Housing Initiatives Program (SHIP) – To account for the monies received from the State of Florida Housing Finance Corporation to used to provide home ownership and rental housing programs at the local level.

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



Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

Fire Rescue Services – To account for the grant revenues and expenditures which supplement the City's emergency Fire Rescue operations.

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

Parks & Recreation Services – To account for the operations of the Parks and Recreation Services.

Police Services – To account for the proceeds of various grants from Local, State, and Federal Agencies that are expended for police activities.

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

Public Works Services – To account for the proceeds granted from Local and State Agencies to be used for maintenance of streets, highways, sidewalks and infrastructure.

City Clerk Services – To account for the operations of the Passport Facility, Municipal Archives and Records, and related programs.

Emergency Services Fund – This Special Revenue Fund accounts for grants and FEMA reimbursements related to disasters. Additionally, this fund accounts for non-disaster related reimbursable expenditures.

General Special Revenue– To account for activities that are designated as special revenue which do not fall into one of the previous special revenue categories.



Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

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

Liberty City Revitalization Trust – To account for the revitalization efforts for the redevelopment of the Liberty City Community Revitalization District.

Virginia Key Beach Trust – To account for the activities to preserve, restore, and maintain the Historic Virginia Key Beach Park.

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



Non-major Governmental Funds

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources, payments of general obligation bond principal, interest from government resources, special obligation bond principal and interest from pledged revenues when the government is obligated in some manner for the payment.

General Obligation Bonds – To account for monies for payment of principal, interest, and other costs related to various issues of long-term general obligation bonds. Debt Service is financed primarily by an ad valorem tax.

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



Non-major Governmental Funds

CAPITAL PROJECTS FUNDS

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

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

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.

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

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

Mass Transit – To account for the expenditures related to mass transit.

City of Miami, Florida
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2011

Special Revenue Funds

	<u>Omni CRA</u>	<u>Midtown CRA</u>	<u>SEOPW CRA</u>	<u>Homeless Program</u>	<u>Community Development</u>
Assets					
Pooled Cash, Cash Equivalents and Investments	\$ 29,733,264	\$ 1,500	\$ 25,323,567	\$ -	\$ 4,652,514
Restricted Cash and Investments	-	-	-	-	4,007,053
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	-
Loans Receivable	-	-	-	-	1,793
Taxes	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	624,629	5,291,923
Due from Component Units	-	-	-	-	-
Accrued Interest	18,508	-	12,071	-	8,459
Prepays	-	-	-	-	747,657
Other Assets	-	-	-	-	-
Total Assets	<u>\$ 29,751,772</u>	<u>\$ 1,500</u>	<u>\$ 25,335,638</u>	<u>\$ 624,629</u>	<u>\$ 14,709,399</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 687,127	\$ 1,500	\$ 327,396	\$ 78,549	\$ 3,299,062
Due to Other Funds	-	-	-	523,166	-
Due to Other Governments	413,563	-	462,415	-	-
Due to Component Units	-	-	-	-	-
Deferred Revenue or Unearned Revenue	-	-	-	47,388	1,583,021
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	210,995
Total Liabilities	<u>1,100,690</u>	<u>1,500</u>	<u>789,811</u>	<u>649,103</u>	<u>5,093,078</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	-	-	-	-	747,657
Spendable Fund Balance					
Restricted	28,651,082	-	24,545,827	9,354	5,593,548
Committed	-	-	-	-	3,275,116
Assigned	-	-	-	33,828	-
Unassigned	-	-	-	(67,656)	-
Total Fund Balances (Deficits)	<u>28,651,082</u>	<u>-</u>	<u>24,545,827</u>	<u>(24,474)</u>	<u>9,616,321</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 29,751,772</u>	<u>\$ 1,500</u>	<u>\$ 25,335,638</u>	<u>\$ 624,629</u>	<u>\$ 14,709,399</u>

Special Revenue Funds

Choice Housing Vouchers	SHIP	Convention Center	Economic Development & Planning Services	Fire Rescue Services	Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust
\$ 941,934	\$ 1,256,193	\$ -	\$ 7,702,085	\$ -	\$ 1,589,658	\$ 2,504,783	\$ 7,053,760	\$ 4,017,396
-	-	177,126	-	-	-	-	-	-
-	-	166,717	-	1,750	-	29,305	841,928	9
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	4,966,278	40,000	251,988	801,891	-
-	-	-	-	-	-	-	-	-
-	2,759	-	-	248	-	40	9,323	9,600
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 941,934</u>	<u>\$ 1,258,952</u>	<u>\$ 343,843</u>	<u>\$ 7,702,085</u>	<u>\$ 4,968,276</u>	<u>\$ 1,629,658</u>	<u>\$ 2,786,116</u>	<u>\$ 8,706,902</u>	<u>\$ 4,027,005</u>
\$ 4,855	\$ 31,855	\$ 20,991	\$ 6,371	\$ 560,775	\$ 6,093	\$ 81,281	\$ 152,937	\$ 82,118
-	-	166,717	-	651,840	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	855,163	-	-	4,407,812	40,000	66,775	602,928	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	3,810	-	-	112,413
<u>4,855</u>	<u>887,018</u>	<u>187,708</u>	<u>6,371</u>	<u>5,620,427</u>	<u>49,903</u>	<u>148,056</u>	<u>755,865</u>	<u>194,531</u>
-	-	-	-	-	-	-	-	-
937,079	371,934	156,135	341,202	1,427,954	1,612,017	449,124	8,010,982	3,832,474
-	-	-	7,341,934	254,119	-	1,442,145	-	-
-	-	-	12,578	-	-	746,791	-	-
-	-	-	-	(2,334,224)	(32,262)	-	(59,945)	-
<u>937,079</u>	<u>371,934</u>	<u>156,135</u>	<u>7,695,714</u>	<u>(652,151)</u>	<u>1,579,755</u>	<u>2,638,060</u>	<u>7,951,037</u>	<u>3,832,474</u>
<u>\$ 941,934</u>	<u>\$ 1,258,952</u>	<u>\$ 343,843</u>	<u>\$ 7,702,085</u>	<u>\$ 4,968,276</u>	<u>\$ 1,629,658</u>	<u>\$ 2,786,116</u>	<u>\$ 8,706,902</u>	<u>\$ 4,027,005</u>

(continued)

City of Miami, Florida
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2011

	Special Revenue Funds				
	Public Works Services	City Clerk Services	Emergency Services	General Special Revenues	Departmental Improvement Initiatives
Assets					
Pooled Cash, Cash Equivalents and Investments	\$ 2,650,552	\$ 460,300	\$ 1,232,746	\$ -	\$ 979,367
Restricted Cash and Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Taxes	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	677,496	2,314,199	723,870
Due from Component Units	-	-	-	-	-
Accrued Interest	2,434	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	\$ 2,652,986	\$ 460,300	\$ 1,910,242	\$ 2,314,199	\$ 1,703,237
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ 666	\$ 603,756	\$ 1,122,106	\$ 50,200
Due to Other Funds	-	-	-	1,317,544	-
Due to Other Governments	-	-	-	125,197	-
Due to Component Units	-	-	-	-	-
Deferred Revenue or Unearned Revenue	-	-	688,008	794,696	202,343
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Total Liabilities	-	666	1,291,764	3,359,543	252,543
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	1,000,000	-	-	-	-
Spendable Fund Balance					
Restricted	246,457	-	1,058,944	137,758	680,168
Committed	1,255,071	459,634	-	88,044	770,526
Assigned	151,458	-	-	-	-
Unassigned	-	-	(440,466)	(1,271,146)	-
Total Fund Balances (Deficits)	2,652,986	459,634	618,478	(1,045,344)	1,450,694
Total Liabilities and Fund Balances (Deficits)	\$ 2,652,986	\$ 460,300	\$ 1,910,242	\$ 2,314,199	\$ 1,703,237

Special Revenue Funds					Debt Service Funds	
Transportation & Transit	Liberty City Revitalization Trust	Virginia Key Beach Trust	Gusman and Olympia	Total Special Revenue	General Obligation Bonds	
\$ 4,450,869	\$ 484,168	\$ 14,301	\$ 83,037	\$ 95,131,994	\$ -	-
-	-	-	-	4,184,179	-	-
-	-	-	1,035,499	2,075,208	-	-
-	-	-	-	1,793	-	-
-	-	-	-	-	1,321,175	-
-	-	-	-	-	-	-
2,954,428	-	-	216,655	216,655	-	-
-	-	-	-	18,646,702	-	-
-	-	-	-	-	-	-
-	65	1,505	-	65,012	-	-
-	-	-	-	747,657	-	-
-	-	-	19,110	19,110	-	-
<u>\$ 7,405,297</u>	<u>\$ 484,233</u>	<u>\$ 15,806</u>	<u>\$ 1,354,301</u>	<u>\$ 121,088,310</u>	<u>\$ 1,321,175</u>	
\$ 77,834	\$ 1,774	\$ 3,174	\$ 92,246	\$ 7,292,666	\$ -	-
-	-	-	-	2,659,267	112,602	-
-	-	-	539,868	1,541,043	-	-
-	-	-	-	-	-	-
1,000,000	9,000	-	713,205	11,010,339	872,053	-
-	-	-	-	-	-	-
-	-	-	8,982	336,200	-	-
<u>1,077,834</u>	<u>10,774</u>	<u>3,174</u>	<u>1,354,301</u>	<u>22,839,515</u>	<u>984,655</u>	
-	-	-	-	1,747,657	-	-
6,327,463	473,459	12,632	-	84,875,593	336,520	-
-	-	-	-	14,886,589	-	-
-	-	-	-	944,655	-	-
-	-	-	-	(4,205,699)	-	-
<u>6,327,463</u>	<u>473,459</u>	<u>12,632</u>	<u>-</u>	<u>98,248,795</u>	<u>336,520</u>	
<u>\$ 7,405,297</u>	<u>\$ 484,233</u>	<u>\$ 15,806</u>	<u>\$ 1,354,301</u>	<u>\$ 121,088,310</u>	<u>\$ 1,321,175</u>	

City of Miami, Florida
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2011

	Debt Service Funds		Capital Projects Funds		
	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency	Sanitary Sewers	Storm Sewers
Assets					
Pooled Cash, Cash Equivalents and Investments	\$ 128,582	\$ 128,582	\$ -	\$ 20,431,900	\$ 12,525,783
Restricted Cash and Investments	653,687	653,687	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Taxes	-	1,321,175	-	-	-
Special Assessments	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	-	440,202
Due From Component Units	-	-	-	-	-
Accrued Interest	-	-	5,642	15,644	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	<u>\$ 782,269</u>	<u>\$ 2,103,444</u>	<u>\$ 5,642</u>	<u>\$ 20,447,544</u>	<u>\$ 12,965,985</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 2,254,371
Due to Other Funds	-	112,602	3,829	-	-
Due to Other Governments	-	-	-	-	-
Due To Component Units	-	-	-	-	-
Deferred Revenue or Unearned Revenue	-	872,053	-	-	65,348
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>984,655</u>	<u>3,829</u>	<u>-</u>	<u>2,319,719</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	782,269	1,118,789	-	20,447,544	10,646,266
Committed	-	-	1,813	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>782,269</u>	<u>1,118,789</u>	<u>1,813</u>	<u>20,447,544</u>	<u>10,646,266</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 782,269</u>	<u>\$ 2,103,444</u>	<u>\$ 5,642</u>	<u>\$ 20,447,544</u>	<u>\$ 12,965,985</u>

