

**City of Miami**

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended  
September 30,  
2012

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**City of Miami, Florida**  
**For the Year Ended September 30, 2012**

**Prepared by the Finance Department**

# City of Miami, Florida

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2012

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# City of Miami, Florida Principal City Officials

September 30, 2012

## **MAYOR**

Tomás P. Regalado

## **CITY COMMISSION**

Francis Suarez, Chairman

Marc David Sarnoff, Vice-Chairman

Wifredo (Willy) Gort, Commissioner

Frank Carollo, Commissioner

Michelle Spence-Jones, Commissioner

## **CITY MANAGER**

Johnny Martinez

## **CITY ATTORNEY**

Julie O. Bru

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June 18, 2013

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, 2012 is hereby submitted as mandated by Florida Statutes. This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City desires to continually improve on a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft or misuse and to compile sufficient reliable information for preparation of the City’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal control has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to acquire an understanding of the City’s financial activities are in the financial section of this report, which includes management’s discussion and analysis (MD&A). The MD&A and the footnotes to the financial statements are to complement this letter of transmittal and should be read in conjunction with the report.

Ernst & Young LLP, a firm of independent certified public accountants, has audited the City’s basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2012 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, 2012 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 the 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**

The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay. It is a main port of entry into Florida and is the county seat of Miami-Dade County, Florida (the "County"). Now 116 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 408,750 residents according to the 2011 U.S. Census Bureau, 58.4% of them foreign born. In physical size, the City is not large, encompassing only 35.87 square miles. In population, the City is the largest of the 35 municipalities that make up Miami-Dade County and is the county seat.

Since 1997, the City has been governed by a form of government known as the "Mayor-City Commissioner plan." There are five Commissioners elected from designated districts within the City. The City Commission constitutes the governing body and is responsible for, among other things, passing ordinances and adopting regulations. The Mayor serves as the chief executive officer and head of the city government, pursuant to Charter, for particular purposes. The Mayor, within ten days of final adoption by the City Commission, has veto authority over any legislative, quasi-judicial, zoning, master plan or land use decision of the City Commission. The City Commission may override that veto by a four-fifths vote of the City Commissioners present. The Mayor also appoints the City Manager, who serves as the administrative head of the municipal government.

City elections are held in November every two years on a non-partisan basis. At each election, two or three members of the Commission are elected for four-year terms. Thus, the terms are staggered so that there are always at least two experienced members of the Commission. The Mayor is elected at large every four years.

The City Manager is charged with the responsibility of managing the City's financial operations, organizing, and directing the administrative infrastructure. The City Manager also sees that the laws and ordinances are enforced, retains full authority in the appointment and supervision of department directors, preparation of the City's annual budget, and takes appropriate action on all administrative matters.

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 accompanying financial statements include those of the City (the primary government) and those of its component units. The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in Governmental Accounting Standards Board ("GASB") Statement No. 14 - *The Financial Reporting Entity*, as amended by GASB Statement No. 39 - *Determining Whether Certain Organizations Are Component Units*.

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. See Note 1 - Summary of Significant Accounting Policies, Section A. Reporting Entity, for more details.

<b>BLENDDED</b>	<b>DISCRETELY PRESENTED</b>
Southeast Overtown Park West CRA	Miami Sports and Exhibition Authority
OMNI CRA	Department of Off-Street Parking
Midtown CRA	Downtown Development Authority
Virginia Key Beach Park Trust	Bayfront Management Trust
Liberty City Revitalization District Trust	Health Facility Authority
	Civilian Investigative Panel
	Coconut Grove Business Improvement District

The annual budget serves as the foundation for the City’s financial planning and control. All budgets are monitored at varying levels of classification detail that include both personnel and operating as appropriation designations; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental operating level. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For all non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund section of this report. See Note 1 – Budgetary Policy under Notes To The Required Supplementary Information Year Ended September 30, 2012 for more information.

**LOCAL ECONOMIC CONDITION AND OUTLOOK**

The City is an international crossroads and known for its range of lifestyles, high-rise skyline, exciting entertainment venues, recreational opportunities, and ethnic diversity. The economic base of the City has diversified in recent years, shifting from reliance on the tourism industry to a combination of motion picture production, manufacturing, service industries and international trade. The area’s advantages in terms of climate, geography, low taxes and skilled labor have combined to make the Miami area a prime relocation area for major manufacturing firms and international corporate headquarters.

*Local Government Financial Trend*

For the past several years the City’s General Fund Revenues and Expenditures, along with their respective Transfers In and Out, show various trends. The first trend is that revenues that were once decreasing have been increasing in the past two fiscal years. Another significant trend is that expenditures have been decreasing. Some of the reasons for these trends are explained by local economic conditions noted below and others are related to actions taken by the City and discussed further in this letter under the heading of Long-Term Financial Planning.

<b>General Fund</b>				
	<b>FY 2011 -2012</b>	<b>FY 2010 -2011</b>	<b>FY 2009 -2010</b>	<b>FY 2008 -2009</b>
<b>Revenues and Transfers In</b>	\$518,053,064	\$515,360,438	\$505,535,707	\$519,306,337
<b>Expenditures and Transfers Out</b>	\$480,153,386	\$513,189,549	\$532,065,924	\$572,911,198
<b>Net Change in Fund Balance</b>	\$37,899,678	\$2,170,889	(\$26,530,217)	(\$53,604,861)

Source: City of Miami Comprehensive Annual Financial Reports fiscal years 2009 through 2012

### Housing & Real Estate Market

The City is just beginning to come out of the real estate crisis that has been affecting the entire state. While the trend is favorable, it will take many years to reverse the negative impacts of the previous years. The City's tax base increased to \$31.3 billion in fiscal year 2012. However, it is still lower than the previous high of \$37.7 billion in fiscal year 2008. According to the US Census Bureau, single-family home values increased from a median value of \$222,100 at the end of 2010 to \$257,500 in 2011. Also, Miami's median household income levels increased from \$27,291 in 2010 to \$30,270 in 2011. According to the website RealtyTrac, the foreclosure filings in Miami have decreased from one in every 277 housing units in 2011 to one in every 300 housing units in 2012.

### Employment & Wealth Demographics

According to the Bureau of Labor Statistics the preliminary unemployment rate decreased from 9.5% in 2011 to 8.1% in 2012 for the Miami-Fort Lauderdale-Pompano Beach Metropolitan Area. The poverty rate also decreased from 32.4% in 2011 to 27.7% in 2012. Akin to the housing and real estate market, it will take years for the unemployment and poverty rates to revert back to the lower rates found in previous years.

Our regional economic base remains diversified, comprised of wholesale and retail trade, construction, light manufacturing, and tourism. The City has made great strides 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. As a result of expanding economies in several Latin American countries, international trade has been growing at double-digit rates in the Miami area.

The following major companies have their Latin American headquarters located in the City:

The Gap, Inc.	Caterpillar Americas Co.	Lucent Technologies
Federal Express Corporation	Ericsson, Inc.	Barclays Bank PLC
ABN AMRO Bank	Terra Networks USA	Oracle Latin America
Sony Broadcast Export Corporation	IBM Corporation	Cisco Systems
Olympus America	Canon Latin America	AT&T Latin America
ExxonMobil Inter-America	Acer Latin America	Olympus Latin America
Black & Decker Latin America Group	Komatsu Latin America	Clorox Latin America
Hewlett Packard Co. Latin America	Tech Data	American Express
Eastman Chemical Latin America	Chevron-Texaco	Stanley Latin America
Telefonica International USA, Inc.	Johnson & Johnson	

Source: Beacon Council

### Tourism

Tourism is an important industry in Miami. The Greater Miami Visitors and Convention Bureau recently released data showing an increase in the number of visitors arriving through the City's ports, higher hotel room occupancy rates, and more dollars being spent on food and beverage in restaurants. Along with finance and business, the beaches, conventions, festivals and events draw over 38 million visitors annually into the city, from across the country and around the world, approximately spending \$17.1 billion.

### Brickell Citi Centre

The Mayor previously announced in his State of the City Address that plans have been finalized, and the Swire Group has begun construction of the "Brickell Citi Centre", a \$1.05 billion project which encompasses three city blocks and includes hotel and condominium towers, a below level parking area and plenty of shops and office spaces. Officials from the Swire Group estimate this project alone will generate approximately 1,700 construction jobs in the next four years and, when finished, employ approximately 3,700 people. The Swire Group projects this project will provide our City with over \$5.4 million annually in ad valorem property taxes.

### Miami International Airport

Miami International Airport is one of the busiest airports in the world for both passengers and cargo traffic serving the City of Miami. It ranks twelfth in the nation and twenty-eighth in the world in passenger traffic through the airport. The airport ranks third in the nation and eleventh in the world in tonnage of domestic and international cargo movement. In 2012, over 39.56 million air travelers were serviced by Miami International Airport, and approximately 2.0 million tons of domestic and international cargo were handled. As of April 2011, 93 airlines serve Miami International Airport, flying passengers to more than 130 destinations around the globe.

### Port of Miami

The Port of Miami, known as the "cruise capital of the world," is operated by the Seaport Department of Miami-Dade County. In 2012, more than 3.7 million passengers sailed from the Port of Miami aboard one of the eight cruise companies who operate out of Miami. The Port of Miami is also a hub for Caribbean and Latin American commerce. These countries account for over half of the 8.1 million tons of cargo transferred through the Port of Miami in 2011. The Port of Miami is also reaching out to the global community where trade with the Far East, Asia and the Pacific accounted for almost 32% of the total cargo handled at the Port of Miami. The Port of Miami is also important to the U.S. economy, contributing in excess of \$17 billion annually, which should increase after the completion of the Port of Miami's five year, \$346 million capital improvement program.

### 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 Barack 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. The City successfully addressed some of the necessary costs associated with reduced federal funding in Community Development programs such as Community Development Block Grants (CDBG) with the use of ARRA funds. The City will continue to monitor and address the staff and funding levels as ARRA funds are reduced.

Through April 2012, 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 temporary jobs to area residents.

## **LONG-TERM FINANCIAL PLANNING**

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

### *Financial Urgency*

Pursuant to Section 447.4095 of the Florida Statutes, the City may declare a financial urgency. This statute, which requires declaration each year, 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 as possible to negotiate the impact of the financial urgency. If, after a reasonable period which may not exceed 14 days, the parties are in disagreement, then they must proceed under Section 447.403 of the Florida Statutes, which provides for the appointment of a special magistrate. The City Manager declared a financial urgency in calendar years 2010, 2011 and 2012.

Although Financial Urgency was declared in 2010, 2011 and 2012, the City was able to negotiate a one-year contract in 2011 (no modifications were imposed) and a two-year contract in 2012 with the unions. In 2012, the City was able to reach agreements with the unions which included, among other things, changes to the pension plans. There may be a legal requirement that certain terms in the pension agreements which were modified by ordinance in 2012 be approved by the Circuit Court. However, the City does not expect this to be an issue because all parties have jointly agreed to petition the Court for those terms, if legally necessary.

### *Refinancings*

Subsequent to fiscal year end 2012, the City successfully refinanced the outstanding balance of a \$50 million short term bank loan for the Port of Miami Tunnel Project, which was scheduled to be paid in January 2013 (see Note 13-Subsequent Events). There are no new financings anticipated during fiscal year 2013, other than continued refinancing of existing bonds to achieve lower interest costs.

The SEOPW CRA has a planned bond sale for up to \$50 million primarily for affordable housing and mixed-use commercial facilities in the area of Gibson Park. This financing will not be supported by revenue of the City of Miami, and will instead pledge for repayments of such bonds with tax increment revenues.

### Financial Outlook

Due to the financial distress that the City has experienced in the past, the City continues to take steps and study plans for stabilization. The City Commission requested the City Manager to identify future revenue sources and the City Manager responded by making an assessment of all of the revenues and expenditures of the City. As part of such assessment, the City Manager has charged each member of the executive team to identify new revenue sources and increase the existing revenue sources, along with finding ways to further reduce expenditures over time. For example, the City has reviewed leases entered into by the City as lessor and was able to increase the lease rate on some of those leases. The City has also improved management of waterfront properties by initiating the lease renewal process to include market lease rates that will increase, as recurring revenues over the term of the lease. The City also has become more diligent in the collection of lease payments due. This action has caused the delinquency rate on such leases to decrease to 2%. The overall collection effort, particularly code enforcement liens and unsafe structure and lot clearing special assessments, continues to be a high priority. The early results have been favorable as collections have shown signs of increasing. In addition, the City received from a major lessee, Jungle Island, the first payment in a series of payments that had been previously deferred (see Note 3- Receivables for more information).

In an effort to reduce expenditures, the City has been able to negotiate with the unions and achieve reductions in the approximate range of \$75-\$100 million over the last three years and kept costs from rising, leaving expenditures flat. Such reduction is primarily attributable to the decrease in contributions to health care and pension costs.

### Capital Improvement Plan

In order to meet the service demands of residents and visitors, the City continues to address the long-term financing necessary in order to fund the capital projects essential to the creation, improvement, enhancement, and preservation of public facilities and infrastructure.

The City's six-year Capital Improvement Plan, covering the period from October 1, 2012 through September 30, 2018, has earmarked funding estimated at \$568 million for 362 projects throughout the City. Streets and sidewalks projects account for the largest portion of the total Capital Plan funding at \$145 million or 25.47%, Public Facilities projects represent the second largest portion of the plan at \$111 million or 19.57%, and the Parks and Recreation projects are the third largest, accounting for \$97 million, or 17.09%.

Proceeds from the issuance of City bonds represent the largest share of funding for the Capital Improvement Plan, accounting for 43.31% of the value. Capital project revenues (impact fees, storm water utilities, local option gas tax, etc.) account for 28.89%, and State grants account for 12.12%. The remaining funding comes from a combination of Federal, Miami-Dade County, and other private donations and grants. The City expects grant revenue to be consistent, while local option gas tax and citizen's independent transportation tax revenues are projected to increase annually by 1.5% and 3% respectively.

### Securities and Exchange Commission Investigations

The City is cooperating with two SEC investigations. Both are detailed in Note 12 - Commitments and Contingencies. The first is under the heading Securities and Exchange Commission (SEC) Investigation: City Bond Offerings in 2007 and 2009 and the second is under the heading Securities and Exchange Commission (SEC) Investigation: Marlins Parking Garage. These two investigations could have a material effect on the City's financial condition and operations.

### Internal Revenue Service Examination

The City is cooperating with an IRS examination. It is detailed in Note 12 – Commitments and Contingencies under the heading of 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) and 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”). This examination could have a material effect on the City's future financial condition and operations.

## **RELEVANT FINANCIAL POLICIES**

### Debt Management Policy and Investment Management Policy

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 ensure 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's debt management policy may be modified by the City Commission.

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 401(a) Plans, and such funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues, which have statutory investment requirements conflicting with the City's Investment Policy and funds held by State agencies (e.g. Department of Revenue), are not subject to the provisions of the policy.

The City is currently in compliance with its Debt and Investment Management Policies. More detailed information on either policy can be obtained by contacting the Treasury Management division of the Finance Department.



### Financial Integrity Principles

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

The Financial Integrity Ordinance requires the City to establish three reserves: (1) a “contingency” reserve of \$5,000,000 to fund unanticipated budget issues which arise or potential expenditure overruns which cannot be offset through other sources or actions; (2) an “unassigned” fund balance reserve equal to ten percent (10%) of the prior three years average of general revenues (excluding transfers and including the contingency reserves in (1) above) to fund unexpected mid-year revenue shortfalls or for an emergency such as a natural or man-made disaster, which threatens the health, safety and welfare of the City’s residents, businesses or visitors; and (3) an “assigned” reserve equal to ten percent (10%) of the prior three years average of general revenues (excluding transfers) to fund long-term liabilities and commitments of the City, such as compensated absences, self-insurance plan deficits and anticipated adjustments in pension plan payments resulting from market losses.

The City’s General Fund reserves increased by \$37.9 million during the year ended September 30, 2012. The City is not in compliance with the Financial Integrity Ordinance contingency reserve and unassigned fund balance reserve requirements. As of September 30, 2012, the City had approximately \$50.3 million in its assigned fund balance and therefore is in compliance with the assigned fund balance reserve requirements of the Financial Integrity Ordinance.

The Administration has a plan wherein the two (2) reserves identified within Financial Integrity Principle #5 would be restored over a two (2) to three (3) year period starting in fiscal year 2014. While the surplus experienced in fiscal year 2012 went a long way in reversing the trend of declines experienced in 2008 through 2009, the ultimate course will be determined by the City Commission in its review, consideration and ultimate approval of options provided in the plan submitted by the Administration.

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

### Risk Management – Self Insurance Program

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

The health and life insurance programs are administered by an independent administrator. The City funds the program on a pay as you go basis. Insurance coverage is maintained with independent carriers for property damage to City facilities. The City maintains excess coverage with independent carriers for workers' compensation and general liability.

For the Fiscal Year 2013 Budget, the City created Internal Service Funds primarily to provide a mechanism that allows for both a cost allocation of pension, health insurance and worker's compensation benefits in the operating departments and a centralized account from which payments are made. The Internal Service Funds are a financing mechanism and self-insurance reserve for those payments. Such funds are in accordance with generally accepted accounting principles and are allowed by GASB. Currently the administration is discussing the impact of any possible reporting changes for next fiscal year.

### Current Ratings & Other Actions

During fiscal year 2012, the three credit rating agencies – Fitch, Moody's, and Standards & Poor – affirmed our ratings. The Fitch rating specifically showed improvement and changed the outlook from negative to stable (see page 11).

### **MAJOR INITIATIVES**

The City's emphasis continues to be on its plan to restore, maintain and beautify urban and residential infrastructure through a program of major renovations and improvements to City parks, streets, sidewalks, and drainage systems.

Some of the planned projects in Parks and Recreation include the design and/or construction of various community Buildings that include: The Coral Way NET Office Community Center, Bryan Park Community Center, Hadley Park New Youth Center and West End Park Community Building.

In addition, enhancing Public Safety is a major initiative. The Fire Department is working with Capital Improvements toward the new design and construction of Fire Station 13 and 14. The Police Department plans to hire, train, and deploy officers through funding from a grant that was awarded by the Office of Community Oriented Policing Services.

Public Facilities and Capital Improvements are planning the design and construction of a new Marine Stadium Marina at Virginia Key that is estimated to provide additional revenues to the City.

In October 2012, the City announced the launch of its automated single stream recycling program. The process of collecting recyclables preserves the environment, decreases the City's disposal costs, and extends the useful life of existing landfills.

The Administration is also working on a business plan for the Finance Department which would include the review of the Finance Department's organizational structure for operations and recommendations for structural improvements.

### **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, 2011. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management team.

In order to be awarded a Certificate of Achievement, the 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 a 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.

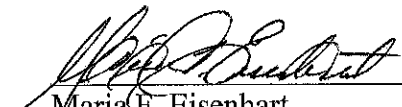
The City's Fiscal Year 2011 Comprehensive Annual Financial Report has been evaluated by an impartial Special Review Committee composed of other government officers, independent certified public accountants, educators, and others with particular expertise in government accounting and financial reporting. A Certificate of Achievement is valid for a period of one year. We believe that the Fiscal Year 2012 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 Fiscal Year 2011 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 Independent 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.

  
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Maria F. Eisenhart  
Controller

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# 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, 2011

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.

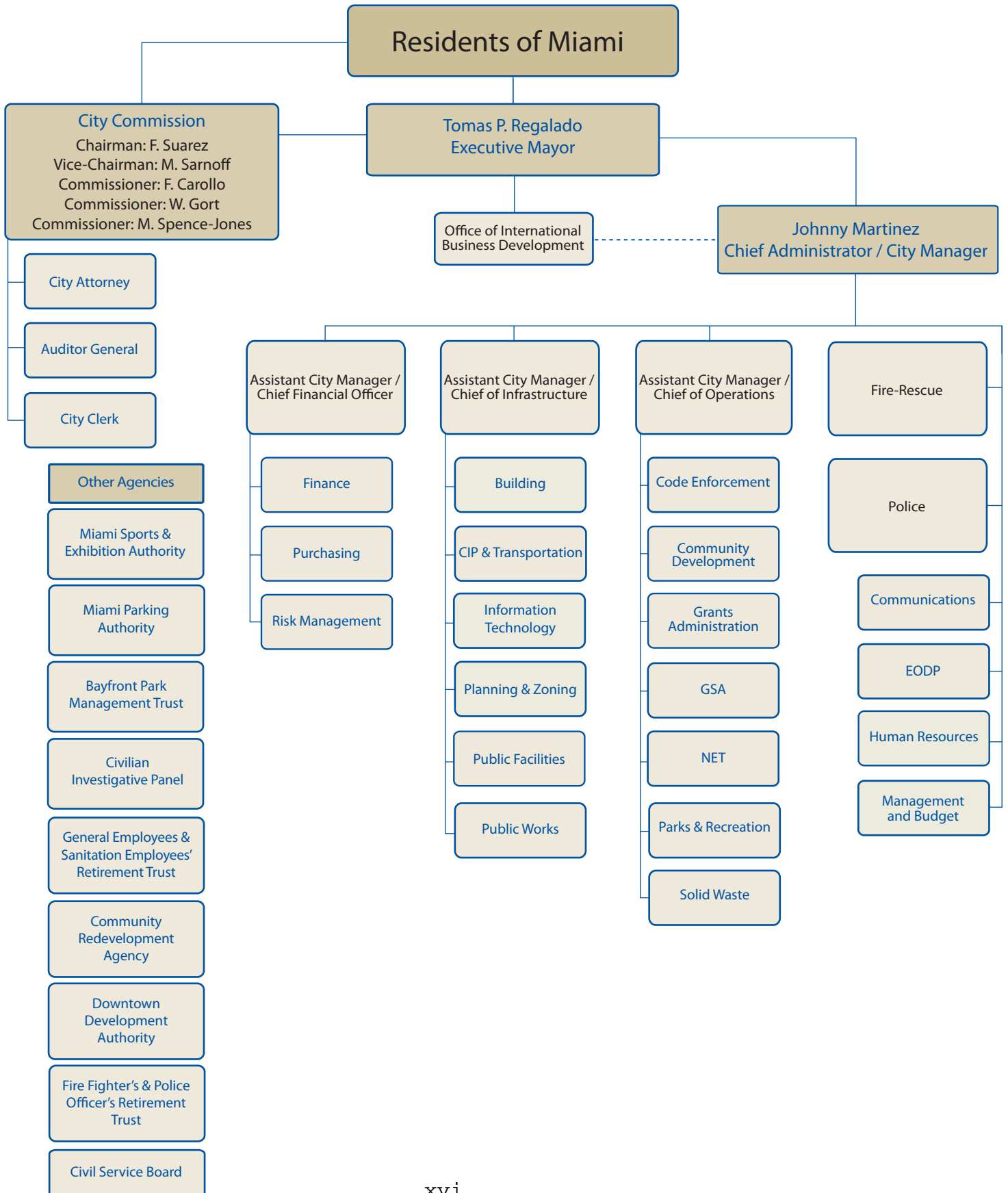


*Christopher P. Moville*

President

*Jeffrey R. Emer*

Executive Director





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# **FINANCIAL SECTION**

**REPORT OF INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANTS**

**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**

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## 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, 2012, 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 72% of the assets and revenues, respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, 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, 2012, and the respective changes in financial position for the year then ended in conformity with US generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013 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

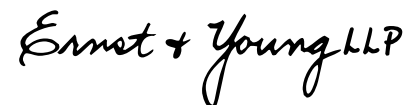


reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States require that management's discussion and analysis, the budgetary comparison schedules – general fund and special obligations debt service fund, the schedule of funding progress (pensions), and the schedule of employer contributions (pensions) on pages 88 through 89, page 91, and page 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We and the other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The signature of Ernst & Young LLP, written in a cursive, handwritten style.

June 20, 2013

## 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, 2012. 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 – xiii 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 \$415.8 million.
- The General Fund (the primary operating fund) is reflected on a current financial resource basis and shows an increase in fund balance of \$37.9 million from last fiscal year.
- The City's total debt for bonds and loans had a net decrease of \$24.5 million (or 3.38%) as of the close of the current fiscal year. The decrease included a \$5.2 million dollar principal payment made by the SEOPW CRA for the Wells Fargo Tunnel loan. The City did not issue any new or refunding debt during 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 (see page 13) 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**

Fund financial statements have traditionally been presented in the Comprehensive Annual Financial Report (the “CAFR”). A fund is a set of self-balancing accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives, as required by special regulations, restrictions or limitations. The City’s funds can be divided into two categories: governmental funds and fiduciary funds.

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** – Governmental funds account for most of the City’s basic services, which are reported as governmental activities in the government wide statements. Fund statements, however, use the modified accrual basis of accounting and current financial resources measurement focus. The aim of the statements is to report the near-term (current) inflows and outflows, and the balances of spendable financial resources at the end of the fiscal year. The statements provide a short-term view of the City’s ability to finance its programs in the near future, in contrast to the long-term view provided by the government-wide statements. To facilitate the comparison between the governmental funds and governmental activities, a reconciliation is provided (see pages 16 & 18)

The City maintains forty 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, 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-five 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 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 – 87 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 88 – 90 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 93 – 135 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 \$415.8 million 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 construct or acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. As of September 30, 2012, the City’s Net Assets Invested in Capital Assets net of Related Debt were approximately \$657.5 million.

Approximately 21.7% of the City’s net assets represent resources that are subject to restrictions on how they may be used. As of September 30, 2012 the City’s Restricted Net Assets were approximately \$90.1 million.

The remaining unrestricted net assets deficit of approximately \$331.8 million is primarily due to outstanding borrowings 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 liability. The following schedule reflects a summary of net assets compared to the prior year:

### Summary of Net Assets as of September 30, 2012

	Governmental Activities			
	2012	2011	Change	% Change
Current and other assets	\$ 507,737,064	\$ 528,278,910	\$ (20,541,846)	-3.89%
Capital assets	1,157,017,199	1,160,899,016	(3,881,817)	-0.33%
Total assets	<u>1,664,754,263</u>	<u>1,689,177,926</u>	<u>(24,423,663)</u>	<u>-1.45%</u>
Other liabilities	209,340,752	150,725,759	58,614,993	38.89%
Long-term liabilities	1,039,660,001	1,090,608,755	(50,948,754)	-4.67%
Total liabilities	<u>1,249,000,753</u>	<u>1,241,334,514</u>	<u>7,666,239</u>	<u>0.62%</u>
Net assets:				
Invested in capital assets, net of debt	657,451,573	693,247,304	(35,795,731)	-5.16%
Restricted	90,077,677	95,873,418	(5,795,741)	-6.05%
Unrestricted (Deficit)	<u>(331,775,740)</u>	<u>(341,277,310)</u>	<u>9,501,570</u>	<u>-2.78%</u>
Total net assets	<u>\$ 415,753,510</u>	<u>\$ 447,843,412</u>	<u>(32,089,902)</u>	<u>-7.17%</u>

The following table provides a summary of the City's changes in net assets for the fiscal years ended September 30, 2012 and 2011.

	<b>Changes in Net Assets Governmental Activities</b>			
	<b>2012</b>	<b>2011</b>	<b>Change</b>	<b>% Change</b>
<b>Revenues:</b>				
<b>Program revenues:</b>				
Charges for services	\$ 166,731,223	\$ 153,560,915	\$ 13,170,308	8.58%
Operating grants and contributions	88,607,745	94,339,110	(5,731,365)	-6.08%
Capital grants and contributions	29,302,530	21,824,134	7,478,396	34.27%
<b>General revenues:</b>				
Property taxes	250,273,095	261,325,155	(11,052,060)	-4.23%
Franchise taxes	44,649,826	44,881,126	(231,300)	-0.52%
State revenue sharing - unrestricted	12,367,171	11,429,920	937,251	8.20%
Sales and other use taxes	25,803,387	25,987,633	(184,246)	-0.71%
Public services tax	58,045,986	59,426,883	(1,380,897)	-2.32%
Investment earnings - unrestricted	2,825,787	2,393,381	432,406	18.07%
Other	-	1,087,268	(1,087,268)	100.00%
Total revenues	<u>678,606,750</u>	<u>676,255,525</u>	<u>2,351,225</u>	<u>0.35%</u>
<b>Expenses:</b>				
General government	104,494,781	155,563,797	(51,069,016)	-32.83%
Planning and development	16,396,997	10,945,321	5,451,676	49.81%
Community development	38,099,612	40,875,284	(2,775,672)	-6.79%
Community redevelopment areas	17,040,767	4,695,820	12,344,947	262.89%
Public works	83,062,109	66,183,960	16,878,149	25.50%
Public safety	352,869,205	340,739,499	12,129,706	3.56%
Public facilities	16,330,343	11,303,648	5,026,695	44.47%
Parks and recreation	44,977,172	39,547,833	5,429,339	13.73%
Interest on long-term debt	37,425,666	43,336,330	(5,910,664)	-13.64%
Contribution to Port Tunnel	-	50,000,000	(50,000,000)	100.00%
Total expenses	<u>710,696,652</u>	<u>763,191,492</u>	<u>(52,494,840)</u>	<u>-6.88%</u>
Change in net assets	<u>(32,089,902)</u>	<u>(86,935,967)</u>	<u>54,846,065</u>	<u>63.09%</u>
Net assets - Beginning	<u>447,843,412</u>	<u>534,779,379</u>	<u>(86,935,967)</u>	<u>-16.26%</u>
Net assets - Ending	<u>\$ 415,753,510</u>	<u>\$ 447,843,412</u>	<u>\$ (32,089,902)</u>	<u>-7.17%</u>

**Governmental Activities** – As noted earlier, governmental activities decreased the City's net assets by approximately \$32.1 million. The major changes are as follows:

Charges for services increased by \$13.2 million an 8.58% increase from prior year. The increase in revenue is attributable to \$3.7 million in revenue from the red light cameras, \$1.1 million in parking facility charges, \$6.3 million in rental income and \$2 million in building revenues. The above revenues were unanticipated increases.