Capital Projects Funds

Solid Waste	Parks & Recreation	Disaster Recovery	Mass Transit	Total Capital Projects	Total Non-Major Governmental Funds
\$ 1,092,054	\$ 24,762,662	\$ 1,137,476	\$ 7,652,695	\$ 67,602,570	\$ 162,863,146
-	-	-	-	-	4,837,866
1,463	-	-	-	1,463	2,076,671
-	-	-	-	-	1,793
-	-	-	-	-	1,321,175
-	-	-	-	-	-
-	-	-	-	-	216,655
-	1,080,004	12,683	-	1,532,889	20,179,591
-	-	-	-	-	-
-	-	-	-	21,286	86,298
-	-	-	-	-	747,657
-	-	-	-	-	19,110
<u>\$ 1,093,517</u>	<u>\$ 25,842,666</u>	<u>\$ 1,150,159</u>	<u>\$ 7,652,695</u>	<u>\$ 69,158,208</u>	<u>\$ 192,349,962</u>
\$ 47,990	\$ 1,484,791	\$ 26,949	\$ -	\$ 3,814,101	\$ 11,106,767
-	-	-	-	3,829	2,775,698
-	-	-	-	-	1,541,043
-	-	-	-	-	-
-	1,063,320	1,895,593	-	3,024,261	14,906,653
-	-	-	-	-	-
-	-	-	-	-	336,200
<u>47,990</u>	<u>2,548,111</u>	<u>1,922,542</u>	<u>-</u>	<u>6,842,191</u>	<u>30,666,361</u>
-	-	-	-	-	1,747,657
-	23,294,555	-	7,652,695	62,041,060	148,035,442
1,045,527	-	-	-	1,047,340	15,933,929
-	-	-	-	-	944,655
-	-	(772,383)	-	(772,383)	(4,978,082)
<u>1,045,527</u>	<u>23,294,555</u>	<u>(772,383)</u>	<u>7,652,695</u>	<u>62,316,017</u>	<u>161,683,601</u>
<u>\$ 1,093,517</u>	<u>\$ 25,842,666</u>	<u>\$ 1,150,159</u>	<u>\$ 7,652,695</u>	<u>\$ 69,158,208</u>	<u>\$ 192,349,962</u>

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-major Governmental Funds
For The Year Ended September 30, 2011

	Special Revenue Funds					
	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development	Choice Housing Vouchers
Revenues						
Property Taxes	\$ 9,189,626	\$ 1,595,022	\$ 11,711,376	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Intergovernmental Revenues	413,563	-	465,703	1,250,966	38,537,492	1,730,125
Charges for Services	-	-	19,638	-	44,130	-
Interest	61,580	-	47,672	-	2,528	-
Impact Fees	-	-	-	-	-	-
Other	41,563	-	-	-	1,146,218	4,538
Total Revenues	<u>9,706,332</u>	<u>1,595,022</u>	<u>12,244,389</u>	<u>1,250,966</u>	<u>39,730,368</u>	<u>1,734,663</u>
Expenditures						
Current Operating:						
General Government	-	-	-	-	-	-
Planning and Development	-	-	-	-	-	-
Community Development	-	-	-	1,380,851	36,214,788	1,930,404
Community Redevelopment Areas	2,235,085	1,579,839	414,616	-	-	-
Public Works	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Facilities	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Organizational Support	-	-	-	-	-	-
Non-Departmental	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	195,000	-
Interest and Other Charges	-	-	-	-	-	-
Capital Outlay	4,422,448	-	533,779	-	1,275,308	-
Total Expenditures	<u>6,657,533</u>	<u>1,579,839</u>	<u>948,395</u>	<u>1,380,851</u>	<u>37,685,096</u>	<u>1,930,404</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,048,799</u>	<u>15,183</u>	<u>11,295,994</u>	<u>(129,885)</u>	<u>2,045,272</u>	<u>(195,741)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	415,183	196,824	92,500	-
Transfers Out	(5,253,781)	(15,183)	(5,837,555)	-	(2,805,181)	(12,610)
Transfers from Component Units	-	-	-	-	-	-
Sale of Property	1,087,268	-	-	-	-	-
Proceeds Received From Long-Term Debt	-	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-	-
Premium (Discount) Debt	-	-	-	-	-	-
Issuance on Debt	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(4,166,513)</u>	<u>(15,183)</u>	<u>(5,422,372)</u>	<u>196,824</u>	<u>(2,712,681)</u>	<u>(12,610)</u>
Net Changes in Fund Balances	<u>(1,117,714)</u>	<u>-</u>	<u>5,873,622</u>	<u>66,939</u>	<u>(667,409)</u>	<u>(208,351)</u>
Fund Balances, (Deficit) - Beginning	<u>29,768,796</u>	<u>-</u>	<u>18,672,205</u>	<u>(91,413)</u>	<u>10,283,730</u>	<u>1,145,430</u>
Fund Balances (Deficit) - Ending	<u>\$ 28,651,082</u>	<u>\$ -</u>	<u>\$ 24,545,827</u>	<u>\$ (24,474)</u>	<u>\$ 9,616,321</u>	<u>\$ 937,079</u>

Special Revenue Funds

SHIP	Convention Center	Economic Development & Planning Services	Fire Rescure Services	Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,500	-	-	61,165	-	-
-	28,938	-	-	-	-	-	1,751,087
920,781	-	-	12,752,866	79,328	1,273,914	6,879,465	-
1,065	6,960,127	35,016	6,084	193,719	414,789	450,875	-
-	-	-	149	2,113	202	16,840	2,841
-	-	-	-	-	-	-	-
13,190	830	-	7,637	20	608,696	-	-
<u>935,036</u>	<u>6,989,895</u>	<u>39,516</u>	<u>12,766,736</u>	<u>275,180</u>	<u>2,358,766</u>	<u>7,347,180</u>	<u>1,753,928</u>
-	-	-	-	32,839	-	-	-
-	-	19,205	-	-	-	-	-
906,134	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	5,274,521	-	-	7,008,557	869,318
-	3,926,473	-	-	-	-	-	-
-	-	-	-	-	2,134,294	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,051,083	10,740	39,824	469,337	175,354
<u>906,134</u>	<u>3,926,473</u>	<u>19,205</u>	<u>7,325,604</u>	<u>43,579</u>	<u>2,174,118</u>	<u>7,477,894</u>	<u>1,044,672</u>
28,902	3,063,422	20,311	5,441,132	231,601	184,648	(130,714)	709,256
-	4,051,724	74,000	300,000	-	1,420	2,065,502	-
(6,349)	(6,331,912)	(600,000)	-	(10,000)	-	(816,699)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(6,349)</u>	<u>(2,280,188)</u>	<u>(526,000)</u>	<u>300,000</u>	<u>(10,000)</u>	<u>1,420</u>	<u>1,248,803</u>	<u>-</u>
22,553	783,234	(505,689)	5,741,132	221,601	186,068	1,118,089	709,256
349,381	(627,099)	8,201,403	(6,393,283)	1,358,154	2,451,992	6,832,948	3,123,218
<u>\$ 371,934</u>	<u>\$ 156,135</u>	<u>\$ 7,695,714</u>	<u>\$ (652,151)</u>	<u>\$ 1,579,755</u>	<u>\$ 2,638,060</u>	<u>\$ 7,951,037</u>	<u>\$ 3,832,474</u>

(continued)

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-major Governmental Funds
For The Year Ended September 30, 2011

	Special Revenue Funds				
	Public Works Services	City Clerk Services	Emergency Services	General Special Revenue	Departmental Improvement Initiatives
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	-	10,953,165	7,596,693	1,535,067
Charges for Services	286,757	99,651	-	-	-
Interest	6,379	-	-	-	-
Impact Fees	-	-	-	-	-
Other	-	-	-	-	1,900
Total Revenues	<u>293,136</u>	<u>99,651</u>	<u>10,953,165</u>	<u>7,596,693</u>	<u>1,536,967</u>
Expenditures					
Current Operating:					
General Government	-	149,928	-	1,542,157	1,312,061
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	6,000	-	-	-	-
Public Safety	-	-	220,342	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Risk Management	-	-	-	-	-
Pensions	-	-	-	-	-
Organizational Support	-	-	-	-	-
Non-Departmental	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	12,385	6,182,429	351
Total Expenditures	<u>6,000</u>	<u>149,928</u>	<u>232,727</u>	<u>7,724,586</u>	<u>1,312,412</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>287,136</u>	<u>(50,277)</u>	<u>10,720,438</u>	<u>(127,893)</u>	<u>224,555</u>
Other Financing Sources (Uses)					
Transfers In	144,153	35,000	-	9,506,251	10,000
Transfers Out	-	-	(2,000,000)	(9,506,251)	-
Transfers from Component Units	-	-	-	-	-
Sale of Property	-	-	-	-	-
Proceeds Received From Long-Term Debt	-	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-	-
Premium (Discount) Debt	-	-	-	-	-
Issuance on Debt	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>144,153</u>	<u>35,000</u>	<u>(2,000,000)</u>	<u>-</u>	<u>10,000</u>
Net Changes in Fund Balances	431,289	(15,277)	8,720,438	(127,893)	234,555
Fund Balances - Beginning	<u>2,221,697</u>	<u>474,911</u>	<u>(8,101,960)</u>	<u>(917,451)</u>	<u>1,216,139</u>
Fund Balances - Ending	<u>\$ 2,652,986</u>	<u>\$ 459,634</u>	<u>\$ 618,478</u>	<u>\$ (1,045,344)</u>	<u>\$ 1,450,694</u>

Special Revenue Funds					Debt Service Funds	
Transportation & Transit	Liberty City Revitalization Trust	Virginia Key Beach Trust	Gusman and Olympia	Total Special Revenue	General Obligation Bonds	
\$ -	\$ -	\$ -	\$ -	\$ 22,496,024	\$ 28,131,853	
-	-	-	-	-	-	-
-	-	-	-	65,665	-	-
-	-	-	-	1,780,025	-	-
13,038,990	-	25,626	746,018	98,199,762	3,288	-
-	-	197,565	382,901	9,091,252	16,197	-
-	311	-	-	141,680	15	-
-	-	-	-	-	-	-
-	163,275	67,512	422,338	2,477,717	246,967	-
13,038,990	163,586	290,703	1,551,257	134,252,125	28,398,320	-
783,133	-	-	-	3,820,118	-	-
-	-	-	-	19,205	-	-
-	-	-	-	40,432,177	-	-
-	165,413	-	-	4,394,953	-	-
-	-	-	-	6,000	-	-
-	-	-	-	13,372,738	-	-
-	-	-	1,210,741	5,137,214	-	-
-	-	386,236	-	2,520,530	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	195,000	14,237,664	-
-	-	-	-	-	13,782,766	-
-	-	-	434,976	15,608,014	-	-
783,133	165,413	386,236	1,645,717	85,505,949	28,020,430	-
12,255,857	(1,827)	(95,533)	(94,460)	48,746,176	377,890	-
-	-	-	-	16,892,557	-	-
(8,843,179)	-	-	-	(42,038,700)	-	-
-	-	-	-	-	-	-
-	-	-	-	1,087,268	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(8,843,179)	-	-	-	(24,058,875)	-	-
3,412,678	(1,827)	(95,533)	(94,460)	24,687,301	377,890	-
2,914,785	475,286	108,165	94,460	73,561,494	(41,370)	-
\$ 6,327,463	\$ 473,459	\$ 12,632	\$ -	\$ 98,248,795	\$ 336,520	-