The decrease in operating grants and contributions of \$5.7 million is the result of decreases in funding received in the current year relative to the prior year; primarily related to a decrease in Community Development.

The increase in capital grants and contributions of \$7.5 million is attributable to grant revenues received from FEMA funded activities.

Property taxes revenues decreased by approximately \$11.1 million or 4.23% over the prior year. This reduction is primarily due to a decrease in overall assessed property value.

Public Services Tax decreased by approximately \$1.4 million due to decreased revenues resulting from the change to the data plan in the communication taxes received from the State of Florida.

State Revenue Sharing and State Half Cent Taxes increased by \$0.9 million from prior year.

Other Revenue decreased by approximately \$1.1 million due to a one-time sale of land, in the prior year.

General Government expenses experienced a decrease of approximately \$51.1 million from the prior year due to a distribution of pension, health benefits and employee related costs to different governmental functions. The decrease was distributed to all governmental activities of the City.

Planning and Development Department expenses experienced an increase of approximately \$5.5 million due to the merging of other departments into the Planning and Development Department, increasing both personnel and operating costs.

Community Development expenses decreased by \$2.8 million due to a reduction in operating costs and funding.

Community Redevelopment Area (CRA) expenses increased by \$12.3 million as a result of a \$5 million dollar principal payment and the \$2.1 million interest payment of the City's Wells Fargo Loan and an increase in expenditures for the Access Improvement Project for the OMNI CRA.

Public Works Department expenses increased approximately \$16.9 million due to an increase in personnel and operating costs.

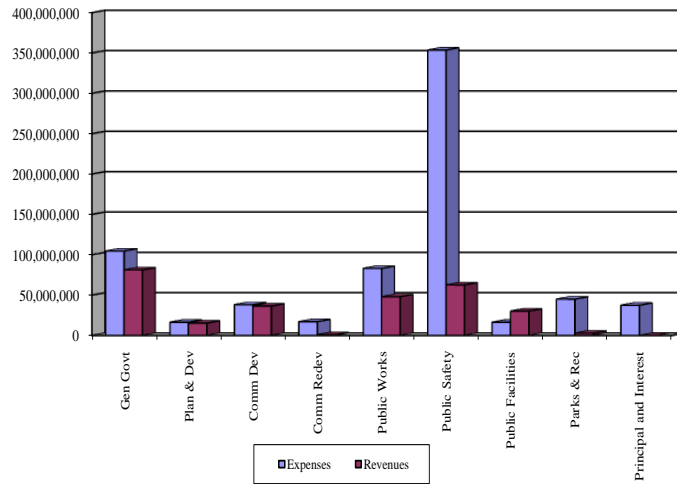
Public Safety experienced an increase of approximately \$12.1 million in expenses from the prior year primarily due to an increases in personnel and operating costs. The Fire Department finalized two Urban Search and Rescue Initiative grants with an increase in expenditures for said grant.

Parks and Recreation Department expenses increased by \$5.4 million due to an increase in operating costs and primarily due to an increase in personnel costs.

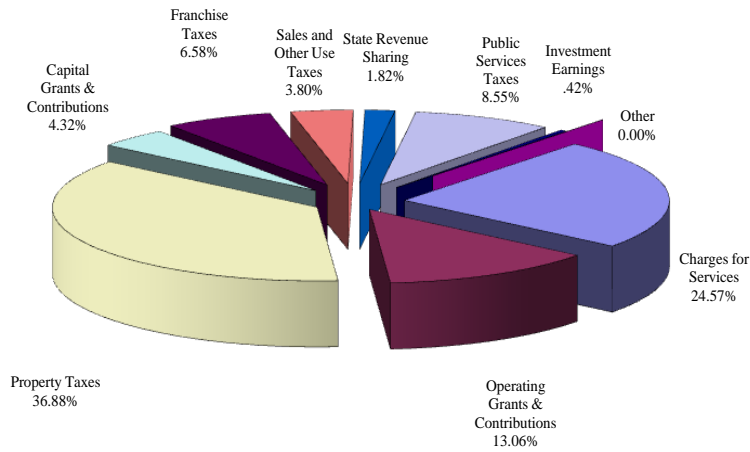
Interest expense on long term debt and other related costs decreased by \$5.9 million as a result of payments of principal and interest on general and special obligations bonds including the first payment related to the Miami Ballpark Garages and Retail debts.

Contribution expense decreased in 2012, as a one-time contribution to the State of Florida for the Port Tunnel project was made for \$50.0 million in prior year with no additional contributions, or loans, during 2012 related to that project.

### 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, the City's total general fund balance was \$57.5 million (see pages 15 & 17). Of this amount, approximately \$7.1 million (see page 15) is recorded as non-spendable for prepaid expenses. \$50.4 million (see page 15) 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 \$37.9 million (see page 17) 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 Fiscal Year 2012, by budgeting 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 approximately \$32.3 million (see page 15 & 17). This represents an increase of approximately \$0.5 million (see page 17). The increase is attributed to an increase in transfers in to maintain the restricted cash requirements per the official statement of each bond.

The Street and Sidewalks Capital Projects Fund had a fund balance of \$66 million as of September 30, 2012 (see pages 15 & 17). This represents a decrease of approximately \$35.5 million (see page 17). The decrease can be attributed to 1) the transfer of \$17.6 million to the Transportation & Transit Fund, a dedicated fund created in fiscal year 2012 to isolate the Citizen's Independent Transportation Trust funds appropriated to qualifying street and sidewalk projects, and 2) \$1.6 million for Venetian Causeway improvements, \$1.8 million for Palm Grove Road Improvements, \$1.0 million for Little River Industrial Park Improvements and \$13.5 million was spent over 95 smaller projects with expenditures of less than \$0.05 million.

Public Safety Capital Projects Fund has a fund balance of \$0.2 million (see pages 15 & 17); a decrease in fund balance of \$0.5 million (see page 17) from the prior year due primarily to increases in project costs.

The General Government Capital Project Fund has a fund balance of \$58.9 million (see pages 15 & 17). This represents a decrease of approximately \$5.9 million (see page 17). The decrease can be attributed to the continuation of projects funded out of this fund including \$1.6 million for the ERP Integration Systems project, \$0.7 million for the Land Management System project, \$0.9 million for the IT Modernization project, \$0.4 million for the Green Lab Construction project and \$0.3 million for the damaged vehicle replacement/repair project. The remaining \$1.0 million is attributed to various smaller projects.



## GENERAL FUND BUDGETARY HIGHLIGHTS

The significant variations between the original and final General Fund budget for Fiscal Year 2012 can be summarized as follows (please see budget to actual comparison on page 88):

\$ 4.1 million decreased allocation to the General Government Departments.

General Government Department budgets 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.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2012, the City had a total of \$1.2 billion (net of accumulated depreciation) invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions less retirements and depreciation) of \$4.8 million (or 0.41%) from the end of the prior year.

Capital Assets at Year End (Net of Depreciation)					
Governmental Activities					
	2012	2011	Change	% Change	
Land	\$ 93,583,975	\$ 92,726,315	\$ 857,660	0.92%	
Construction-in-Progress	48,222,812	251,326,647	(203,103,835)	-80.81%	
Buildings	199,860,508	104,694,188	95,166,320	90.90%	
Improvements	174,289,432	147,838,849	26,450,583	17.89%	
Machinery and Equipment	55,703,178	49,647,636	6,055,542	12.20%	
Infrastructure	585,357,294	514,665,381	70,691,913	13.74%	
Total	\$ 1,157,017,199	\$ 1,160,899,016	\$ (3,881,817)	-0.33%	

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

- Construction in progress decreased approximately \$203 million due to the recognition of completed projects, including the Marlins Parking Garage, Gibson Park and a number of other projects. The total transfers out of projects from a non depreciable category to depreciable categories amounted to \$269.9 million and an offset of \$66.8 million in new expenditures for the remaining projects not yet completed during Fiscal Year 2012.
- The Infrastructure projects completed during the fiscal year included \$84 million in Streets/Sidewalk/Bridges, \$20.1 million in Docks & Piers/Storm Drain Pipe Distributions/Waterways and \$5.0 million in Electrical Distributions.
- The Improvement projects completed during the fiscal year included \$46.8 million of completed projects.
- The transfers out of Construction-in-Progress to Buildings during the fiscal year was approximately \$103.5 million.

Additional information on the City's capital assets can be found in Note 1 on page 33 and Note 5 on page 53 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 \$702.3 million. Of this amount, \$25.4 million is backed by the full faith and credit of the City and \$226.1 million is backed Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation, Revenue bonds and loans secured solely by Non-Ad Valorem revenue source.

	Governmental Activities			
	2012	2011	Change	% Change
General Obligation Bonds	\$ 239,988,415	\$ 251,566,791	\$ (11,578,376)	-4.60%
Special Obligation, Revenue Bonds and Loans	\$ 462,338,660	\$ 475,292,475	\$ (12,953,815)	-2.73%
Total	\$ 702,327,075	\$ 726,859,266	\$ (24,532,191)	-3.38%

The City's net debt decreased during the current fiscal year by \$24.5 million (or 3.38%). This decrease can be attributed to a reduction of principal in accordance with scheduled retirements of bond payments and increased by \$3.6 million for the financing of recycling bins financed using a three lease-purchase agreement.

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 pages 57 through 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 2012 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 slowly recovering from the economic downturn of previous years. 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 2012, the City did not change its operating millage rate of 7.571 mills with a unanimous vote and anticipated to collect \$215.4 million in property tax revenues. The millage rate recommended in the fiscal year 2012 budget required City officials to fully understand the impact property taxes were having on Miami residents and to become more effective in managing government finances.

The slow economic recovery has not only affected property tax values but also the unemployment rate. Per the U.S. Department of Labor, the unemployment rate for South Florida is currently 8.1% which is a 3.4% decrease from the prior year. This rate is lower than the State's average unemployment rate of 8.7% and equal to the national average rate of 8.1%. The region's inflation rate of 2.0% is significantly higher than the national indices of 1.6%.

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 was out of compliance with this requirement on September 30, 2012. 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 approved 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 2<sup>nd</sup> Avenue, Suite 618, Miami, Florida 33130, or visit the City's web site at [www.miamigov.com](http://www.miamigov.com).

**City of Miami, Florida**  
**Statement of Net Assets**  
**September 30, 2012**

	<u>Governmental Activities</u>	<u>Component Units</u>
<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 271,638,806	\$ 24,895,991
Receivables - Net	33,920,665	1,280,371
Accrued Interest	223,439	6,100
Due from Other Governments	32,018,391	367,780
Inventory	926,141	-
Prepays	7,140,534	602,497
Other Assets	68,858	541,833
Cash, Cash Equivalents, and Investments related to Bond Proceeds	125,061,559	-
Restricted Cash, Cash Equivalents, and Investments	27,030,705	7,558,691
Capital Assets:		
Non-Depreciable	141,806,787	15,458,232
Depreciable - Net	1,015,210,412	62,427,951
Deferred Charges	9,707,966	1,881,249
<b>Total Assets</b>	<u>1,664,754,263</u>	<u>115,020,695</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	42,628,838	3,410,297
Due to Other Governments	1,075,334	1,397,461
Unearned Revenue	19,210,311	575,728
Deposits	6,277,836	146,867
Accrued Interest Payable	10,338,561	1,767,354
Due Within One Year:		
Bonds and Loans Payable	71,187,820	1,110,000
Compensated Absences	7,965,982	426,583
Claims Payable	52,664,602	-
Non-Current Liabilities		
Due In More Than One Year:		
Bonds and Loans Payable	656,328,173	69,508,573
Compensated Absences	58,286,352	301,177
Claims Payable	162,062,454	-
Other Post Employment Benefits	156,418,000	71,324
Net Pension Obligation	4,556,490	-
<b>Total Liabilities</b>	<u>1,249,000,753</u>	<u>78,715,364</u>
<b>Net Assets</b>		
Invested in Capital Assets - Net of Related Debt	657,451,573	13,979,892
Restricted for:		
Capital Projects	-	107,460
Debt Service	32,792,396	960,297
Parking Waiver	-	462,362
Law Enforcement	3,681,724	-
Community Redevelopment	44,816,027	-
Choice Housing Voucher Program	298,044	-
E-911	8,489,486	-
Unrestricted (Deficit)	(331,775,740)	20,795,320
<b>Total Net Assets</b>	<u>\$ 415,753,510</u>	<u>\$ 36,305,331</u>

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

**City of Miami, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2012**

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 Governmental Activities	Component Units
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 104,494,781	\$ 51,263,550	\$ 11,365,699	\$ 18,647,237	\$ (23,218,295)	\$ -
Planning and Development	16,396,997	15,327,935	16,500	-	(1,052,562)	-
Community Development	38,099,612	709,171	35,712,144	-	(1,678,297)	-
Community Redevelopment Areas	17,040,767	39,141	973,332	-	(16,028,294)	-
Public Works	83,062,109	41,533,411	-	6,436,162	(35,092,536)	-
Public Safety	352,869,205	23,321,360	39,288,116	-	(290,259,729)	-
Public Facilities	16,330,343	27,352,799	-	2,812,967	13,835,423	-
Parks and Recreation	44,977,172	7,183,856	1,251,954	1,406,164	(35,135,198)	-
Interest on Long-Term Debt	37,425,666	-	-	-	(37,425,666)	-
<b>Total primary government</b>	<b>\$ 710,696,652</b>	<b>\$ 166,731,223</b>	<b>\$ 88,607,745</b>	<b>\$ 29,302,530</b>	<b>(426,055,154)</b>	<b>-</b>
<b>Component Units:</b>						
Miami Sports Exhibition Authority	\$ 59,987	\$ 2	\$ -	\$ -	-	(59,985)
Department of Off-Street Parking	27,969,177	26,513,580	-	-	-	(1,455,597)
Downtown Development Authority	5,170,683	-	-	-	-	(5,170,683)
Bayfront Park	3,773,762	3,735,868	-	-	-	(37,894)
Coconut Grove BID	1,438,233	-	-	-	-	(1,438,233)
Civilian Investigative Panel	363,040	-	432,000	-	-	68,960
<b>Total component units</b>	<b>\$ 38,774,882</b>	<b>\$ 30,249,450</b>	<b>\$ 432,000</b>	<b>\$ -</b>	<b>-</b>	<b>(8,093,432)</b>
<b>General Revenues:</b>						
Taxes:						
Property Taxes, levied for general purposes					223,386,063	6,102,995
Property Taxes, levied for debt service					26,887,032	-
Gain on Sale of Property and Equipment					-	2,479,520
Franchise Taxes					44,649,826	-
State Revenue Sharing - Unrestricted					12,367,171	-
Sales and Other Use Taxes					25,803,387	-
Public Service Taxes					58,045,986	-
Investment Earnings - Unrestricted					2,825,787	375,642
Other					-	255,413
Total General Revenues					<u>393,965,252</u>	<u>9,213,570</u>
Change in Net Assets					(32,089,902)	1,120,138
Net assets - Beginning					447,843,412	35,185,193
Net assets - Ending					<u>\$ 415,753,510</u>	<u>\$ 36,305,331</u>