(continued)

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-major Governmental Funds
For The Year Ended September 30, 2011

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>SEOPW CRA Other Special Obligation Bonds</u>	<u>Total Debt Service</u>	<u>SEOPW Community Redevelopment Agency</u>	<u>Sanitary Sewers</u>
Revenues				
Property Taxes	\$ -	\$ 28,131,853	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental Revenues	300,000	303,288	-	-
Charges for Services	-	16,197	-	-
Interest	-	15	1,813	40,489
Impact Fees	-	-	-	-
Other	-	246,967	-	-
Total Revenues	<u>300,000</u>	<u>28,698,320</u>	<u>1,813</u>	<u>40,489</u>
Expenditures				
Current Operating:				
General Government	-	-	-	3,897,199
Planning and Development	-	-	-	-
Community Development	-	-	-	-
Community Redevelopment Areas	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Public Facilities	-	-	-	-
Parks and Recreation	-	-	-	-
Risk Management	-	-	-	-
Pensions	-	-	-	-
Organizational Support	-	-	-	-
Non-Departmental	-	-	-	-
Debt Service:				
Principal	220,000	14,457,664	-	-
Interest and Other Charges	128,775	13,911,541	-	-
Capital Outlay	-	-	-	(1,184,992)
Total Expenditures	<u>348,775</u>	<u>28,369,205</u>	<u>-</u>	<u>2,712,207</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(48,775)</u>	<u>329,115</u>	<u>1,813</u>	<u>(2,671,718)</u>
Other Financing Sources (Uses)				
Transfers In	48,775	48,775	-	-
Transfers Out	-	-	-	-
Transfers from Component Units	-	-	-	-
Sale of Property	-	-	-	-
Proceeds Received From Long-Term Debt	-	-	-	-
Payment To Escrow Agent For Refunding	-	-	-	-
Premium (Discount) Debt	-	-	-	-
Issuance on Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>48,775</u>	<u>48,775</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	-	377,890	1,813	(2,671,718)
Fund Balances - Beginning	<u>782,269</u>	<u>740,899</u>	<u>-</u>	<u>23,119,262</u>
Fund Balances - Ending	<u>\$ 782,269</u>	<u>\$ 1,118,789</u>	<u>\$ 1,813</u>	<u>\$ 20,447,544</u>

Storm Sewers	Solid Waste	Parks & Recreation	Disaster Recovery	Mass Transit	Total Capital Projects	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,627,877
31,733	-	-	-	-	31,733	31,733
-	-	-	-	-	-	65,665
-	-	-	-	-	-	1,780,025
4,019,289	75,000	2,551,522	282,072	-	6,927,883	105,430,933
-	-	82,481	-	-	82,481	9,189,930
-	-	-	-	-	42,302	183,997
-	-	-	-	-	-	-
-	546	-	-	-	546	2,725,230
<u>4,051,022</u>	<u>75,546</u>	<u>2,634,003</u>	<u>282,072</u>	<u>-</u>	<u>7,084,945</u>	<u>170,035,390</u>
5,245	-	-	-	76,564	3,979,008	7,799,126
-	-	-	-	-	-	19,205
-	-	-	-	-	-	40,432,177
-	-	-	-	-	-	4,394,953
-	4,135	-	-	-	4,135	10,135
-	-	-	-	-	-	13,372,738
-	-	-	-	-	-	5,137,214
-	-	616,539	-	-	616,539	3,137,069
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	14,652,664
-	-	-	-	-	-	13,911,541
<u>7,927,196</u>	<u>2,068,081</u>	<u>11,612,661</u>	<u>324</u>	<u>84,607</u>	<u>20,507,877</u>	<u>36,115,891</u>
<u>7,932,441</u>	<u>2,072,216</u>	<u>12,229,200</u>	<u>324</u>	<u>161,171</u>	<u>25,107,559</u>	<u>138,982,713</u>
<u>(3,881,419)</u>	<u>(1,996,670)</u>	<u>(9,595,197)</u>	<u>281,748</u>	<u>(161,171)</u>	<u>(18,022,614)</u>	<u>31,052,677</u>
7,496,353	2,113,955	9,059,427	-	2,764,404	21,434,139	38,375,471
(21,446)	-	-	-	-	(21,446)	(42,060,146)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,087,268
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,474,907</u>	<u>2,113,955</u>	<u>9,059,427</u>	<u>-</u>	<u>2,764,404</u>	<u>21,412,693</u>	<u>(2,597,407)</u>
3,593,488	117,285	(535,770)	281,748	2,603,233	3,390,079	28,455,270
<u>7,052,778</u>	<u>928,242</u>	<u>23,830,325</u>	<u>(1,054,131)</u>	<u>5,049,462</u>	<u>58,925,938</u>	<u>133,228,331</u>
<u>\$ 10,646,266</u>	<u>\$ 1,045,527</u>	<u>\$ 23,294,555</u>	<u>\$ (772,383)</u>	<u>\$ 7,652,695</u>	<u>\$ 62,316,017</u>	<u>\$ 161,683,601</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - OMNI CRA
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Property Taxes	\$ 9,500,000	\$ 9,189,626	\$ 9,603,189	\$ 413,563
Interest	-	-	61,580	61,580
Other	-	-	41,563	41,563
Total Revenues	<u>9,500,000</u>	<u>9,189,626</u>	<u>9,706,332</u>	<u>516,706</u>
Expenditures:				
Current Operating:				
Community Redevelopment Areas	44,427,424	38,358,422	6,657,533	31,700,889
Total Expenditures	<u>44,427,424</u>	<u>38,358,422</u>	<u>6,657,533</u>	<u>31,700,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,927,424)</u>	<u>(29,168,796)</u>	<u>3,048,799</u>	<u>32,217,595</u>
Other Financing Uses:				
Sales of Land	(620,000)	(600,000)	(5,253,781)	(4,653,781)
Transfers Out	-	-	1,087,268	1,087,268
Total Other Financing Uses	<u>(620,000)</u>	<u>(600,000)</u>	<u>(4,166,513)</u>	<u>(3,566,513)</u>
Net Change in Fund Balance	(35,547,424)	(29,768,796)	(1,117,714)	28,651,082
Fund Balance - Beginning of Year	35,547,424	29,768,796	29,768,796	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,651,082</u>	<u>\$ 28,651,082</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Midtown CRA
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 2,600,000	\$ 1,595,022	\$ 1,595,022	\$ -
Total Revenues	<u>2,600,000</u>	<u>1,595,022</u>	<u>1,595,022</u>	<u>-</u>
Expenditures:				
Current Operating:				
Community Redevelopment Areas	2,574,000	1,576,072	1,579,839	(3,767)
Total Expenditures	<u>2,574,000</u>	<u>1,576,072</u>	<u>1,579,839</u>	<u>(3,767)</u>
Excess of Revenues Over Expenditures	<u>26,000</u>	<u>18,950</u>	<u>15,183</u>	<u>(3,767)</u>
Other Financing Uses:				
Transfers Out	(26,000)	(18,950)	(15,183)	3,767
Total Other Financing Uses	<u>(26,000)</u>	<u>(18,950)</u>	<u>(15,183)</u>	<u>3,767</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SEOPW CRA
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property Taxes	\$ 11,020,000	\$ 12,311,376	\$ 11,711,376	\$ (600,000)
Intergovernmental Revenues	601,500	621,500	465,703	(155,797)
Charges for Services	-	-	19,638	19,638
Interest	-	-	47,672	47,672
Total Revenues	<u>11,621,500</u>	<u>12,932,876</u>	<u>12,244,389</u>	<u>(688,487)</u>
Expenditures:				
Current Operating:				
General Government	1,808,051	1,615,267	-	1,615,267
Community Redevelopment Areas	33,603,591	28,320,288	414,616	27,905,672
Capital Outlay	-	-	533,779	(533,779)
Total Expenditures	<u>35,411,642</u>	<u>29,935,555</u>	<u>948,395</u>	<u>28,987,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,790,142)</u>	<u>(17,002,679)</u>	<u>11,295,994</u>	<u>28,298,673</u>
Other Financing Sources (Uses):				
Transfers In	-	-	415,183	415,183
Transfers Out	(423,479)	(1,136,854)	(5,837,555)	(4,700,701)
Total Other Financing Sources (Uses)	<u>(423,479)</u>	<u>(1,136,854)</u>	<u>(5,422,372)</u>	<u>(4,285,518)</u>
Net Change in Fund Balance	(24,213,621)	(18,139,533)	5,873,622	24,013,155
Fund Balance - Beginning of Year	24,213,621	18,139,533	18,672,205	532,672
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,545,827</u>	<u>\$ 24,545,827</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Homeless Program
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 1,184,100	\$ 1,250,966	\$ 66,866
Total Revenues	<u>-</u>	<u>1,184,100</u>	<u>1,250,966</u>	<u>66,866</u>
Expenditures:				
Current Operating:				
Community Development	196,824	1,380,900	1,380,851	49
Total Expenditures	<u>196,824</u>	<u>1,380,900</u>	<u>1,380,851</u>	<u>49</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(196,824)</u>	<u>(196,800)</u>	<u>(129,885)</u>	<u>66,915</u>
Other Financing Sources:				
Transfers In	196,824	196,800	196,824	24
Total Other Financing Sources	<u>196,824</u>	<u>196,800</u>	<u>196,824</u>	<u>24</u>
Net Change in Fund Balance	-	-	66,939	66,939
Fund Balance (Deficit) - Beginning of Year	-	-	(91,413)	(91,413)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,474)</u>	<u>\$ (24,474)</u>

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Community Development Fund
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ -	\$ 40,600,300	\$ 38,537,492	\$ (2,062,808)
Charges for Services	-	-	44,130	44,130
Interest	-	1,000	2,528	1,528
Other	-	873,200	1,146,218	273,018
Total Revenues	-	41,474,500	39,730,368	(1,744,132)
Expenditures:				
Current Operating:				
Community Development	-	38,563,300	36,214,788	2,348,512
Debt Service:				
Principal	-	195,000	195,000	-
Interest and Other Charges	-	9,800	-	9,800
Capital Outlay	-	455,900	1,275,308	(819,408)
Total Expenditures	-	39,224,000	37,685,096	1,538,904
Excess (Deficiency) of Revenues Over Expenditures	-	2,250,500	2,045,272	(205,228)
Other Financing Sources (Uses):				
Transfers In	-	-	92,500	92,500
Transfers Out	-	(2,250,500)	(2,805,181)	(554,681)
Total Other Financing Sources (Uses)	-	(2,250,500)	(2,712,681)	(462,181)
Net Change in Fund Balance	-	-	(667,409)	(667,409)
Fund Balance - Beginning of Year	-	-	10,283,730	10,283,730
Fund Balance - End of Year	\$ -	\$ -	\$ 9,616,321	\$ 9,616,321