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

City of Miami, Florida  
Balance Sheet  
Governmental Funds  
September 30, 2012

	Major Funds					Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Public Safety	General Government	Street & Sidewalks		
<b>Assets</b>							
Pooled Cash, Cash Equivalents and Investments	\$ 53,341,988	\$ 13,635,317	\$ 11,364,699	\$ 59,261,986	\$ 70,760,563	\$ 188,335,812	\$ 396,700,365
Restricted Cash, Cash Equivalents, and Investments	-	18,397,777	199,328	-	-	8,433,600	27,030,705
Receivables							
(Net of Allowance for Uncollectibles):							
Accounts	20,500,822	250,000	-	-	-	2,962,394	23,713,216
Loans Receivable	179,502	-	-	-	-	-	179,502
Property Taxes	9,036,487	-	-	-	-	991,460	10,027,947
Due from Other Governments	6,863,521	-	4,783	370,484	1,392,417	23,387,186	32,018,391
Due from Other Funds	5,469,657	-	-	-	-	-	5,469,657
Accrued Interest	96,403	-	-	7,413	85,947	33,676	223,439
Prepays	7,140,534	-	-	-	-	-	7,140,534
Other Assets	68,858	-	-	-	-	-	68,858
<b>Total Assets</b>	<b>\$ 102,697,772</b>	<b>\$ 32,283,094</b>	<b>\$ 11,568,810</b>	<b>\$ 59,639,883</b>	<b>\$ 72,238,927</b>	<b>\$ 224,144,128</b>	<b>\$ 502,572,614</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts Payable and Accrued Liabilities	\$ 20,640,586	\$ -	\$ 457,358	\$ 414,176	\$ 4,899,684	\$ 16,217,034	\$ 42,628,838
Due to Other Funds	-	-	-	-	-	5,469,657	5,469,657
Due to Other Governments	-	-	-	-	-	1,075,334	1,075,334
Deferred or Unearned Revenues	18,565,189	-	10,910,612	370,483	1,330,312	15,269,929	46,446,525
Deposits	5,948,145	-	-	-	-	329,691	6,277,836
<b>Total Liabilities</b>	<b>45,153,920</b>	<b>-</b>	<b>11,367,970</b>	<b>784,659</b>	<b>6,229,996</b>	<b>38,361,645</b>	<b>101,898,190</b>
<b>Fund Balances (Deficit):</b>							
Non-Spendable Fund Balance							
Non Spendable	7,140,534	-	-	-	-	1,000,000	8,140,534
Spendable Fund Balance							
Restricted	-	32,283,094	457,155	55,422,484	64,817,603	180,203,770	333,184,106
Committed	-	-	-	2,525,892	1,191,328	12,794,918	16,512,138
Assigned	50,403,318	-	-	906,848	-	851,193	52,161,359
Unassigned	-	-	(256,315)	-	-	(9,067,398)	(9,323,713)
<b>Total Fund Balances</b>	<b>57,543,852</b>	<b>32,283,094</b>	<b>200,840</b>	<b>58,855,224</b>	<b>66,008,931</b>	<b>185,782,483</b>	<b>400,674,424</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 102,697,772</b>	<b>\$ 32,283,094</b>	<b>\$ 11,568,810</b>	<b>\$ 59,639,883</b>	<b>\$ 72,238,927</b>	<b>\$ 224,144,128</b>	<b>\$ 502,572,614</b>

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, 2012**

Fund Balances - Total Governmental Funds (Page 15)		\$ 400,674,424
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental Capital Assets	2,204,617,441	
Less: Accumulated Depreciation	<u>(1,047,600,242)</u>	1,157,017,199
<p>Inventory (Land) held for resale are not financial resources and therefore are not reported in the governmental funds.</p>		
		926,141
<p>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.</p>		
		17,327,674
<p>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.</p>		
		9,908,540
<p>Unamortized bond and loan issuance costs are not available to pay for current period expenditures and therefore are not reported in the governmental funds.</p>		
		9,707,966
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Bonds, Notes, and Loans Payable	(727,515,993)	
Compensated Absences	(66,252,334)	
Claims Liability	(214,727,056)	
Other Post Employment Benefit	(156,418,000)	
Net Pension Obligation	(4,556,490)	
Accrued Interest Payable	<u>(10,338,561)</u>	<u>(1,179,808,434)</u>
Net Assets of Governmental Activities (Page 14)		<u><u>\$ 415,753,510</u></u>

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

**City of Miami, Florida**  
**Statement of Revenues, Expenditures and Changes In Fund Balances (Deficit)**  
**Governmental Funds**  
**For The Year Ended September 30, 2012**

	Major Funds					Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Public Safety	General Government	Street & Sidewalks		
<b>Revenues</b>							
Property Taxes	\$ 209,126,414	\$ -	\$ -	\$ -	\$ -	\$ 41,146,681	\$ 250,273,095
Franchise and Other Taxes	102,489,740	-	-	-	-	21,740	102,511,480
Licenses and Permits	35,655,699	-	-	-	-	69,872	35,725,571
Fines and Forfeitures	4,808,276	-	-	-	-	730,208	5,538,484
Intergovernmental Revenues	56,176,739	3,000,000	422,008	10,909	1,767,790	91,009,963	152,387,409
Charges for Services	91,413,221	-	294,727	13,891	-	14,993,769	106,715,608
Interest	2,418,809	37,533	-	94,995	96,691	177,759	2,825,787
Impact Fees	-	-	-	4,337,998	-	-	4,337,998
Other	11,373,919	-	-	207,305	-	3,352,432	14,933,656
<b>Total Revenues</b>	<b>513,462,817</b>	<b>3,037,533</b>	<b>716,735</b>	<b>4,665,098</b>	<b>1,864,481</b>	<b>151,502,424</b>	<b>675,249,088</b>
<b>Expenditures</b>							
Current Operating:							
General Government	51,631,428	-	-	2,803,481	2,370,375	9,288,204	66,093,488
Planning and Development	7,706,052	-	-	-	-	216,316	7,922,368
Community Development	-	-	-	-	-	36,706,327	36,706,327
Community Redevelopment Areas	-	-	-	-	-	22,040,767	22,040,767
Public Works	48,876,063	-	-	-	-	72,897	48,948,960
Public Safety	190,369,730	-	618,445	-	-	30,077,639	221,065,814
Public Facilities	4,162,439	-	-	-	-	8,546,003	12,708,442
Parks and Recreation	22,857,751	-	-	-	-	3,021,662	25,879,413
Risk Management	48,659,416	-	-	-	-	-	48,659,416
Pensions	72,843,201	-	-	-	-	-	72,843,201
Debt Service:							
Principal	-	11,120,815	-	-	-	11,813,375	22,934,190
Interest and Other Charges	-	27,402,989	-	-	-	13,782,472	41,185,461
Capital Outlay	17,389	-	2,075,876	824,080	16,326,613	47,653,169	66,897,127
<b>Total Expenditures</b>	<b>447,123,469</b>	<b>38,523,804</b>	<b>2,694,321</b>	<b>3,627,561</b>	<b>18,696,988</b>	<b>183,218,831</b>	<b>693,884,974</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>66,339,348</b>	<b>(35,486,271)</b>	<b>(1,977,586)</b>	<b>1,037,537</b>	<b>(16,832,507)</b>	<b>(31,716,407)</b>	<b>(18,635,886)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers In	4,590,247	35,968,904	1,527,891	3,435,369	6,529,814	62,211,003	114,263,228
Transfers Out	(33,029,917)	-	(25,000)	(10,335,662)	(25,151,319)	(45,721,330)	(114,263,228)
<b>Total Other Financing Sources (Uses)</b>	<b>(28,439,670)</b>	<b>35,968,904</b>	<b>1,502,891</b>	<b>(6,900,293)</b>	<b>(18,621,505)</b>	<b>16,489,673</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>37,899,678</b>	<b>482,633</b>	<b>(474,695)</b>	<b>(5,862,756)</b>	<b>(35,454,012)</b>	<b>(15,226,734)</b>	<b>(18,635,886)</b>
<b>Fund Balances - Beginning</b>	<b>19,644,174</b>	<b>31,800,461</b>	<b>675,535</b>	<b>64,717,980</b>	<b>101,462,943</b>	<b>201,009,217</b>	<b>419,310,310</b>
<b>Fund Balances - Ending</b>	<b>\$ 57,543,852</b>	<b>\$ 32,283,094</b>	<b>\$ 200,840</b>	<b>\$ 58,855,224</b>	<b>\$ 66,008,931</b>	<b>\$ 185,782,483</b>	<b>\$ 400,674,424</b>

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, 2012**

Net Changes in Fund Balances - Total Governmental Funds (Page 17)		\$ (18,635,886)
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.		12,806,140
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.		(9,448,478)
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	\$ 69,666,820	
Less: Current Year Depreciation	<u>(77,148,634)</u>	(7,481,814)
Purchase of Property held for resale is reported as Inventory in Statement of Net Assets		378,033
Principal Paid on Bonds and Loans	28,132,190	
Net effect of Deferring and Amortizing Issuance Costs, Premiums, Discounts, and Accretion	<u>3,322,859</u>	31,455,049
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	2,576,319	
Claims Payable	(6,785,454)	
Other Post Employment Benefits	(37,211,453)	
Net Pension Obligation	18,706	
Accrued Interest Payable	<u>238,936</u>	<u>(41,162,946)</u>
Change in Net Assets of Governmental Activities (Page 14)		<u>\$ (32,089,902)</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, 2012**

	<b>Employee Retirement Funds</b>
<b>Assets</b>	
Cash and Short-Term Investments	\$ 53,362,658
Accounts Receivable	22,090,851
Capital Assets	4,154,789
	79,608,298
Investments	
U.S. Government Obligations	328,776,874
Corporate Bonds	348,490,256
Corporate Stocks	809,155,878
Money Market Funds and Commercial Paper	35,572,188
International Equity	222,966,793
Mutual Funds	168,278,569
Real Estate	150,205,708
Private Equity	43,900,769
<b>Total Investments</b>	2,107,347,035
Securities Lending Collateral	276,817,344
<b>Total Assets</b>	2,463,772,677
<b>Liabilities</b>	
Obligations Under Security Lending	276,817,344
Accounts Payable	1,416,447
Accrued Liabilities	168,282,338
Payable for Securities Purchased	17,378,121
<b>Total Liabilities</b>	463,894,250
<b>Net Assets</b>	
Held in Trust for Pension Benefits	\$ 1,999,878,427

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, 2012**

	<b>Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 72,215,216
Plan Members	17,070,474
<b>Total Contributions</b>	<b>89,285,690</b>
Investment Earnings:	
Net Increase in Fair Value of Investments	262,984,978
Interest	33,265,050
Dividends	15,967,718
Other	369,094
<b>Total Investment Earnings</b>	<b>312,586,840</b>
Security Lending Activities:	
Security Lending Income	859,839
Security Lending Fees and Rebates	(214,836)
Unrealized Gain	54,366
<b>Net Income From Security Lending Activities</b>	<b>699,369</b>
Less Investment Expenses	7,848,391
<b>Net Investment Earnings</b>	<b>304,738,449</b>
Reimbursement from City for Administrative Costs	3,209,232
<b>Total Additions</b>	<b>397,932,740</b>
<b>Deductions</b>	
Benefit Payments	197,209,425
Refunds upon Resignation, Death, etc.	2,439,259
Distribution to Retirees	17,747,481
Administrative and Other Deduction	3,325,958
<b>Total Deductions</b>	<b>220,722,123</b>
<b>Change in Net Assets</b>	<b>177,210,617</b>
<b>Net Assets - Beginning of Year</b>	<b>1,822,667,810</b>
<b>Net Assets - End of Year</b>	<b>\$ 1,999,878,427</b>

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, 2012**

	<b>Miami Sports and Exhibition Authority</b>	<b>Department of Off-Street Parking</b>	<b>Downtown Development Authority</b>	<b>Bayfront Park Management Trust</b>	<b>Coconut Grove BID</b>	<b>Civilian Investigative Panel</b>	<b>Total</b>
<b>Assets</b>							
Cash, Cash Equivalents and Investments	\$ 606,944	\$ 10,311,937	\$ 4,910,146	\$ 5,131,607	\$ 3,630,231	\$ 305,126	\$ 24,895,991
Receivables (Net)							
Accounts	-	401,469	124,328	13,603	740,971	-	1,280,371
Accrued Interest	-	6,100	-	-	-	-	6,100
Due From Other Governments	-	367,780	-	-	-	-	367,780
Prepays	7,605	446,505	128,024	14,405	5,958	-	602,497
Other Assets	-	541,833	-	-	-	-	541,833
Restricted Assets:							
Cash, Cash Equivalents, and Investments	-	7,558,691	-	-	-	-	7,558,691
Capital Assets:							
Non-Depreciable	-	14,942,103	-	516,129	-	-	15,458,232
Depreciable, Net	-	57,652,277	136,158	4,639,516	-	-	62,427,951
Deferred Charges	-	1,881,249	-	-	-	-	1,881,249
<b>Total Assets</b>	<u>614,549</u>	<u>94,109,944</u>	<u>5,298,656</u>	<u>10,315,260</u>	<u>4,377,160</u>	<u>305,126</u>	<u>115,020,695</u>
<b>Liabilities</b>							
Accounts Payable and Accrued Liabilities	-	2,282,137	793,865	73,484	229,815	30,996	3,410,297
Due to Other Governments	-	1,397,461	-	-	-	-	1,397,461
Unearned Revenue	-	393,882	-	181,846	-	-	575,728
Deposits	-	131,432	-	15,435	-	-	146,867
Accrued Interest Payable	-	1,767,354	-	-	-	-	1,767,354
Non-Current Liabilities							
Due Within One Year:							
Bonds and Loans Payable	-	1,110,000	-	-	-	-	1,110,000
Compensated Absences	-	426,583	-	-	-	-	426,583
Due In More Than One Year:							
Bonds and Loans Payable	-	69,508,573	-	-	-	-	69,508,573
Other Post-Employment Benefit Obligation	-	71,324	-	-	-	-	71,324
Compensated Absences	-	150,308	150,869	-	-	-	301,177
<b>Total Liabilities</b>	<u>-</u>	<u>77,239,054</u>	<u>944,734</u>	<u>270,765</u>	<u>229,815</u>	<u>30,996</u>	<u>78,715,364</u>
<b>Net Assets</b>							
Invested in Capital Assets, Net of Related Debt	-	8,688,089	136,158	5,155,645	-	-	13,979,892
Restricted for:							
Capital Projects	107,460	-	-	-	-	-	107,460
Debt Service	-	960,297	-	-	-	-	960,297
Parking Waiver	-	-	-	-	462,362	-	462,362
Unrestricted	507,089	7,222,504	4,217,764	4,888,850	3,684,983	274,130	20,795,320
<b>Total Net Assets</b>	<u>\$ 614,549</u>	<u>\$ 16,870,890</u>	<u>\$ 4,353,922</u>	<u>\$ 10,044,495</u>	<u>\$ 4,147,345</u>	<u>\$ 274,130</u>	<u>\$ 36,305,331</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, 2012**