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Choice Housing Vouchers
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ 1,995,900	\$ 1,730,125	\$ (265,775)
Other	-		4,538	4,538
Total Revenues	<u>-</u>	<u>1,995,900</u>	<u>1,734,663</u>	<u>(261,237)</u>
Expenditures:				
Current Operating:				
Community Development	-	1,980,900	1,930,404	50,496
Total Expenditures	<u>-</u>	<u>1,980,900</u>	<u>1,930,404</u>	<u>50,496</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>15,000</u>	<u>(195,741)</u>	<u>(210,741)</u>
Other Financing Sources (Uses):				
Transfers Out	-	(15,000)	(12,610)	2,390
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,000)</u>	<u>(12,610)</u>	<u>2,390</u>
Net Change in Fund Balance	-	-	(208,351)	(208,351)
Fund Balance - Beginning of Year	-	-	1,145,430	1,145,430
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 937,079</u>	<u>\$ 937,079</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SHIP
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ 898,200	\$ 920,781	\$ 22,581
Interest	-	1,100	1,065	(35)
Other	-	13,200	13,190	(10)
Total Revenues	<u>-</u>	<u>912,500</u>	<u>935,036</u>	<u>22,536</u>
Expenditures:				
Current Operating:				
Community Development	-	906,200	906,134	66
Total Expenditures	<u>-</u>	<u>906,200</u>	<u>906,134</u>	<u>66</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>6,300</u>	<u>28,902</u>	<u>22,602</u>
Other Financing Sources (Uses):				
Transfers Out	-	(6,300)	(6,349)	(49)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,300)</u>	<u>(6,349)</u>	<u>(49)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>22,553</u>	<u>22,553</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>349,381</u>	<u>349,381</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,934</u>	<u>\$ 371,934</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Convention Center
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	\$ -		\$ 28,938	\$ 28,938
Charges for Services	4,650,715	4,845,300	6,960,127	2,114,827
Interest	-	2,000	-	(2,000)
Other	2,157,882	2,563,700	830	(2,562,870)
Total Revenues	<u>6,808,597</u>	<u>7,411,000</u>	<u>6,989,895</u>	<u>(421,105)</u>
Expenditures:				
Current Operating:				
Public Facilities	4,364,762	4,255,600	3,926,473	329,127
Total Expenditures	<u>4,364,762</u>	<u>4,255,600</u>	<u>3,926,473</u>	<u>329,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,443,835</u>	<u>3,155,400</u>	<u>3,063,422</u>	<u>(91,978)</u>
Other Financing Sources (Uses):				
Transfers In	3,452,833	3,452,800	4,051,724	598,924
Transfers Out	(5,896,668)	(6,608,200)	(6,331,912)	276,288
Total Other Financing Sources (Uses)	<u>(2,443,835)</u>	<u>(3,155,400)</u>	<u>(2,280,188)</u>	<u>875,212</u>
Net Change in Fund Balance	-	-	783,234	783,234
Fund Balance (Deficit)- Beginning of Year	-	-	(627,099)	(627,099)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,135</u>	<u>\$ 156,135</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Economic Development & Planning Services
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Licenses and Permits	\$ -	\$ -	\$ 4,500	\$ 4,500
Charges for Services	-	-	35,016	35,016
Other	-	2,597,600	-	(2,597,600)
Total Revenues	<u>-</u>	<u>2,597,600</u>	<u>39,516</u>	<u>(2,558,084)</u>
Expenditures:				
Current Operating:				
Planning and Development	74,000	2,071,600	19,205	2,052,395
Total Expenditures	<u>74,000</u>	<u>2,071,600</u>	<u>19,205</u>	<u>2,052,395</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(74,000)</u>	<u>526,000</u>	<u>20,311</u>	<u>(505,689)</u>
Other Financing Sources:				
Transfers In	74,000	74,000	74,000	-
Transfers Out	-	(600,000)	(600,000)	-
Total Other Financing Sources	<u>74,000</u>	<u>(526,000)</u>	<u>(526,000)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(505,689)	(505,689)
Fund Balance - Beginning of Year	-	-	8,201,403	8,201,403
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,695,714</u>	<u>\$ 7,695,714</u>

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Fire Rescue Services Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ 7,011,700	\$ 12,752,866	\$ 5,741,166
Charges for Services	-	6,100	6,084	(16)
Interest	-	200	149	(51)
Other	-	7,600	7,637	37
Total Revenues	<u>-</u>	<u>7,025,600</u>	<u>12,766,736</u>	<u>5,741,136</u>
Expenditures:				
Current Operating:				
Public Safety	-	5,274,500	5,274,521	(21)
Capital Outlay	-	2,051,100	2,051,083	17
Total Expenditures	<u>-</u>	<u>7,325,600</u>	<u>7,325,604</u>	<u>(4)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(300,000)</u>	<u>5,441,132</u>	<u>5,741,132</u>
Other Financing Sources:				
Transfers In	-	300,000	300,000	-
Total Other Financing Sources	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	5,741,132	5,741,132
Fund Balance (Deficit) - Beginning of Year	-	-	(6,393,283)	(6,393,283)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (652,151)</u>	<u>\$ (652,151)</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - NET Offices Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ -	\$ 79,328	\$ 79,328
Charges for Services	-	-	193,719	193,719
Interest	-	-	2,113	2,113
Other	-	777,600	20	(777,580)
Total Revenues	<u>-</u>	<u>777,600</u>	<u>275,180</u>	<u>(502,420)</u>
Expenditures:				
Current Operating:				
General Government	-	767,600	32,839	734,761
Capital Outlay	-	-	10,740	(10,740)
Total Expenditures	<u>-</u>	<u>767,600</u>	<u>43,579</u>	<u>724,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>10,000</u>	<u>231,601</u>	<u>221,601</u>
Other Financing Sources (Uses):				
Transfers Out	-	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>221,601</u>	<u>221,601</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,358,154</u>	<u>1,358,154</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,579,755</u>	<u>\$ 1,579,755</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Parks & Recreation Services Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenue:				
Licenses and Permits	\$ -	\$ 61,200	\$ 61,165	\$ (35)
Intergovernmental Revenues	-	1,273,900	1,273,914	14
Charges for Services	-	1,498,500	414,789	(1,083,711)
Interest	-	200	202	2
Other	900,000	205,100	608,696	403,596
Total Revenues	<u>900,000</u>	<u>3,038,900</u>	<u>2,358,766</u>	<u>(680,134)</u>
Expenditures:				
Current Operating:				
Parks and Recreation	900,000	3,000,400	2,134,294	866,106
Capital Outlay	-	39,900	39,824	76
Total Expenditures	<u>900,000</u>	<u>3,040,300</u>	<u>2,174,118</u>	<u>866,182</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(1,400)</u>	<u>184,648</u>	<u>186,048</u>
Other Financing Sources (Uses):				
Transfers In	-	1,400	1,420	20
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,400</u>	<u>1,420</u>	<u>20</u>
Net Change in Fund Balance	-	-	186,068	186,068
Fund Balance - Beginning of Year	-	-	2,451,992	2,451,992
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,638,060</u>	<u>\$ 2,638,060</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Police Services Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ 3,466,900	\$ 6,879,465	\$ 3,412,565
Charges for Services	-	1,461,000	450,875	(1,010,125)
Interest	-	-	16,840	16,840
Other	-	5,728,500	-	(5,728,500)
Total Revenues	<u>-</u>	<u>10,656,400</u>	<u>7,347,180</u>	<u>(3,309,220)</u>
Expenditures:				
Current Operating:				
Public Safety	-	9,476,900	7,008,557	2,468,343
Capital Outlay	-	931,900	469,337	462,563
Total Expenditures	<u>-</u>	<u>10,408,800</u>	<u>7,477,894</u>	<u>2,930,906</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>247,600</u>	<u>(130,714)</u>	<u>(378,314)</u>
Other Financing Sources:				
Transfers In	-	569,100	2,065,502	1,496,402
Transfers Out	-	(816,700)	(816,699)	1
Total Other Financing Sources	<u>-</u>	<u>(247,600)</u>	<u>1,248,803</u>	<u>1,496,403</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>1,118,089</u>	<u>1,118,089</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,832,948</u>	<u>6,832,948</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,951,037</u>	<u>\$ 7,951,037</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Law Enforcement Trust Fund
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 1,751,087	\$ 1,751,087
Interest	-	-	2,841	2,841
Other	-	1,577,000	-	(1,577,000)
Total Revenues	<u>-</u>	<u>1,577,000</u>	<u>1,753,928</u>	<u>176,928</u>
Expenditures:				
Current Operating:				
Public Safety	-	1,266,100	869,318	396,782
Capital Outlay	-	310,900	175,354	135,546
Total Expenditures	<u>-</u>	<u>1,577,000</u>	<u>1,044,672</u>	<u>532,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>709,256</u>	<u>709,256</u>
Net Change in Fund Balance	-	-	709,256	709,256
Fund Balance - Beginning of Year	-	-	3,123,218	3,123,218
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,832,474</u>	<u>\$ 3,832,474</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Public Works Services Fund
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services			\$ 286,757	\$ 286,757
Interest			6,379	6,379
Other		1,110,500	-	(1,110,500)
Total Revenues	-	1,110,500	293,136	(817,364)
Expenditures:				
Current Operating:				
Public Works		1,110,500	6,000	1,104,500
Total Expenditures	-	1,110,500	6,000	1,104,500
Excess (Deficiency) of Revenues Over Expenditures	-	-	287,136	287,136
Other Financing Sources:				
Transfers In	-	-	144,153	144,153
Total Other Financing Sources	-	-	144,153	144,153
Net Change in Fund Balance	-	-	431,289	431,289
Fund Balance - Beginning of Year	-	-	2,221,697	2,221,697
Fund Balance - End of Year	\$ -	\$ -	\$ 2,652,986	\$ 2,652,986

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - City Clerk Services Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Charges for Services	\$ -	\$ 70,000	\$ 99,651	\$ 29,651
Other	-	242,400	-	(242,400)
Total Revenues	<u>-</u>	<u>312,400</u>	<u>99,651</u>	<u>(212,749)</u>
Expenditures:				
Current Operating:				
General Government	-	347,400	149,928	197,472
Total Expenditures	<u>-</u>	<u>347,400</u>	<u>149,928</u>	<u>197,472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(35,000)</u>	<u>(50,277)</u>	<u>(15,277)</u>
Other Financing Sources:				
Transfers In	-	35,000	35,000	-
Total Other Financing Sources	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(15,277)</u>	<u>(15,277)</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>474,911</u>	<u>474,911</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,634</u>	<u>\$ 459,634</u>

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Emergency Services
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ -	\$ 10,953,165	\$ 10,953,165
Total Revenues	<u>-</u>	<u>-</u>	<u>10,953,165</u>	<u>10,953,165</u>
Expenditures:				
Current Operating:				
Public Safety	-	-	220,342	(220,342)
Capital Outlay	-	-	12,385	(12,385)
Total Expenditures	<u>-</u>	<u>-</u>	<u>232,727</u>	<u>(232,727)</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>10,720,438</u>	<u>10,720,438</u>
Other Financing Sources (Uses):				
Transfers Out	-	-	(2,000,000)	(2,000,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Net Change in Fund Balance	-	-	8,720,438	8,720,438
Fund Balance (Deficit) - Beginning of Year	-	-	(8,101,960)	(8,101,960)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 618,478</u>	<u>\$ 618,478</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - General Special Revenue
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Franchise Fees and Other Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	7,853,300	7,596,693	(256,607)
Total Revenues	<u>-</u>	<u>7,853,300</u>	<u>7,596,693</u>	<u>(256,607)</u>
Expenditures:				
Current Operating:				
General Government	-	921,400	1,542,157	(620,757)
Capital Outlay	-	6,931,900	6,182,429	749,471
Total Expenditures	<u>-</u>	<u>7,853,300</u>	<u>7,724,586</u>	<u>128,714</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(127,893)</u>	<u>(127,893)</u>
Other Financing Sources (Uses):				
Transfers In	9,506,250	9,506,300	9,506,251	(49)
Transfers Out	(9,506,250)	(9,506,300)	(9,506,251)	49
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(127,893)	(127,893)
Fund Balance (Deficit) - Beginning of Year	-	-	(917,451)	(917,451)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,045,344)</u>	<u>\$ (1,045,344)</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Departmental Improvement Initiatives Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ 1,302,400	\$ 1,535,067	\$ 232,667
Other	-	-	1,900	1,900
Total Revenues	<u>-</u>	<u>1,302,400</u>	<u>1,536,967</u>	<u>234,567</u>
Expenditures:				
Current Operating:				
General Government	-	1,312,400	1,312,061	339
Capital Outlay	-	-	351	(351)
Total Expenditures	<u>-</u>	<u>1,312,400</u>	<u>1,312,412</u>	<u>(12)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(10,000)</u>	<u>224,555</u>	<u>234,555</u>
Other Financing Sources (Uses):				
Transfers In	-	10,000	10,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>234,555</u>	<u>234,555</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,216,139</u>	<u>1,216,139</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,450,694</u>	<u>\$ 1,450,694</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Transportation & Transit Fund
For The Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 11,365,627	\$ 11,365,600	\$ 13,038,990	\$ 1,673,390
Total Revenues	<u>11,365,627</u>	<u>11,365,600</u>	<u>13,038,990</u>	<u>1,673,390</u>
Expenditures:				
Current Operating:				
General Government	2,904,027	2,904,000	783,133	2,120,867
Total Expenditures	<u>2,904,027</u>	<u>2,904,000</u>	<u>783,133</u>	<u>2,120,867</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,461,600</u>	<u>8,461,600</u>	<u>12,255,857</u>	<u>3,794,257</u>
Other Financing Sources (Uses):				
Transfers Out	(8,461,600)	(8,461,600)	(8,843,179)	(381,579)
Total Other Financing Sources (Uses)	<u>(8,461,600)</u>	<u>(8,461,600)</u>	<u>(8,843,179)</u>	<u>(381,579)</u>
Net Change in Fund Balance	-	-	3,412,678	3,412,678
Fund Balance - Beginning of Year	-	-	2,914,785	2,914,785
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,327,463</u>	<u>\$ 6,327,463</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Liberty City Revitalization Trust
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Interest	\$ -	\$ -	\$ 311	\$ 311
Other	-	-	163,275	163,275
Total Revenues	<u>-</u>	<u>-</u>	<u>163,586</u>	<u>163,586</u>
Expenditures:				
Current Operating:				
Community Redevelopment Areas	-	-	165,413	(165,413)
Total Expenditures	<u>-</u>	<u>-</u>	<u>165,413</u>	<u>(165,413)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1,827)</u>	<u>(1,827)</u>
Net Change in Fund Balance	-	-	(1,827)	(1,827)
Fund Balance - Beginning of Year	475,287	475,287	475,286	(1)
Fund Balance - End of Year	<u>\$ 475,287</u>	<u>\$ 475,287</u>	<u>\$ 473,459</u>	<u>\$ (1,828)</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Virginia Key Beach Trust
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ -	\$ 25,626	\$ 25,626
Charges for Services	285,000	285,000	197,565	(87,435)
Other	-	-	67,512	67,512
Total Revenues	<u>285,000</u>	<u>285,000</u>	<u>290,703</u>	<u>5,703</u>
Expenditures:				
Current Operating:				
Parks and Recreation	391,307	391,307	386,236	5,071
Total Expenditures	<u>391,307</u>	<u>391,307</u>	<u>386,236</u>	<u>5,071</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(106,307)</u>	<u>(106,307)</u>	<u>(95,533)</u>	<u>10,774</u>
Net Change in Fund Balance	(106,307)	(106,307)	(95,533)	10,774
Fund Balance - Beginning of Year	106,307	106,307	108,165	1,858
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,632</u>	<u>\$ 12,632</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Gusman and Olympia Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 205,000	\$ 205,000	\$ 746,018	\$ 541,018
Charges for Services	823,000	823,000	382,901	(440,099)
Other	-	-	422,338	422,338
Total Revenues	<u>1,028,000</u>	<u>1,028,000</u>	<u>1,551,257</u>	<u>523,257</u>
Expenditures:				
Current Operating:				
Public Facilities	1,174,360	1,174,360	1,210,741	(36,381)
Capital Outlay			434,976	(434,976)
Total Expenditures	<u>1,174,360</u>	<u>1,174,360</u>	<u>1,645,717</u>	<u>(471,357)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(146,360)</u>	<u>(146,360)</u>	<u>(94,460)</u>	<u>51,900</u>
Other Financing Sources:				
Transfers In	146,360	146,360	-	(146,360)
Total Other Financing Sources	<u>146,360</u>	<u>146,360</u>	<u>-</u>	<u>(146,360)</u>
Net Change in Fund Balance	-	-	(94,460)	(94,460)
Fund Balance - Beginning of Year	-	-	94,460	94,460
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - General Obligation Bonds Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues:				
Property Taxes	\$ 28,999,600	\$ 28,999,600	\$ 28,131,853	\$ (867,747)
Intergovernmental Revenues			3,288	3,288
Charges for Services	-	-	16,197	16,197
Interest	-	-	15	15
Other	-	-	246,967	246,967
Total Revenues	<u>28,999,600</u>	<u>28,999,600</u>	<u>28,398,320</u>	<u>(601,280)</u>
Expenditures:				
Debt Service:				
Principal	14,761,900	14,761,900	14,237,664	524,236
Interest and Other Charges	<u>14,237,700</u>	<u>14,237,700</u>	<u>13,782,766</u>	<u>454,934</u>
Total Expenditures	<u>28,999,600</u>	<u>28,999,600</u>	<u>28,020,430</u>	<u>979,170</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>377,890</u>	<u>377,890</u>
Net Change in Fund Balance	-	-	377,890	377,890
Fund Balance (Deficit) - Beginning of Year	-	-	(41,370)	(41,370)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,520</u>	<u>\$ 336,520</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SEOPW CRA Other Special Obligation Bonds Fund
For The Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ -	\$ 300,000	\$ 300,000
Total Revenues	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Expenditures:				
Debt Service:				
Principal	220,000	220,000	220,000	-
Interest and Other Charges	131,300	131,300	128,775	2,525
Total Expenditures	<u>351,300</u>	<u>351,300</u>	<u>348,775</u>	<u>2,525</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(351,300)</u>	<u>(351,300)</u>	<u>(48,775)</u>	<u>302,525</u>
Other Financing Sources:				
Transfers In	351,300	351,300	48,775	(302,525)
Total Other Financing Sources:	<u>351,300</u>	<u>351,300</u>	<u>48,775</u>	<u>(302,525)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	782,269	782,269
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 782,269</u>	<u>\$ 782,269</u>



FIDUCIARY FUNDS

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

Firefighters and Police Officers (FIPO) – This Pension Trust Fund is used to account for the accumulation of resources to be used for retirement benefits to Police and Firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

General Employees and Sanitation Employees (GESE) – These Pension Trust Funds are used to account for the three separate GESE Plans (GESE Members, Excess Plan and Staff Plan). The funds are used to account for the accumulation of resources to be used for retirement benefits to City employees, other than police and firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

City of Miami Elected Officers' Retirement Trust (EORT) – 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, 2011

	Employee Retirement Funds				Totals	
	Firefighters and Police (FIPO)	General and Sanitation Employees (GESE)	General and Sanitation Employees (GESE Excess Plan)	General and Sanitation Employees (GESE Staff Plan)	Elected Officers' Retirement Trust (EORT)	Employee Retirement Funds
Assets						
Cash and Short-Term Investments	\$ 68,533,441	\$ 868,824	\$ 31,809	\$ 23,710	\$ -	\$ 69,457,784
Accounts Receivable	9,529,526	8,780,434	20,012	-	-	18,329,972
Capital Assets	2,042,638	2,243,283	-	-	-	4,285,921
Prepaid Assets	-	-	-	-	-	-
	<u>80,105,605</u>	<u>11,892,541</u>	<u>51,821</u>	<u>23,710</u>	<u>-</u>	<u>92,073,677</u>
Investments						
U.S. Government Obligations	204,032,105	83,039,488	-	-	-	287,071,593
Corporate Bonds	270,479,451	66,351,963	-	865,305	-	337,696,719
Corporate Stocks	414,939,501	312,970,506	-	1,161,362	-	729,071,369
Money Market Funds and Commercial Paper	-	23,246,806	-	-	5,354,803	28,601,609
International Equity	192,716,086	-	-	-	-	192,716,086
Mutual Funds	125,863,217	-	-	-	-	125,863,217
Real Estate	103,587,826	25,874,227	-	-	-	129,462,053
Private Equity	41,208,816	-	-	-	-	41,208,816
Total Investments	<u>1,352,827,002</u>	<u>511,482,990</u>	<u>-</u>	<u>2,026,667</u>	<u>5,354,803</u>	<u>1,871,691,462</u>
Securities Lending Collateral	233,290,589	-	-	-	-	233,290,589
Total Assets	<u>1,666,223,196</u>	<u>523,375,531</u>	<u>51,821</u>	<u>2,050,377</u>	<u>5,354,803</u>	<u>2,197,055,728</u>
Liabilities						
Obligations Under Security Lending	233,290,589	-	-	-	-	233,290,589
Accounts Payable	373,907	762,676	51,821	-	-	1,188,404
Accrued Liabilities	125,863,217	3,769	-	-	-	125,866,986
Payable for Securities Purchased	9,526,212	4,515,727	-	-	-	14,041,939
Total Liabilities	<u>369,053,925</u>	<u>5,282,172</u>	<u>51,821</u>	<u>-</u>	<u>-</u>	<u>374,387,918</u>
Net Assets						
Held in Trust for Pension Benefits	<u>\$ 1,297,169,271</u>	<u>\$ 518,093,359</u>	<u>\$ -</u>	<u>\$ 2,050,377</u>	<u>\$ 5,354,803</u>	<u>\$ 1,822,667,810</u>