	<b>Program Revenues</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>
<b>Miami Sports</b>			
<b>Exhibition Authority</b>			
Culture and Recreation	\$ 59,987	\$ 2	\$ -
<b>Total Miami Sports Exhibition Authority</b>	<u>59,987</u>	<u>2</u>	<u>-</u>
<b>Department of Off-Street Parking</b>			
Transportation	27,969,177	26,513,580	-
<b>Total Department of Off-Street Parking</b>	<u>27,969,177</u>	<u>26,513,580</u>	<u>-</u>
<b>Downtown Development Authority</b>			
Economic Development	5,170,683	-	-
<b>Total Downtown Development Authority</b>	<u>5,170,683</u>	<u>-</u>	<u>-</u>
<b>Bayfront Park</b>			
Parks and Recreation	3,773,762	3,735,868	-
<b>Total Bayfront Park</b>	<u>3,773,762</u>	<u>3,735,868</u>	<u>-</u>
<b>Coconut Grove BID</b>			
General Government	1,438,233	-	-
<b>Total Coconut Grove BID</b>	<u>1,438,233</u>	<u>-</u>	<u>-</u>
<b>Civilian Investigative Panel</b>			
General Government	363,040	-	432,000
<b>Total Civilian Investigative Panel</b>	<u>363,040</u>	<u>-</u>	<u>432,000</u>
<b>Total Component Units</b>	<u>\$ 38,774,882</u>	<u>\$ 30,249,450</u>	<u>\$ 432,000</u>

**General Revenues:**

Taxes:  
  Property Taxes, levied for general purpose:  
  Investment Earnings  
  Gain on Disposal of Property  
  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**

<b>Miami Sports and Exhibition Authority</b>	<b>Department of Off-Street Parking</b>	<b>Downtown Development Authority</b>	<b>Bayfront Park Management Trust</b>	<b>Coconut Grove BID</b>	<b>Civilian Investigative Panel</b>	<b>Totals</b>
\$ (59,985)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (59,985)
(59,985)	-	-	-	-	-	(59,985)
-	(1,455,597)	-	-	-	-	(1,455,597)
-	(1,455,597)	-	-	-	-	(1,455,597)
-	-	(5,170,683)	-	-	-	(5,170,683)
-	-	(5,170,683)	-	-	-	(5,170,683)
-	-	-	(37,894)	-	-	(37,894)
-	-	-	(37,894)	-	-	(37,894)
-	-	-	-	(1,438,233)	-	(1,438,233)
-	-	-	-	(1,438,233)	-	(1,438,233)
-	-	-	-	-	68,960	68,960
-	-	-	-	-	68,960	68,960
\$ (59,985)	\$ (1,455,597)	\$ (5,170,683)	\$ (37,894)	\$ (1,438,233)	\$ 68,960	(8,093,432)
-	-	4,497,950	-	1,605,045	-	6,102,995
508	79,389	8,721	258	286,766	-	375,642
-	2,479,520	-	-	-	-	2,479,520
-	-	154,763	100,650	-	-	255,413
508	2,558,909	4,661,434	100,908	1,891,811	-	9,213,570
(59,477)	1,103,312	(509,249)	63,014	453,578	68,960	1,120,138
674,026	15,767,578	4,863,171	9,981,481	3,693,767	205,170	35,185,193
\$ 614,549	\$ 16,870,890	\$ 4,353,922	\$ 10,044,495	\$ 4,147,345	\$ 274,130	\$ 36,305,331

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**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

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

**A. Reporting Entity**

The City, which is located in the county of Miami-Dade, was incorporated in 1896, and has a population of 408,750 according to the 2011 U.S. Census Bureau. The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay and is a main port of entry into Florida and is the county seat of Miami-Dade County, Florida. The City comprises 35.87 square miles of land and 19.42 square miles of water.

The City’s Charter was adopted by the electors of the City of Miami at an election held on May 17, 1921 and was legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. During fiscal year 1997, the residents of the City voted on a referendum that created single-member districts and an Executive Mayor form of government. The City continues to operate under the Commission/City Manager form of government and provides the following services: police and fire protection, public works activities, 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 balances and activities for each blended and discretely presented component unit are as of and for the year ended September 30, 2012.

**Blended Component Units**

SOUTHEAST OVERTOWN PARK WEST COMMUNITY REDEVELOPMENT AGENCY ("SEOPW CRA") – 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 Overtown Park West area. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the separate SEOPW CRA accounts. The members of the City Commission are also the Board of Directors of the SEOPW CRA. Additionally, under the interlocal agreement the City handles the disbursement, accountability, management, and proper application of all monies in the SEOPW accounts. The funds of the SEOPW CRA included within the reporting entity are a special revenue fund (SEOPW CRA), a debt service fund (SEOPW CRA - Other Special Obligation Bonds), and a capital projects fund (SEOPW Community Redevelopment Agency).

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

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

CITY OF MIAMI, FLORIDA  
**NOTES TO FINANCIAL STATEMENTS**

proper application of all monies in the MIDTOWN CRA accounts. The MRA is included within the reporting entity as a special revenue fund (Midtown CRA).

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

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

**Discretely Presented Component Units**

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

**DEPARTMENT OF OFF-STREET PARKING OF THE CITY OF MIAMI, FLORIDA, d/b/a MIAMI PARKING AUTHORITY (“DOSP”)** – The DOSP was originally created in 1955 by a special act of the Florida State Legislature (Laws of Florida Chapter 30.997, as amended) and subsequently incorporated into the City’s Charter in 1968. The DOSP is an agency and instrumentality of the City which owns and operates parking facilities within the City. The City Commission has reserved the right to confirm new members of the DOSP Board, to establish and fix rates and charges for parking services, to approve the DOSP’s operating budget and to authorize the issuance of revenue bonds. Therefore, the DOSP is fiscally dependent and 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 DDA is fiscally dependent 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 BFP is fiscally dependent 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 \$20,830,000 at September 30, 2012. 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 2, 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, 2012 is as follows:

	<b>Miami Jewish Home</b>	<b>Principal Payment</b>	<b>Outstanding Balance</b>
Series 2005	21,540,000	710,000	20,830,000
Total	<u>\$ 21,540,000</u>	<u>\$ 710,000</u>	<u>\$ 20,830,000</u>

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

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.

CITY OF MIAMI, FLORIDA  
**NOTES TO FINANCIAL STATEMENTS**

CIVILIAN INVESTIGATIVE PANEL (“CIP”) – The CIP was established by the City of Miami Commission Ordinance Number 12188 on February 14, 2002 for the purpose of creating an independent citizen’s oversight panel to conduct investigations related to allegations of police misconduct, review 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 CIP is fiscally dependent 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, implementation and maintenance of all infrastructure improvement, and other projects, utilizing BID assessment proceeds and other funds identified. The BID prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the BID is fiscally dependent and 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 CRA  
1490 NW 3<sup>rd</sup> Ave.  
Suite 105  
Miami, Florida 33136

MSEA  
3500 Pan American Drive  
Miami, Florida 33133

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

OMNI/MIDTOWN CRA  
1401 North Miami Ave.  
Miami, Florida 33136

DOSP  
40 NW 3<sup>rd</sup> Street Suite 1103  
Miami, Florida 33128

CIP  
970 SW 1<sup>st</sup> Street  
Suite 305  
Miami, FL 33130

VKBPT  
4020 Virginia Beach Drive  
Miami, Florida 33149

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

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

Liberty City  
4800 NW 12<sup>th</sup> Avenue  
Miami, Florida 33127-2218

CITY OF MIAMI, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**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 discretely presented component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, 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** – This Debt Service 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.

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

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

CITY OF MIAMI, FLORIDA  
**NOTES TO FINANCIAL STATEMENTS**

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.

When restricted resources are available for use, it is the City’s policy to use restricted resources first as they are needed. Similarly, within fund balance categories committed amounts are reduced first, followed

CITY OF MIAMI, FLORIDA  
**NOTES TO FINANCIAL STATEMENTS**

by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of these fund balance classifications could be used.

**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, which are 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.

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

**Inventory**

There are no inventory values presented in the governmental funds. Purchases considered inventoriable items are recorded as expenditures/expense at the time of purchase and the year-end balances are not

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**NOTES TO FINANCIAL STATEMENTS**

material. The government-wide financial statements present inventory values of the City, primarily properties held by the Community Development Department for resale.

**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
Infrastructure	15 - 75

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. 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**

Under terms of Civil Service regulations, labor contracts and administrative policy, City employees are granted vacation and sick leave in varying amounts. Additionally, certain overtime hours can be accrued and carried forward as earned time off. Unused vacation and sick time is payable upon separation from service, subject to various limitations depending upon the employee's seniority and civil service classification. The amount accrued as of September 30, 2012 is \$66.2 million of which \$7.9 million is the current portion. The City accrues a liability for compensated absences as well as certain other salary



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related costs associated with the payment of compensated absences. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related payments, paid sixty days subsequent to year end.

**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, 2012 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. A Net Pension Obligation results when the plan is not funded 100%.

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

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

**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, primarily grant related reimbursements not yet collected. Unearned/Deferred revenues in the government-wide and governmental funds financial statements at September 30, 2012 are as follows:

<b>Source</b>	<b>Government-Wide Level</b>	<b>Governmental Funds Level</b>
College of Policing	\$ 10,905,829	\$ 10,905,829
Burglar Alarms and Business Taxes Receipts	8,051,975	8,051,975
Miami Exhibition and Sports Authority	196,866	196,866
Emergency Medical Services	55,641	55,641
Deferred Taxes	-	9,908,540
Grants and Others	-	17,327,674
<b>Total</b>	<b>\$ 19,210,311</b>	<b>\$ 46,446,525</b>

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**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 accretion, bond premiums or discounts and any gains or losses related to deferred refunding amounts. Bond premiums, discounts, and issuance costs are amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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** – Under the protection of this sovereign immunity limit, Florida Statutes 768.28 and Chapter 440, Florida Statutes covering Workers’ Compensation, the City has established a self-insured program to provide coverage for almost all areas of liability including Workers’ Compensation, General Liability, Automotive Liability, Police Professional Liability, Public Officials’ Liability, and Employment Practices Liability. Section 768.28, Florida Statutes, provides for waiver of sovereign immunity in tort actions or claims against the state and its agencies and subdivisions. The present limit of recovery in the absence of special relief granted by the Florida legislature is \$200,000 per person per claim or judgment. The limit of recovery for all claims or judgments arising out of the same incident or occurrence is \$300,000. The City also provides group health benefits for its active employees, retirees, and their dependents through a fully self-funded health insurance program and uses a commercial carrier as the administrator. The 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 \$90,077,677 of restricted net assets, all of which is restricted by enabling legislation.

**Fund Equity**

The City follows 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

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**NOTES TO FINANCIAL STATEMENTS**

for which amounts in those funds can be spent. The following is a description of the classifications used by the City.

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

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

*Assigned Fund Balance* – This amount includes amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the City Commission. The City’s Financial Integrity Rule Section 18-542 specifies the amounts the City shall retain as assigned fund balance.

*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 cumulative expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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The following schedule classifies the City's fund balances as of fiscal year end September 30, 2012:

	General	Special Obligation Bonds	Public Safety	General Government	Street & Side walks	Non-Major Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>							
<b>Non Spendable:</b>							
Recycling Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Prepaid Items	7,140,534	-	-	-	-	-	7,140,534
	7,140,534	-	-	-	-	1,000,000	8,140,534
<b>Spendable:</b>							
<b>Restricted for:</b>							
Debt Service Reserved by Debt Covenants	-	32,283,094	-	-	-	4,093,860	36,376,954
Environmental Projects	-	-	-	689,240	-	1,697,054	2,386,294
Water-Sewer Combination	-	-	-	-	-	27,595,892	27,595,892
Emergency and Disaster Relief	-	-	-	-	-	1,748,436	1,748,436
Other Grants	-	-	-	-	2,564,328	1,552,185	4,116,513
Park Projects	-	-	-	-	-	17,557,459	17,557,459
Capital Improvements	-	-	-	53,327,986	58,810,496	-	112,138,482
Transportation and Transit	-	-	-	-	3,442,779	35,469,204	38,911,983
Computer and Software Upgrade	-	-	457,155	-	-	225,791	682,946
Housing and Urban Development	-	-	-	-	-	6,453,871	6,453,871
Equipment	-	-	-	-	-	726,879	726,879
Public Safety	-	-	-	1,405,258	-	11,916,342	13,321,600
Other Infrastructure and Development	-	-	-	-	-	194,320	194,320
Other Facilities Improvement	-	-	-	-	-	25,243,339	25,243,339
Community Redevelopment Agencies	-	-	-	-	-	44,817,840	44,817,840
Other	-	-	-	-	-	911,298	911,298
	-	32,283,094	457,155	55,422,484	64,817,603	180,203,770	333,184,106
<b>Committed to:</b>							
Elected Officials	-	-	-	-	-	293,515	293,515
Planning Projects	-	-	-	-	-	1,286,970	1,286,970
Housing and Urban Development	-	-	-	-	-	3,459,022	3,459,022
Park Projects	-	-	-	-	-	1,442,145	1,442,145
Capital Improvements	-	-	-	-	-	2,109,172	2,109,172
Downtown Development	-	-	-	-	-	2,443,294	2,443,294
Computer and Software Upgrade	-	-	-	2,292,569	-	-	2,292,569
Transportation Projects	-	-	-	-	1,191,328	-	1,191,328
Other	-	-	-	233,323	-	1,760,800	1,994,123
	-	-	-	2,525,892	1,191,328	12,794,918	16,512,138
<b>Assigned to:</b>							
Strategic and Management Initiatives	50,403,318	-	-	-	-	-	50,403,318
Other	-	-	-	906,848	-	851,193	1,758,041
	50,403,318	-	-	906,848	-	851,193	52,161,359
<b>Unassigned:</b>							
Unassigned	-	-	(256,315)	-	-	(9,067,398)	(9,323,713)
<b>Total Fund Balances</b>	<b>\$ 57,543,852</b>	<b>\$ 32,283,094</b>	<b>\$ 200,840</b>	<b>\$ 58,855,224</b>	<b>\$ 66,008,931</b>	<b>\$ 185,782,483</b>	<b>\$ 400,674,424</b>

CITY OF MIAMI, FLORIDA  
**NOTES TO FINANCIAL STATEMENTS**

**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.

**Excess of Expenditures over Appropriations**

The following funds exceeded their authorized budget for fiscal year ended September 30, 2012:

<u>Fund/Department</u>	<u>Exceeded Budget Authorization</u>
Special Revenue:	
Emergency Services	\$ 100,268
Homeless Program	10
Blended Component Unit:	
Virginia Beach Trust	32,427

The Emergency Services Fund is dedicated for the training and operations of the Urban Search and Rescue team reimbursed by FEMA. The Homeless Program is primarily funded by a number of grants and the \$10 variance is a due to rounding of the budgets to the nearest 100<sup>th</sup>. The Virginia Beach Trust is a blended component unit and the projected revenue collections were lower than expected.

**Fund Deficits**

The following funds had deficits in the amounts indicated as of September 30, 2012:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Fire Rescue Services	\$ 3,928,202
General Special Revenues	1,396,853
Capital Projects:	
Disaster Recovery	772,383
Mass Transit	179,289
Blended Component Unit:	
Virginia Beach Trust	32,463

The fund deficits reported as of September 30, 2012, for the Fire Rescue Services, General Special Revenues, Disaster Recovery and Mass Transit funds is attributed to reimbursements of grants not received as of the year end. The City continues to pursue collection of the outstanding balances. The Virginia Beach Trust is a blended component unit and the projected revenue collections were lower than expected for fiscal year 2012.

## New Accounting Pronouncements

**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 was effective for the City beginning with its year ending September 30, 2012. This Statement did not have an impact on the City's financial statements.

## 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 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.

**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, *Security for Public Deposits*, 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 and/or a designee in their absence 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.

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

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the activities and investments of the State Board of Administration. The fair value of the position in the external investment pool is the same as the value of the pool shares. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission; however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund. These investments are valued using the pooled share price, which is based on amortized cost.

At September 30, 2012, the pooled cash, cash equivalents and investments including restricted cash of the primary government, exclusive of the Pension Trust Funds and discrete component units, consisted of the following:

Federal National Mortgage Association	\$ 68,440,380
Federal Home Loan Mortgage Corporation	34,902,116
Federal Farm Credit Bank	81,961,111
Federal Home Loan Bank	63,552,882
Commercial Paper	98,274,461
Money Market Fund	<u>27,030,705</u>
Total Investments	374,161,655
Bank Deposits	<u>49,569,415</u>
Total Pooled Cash, Cash Equivalents and Investments	<u><u>\$ 423,731,070</u></u>

As of September 30, 2012, \$125,061,559 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>
2007 Street & Sidewalks	\$ 16,562,122
Special Obligations A	1,825,312
2007B Limited	2,173,054
2009 Limited	31,060,944
2009 Streets and Sidewalks	44,278,327
2010A Marlins Garage Tax Exempt	10,248,055
2010B Marlins Garage Taxable	2,688,911
2011A- Non-Ad Valorem Refunding Bond	<u>16,224,834</u>
	<u><u>\$ 125,061,559</u></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, 2012, 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	0.99
Federal Home Loan Mortgage Corporation	1.19
Federal Farm Credit Bank	0.82
Federal Home Loan Bank	0.33
Commercial Paper	0.13

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**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). The table below summarizes the investments by credit rating at September 30, 2012:

<u>Investment Type</u>	<u>Moody's &amp; Fitch Credit Rating</u>
Federal National Mortgage Association	AA+
Federal Home Loan Mortgage Corporation	AA+
Federal Farm Credit Bank	AA+
Federal Home Loan Bank	AA+
Commercial Paper	A1/P1/F1

**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 5% with any one issuer. A maximum of 10% of the portfolio may be invested in banker’s acceptances with a maximum of 5% with any one issuer.

As of September 30, 2012, the following issuers held 10% or more of the investment portfolio:

<u>Issuer</u>	<u>Percentage</u>
Federal Farm Credit Bank	24%
Federal Home Loan Bank	18%
Federal Home Loan Mortgage Corp.	10%
Federal National Mortgage Association	20%

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.



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**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 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, 2012:

	<u>U.S. Treasuries</u>	<u>U.S. Agencies</u>	<u>Corporate Bonds</u>	<u>Total</u>
Fair Value	\$ 138,817,322	\$ 105,875,001	\$ 280,685,368	\$ 525,377,691
Investment Maturities:				
Less than 1 year	16,763,020	1,061,402	6,603,371	24,427,793
1 to 5 years	55,518,116	2,655,008	96,970,206	155,143,330
6 to 10 years	45,663,030	2,934,425	127,905,102	176,502,557
More than 10 years	20,873,156	99,224,166	49,206,689	169,304,011

**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, 2012:

<u>Investment Type/Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. Government guaranteed*	\$ 244,692,323	46.57%
Credit risk debt securities		
AAA	9,659,787	1.84%
AA+	13,359,080	2.54%
AA	6,018,794	1.15%
AA-	7,144,105	1.36%
A+	16,230,876	3.09%
A	20,892,150	3.98%
A-	35,563,605	6.77%
BBB+	23,059,329	4.39%
BBB	36,684,491	6.98%
BBB-	11,509,255	2.19%
BB+ and lower	83,790,353	15.95%
Not Rated	16,773,543	3.19%
Total credit risk debt securities	<u>280,685,368</u>	<u>53.43%</u>
Total fixed income securities	<u>\$ 525,377,691</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.

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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, 2012.

**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>	<b>Holdings valued in U.S. Dollars - International Equities</b>
Swiss Franc	\$ 6,741,787
Canadian Dollar	1,636,071
Euro	14,644,985
British Pound Sterling	5,131,310
Hong Kong Dollar	1,128,188
Japanese Yen	15,184,705
South Korean Won	2,319,209
Swedish Krona	757,524
Mexican Peso	1,006,805
Norwegian Krone	462,105
Signapore Dollar	3,338,876
Australian Dollar	798,244
Other	2,074,092
	<u>\$ 55,223,901</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 128 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 market value 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 34 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, 2012:

<b>Securities Lent:</b>	<b>Underlying Securities</b>	<b>Received/Securities Collateral Value</b>	<b>Investment Value</b>
Lent for cash collateral:			
U.S. government and agency obligations	\$ 116,409,970	\$ 119,119,277	\$ 119,119,277
International equities	4,116,641	4,364,203	4,364,203
Domestic corporate stocks	112,192,082	115,325,992	115,325,992
Domestic corporate bonds	37,028,822	38,007,872	38,007,872
<b>Total securities lent</b>	<b><u>\$ 269,747,515</u></b>	<b><u>\$ 276,817,344</u></b>	<b><u>\$ 276,817,344</u></b>

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. The following table details the investments as of September 30, 2012:

	<b>Amount</b>
Investments, at fair value:	
Debt securities, domestic:	
U.S. Treasuries	\$ 67,283,289
U.S. Agencies	105,875,001
Treasury Inflation Protected Securities (TIPS)	71,534,033
U.S. Government Obligations	<u>\$ 244,692,323</u>
Corporate Bonds	215,817,111
Asset Backed Securities	13,847,934
Mortgage Backed Securities	18,866,371
Guaranteed Fixed Income	536,557
Debt Securities, International:	
International Government Bonds	5,651,807
Corporate Bonds	25,965,588
Corporate Bonds	<u>\$ 280,685,368</u>
Corporate Stocks	449,370,529
International Equity	222,966,793
Mutual Funds - DROP	168,278,569
Real Estate	125,109,383
Private	43,900,769
<b>Total Investments</b>	<b><u>\$ 1,535,003,734</u></b>

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.

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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 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, 2012.

**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, 2012, is as follows:

<b>Investment Type</b>	<b>Fair Value</b>	
	<b>GESE Trust</b>	<b>Staff Trust</b>
U.S. Government and Agency Securities	\$ 84,084,551	\$ -
Corporate Stocks	358,899,769	885,580
Corporate Bonds	66,133,102	1,671,786
	<u>509,117,422</u>	<u>2,557,366</u>
Real Estate Fund	25,096,325	-
Money Market Fund and Commercial Paper	29,831,876	-
Total Investments	<u>\$ 564,045,623</u>	<u>\$ 2,557,366</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, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity Years</u>
Other Gov't	\$ 361,000	13.83
Asset-Backed	1,614,000	1.39
Corporate-Bank	10,583,000	2.96
Corporate-Finance	9,310,000	4.39
Corporate-Industrial	28,118,000	6.18
Corporatet-Misc	1,285,000	8.28
Corporate-Transportation	990,000	7.34
Corporate-Comm. Utility	2,366,000	4.41
Corporate-Electric Utility	1,734,000	4.06
US Treasury Bonds	4,386,000	15.50
US Treasury Notes	21,101,000	5.55
US Agency	20,609,000	3.25
Yankee-Finance	226,000	4.07
Yankee-Industrial	1,526,000	5.69
Mortgages	45,621,000	9.63
Cash	4,737,000	0.00
Other	2,003,000	4.23
Total	<u>\$ 156,570,000</u>	<u>4.68</u>

**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 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, 2012, the following table displays Moody’s ratings and the market value of the total fixed-income portfolio invested:

<u></u>	<u>Fair Value</u>	<u>Percent</u>
US Treasury*	\$ 25,487,000	16.28%
US Agency*	20,609,000	13.16%
Other Government - AAA	361,000	0.23%
Asset-Backed**	1,614,000	1.03%
Mortgages**	45,621,000	29.14%
Aa	5,754,000	3.68%
A	32,398,000	20.69%
Baa	17,833,000	11.39%
Ba	2,156,000	1.38%
Cash	4,737,000	3.03%
Total	<u>\$ 156,570,000</u>	<u>100.00%</u>

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, 2012, 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, 2012, 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, 2012, 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 \$885,000. 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, 2012:

<u>Investment Type/Rating</u>	<u>Fair Value ('000)</u>	<u>Percent</u>
Government*	\$ 696	78.64%
Aaa	2	0.23%
Aa	17	1.92%
A	91	10.28%
Baa	79	8.93%
	<u>\$ 885</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, 2012, 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, 2012, the investments of EORT consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$ 1,274,563
Federal Home Loan Mortgage Corporation	1,264,237
Federal Home Loan Bank	1,404,959
Federal Farm Credit Bank	1,360,962
Money Market Funds	492,467
	<u>\$ 5,797,188</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, 2012, 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	4.58
Federal Home Loan Mortgage Association	4.69
Federal Home Loan Bank	4.20
Federal Farm Credit Bank	4.75
Money Market Funds	Less than 1 year

The investments at September 30, 2012 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, 2012, all of the Plan’s investments were held in Government Agencies and Money Market Funds. Money Market Funds are authorized by the City’s investment policy, but are not rated by the major rating agencies.

**Custodial Credit Risk** - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The EORT Plan utilizes an independent custodial safekeeping agent for its 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 5% with any one issuer. A maximum of 10% of the portfolio may be invested in banker’s acceptances with a maximum of 5% with any one issuer. At September 30, 2012, the EORT Trust did not have any positions with issuers greater than 5%.



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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:

Receivables	General	Special Obligation Bonds	Public Safety	General Government	Streets & Sidewalks	Non-Major Govt Funds	Total
Accounts	\$ 34,213,204	\$ 250,000	\$ -	\$ 3,012,408	\$ 103,671	\$ 5,397,253	\$ 42,976,536
Property Taxes	9,036,487	-	-	-	-	991,460	10,027,947
Due from Other Govts	6,863,521	-	4,783	370,484	1,392,417	23,387,186	32,018,391
Loan to component unit	-	-	-	-	-	1,950,000	1,950,000
Loan Receivables	179,502	13,821,923	-	-	-	-	14,001,425
Gross Receivables	50,292,714	14,071,923	4,783	3,382,892	1,496,088	31,725,899	100,974,299
Less: Allowance for:							
Uncollectibles	(13,712,382)	(13,821,923)	-	(3,012,408)	(103,671)	(4,384,859)	(35,035,243)
Net Total Receivables	\$ 36,580,332	\$ 250,000	\$ 4,783	\$ 370,484	\$ 1,392,417	\$ 27,341,040	\$ 65,939,056

On November 17, 2011, the City, Miami-Dade County (the “County”), and the U.S. Department of Housing and Urban Development (“HUD”) amended (the “First HUD Loan Amendment”) their earlier May 13, 2001 Assumption of Loan Guarantee Assistance Liability and Pledge Agreement (“HUD Loan Assumption Agreement”) in order to refinance the Parrot Jungle Project (“Project”) HUD Section 108 Loan originally evidenced by an earlier note in the original principal amount of \$25,000,000 (the “Old Note”) under a new note at a lesser interest rate for the then currently outstanding principal amount of \$15,560,000 (the “New Note”). The refinancing under the New Note remained in accordance with the pro-rata payment obligations under a continuing Participation Agreement for the Parrot Jungle Project HUD Section 108 Loan whereby the City’s pro-rata payment obligations remain eighty percent (80%) and the County’s pro-rata payment obligations remain twenty percent (20%).

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

1. **Parrot Jungle Project HUD Section 108 Loan Deferred Payments** will begin August 1, 2019 to repay the City’s earlier 80% payments to HUD in the approximate amount of \$13.8 million;
2. **Regular Lease Rent Payments** begin April 1, 2013 from Jungle Island to the City based upon a “Gross Revenues” monthly calculation;
3. **Deferred Lease Rent Payments** due from Jungle Island to the City based upon a minimum rent/percentage rent calculation formula. The deferred rent amounts to \$2.7 million and is not due to the City until December 31, 2020, and therefore is not presented as a receivable and related deferred revenue in the governmental fund financial statements.

- 4. **Property Tax Loan Payments** are ongoing from Jungle Island to the City regarding the \$800,000 paid by the City to the County for the Project. The payments due to the City are current as of September 30, 2012 the balance due is \$179,502.
- 5. **State Deed Restriction Waiver Payments** are ongoing from Jungle Island for payment by the City to the State of Florida, Board of Trustees of the Internal Improvement Fund.

Additionally, those multiple agreements contain certain continuing job creation and retention requirements which are ongoing throughout the operations periods of each agreement. The receivable balances relating to the above obligations are reported in the Special Obligations Fund and the General Fund.

**Single-Family Homeownership and Rehabilitation Programs**

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

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

	<b>September 30, 2012</b>	
<b>Program</b>	<b>Loans Outstanding</b>	<b>Amount</b>
CDBG	76 loans	\$ 2,005,348
HOME	545 loans	22,749,139
SHIP	300 loans	12,572,834
Other	99 loans	2,017,368
<b>Total</b>	<u>1,020 loans</u>	<u>\$ 39,344,689</u>

**Home Ownership and Rental Multi-Family Loans**

As of September 30, 2012, there are 108 projects aggregating to \$57,493,187 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”, collections is not assured, consequently they are not recognized in the financial statements.

### **Economic Development Commercial Loans**

As of September 30, 2012, there are 30 loans aggregating to \$9,769,994 for Special Economic Development projects under the CDBG program. Those projects are collateralized by placing a mortgage against the property of the business or non-profit entity's assets to ensure repayment of the loan and interest to the City. Some of these "loans" are written with no interest payment or deferred payments and are "forgivable", if all program conditions are met. Given the nature of these "loans", collection is not assured, consequently they are not recognized in the financial statements.