City of Miami, Florida
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2011

	Employee Retirement Funds					Totals
	Firefighters and Police (FIPO)	General and Sanitation Employees (GESE)	General and Sanitation Employees (GESE Excess Plan)	General and Sanitation Employees (GESE Staff Plan)	Elected Officers' Retirement Trust (EORT)	Employee Retirement Funds
Additions						
Contributions:						
Employer	\$ 44,978,983	\$ 20,420,995	\$ 406,243	\$ 164,490	\$ 432,170	\$ 66,402,881
Plan Members	7,137,824	9,183,073	-	80,337	-	16,401,234
Total Contributions	<u>52,116,807</u>	<u>29,604,068</u>	<u>406,243</u>	<u>244,827</u>	<u>432,170</u>	<u>82,804,115</u>
Investment Earnings:						
Net Increase (Decrease) in Fair Value of Investments	13,287,606	(11,928)	-	(31,517)	-	13,244,161
Interest	25,975,786	6,693,297	-	-	12,450	32,681,533
Dividends	11,831,112	4,838,173	-	52,532	-	16,721,817
Other	291,803	140,854	-	-	-	432,657
Total Investment Earnings	<u>51,386,307</u>	<u>11,660,396</u>	<u>-</u>	<u>21,015</u>	<u>12,450</u>	<u>63,080,168</u>
Less Investment Expenses	5,395,181	2,207,877	-	-	-	7,603,058
Net Investment Earnings	<u>45,991,126</u>	<u>9,452,519</u>	<u>-</u>	<u>21,015</u>	<u>12,450</u>	<u>55,477,110</u>
Security Lending Activities:						
Security Lending Income	725,231	-	-	-	-	725,231
Security Lending Fees and Rebates	(181,163)	-	-	-	-	(181,163)
Unrealized Gain	-	-	-	-	-	-
Net Income From Security Lending Activities	<u>544,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>544,068</u>
Reimbursement Income from City	-	3,078,382	106,450	-	-	3,184,832
Total	<u>98,652,001</u>	<u>42,134,969</u>	<u>512,693</u>	<u>265,842</u>	<u>444,620</u>	<u>142,010,125</u>
Deductions						
Benefits/Payments	123,313,080	72,737,854	409,709	12,772	263,535	196,736,950
Refunds upon Resignation, Death, etc.	273,559	1,928,705	-	20,009	-	2,222,273
Distribution to Retirees	17,363,841	-	-	-	-	17,363,841
Administrative and Other Expenses	42,725	3,172,569	102,984	-	-	3,318,278
Total	<u>140,993,205</u>	<u>77,839,128</u>	<u>512,693</u>	<u>32,781</u>	<u>263,535</u>	<u>219,641,342</u>
Change in Net Assets	<u>(42,341,204)</u>	<u>(35,704,159)</u>	<u>-</u>	<u>233,061</u>	<u>181,085</u>	<u>(77,631,217)</u>
Net Assets - Beginning of Year	<u>1,339,510,475</u>	<u>553,797,518</u>	<u>-</u>	<u>1,817,316</u>	<u>5,173,718</u>	<u>1,900,299,027</u>
Net Assets - End of Year	<u>\$ 1,297,169,271</u>	<u>\$ 518,093,359</u>	<u>\$ -</u>	<u>\$ 2,050,377</u>	<u>\$ 5,354,803</u>	<u>\$ 1,822,667,810</u>

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STATISTICAL SECTION

This part of the City of Miami, Florida's comprehensive annual financial report presents detailed

<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>	138
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	143
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>	148
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>	153
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>	156

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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Government										
Invested in Capital Assets, Net of Related Debt	\$598,154,380	\$618,784,135	\$586,493,178	\$608,958,407	\$640,931,069	\$730,272,844	\$773,959,639	\$791,005,790	\$752,506,507	\$693,247,304
Restricted	115,031,965	114,327,395	149,143,544	153,641,905	188,895,278	102,602,464	147,706,831	77,576,635	88,296,965	95,873,418
Unrestricted (Deficit)	(16,932,986)	(35,234,348)	(64,134,990)	(82,047,220)	(98,069,477)	(93,712,582)	(211,485,639)	(242,954,199)	(306,024,093)	(341,277,310)
Total Primary Government Net Assets	\$ 696,253,359	\$ 697,877,182	\$ 671,501,732	\$ 680,553,092	\$ 731,756,870	\$ 739,162,726	\$ 710,180,831	\$ 625,628,226	\$ 534,779,379	\$ 447,843,412

Notes:

(1) The City does not have any business-type activities for financial reporting purposes.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental Activities:										
General Government	\$ 94,349,348	\$ 85,176,588	\$ 85,252,892	\$ 78,336,822	\$ 85,315,437	\$ 121,694,219	\$ 140,680,932	\$ 155,197,585	\$ 152,726,749	\$ 164,006,228
Planning and Development	13,289,988	13,579,968	13,148,696	16,259,651	16,911,621	16,923,477	16,217,858	15,465,304	12,019,294	10,801,128
Community Development	47,186,103	32,088,517	40,349,703	55,264,647	41,054,245	35,486,773	42,029,139	37,126,171	39,654,938	40,851,610
Community Redevelopment Areas	6,125,242	6,477,916	4,618,714	4,968,422	6,331,328	7,011,132	13,904,297	20,565,676	29,288,203	4,695,820
Public Works	53,950,238	60,708,046	49,498,193	70,987,541	65,958,181	75,073,321	72,572,813	72,003,282	69,969,816	65,000,107
Public Safety	200,727,361	226,580,865	282,427,868	325,533,600	347,976,631	343,470,082	370,007,019	375,402,446	371,351,024	333,431,248
Public Facilities	9,832,601	10,561,373	17,458,726	12,949,751	14,917,431	16,691,365	15,354,423	13,179,074	16,848,482	11,242,062
Parks and Recreation	19,550,960	20,152,074	44,275,606	24,293,055	25,718,056	39,893,208	39,550,244	43,440,769	39,775,607	39,222,959
Interest on Long-Term Debt	17,252,301	19,489,387	23,235,705	22,201,669	21,560,094	23,859,254	27,206,895	36,091,032	27,532,637	43,336,330
Contribution to Port Tunnel	-	-	-	-	-	-	-	-	-	50,000,000
Unallocated Depreciation	25,765,566	25,765,567	26,147,570	26,147,088	26,690,642	29,548,332	-	-	-	-
Total Primary Government Expenses	488,029,708	500,580,301	586,413,673	636,942,246	652,433,666	709,651,163	737,523,620	768,471,339	759,166,750	763,191,492
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	25,145,862	38,112,181	48,955,278	41,774,235	51,161,759	33,403,595	40,062,337	35,586,957	38,703,437	48,813,671
Planning and Development	16,639,268	12,192,540	14,352,919	23,964,447	22,799,725	24,558,217	13,076,692	9,611,336	9,719,151	13,124,742
Community Development	3,121,251	2,058,660	2,069,068	777,291	4,053,520	2,301,538	702,888	-	154,505	1,584,506
Community Redevelopment Areas	2,848,509	310,182	220,517	45,163	214,142	1,414,979	1,140,923	1,064,942	1,274,758	224,476
Public Works	45,174,858	39,697,353	42,608,182	47,278,720	51,888,525	46,587,956	48,488,699	47,792,238	46,479,565	49,349,451
Public Safety	46,840,040	48,061,754	48,507,121	47,488,375	39,193,653	22,952,364	16,577,772	17,785,328	22,152,448	15,996,730
Public Facilities	13,605,750	16,273,110	16,736,649	22,792,948	25,137,318	6,558,800	16,660,099	15,458,604	14,636,371	18,243,535
Parks and Recreation	2,416,563	2,446,385	3,308,314	1,901,403	2,406,099	3,488,492	4,106,702	4,827,158	6,247,234	6,223,804
Operating Grants and Contributions	51,137,825	34,441,899	42,967,708	59,414,862	34,889,443	71,070,882	63,179,016	64,645,980	73,139,270	94,339,110
Capital Grants and Contributions	23,053,287	9,646,560	19,952,074	38,161,382	72,067,622	69,140,730	54,174,136	33,964,265	27,113,487	21,824,134
Total Primary Government Program Revenues	229,983,213	203,240,624	239,677,830	283,598,826	303,811,806	281,477,553	258,169,264	230,736,808	239,620,226	269,724,159
Net (Expense)/Revenue										
Total Primary Government Net Expense	\$ (258,046,495)	\$ (297,339,677)	\$ (346,735,843)	\$ (353,343,420)	\$ (348,621,860)	\$ (428,173,610)	\$ (479,354,356)	\$ (537,734,531)	\$ (519,546,524)	\$ (493,467,333)
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	\$ 191,640,650	\$ 226,508,118	\$ 275,012,727	\$ 269,785,445	\$ 283,516,182	\$ 264,548,387	\$ 233,193,302
Property Taxes, Levied for Debt Service	17,981,523	19,941,880	19,932,162	20,368,722	19,966,467	19,886,776	21,327,853	21,377,549	22,662,573	28,131,853
Franchise Taxes	28,390,470	31,556,387	35,024,215	35,918,724	41,342,214	42,257,282	42,298,452	42,823,572	43,120,713	44,881,126
State Revenue Sharing - Unrestricted	15,359,613	9,104,046	10,351,506	12,581,352	12,947,019	13,073,886	12,187,197	22,566,791	10,516,183	11,429,920
Sales and Other Use Tax	21,285,227	22,721,472	22,279,656	23,422,160	25,800,341	25,505,412	24,860,795	10,791,455	22,665,743	25,987,633
Public Service Taxes	58,314,804	58,900,480	60,025,832	61,114,292	57,991,178	58,099,069	62,257,072	64,010,537	61,966,455	59,426,883
Investment Earnings - Unrestricted	10,645,639	8,833,535	5,618,813	5,866,114	14,477,950	23,837,450	17,655,647	7,718,282	3,217,623	2,393,381
Gain (Loss) on Disposal of Capital Assets	-	-	-	(3,387,124)	-	1,502,044	-	-	-	-
Other	4,035,765	1,077,289	4,072,796	1,891,124	768,767	-	-	377,558	-	1,087,268
Special Item - Impairment Loss on Capital Assets	-	-	-	-	-	(23,595,180)	-	-	-	-
Total Primary Government	289,646,118	298,963,500	320,361,393	349,416,014	399,802,054	435,579,466	450,372,461	453,181,926	428,697,677	406,531,366
Change in Net Assets										
Total Primary Government	\$ 31,599,623	\$ 1,623,823	\$ (26,374,450)	\$ (3,927,406)	\$ 51,180,194	\$ 7,405,856	\$ (28,981,895)	\$ (84,552,605)	\$ (90,848,847)	\$ (86,935,967)

Notes:

(1) The City does not have any business-type activities for financial reporting purposes.