### **NOTE 4. – PROPERTY TAXES**

Property taxes are assessed according to the value determined by the Miami-Dade County Property Appraiser on January 1<sup>st</sup> of each year and are due, with discounts of one to four percent allowed if paid prior to March 1<sup>st</sup> of the following calendar year. 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 1<sup>st</sup> 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, 2011, upon which the 2011-2012 levy was based, was \$31,333,834,037. 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, 2012, was \$7.5710 per \$1,000. The debt service tax rate for the same period was \$0.900 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, 2012. 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, 2012:

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 92,726,315	\$ 857,660	\$ -	\$ 93,583,975
Construction in Progress	251,326,647	66,772,982	(269,876,817)	48,222,812
<b>Total Capital Assets, not being depreciated</b>	<u>344,052,962</u>	<u>67,630,642</u>	<u>(269,876,817)</u>	<u>141,806,787</u>
Depreciable Assets:				
Buildings	195,052,688	103,542,040	-	298,594,728
Improvements	217,840,140	46,836,778	-	264,676,918
Machinery and Equipment	185,361,321	16,160,422	(1,849,854)	199,671,889
Infrastructure	1,190,728,053	109,139,561	(495)	1,299,867,119
<b>Total Capital Assets being depreciated</b>	<u>1,788,982,202</u>	<u>275,678,801</u>	<u>(1,850,349)</u>	<u>2,062,810,654</u>
Less Accumulated Depreciation for:				
Buildings	90,358,500	8,375,720	-	98,734,220
Improvements	70,001,291	20,386,195	-	90,387,486
Machinery and Equipment	135,713,685	9,939,566	(1,684,540)	143,968,711
Infrastructure	676,062,672	38,447,153	-	714,509,825
<b>Total accumulated depreciation</b>	<u>972,136,148</u>	<u>77,148,634</u>	<u>(1,684,540)</u>	<u>1,047,600,242</u>
<b>Total Capital Assets being depreciated, net</b>	<u>816,846,054</u>	<u>198,530,167</u>	<u>(165,809)</u>	<u>1,015,210,412</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 1,160,899,016</u>	<u>\$ 266,160,809</u>	<u>\$ (270,042,626)</u>	<u>\$ 1,157,017,199</u>

Depreciation expense was charged to governmental functions as follows:

<u>Function/Program Activities</u>	<u>Depreciation Expense</u>
General Government	\$ 40,966,520
Planning and Development	115,208
Community Development	35,242
Community Redevelopment Areas	297,899
Public Works	6,485,133
Public Safety	8,203,851
Public Facilities	3,628,454
Parks and Recreation	17,416,327
<b>Total depreciation expense</b>	<u>\$ 77,148,634</u>

During the fiscal year, the City purchased recycling bins for governmental type activities under a lease purchase financing agreement. The purchased equipment is provided as collateral via a “lease purchase” financing arrangement for a three year term. Obligations under the lease purchase agreement are recorded at the present value of their future minimum lease payments beginning October 1, 2012. The aggregate amount of the purchase was \$3.8 million and the bins were capitalized as of September 30, 2012.

In Fiscal Year 2012, the City recorded depreciation expense related to errors for assets not properly categorized—(moved from CIP to their respective asset category and depreciated) of approximately \$12.6 million. Had these errors been corrected in the respective fiscal year, the beginning net assets in Fiscal Year 2012 would have been \$12.6 million lower.

**Construction Commitments**

As of September 30, 2012, the City had in progress various construction projects that were not completed with remaining balances totaling \$38,382,532. 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, 2012:

MSEA, CIP, BID and HFA did not have any capital asset balances at September 30, 2012.

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

	<b>DOSP</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 14,152,054	\$ -	\$ (1,013,794)	\$ 13,138,260
Construction in progress	233,017	1,698,794	(127,968)	1,803,843
<b>Total capital assets, not being depreciated</b>	<b>14,385,071</b>	<b>1,698,794</b>	<b>(1,141,762)</b>	<b>14,942,103</b>
Capital assets, being depreciated:				
Building and structures	72,191,633	319,341	(200,449)	72,310,525
Leasehold improvements	10,630,423	33,563	(175,776)	10,488,210
Furniture and fixtures	1,080,795	15,030	(163,863)	931,962
Equipment	18,410,761	237,941	(2,686,354)	15,962,348
<b>Total capital assets, being depreciated</b>	<b>102,313,612</b>	<b>605,875</b>	<b>(3,226,442)</b>	<b>99,693,045</b>
Less accumulated depreciation for:				
Building and structures	18,574,502	1,903,080	(200,449)	20,277,133
Leasehold improvements	8,500,071	396,665	(175,776)	8,720,960
Furniture and fixtures	326,918	74,221	(163,863)	237,276
Equipment	14,302,245	1,186,251	(2,683,097)	12,805,399
<b>Total accumulated depreciation</b>	<b>41,703,736</b>	<b>3,560,217</b>	<b>(3,223,185)</b>	<b>42,040,768</b>
<b>Total capital assets, being depreciated, net</b>	<b>60,609,876</b>	<b>(2,954,342)</b>	<b>(3,257)</b>	<b>57,652,277</b>
DOSP capital assets, net	<b>\$ 74,994,947</b>	<b>\$ (1,255,548)</b>	<b>\$ (1,145,019)</b>	<b>\$ 72,594,380</b>

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

	<b>DDA</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets, being depreciated:				
Furniture and equipment	\$ 515,809	\$ 7,849	\$ -	\$ 523,658
Less accumulated depreciation for:				
Furniture and equipment	(360,845)	(26,655)	-	(387,500)
DDA capital assets, net	<b>\$ 154,964</b>	<b>\$ (18,806)</b>	<b>\$ -</b>	<b>\$ 136,158</b>

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

	<b>BFP</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 516,129	\$ -	\$ -	\$ 516,129
Construction in progress	-	-	-	-
<b>Total capital assets, not being depreciated</b>	<b>516,129</b>	<b>-</b>	<b>-</b>	<b>516,129</b>
Capital assets, being depreciated:				
Buildings	2,637,934	-	-	2,637,934
Public domain and system infrastructure	5,363,559	39,025	-	5,402,584
Machinery and equipment	444,125	28,329	-	472,454
<b>Total capital assets, being depreciated</b>	<b>8,445,618</b>	<b>67,354</b>	<b>-</b>	<b>8,512,972</b>
Less accumulated depreciation for:				
Buildings	(1,229,997)	(52,759)	-	(1,282,756)
Public domain and system infrastructure	(1,998,379)	(218,804)	-	(2,217,183)
Machinery and equipment	(349,114)	(24,403)	-	(373,517)
<b>Total accumulated depreciation</b>	<b>(3,577,490)</b>	<b>(295,966)</b>	<b>-</b>	<b>(3,873,456)</b>
<b>Total capital assets being depreciated, net</b>	<b>4,868,128</b>	<b>(228,612)</b>	<b>-</b>	<b>4,639,516</b>
<b>BFP capital assets, net</b>	<b>\$ 5,384,257</b>	<b>\$ (228,612)</b>	<b>\$ -</b>	<b>\$ 5,155,645</b>

Summary of discretely presented component unit capital assets at September 30, 2012 is as follows:

	<b>DOSP</b>	<b>DDA</b>	<b>BFP</b>	<b>Total</b>
<b>Capital Assets:</b>				
Non-depreciable	\$ 14,942,103	\$ -	\$ 516,129	\$ 15,458,232
Depreciable, Net	57,652,277	136,158	4,639,516	62,427,951
	<b>\$ 72,594,380</b>	<b>\$ 136,158</b>	<b>\$ 5,155,645</b>	<b>\$ 77,886,183</b>

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

<b>Entity</b>	<b>Depreciation Expense</b>
DOSP	\$ 3,560,217
DDA	26,655
BFP	295,966
<b>Total depreciation expense</b>	<b>\$ 3,882,838</b>

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**NOTE 6. – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities in the governmental funds balance sheet at September 30, 2012 consisted of the following:

	Public		General	Streets &	Non-Major	Total
	General	Safety	Government	Sidewalks	Governmental Funds	
Accounts Payables	\$ 12,499,512	\$ 407,853	\$ 157,881	\$ 4,029,742	\$ 13,012,818	\$ 30,107,806
Retainage	33,710	49,505	256,295	869,942	3,204,216	4,413,668
Salaries and Benefits	8,107,364	-	-	-	-	8,107,364
<b>Total</b>	<b>\$ 20,640,586</b>	<b>\$ 457,358</b>	<b>\$ 414,176</b>	<b>\$ 4,899,684</b>	<b>\$ 16,217,034</b>	<b>\$ 42,628,838</b>

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

The balances reflected as due from/due to other funds as of September 30, 2012 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Non-Major Governmental Funds	\$ 5,469,657
	<b>Total</b>	<b>\$ 5,469,657</b>

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, 2012:

<u>Transfer Out</u>	<u>Transfer In</u>						Total
	General	Special Obligation Bonds	Public Safety	General Government	Street & Sidewalks	Nonmajor Governmental Funds	
General	\$ -	\$ 20,519,000	\$ -	\$ 1,400,000	\$ 1,403,800	\$ 9,707,117	\$ 33,029,917
Public Safety	-	-	-	25,000	-	-	25,000
General Government	-	-	1,498,586	-	852,152	7,984,924	10,335,662
Street & Sidewalks	-	-	-	2,000,000	-	23,151,319	25,151,319
Nonmajor Governmental Funds	4,590,247	15,449,904	29,305	10,369	4,273,862	21,367,643	45,721,330
<b>Total</b>	<b>\$ 4,590,247</b>	<b>\$ 35,968,904</b>	<b>\$ 1,527,891</b>	<b>\$ 3,435,369</b>	<b>\$ 6,529,814</b>	<b>\$ 62,211,003</b>	<b>\$ 114,263,228</b>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (c) move unrestricted revenues collected in the general 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 \$4.6 million. This total was comprised of transfers from the Omni CRA of \$0.7 to fund the Police Visibility Program and a \$3.9 million one-time

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transfer from the Emergency Services Fund by FEMA for reimbursement of expenditures paid by the General Fund during Hurricanes Katrina and Wilma which were reimbursed during fiscal year 2012.

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

Transfers out of the Streets and Sidewalks Fund to nonmajor Governmental Funds which include the newly created fund titled Transportation and Transit Capital Projects Fund; segregates the proceeds received from the Citizen’s Independent Transportation Trust which are appropriated for qualifying capital projects.

**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, 2012:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reduction</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
General Obligation Bonds	\$ 251,566,791	\$ -	\$ (11,578,376)	\$ 239,988,415	\$ 11,017,644
Special Obligation and Revenue Bonds and Loans	475,292,475	3,600,000	(16,553,815)	462,338,660	60,170,176
Total General Obligation/Special Obligation and Revenue Bonds and Loans	726,859,266	3,600,000	(28,132,191)	702,327,075	71,187,820
Accretion	27,870,904	-	(4,609,669)	23,261,235	-
Bond Premium (discounts)	6,197,664	-	(767,724)	5,429,940	-
Deferred loss on Advance Refunding	(4,228,837)	726,580	-	(3,502,257)	-
Total bonds costs	29,839,731	726,580	(5,377,393)	25,188,918	-
Total Bonds and Loans	756,698,997	4,326,580	(33,509,584)	727,515,993	71,187,820
Other liabilities:					
Compensated Absences	68,828,653	5,677,286	(8,253,605)	66,252,334	7,965,982
Claims Payable	207,941,602	57,887,062	(51,101,608)	214,727,056	52,664,602
Other Post Employment Benefits	119,206,547	44,552,000	(7,340,547)	156,418,000	-
Net Pension Obligation	4,575,196	496,201	(514,907)	4,556,490	-
Total Governmental Activities Long-term Liabilities	\$ 1,157,250,995	\$ 112,939,129	\$ (100,720,251)	\$ 1,169,469,873	\$ 131,818,404

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

Claims payable balance of \$214,727,056 includes an accrual of \$2,045,829 for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution and \$3,003,819 for potential legal claims. The claims payables reported for the City’s self-insurance is discussed in Note 9 and material legal contingencies are discussed in Note 12.



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**Bonds and Loans Outstanding** – Summarized below are the City’s bond and loan issues, which are outstanding at September 30, 2012:

<b>DESCRIPTION</b>	<b>Purpose of Issue</b>	<b>Amount Issued</b>	<b>Outstanding Balance</b>	<b>Interest Rate Range</b>
<b>General Obligation Bonds:</b>				
Homeland Defense/Neighborhood CIP Series 2002 (Limited)	Homeland Defense	\$ 153,186,406	\$ 22,063,415	4.17%-4.97%
General Obligation Refunding Bonds Series 2002A	Refunding	32,510,000	16,715,000	5.0%-5.375%
General Obligation Bonds Series 2003B	Refunding	4,180,000	2,740,000	2.635%-3.5%
Homeland Defense/Neighborhood CIP Series 2007A (Limited)	Refunding	103,060,000	102,500,000	4%-5%
Homeland Defense/Neighborhood CIP Series 2007B (Limited)	Homeland Defense	50,000,000	50,000,000	4.995%-5%
Homeland Defense/Neighborhood CIP Series 2009 (Limited)	Homeland Defense	51,055,000	45,970,000	3%-5.5%
<b>Total General Obligation Bonds</b>		<b>\$ 393,991,406</b>	<b>\$ 239,988,415</b>	
<b>Special Obligation and Revenue Bonds and Loans:</b>				
Special Revenue Refunding Bonds Series 1987	Refunding	\$ 65,271,325	\$ 2,161,796	5.25%-7.3%
Community Redevelopment Revenue Bonds Series 1990	Redevelopment	11,500,000	1,170,000	8.50%
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	72,000,000	26,885,000	6.5%-7.25%
Special Revenue Refunding Bonds Series 2002A	Refunding	27,895,000	18,330,000	3.5%-5.375%
Special Revenue Refunding Bonds Series 2002C	Refunding	28,390,000	14,025,000	3.1%-4.375%
Special Obligation Non-Ad Valorem Refunding Bonds Series 2009	Refunding	37,435,000	35,395,000	3.4%-7.55%
Special Obligation Tax-Exempt Revenue Bonds Series 2010A	Parking	84,540,000	84,540,000	5%-5.25%
Special Obligation Tax Revenue Bonds, Garages Series 2010B	Parling	16,830,000	16,830,000	5.9375%-7.443%
SEOPW - Section 108 HUD Loan	Redevelopment	5,100,000	1,250,000	(1)
Wagner Square Section 108 HUD Loan	Redevelopment	4,000,000	3,413,000	(1)
Special Revenue Bonds Series 2007	Street & Sidewalks	80,000,000	74,225,000	3.5%-5.0%
Special Revenue Bonds Series 2009	Street & Sidewalks	65,000,000	63,160,000	2.5%-5.625%
Port of Miami Tunnel Loan	Tunnel	50,000,000	45,000,000	(2)
Special Obligation Refunding Bonds Series 2011-A	Refunding	70,645,000	70,645,000	4.00%-6.00%
Gran Central Corporation Loan	Redevelopment	1,708,864	1,708,864	0.00%
Mears Leasing Company	Recycling Bins	3,600,000	3,600,000	3.02%
<b>Total Special Obligation Bonds, Revenue Bonds, and Loans</b>		<b>\$ 623,915,189</b>	<b>\$ 462,338,660</b>	
<b>Total Bonds and Loans</b>		<b>\$ 1,017,906,595</b>	<b>\$ 702,327,075</b>	

(1) These are variable rate loans. The interest is calculated monthly and paid to the trustee quarterly.