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

Fiscal Year	Ad Valorem Taxes General Purpose	Ad Valorem Taxes Debt Service	Franchise Taxes	Sales and Other Use Taxes	Communication Service Taxes	Total
2007	\$ 275,012,727	\$ 19,886,776	\$ 42,257,282	\$ 25,505,412	\$ 58,099,069	\$ 420,761,266
2008	269,785,445	21,327,853	42,298,452	24,860,795	62,257,072	420,529,617
2009	283,516,182	21,377,549	42,823,572	22,566,791	64,010,537	434,294,631
2010	264,548,387	22,662,573	43,120,713	22,665,743	61,966,455	414,963,871
2011	233,193,302	28,131,853	44,881,126	25,987,633	59,426,883	391,620,797

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 FIVE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2011</u>	(1)
Fund Balances (Deficit):			
Non-Spendable Fund Balance			
Non Spendable	\$ 3,807,847	\$ 4,897,155	
Spendable Fund Balance			
Restricted	444,801,965	382,133,684	
Committed	20,740,827	18,349,332	
Assigned	16,230,193	18,908,221	
Unassigned	(19,468,939)	(4,978,082)	
Total Fund Balances (Deficit)	<u>\$ 466,111,893</u>	<u>\$ 419,310,310</u>	

Notes:

- (1) Data not available prior to fiscal 2010 implementation of Governmental Accounting Standards Board Statement No. 54, *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 FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011
Revenues					
Property Taxes	\$ 294,251,152	\$ 291,113,299	\$ 304,893,731	\$ 287,210,960	\$ 261,325,154
Franchise and Other Taxes	100,356,351	104,555,524	106,834,109	105,089,565	104,309,077
Licenses and Permits	32,848,055	29,844,868	26,105,211	25,348,038	34,030,742
Fines and Forfeitures	7,541,812	6,977,788	7,441,420	5,207,735	6,453,984
Intergovernmental Revenues	150,040,391	157,268,610	141,254,258	153,415,564	170,755,377
Charges for Services	89,589,154	86,386,721	85,926,635	88,420,225	94,710,889
Interest	23,837,450	17,655,770	7,718,282	3,217,854	2,393,382
Impact Fees	4,017,110	4,679,000	332,175	12,089	1,355,126
Other	9,369,810	10,102,809	10,757,077	9,105,815	10,102,466
Total Revenues	711,851,285	708,584,389	691,262,898	677,027,845	685,436,197
Expenditures					
General Government	57,669,544	77,127,072	78,888,172	68,278,497	67,930,182
Planning and Development	11,862,685	11,236,136	11,349,570	9,340,192	8,328,270
Community Development	35,325,497	41,036,697	36,413,108	39,157,777	40,432,177
Community Redevelopment Areas	5,314,468	15,946,941	20,144,229	29,084,137	4,394,953
Public Works	56,484,364	55,068,379	55,172,871	51,337,220	46,644,162
Public Safety	256,691,572	265,497,659	266,284,837	249,748,875	218,697,938
Public Facilities	13,455,945	13,019,718	11,660,410	12,555,541	9,802,765
Parks and Recreation	30,637,506	29,056,137	33,211,002	27,544,737	26,540,255
Contribution to Port Tunnel	-	-	-	-	50,000,000
Risk Management (2)	18,115,929	28,796,859	13,107,068	22,354,729	26,546,382
Pensions (2)	70,708,285	65,116,477	66,906,558	89,975,265	72,194,979
Organizational Support (2)	35,122,459	27,751,691	41,314,516	32,218,742	30,523,550
Non-Departmental (2)	28,490,230	-	-	-	-
Debt Service:					
Principal	20,887,276	21,343,143	23,566,021	27,261,275	29,492,004
Interest and Other Charges	24,346,064	28,920,735	31,928,202	38,064,683	39,647,545
Debt Issuance Costs	6,988,908	-	-	-	2,048,181
Capital Outlay	124,264,229	114,576,911	106,862,901	55,695,847	113,887,530
Total Expenditures	796,364,961	794,494,555	796,809,465	752,617,517	787,110,873
Excess (Deficiency) of Revenues Over Expenditures	(84,513,676)	(85,910,166)	(105,546,567)	(75,589,672)	(101,674,676)
Other Financing Sources (Uses)					
Transfers In	278,006,434	227,562,830	196,098,575	146,557,421	100,559,730
Transfers Out	(278,006,434)	(227,562,830)	(196,098,575)	(146,557,421)	(100,559,730)
Sale of Property	1,502,044	-	-	-	1,087,268
Proceeds Received From Refunding	138,841,992	133,098,930	-	-	68,894,025
Payment To Escrow Agent For Refunding	(131,775,000)	-	(32,366,235)	-	(68,571,500)
Proceeds Received From Long-Term Debt	50,969,202	-	108,490,000	-	1,712,325
Premium (Discount) Long-Term Debt	-	1,344,956	(793,980)	-	-
Issuance of Debt	-	-	-	-	51,750,975
Capital Leases	-	-	-	(1,392,209)	-
Sale of Capital Assets	-	-	-	166,370,000	-
Total Other Financing Sources	59,538,238	134,443,886	75,329,785	164,977,791	54,873,093
Net Change In Fund Balances	\$ (24,975,438)	\$ 48,533,720	\$ (30,216,782)	\$ 89,388,119	\$ (46,801,583)
Debt Service as a Percentage of Non-Capital Expenditures	6.91%	7.71%	8.04%	9.37%	10.27%

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, in the 2005 fiscal year, revised the reporting for these functions in the governmental funds. Previously, these amounts were included in other functions.
- (3) Expenditures for capital assets on page 18 is \$142,176,246 instead of \$124,264,229 above because \$17,912,017 of capital assets were charged to the various functions as expenditures instead of through the Capital Project Funds. These amounts are included in the reconciliation of capital assets on page 49.

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

Fiscal Year	Ad Valorem Taxes General Purpose	Ad Valorem Taxes Debt Service	Franchise Taxes	Sales and Other Use Taxes	Communication Services Taxes	Total
2007	\$ 275,012,727	\$ 19,886,776	\$ 42,257,282	\$ 25,505,412	\$ 58,099,069	\$ 420,761,266
2008	269,785,445	21,327,853	42,298,452	24,860,795	62,257,072	420,529,617
2009	283,516,182	21,377,549	42,823,572	22,566,791	64,010,537	434,294,631
2010	264,548,387	22,662,573	43,120,713	22,665,743	61,966,455	414,963,871
2011	233,193,302	28,131,853	44,881,126	25,987,633	59,426,883	391,620,797

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			Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value (1)
	Residential Property	Commercial Property	Personal Property				
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%
2005	10,364,157,774	9,870,433,741	1,695,110,542	21,929,702,057	9.67	32,133,104,422	68.25%
2006	12,959,276,770	12,341,927,389	1,676,173,129	26,977,377,288	9.26	39,120,899,711	68.96%
2007	20,320,801,612	11,038,460,135	1,673,647,599	33,032,909,346	9.00	47,925,276,742	68.93%
2008	24,279,025,389	11,727,240,945	1,749,572,760	37,755,839,094	7.88	55,249,891,635	68.34%
2009	23,572,178,928	11,890,691,413	1,686,320,651	37,149,190,992	8.33	52,185,972,858	71.19%
2010	23,341,894,079	11,921,087,043	1,686,540,244	36,949,521,366	8.33	52,146,883,603	70.86%
2011	18,536,983,090	10,078,997,005	1,736,766,113	30,352,746,208	8.50	42,365,151,484	71.65%

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	Environmental Projects	Florida Inland Navigation District		
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	
2005	2004	8.71625	0.9500	9.6663	8.6870	6.2200	0.4442	0.4860	0.5970	0.1000	0.0385	26.23895	
2006	2005	8.49950	0.7650	9.2645	8.4380	6.1200	0.4288	0.4860	0.5970	0.1000	0.0385	25.47280	
2007	2006	8.37450	0.6210	8.9955	8.1050	5.9000	0.4223	0.4860	0.5970	0.1000	0.0385	24.64430	
2008	2007	7.29990	0.5776	7.8775	7.9480	4.8646	0.4223	0.3842	0.5346	0.0894	0.0345	22.15510	
2009	2008	7.67400	0.6595	8.3335	7.9950	5.1229	0.5000	0.3822	0.5346	0.0894	0.0345	22.99210	
2010	2009	7.67400	0.9701	8.6441	8.2490	5.8725	0.5000	0.2840	0.5346	0.0894	0.0345	24.20810	
2011	2010	7.57100	0.9300	8.5010	8.0050	5.0900	0.5000	0.1795	0.3739	0.0624	0.0345	22.74630	

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**

2011			
Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power & Light	\$ 437,878,458	1	1.44%
200 S Biscayne TIC 1 LLC	270,000,000	2	0.89%
Crescent Miami Center	178,400,000	3	0.59%
T C 701 Brickell LLC	172,000,000	4	0.57%
Bellsouth Telecommunications	158,961,503	5	0.52%
1111 Brickell Office LLC	138,500,000	6	0.46%
Trustees of L&B	124,100,000	7	0.41%
Opera Tower LLC	112,499,679	8	0.37%
Estoril Incorporated	107,436,935	9	0.35%
Teachers Insurance	91,260,906	10	0.30%
	<u>\$ 1,791,037,481</u>		<u>5.90%</u>

2002			
Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power & Light	\$ 172,663,013	2	1.06%
Bellsouth	138,024,456	3	0.85%
1111 Brickell Office LLC	91,800,000	5	0.56%
Teachers Ins & Annuity Assoc of America	186,186,520	1	1.14%
Prudential Insurance Co.	131,000,000	4	0.80%
Biscayne Tower Group	83,000,000	6	0.51%
Ceaders Healthcare Group LTD	62,531,855	9	0.38%
NOP LLC	79,500,000	7	0.49%
Brickell Equities Corp	64,700,000	8	0.40%
Walton Stic Investors II LLC	51,190,595	10	0.31%
	<u>\$ 1,060,596,439</u>		<u>6.50%</u>

Net Assessed Value \$30,352,746,208 5.90%

**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
2002	\$ 154,349,696	\$ 145,506,737	94.27%	\$ 4,079,641	\$ 149,586,378	96.91%
2003	170,530,644	161,197,051	94.53%	7,735,274	168,932,325	99.06%
2004	185,739,031	178,766,680	96.25%	1,640,252	180,406,932	97.13%
2005	211,977,983	206,451,562	97.39%	2,379,977	208,831,539	98.52%
2006	249,931,912	243,957,356	96.82%	3,801,414	247,758,770	99.13%
2007	297,147,536	290,449,738	97.76%	7,111,337	297,561,075	100.14%
2008	297,421,622	284,001,962	95.49%	8,489,434	292,491,396	98.34%
2009	309,582,783	296,404,297	95.74%	9,200,940	305,605,237	98.72%
2010	319,395,358	278,721,526	87.27%	-	278,721,526	87.27%
2011	258,028,695	263,361,953	102.07%	-	263,361,953	102.07%

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)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Loans Payable	Capital Leases			
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	2.40%	1,149
2004	225,944,956	145,130,260	25,567,364	2,525,936	399,168,516	2.64%	1,101
2005	215,729,956	138,676,431	23,465,964	1,921,177	379,793,528	2.99%	1,048
2006	205,306,932	132,131,060	21,216,564	1,298,941	359,953,497	3.39%	993
2007	245,689,409	125,969,708	24,120,164	658,722	396,438,003	3.30%	1,094
2008	235,393,765	198,484,539	73,656,764	-	507,535,068	2.56%	1,400
2009	276,113,503	199,629,250	89,426,363	-	565,169,117	N/A	1,559
2010	265,804,455	358,571,022	79,902,293	-	704,277,770	N/A	1,943
2011	251,566,791	418,172,682	57,119,793	-	726,859,266	N/A	1,820

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 147 for personal income and population data.

N/A: Information not available

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)
2002	\$ 249,711,406	\$ 5,140,714	\$ 244,570,692	1.110%	\$ 674.73
2003	236,549,956	1,410,866	235,139,090	0.950%	648.71
2004	225,944,956	966,126	224,978,830	0.812%	620.68
2005	215,729,956	1,512,591	214,217,365	0.667%	590.99
2006	205,306,932	1,994,991	203,311,941	0.520%	560.91
2007	245,689,409	2,304,217	243,385,192	0.508%	671.46
2008	235,393,765	2,138,512	233,255,253	0.422%	643.52
2009	276,113,503	1,496,363	274,617,140	0.526%	757.63
2010	265,804,455	(41,370)	265,845,825	0.510%	733.43
2011	251,566,791	336,520	251,230,271	0.593%	628.93

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 138 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 147 for population data.

CITY OF MIAMI, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2011

Government Unit	Net Debt Outstanding	Percentage Applicable to the City of Miami (1)	Amount Applicable to the City of Miami
Debt Repaid With Property Taxes:			
Miami-Dade County	\$ 1,000,133,355	19.00%	\$ 190,025,337
Miami-Dade County School Board	290,998,000	19.00%	<u>55,289,620</u>
Subtotal, Overlapping Debt			<u>245,314,957</u>
City of Miami, Florida Direct Debt (excludes special obligation, revenue bonds, loans and capital leases)			<u>265,804,455</u>
Total Direct and Overlapping Debt			<u><u>\$ 511,119,412</u></u>

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

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

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 2,266,959,216	\$ 2,540,683,016	\$ 2,830,668,498	\$ 3,289,455,309	\$ 4,046,606,593	\$ 4,954,936,402	\$ 5,400,939,950	\$ 5,372,349,771	\$ 5,370,833,756	\$ 4,383,368,821
Total Net Debt Applicable to Limit	249,711,407	236,549,956	224,978,830	214,217,365	203,311,941	243,385,192	233,255,253	274,617,140	265,845,825	251,230,271
Legal Debt Margin	\$ 2,017,247,809	\$ 2,304,133,060	\$ 2,605,689,668	\$ 3,075,237,944	\$ 3,843,294,652	\$ 4,711,551,210	\$ 5,167,684,697	\$ 5,097,732,631	\$ 5,104,987,931	\$ 4,132,138,550
	11.02%	9.31%	7.95%	6.51%	5.02%	4.91%	4.32%	5.11%	4.95%	5.73%
Assessed value										
Less: Homestead Exempt Valuation										
Total Assessed Value										
Debt Limit for Bonds (15% of Total Assessed Value)										
Present Debt Application to Debt Limitation General Obligation Debt										
Less: Amount Available in Debt Service Fund										
Total Net Debt Applicable to Limit										
Legal Debt Margin										
	\$ 30,352,746,208									
	(1,130,287,402)									
	<u>29,222,458,806</u>									
	4,383,368,821									
	251,566,791									
	(336,520)									
	<u>251,230,271</u>									
	<u>\$ 4,132,138,550</u>									

**CITY OF MIAMI, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Ad-Valorem Revenues (1)	Debt Service		2x Annual Debt Service	Coverage (2)
		Principal	Interest		
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
2005	261,901,194	8,555,229	12,491,326	42,093,110	6.22
2006	289,038,101	8,795,771	12,519,779	42,631,100	6.78
2007	294,252,080	10,514,753	14,627,989	50,285,484	5.85
2008	291,113,298	10,465,644	11,379,849	43,690,986	6.66
2009	304,893,731	10,335,262	12,228,340	45,127,204	6.76
2010	287,210,960	10,309,047	13,865,476	48,349,046	5.94
2011	261,325,154	14,237,664	13,782,766	56,040,860	4.66

Note:

(1) Ad valorem revenues shall mean all legally available revenues and taxes of the governmental unit in the Funds (defined as the general fund, special revenue funds, the capital project funds, the special assessment funds, and the expandable trust fund(s)) derived from any source whatever other than ad valorem taxation on real and personal property, including appropriated fund balances in the funds and applicable operating transfers (in).

Non-Ad Valorem Revenues are required to be two times greater than projected debt service.

(2) The Sunshine State Government Financing Loans require that available non-ad valorem revenues be two times the annual projected debt service for all debt other than general obligation debt of the City.

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

Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (2)	Per Capital Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2002	362,470	\$ 9,706,947	\$ 26,780	36.90	\$ 374,725	7.70%
2003	362,470	10,001,635	27,593	37.00	371,482	7.50
2004	362,470	10,539,177	29,076	36.60	369,578	5.70
2005	362,470	11,362,347	31,437	37.40	365,784	4.70
2006	362,470	12,219,589	33,712	37.00	361,550	3.40
2007	362,470	13,074,655	36,701	38.00	346,629	4.10
2008	362,470	13,007,961	35,887	38.00	344,806	6.10
2009	362,470	13,178,322	36,357	38.00	345,570	11.10
2010	399,457	N/A	N/A	38.00	345,458	11.10
2011	399,457	N/A	N/A	38.00	341,774	11.50

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
- N/A Information not available

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

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	44,132	1	1.75%	37,500	1	1.51%
Miami-Dade County	26,351	2	1.05%	30,000	2	1.21%
U.S. Federal Government	19,400	3	0.77%	18,276	4	0.74%
State of Florida	17,600	4	0.70%	18,100	5	0.73%
Baptist Health Systems of South Florida	14,864	5	0.59%	8,000	8	0.32%
University of Miami	13,233	6	0.53%	7,500	9	0.30%
Public Health Trust/Jackson Memorial Hospit:	10,809	7	0.43%	10,000	6	0.40%
Publix Supermarkets	10,800	8	0.43%			
American Airlines	9,000	9	0.36%	9,000	7	0.36%
Florida International University	8,000	10	0.32%			
Precision Response Corp				4,346	10	0.18%
BellSouth/AT&T	-		-	-		0.00%
Total	<u>174,189</u>		<u>6.92%</u>	<u>142,722</u>		<u>5.75%</u>

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Employees:										
General Government	523	587	594	617	641	644	641	511	538	505
Planning and Development	141	140	138	147	141	142	128	123	102	96
Community Development	170	91	77	73	61	52	61	55	54	60
Public Works	507	498	497	505	542	526	525	521	436	442
Public Safety	2,275	2,248	2,140	2,138	2,222	2,288	2,310	2,390	2,368	2,283
Public Facilities	37	33	43	45	55	56	54	41	41	41
Culture and Recreation	136	141	148	188	190	191	207	265	186	182
Total Number of Employees	3,789	3,738	3,637	3,713	3,852	3,899	3,926	3,906	3,725	3,609

Source: City of Miami, Budget Department

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Community Development:										
Entitlements/Grants Received	\$ 38,337,736	\$ 35,569,042	\$ 32,351,101	\$ 37,191,063	\$ 30,816,293	\$ 29,943,482	\$ 30,267,482	26,275,445	37,815,004	N/A
Public Safety:										
Police:										
Part 1 Crimes - (1)	33,952	33,527	30,966	29,455	26,219	27,302	27,907	25,761	26,097	N/A
Part 1 Arrests - (1)	8,368	6,729	6,662	5,728	4,359	4,635	4,741	4,536	4,393	N/A
Part 2 Arrests - (2)	31,077	26,786	38,467	33,385	33,408	32,738	31,211	32,826	26,670	N/A
Fire:										
Number of Fire Calls	12,228	15,571	17,889	19,017	12,694	14,472	18,191	10,411	14,493	16,686
Number of EMS Calls	63,041	62,784	64,500	67,300	70,423	72,757	69,870	73,017	76,747	81,638
Number of Alarms	75,269	78,355	82,389	86,318	83,117	87,227	88,061	88,847	91,240	98,324
Planning and Development:										
Certificate of Use Permits Issued	20,366	20,625	20,422	21,123	21,142	22,000	21,482	22,724	20,156	N/A
Occupational Licenses Issued	37,524	39,040	39,422	40,371	34,197	42,000	22,498	22,092	29,548	N/A
Culture and Recreation:										
Summer Food Program - Meals Served (Lunches)	96,249	124,701	122,749	89,324	55,126	104,472	N/A	N/A	58,785	N/A
Summer Food Program - Meals Served (Snacks)	132,481	146,786	115,837	100,870	61,000	114,670	N/A	N/A	62,983	N/A
Solid Waste:										
Refuse Collected (Tons/Day)	805	768	793	578	713	629	717	N/A	566	N/A
Recyclables Collected (Tons/Day)	28	24	21	72	10	13	16	N/A	11	N/A

Sources: Various City Departments

Note: Indicators are not available for the general government function.

(1) Part 1 crimes and arrests include murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft.

(2) Part 2 arrests include all other arrests that are not Part 1 crimes.

N/A Information not available.

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub-Stations	2	2	2	2	2	2	3	3	3	3
Fire:										
Fire Stations	12	12	12	14	14	14	14	14	14	14
Solid Waste:										
Collection Trucks	153	172	176	152	151	175	181	N/A	160	160
Public Works:										
Streets (Miles- Paved)	659.0	658.9	658.9	660.0	667.4	662.2	662.2	662.1	662.1	662.1
Streets (Miles - Unpaved)	1.4	1.4	1.4	1.4	3.1	1.2	N/A	1.12	1.12	1.12
Transportation:										
Street Resurfacing (Miles)	N/A	25.0	33.5	33.5	17.9	23.3	21.6	N/A	15.8	18.3
Culture and Recreation:										
Parks Acreage	800	800	800	800	800	894	894	894	894	894
Parks	110	110	111	111	112	112	112	112	112	112
Swimming Pools	10	10	10	10	12	11	11	15	15	15
Tennis Courts	53	53	53	53	53	55	55	61	61	61
Community Centers	30	30	31	30	32	32	32	34	34	34
Basketball Courts	63	63	63	61	63	63	63	71	71	71
Water Playgrounds	-	-	1	1	1	2	2	2	2	2
Soccer Fields	6	6	7	7	7	11	11	13	13	13
Football Fields	12	12	12	12	12	10	10	9	9	9
Baseball Fields	25	25	25	21	25	27	27	30	30	30
Open Practice Fields	-	-	-	-	-	2	2	2	2	2
Cricket Field	-	-	-	-	-	1	1	1	1	1

Sources: Various City Departments

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

N/A Information not available.

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