(2) This is a variable rate loan. The interest is calculated yearly and paid to the trustee annually

**Annual Debt Service Requirements to Maturity**

The annual debt service requirements for all bonds and loans outstanding as of September 30, 2012 are as follows:

Year Ended September 30,	General Obligation Bonds		Special Obligation, Revenue Bonds, and Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 11,017,644	\$ 13,731,697	\$ 60,170,176	\$ 29,350,774	\$ 71,187,820	\$ 43,082,471
2014	11,592,518	13,780,673	15,206,077	26,636,003	26,798,595	40,416,676
2015	12,339,949	13,741,374	11,006,407	25,684,675	23,346,356	39,426,049
2016	14,908,304	11,165,643	9,975,000	20,652,894	24,883,304	31,818,537
2017	17,000,000	9,067,485	19,478,000	19,838,214	36,478,000	28,905,699
2018-2022	101,080,000	31,379,508	84,882,000	82,903,322	185,962,000	114,282,830
2023-2027	54,655,000	11,958,810	69,371,000	62,897,738	124,026,000	74,856,548
2028-2032	17,395,000	677,694	80,365,000	41,365,231	97,760,000	42,042,925
2033-2037	-	-	80,660,000	20,710,106	80,660,000	20,710,106
2038-2039	-	-	31,225,000	1,787,223	31,225,000	1,787,223
Total	\$ 239,988,415	\$ 105,502,884	\$ 462,338,660	\$ 331,826,180	\$ 702,327,075	\$ 437,329,064

**Synopsis of Bond Covenants**

Debt service for general obligation bonds is provided for by a tax levy on non-exempt property value. The total general obligation debt outstanding is limited by the City Charter to 15% of the assessed non-exempt property value. At September 30, 2012, the statutory limitation of assessed non-exempt property value for the City amounted to \$4,533,761,443 providing a debt margin of \$4,295,725,019 after consideration of \$238,036,424 of general obligation bonds outstanding at September 30, 2012 and adjusted for the fund balance of \$1,951,991 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, sidewalks and drainage within the City. Those bonds are payable solely from the pledged revenues listed above through January 1, 2039. Principal and interest paid for the current year were \$2,460,000 and \$7,044,375 respectively. The current year revenues were (i) \$13,537,633, (ii) \$6,682,646, and (iii) \$17,633,174 respectively. Principal and interest to be paid in subsequent years totals \$130,610,322 on the Series 2007 bonds and \$126,050,991 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 Miami Marlins Baseball Stadium. The bonds are payable solely from the pledged revenues listed above through July 1, 2039. Debt service payments began on January 1, 2012. Principal and interest to be paid in subsequent years totals \$181,456,700 on the Series 2010A bonds and \$31,238,422 on the Series 2010B bonds.

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All other Special Obligation debt of the City is collateralized by covenants to budget and appropriate non-ad valorem revenues in accordance with their bond indentures. The bond indentures require that sufficient funds be available in the sinking fund to meet the annual debt service requirements. At September 30, 2012, the City had approximately \$32.3 million available in the sinking fund to meet this requirement. Principal and interest to be paid in subsequent years totals \$323,144,428 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 bonds and other debt obligations with no third party trustee.

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 \$19,617,502 with the Escrow Agent during fiscal year 2012 to cover its debt service requirements on outstanding bonds and other debt obligations. The City has agreed to deposit revenues each month in amounts specified in the underlying agreement.

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

**DOSP**

The changes in DOSP’s long-term debt for 2012 are as follows (‘000):

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable	\$ 71,645	\$ -	\$ 910	\$ 70,735	\$ 960
Deferred amounts	(2,135)	-	(69)	(2,066)	-
Compensated absences	593	478	495	576	427
Other post-employment benefit obligation	61	10	-	71	-
Loan from primary government	2,100	-	150	1,950	150
	<u>\$ 72,264</u>	<u>\$ 488</u>	<u>\$ 1,486</u>	<u>\$ 71,266</u>	<u>\$ 1,537</u>

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, 2012, DOSP has drawn \$3,000,000 of this loan. The balance as of September 30, 2012 is \$1,950,000.

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The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2012:

<b>Year Ending September 30,</b>	<b>Bonds</b>			<b>Loan</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>
2013	960,000	3,511,072	4,471,072	150,000
2014	1,005,000	3,460,691	4,465,691	150,000
2015	1,060,000	3,406,485	4,466,485	150,000
2016	1,115,000	3,349,391	4,464,391	150,000
2017	1,505,000	3,243,187	4,748,187	150,000
2018-2022	8,815,000	14,865,225	23,680,225	750,000
2023-2027	11,130,000	12,480,601	23,610,601	450,000
2028-2032	14,065,000	9,354,275	23,419,275	-
2033-2037	17,975,000	5,242,294	23,217,294	-
2038-2040	13,105,000	699,500	13,804,500	-
Total	<u>\$ 70,735,000</u>	<u>\$ 59,612,721</u>	<u>\$ 130,347,721</u>	<u>\$ 1,950,000</u>
Range of Rates		<u>4.25%-5.66%</u>		

**NOTE 9. – SELF-INSURANCE**

**A. Risk Management**

Section 768.28, Florida Statutes, provides for waiver of sovereign immunity in tort actions or claims against the state and its agencies and subdivisions. The present limit of recovery in the absence of special relief granted by the Florida legislature is \$200,000 per person per claim or judgment. The limit of recovery for all claims or judgments arising out of the same incident or occurrence is \$300,000. Under the protection of this sovereign immunity limit, Florida Statutes 768.28 and Chapter 440, Florida Statutes covering Workers’ Compensation, the City has established a self-insured program to provide coverage for almost all areas of liability including Workers’ Compensation, General Liability, Automotive Liability, Police Professional Liability, Public Officials’ Liability, and Employment Practices Liability. In addition, the City also purchases excess insurance coverage to limit catastrophic losses associated with its liability exposures. The excess liability insurance program provides for \$20 million in combined limits. The excess insurance program currently has a self-insured retention of \$750,000 per occurrence for Workers’ Compensation, and \$500,000 for all other liability coverages. The City also purchases dedicated commercial general liability policies for the Grapeland Waterpark, Bayfront Park, and the various marinas that it operates. These policies typically carry a \$1 million limit per occurrence and on an aggregate basis, with a \$1,000 deductible.

The City’s master property insurance program provides for a total of \$100 million in insurance limits for the City’s \$444 million property values. Included in this amount is \$25 million for named windstorm and flood coverage. With the exception of earthquake, flood and named windstorm, the All-Other-Perils deductible is \$50,000 per occurrence. In regard to the named windstorm, flood, and earthquake exposures, the deductible is 5% of the location’s value at the time of loss with a minimum of \$250,000. The City also maintains separate property insurance programs for the James L. Knight Center and the Marlins Stadium parking garages. The James L. Knight Center property program provides \$46,442,539 in limits for all perils including windstorm and flood. The James L. Knight Center property program has a \$50,000 all other perils deductible, and a deductible of 5% of total insured values at time of loss, with a \$1,000,000 minimum for named windstorm and flood perils. The Marlins Stadium parking garage program provides for \$25 million in total limits for windstorm and flood, and for \$81,200,000 for all other perils. The Marlins Stadium parking garage program has a \$25,000 all other perils deductible, and

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a deductible of 5% of total insured values at time of loss, with a \$100,000 minimum per location for named windstorm and flood perils.

The funds to account for liability losses within the self-insured retention level are derived from the General Fund. Claims are being predominantly adjusted by an independent third party administrator. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated based on an independent actuarial valuation. The budgeting process utilizes information developed in the previous year’s actuarial report in addition to historical information and present/specific knowledge on the status of claims and litigations.

The City provides group health benefits for its active employees, retirees, and their dependents through a fully self-funded health insurance program. The City is currently contributing approximately 87% while the employees are contributing 13% to the cost of the group health insurance program. For the most part, retirees are almost fully funding their premium costs, and when compared to the total premium cost of the active employees, the non-Medicare retirees are paying 100% of the premium cost. To limit catastrophic losses, the City is currently purchasing specific stop loss coverage for claims in excess of \$200,000. For the loss corridor between \$200,000 to \$300,000, the City and stop loss insurance carrier quota share the cost on a quota share basis. Loss expenses exceeding \$300,000 are fully covered by the stop loss carrier.

At September 30, 2012, the total estimated liability of \$214,727,056 is discounted at an interest rate of 0.8% and recorded in the government-wide financial statements. Changes in the claims liability amount in 2011 and 2012 were as follows:

<b>Fiscal Year Ended September 30,</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2012	\$ 207,941,602	\$ 57,887,062	\$ 51,101,608	\$ 214,727,056
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” and, together with FIPO and GESE, 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

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market yield which approximate 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.

**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 fire fighters with full-time employment status in the Police or Fire Department of the City.

As of October 1, 2011, the date of the most recent actuarial valuation, membership in the FIPO consisted of 2,285 retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving them; current membets equaled 1,196.

Pension Benefits

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

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

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

A member entitled to a normal retirement benefit shall receive a retirement allowance equal to 3% of the member's average final compensation (as defined in the cit 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% (3 ½% 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.

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

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 cost of living adjustment ("COLA"). Pursuant to the agreement, members no longer contribute to the original COLA account ("COLA I") and a new COLA account ("COLA II") was established. The agreement included the following: (a) the funding method was changed to an aggregate cost method; (b) all accounts were

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combined for investment purposes (membership and benefits, COLA I, and COLA II); (c) retirees receive additional COLA benefits; and (d) active members no longer contribute 2% of pretax earnings to fund the original retiree COLA I account.

The COLA II account is funded annually by a percentage of the excess investment return from the COLA I account assets (75% of first 2.5%, 50% of next 2.5%, and 25% of next 2.5%). 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.

Deferred Retirement Option Plan

Members who are eligible for service retirement or Rule of 64 Retirement after September 1998 may elect to enter the deferred retirement option plan (the "DROP"). Upon election of participation, a member's creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member's average final compensation. The member's contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes of the pension plan, but may continue City employment for a maximum of 36 months prior to October 1, 2001. Effective October 1, 2001, maximum participation in the DROP for firefighters shall be 48 full months and for police officers who elect the DROP on October 1, 2003, or thereafter, maximum participation in the DROP shall be 48 full months. Effective July 24, 2008, firefighter DROP participants may 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). Once the maximum participation has been achieved, the participant must terminate employment.

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

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

Participants in the DROP are not entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there is no accidental death benefit for pension purposes.

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Participation in the DROP does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement.

Contributions and Funding Policies

Police officer members of FIPO are required to contribute 10% of their salary on a bi-weekly basis (7% prior to October 1, 2011). Firefighter members are also required to contribute 10% (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 FIPO and to provide FIPO with assets sufficient to meet the benefits to be paid to participants. Contributions to FIPO are authorized pursuant to Sections 40.196(a) and (b) of the City Code. Contributions to the FIPO COLA accounts are authorized pursuant to Section 40.204 of the City Code. The City's contributions to FIPO provide for non-investment expenses and normal costs. The yield on investments on FIPO serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the FIPO Trust.

The payroll for employees covered by FIPO for the year ended September 30, 2012 was approximately \$82.2 million; the City's total payroll was approximately \$253.4 million.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2011. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	October 1, 2011
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% compounded annually
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

Source: City of Miami Fire Fighters' and Police Officers' Retirement Trust October 1, 2011 Actuarial Report prepared by The Nyhart Company, Inc.

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.



**Three Year Trend Information**

	<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
	2012	\$ 42,353,775	108%	\$ -
*	2011	42,287,046	95%	3,037,485
*	2010	55,095,791	99%	752,865

\* Re-stated based on FIPO's Actuarial Report

***GESE***

The Board of Trustees of the GESE administers three defined benefit pension plans: (a) the GESE; (b) an Excess Benefit Plan for the City of Miami (the “EBP”); and (c) General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (the “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 is a single-employer defined benefit plan. The GESE was established pursuant to the City Ordinance No. 10002 and subsequently revised under City Ordinance No. 12111. The GESE covers all City general and sanitation employees except certain employees eligible to decline membership. Participation in the GESE is a mandatory condition of employment for all regular and permanent employees other than fire fighters, police officers and executive level employees hired after October 1, 2009. Those executive employees are required to participate in a defined contribution plan (401(a))

At October 1, 2011, the date of the most recent audited financial statement, membership in the GESE consisted of 2,200 retired members and 152 entitled to benefits but not yet receiving them; current active employees equaled 1,294 as of that date.

*Pension Benefits*

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

Retirement benefits are generally based on 3% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. For service after September 30, 2010, for members not eligible to retire as of that date, benefits are based on 2.25% 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, 2012, for members not eligible to retire on that date, member retirement allowances shall not exceed the lesser of 100% of

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the member's average final compensation or an annual retirement allowance of \$80,000. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

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

Cost of Living Adjustment

Effective October 1, 1998, the GESE 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 their contribution option to receive a minimum COLA benefit of \$27 per year and a maximum COLA benefit of \$200 added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached.

Deferred Retirement Option Plan

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

BACKDROP Option

The Backdrop is available to all GESE Trust members effective January 1, 2013. Under the Backdrop option a member can receive a lump sum payment in addition to a monthly pension annuity. The employee chooses to take a Backdrop at the end of his or her employment with the City as long as he or she Backdrops to any date after he or she reaches the Normal Retirement date. If the member elects the Backdrop option, the monthly benefit payable on the member's actual retirement date (when the member leaves City employment) is based on the benefit the member would have received had he or she left employment and retired on an earlier Normal Retirement (NR) date, referred to as the Backdrop date. In addition, the member will receive a lump sum payment equal to the accumulation of annuity payments he or she would have received during the Backdrop period had he or she elected to receive immediate pension annuity payments equal to the accumulation of annuity payments he or she would have received during the Backdrop period had he or she elected to receive immediate pension annuity payments starting as of the Backdrop date. Annuity payments would be accumulated at the rate of 3% per year, compounded annually. The member's Backdrop date can be any date after his or her Normal Retirement Date and the Backdrop period can be any date after his or her Normal Retirement Date and the Backdrop period can be as little as one year and as long as seven years. If the member does not elect a Backdrop benefit option, his or her monthly retirement benefit will be calculated using his or her final average final compensation and creditable service as of the member's actual employment termination date. The

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participant may received accumulated Backdrop account balance upon electing the Backdrop and the end of his or her employment.

Contributions and Funding Policies

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

The payroll for employees covered by the GESE Trust for the year ended September 30, 2012 was approximately \$63.6 million; the City's total payroll was approximately \$253.4 million.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2011. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	October 1, 2011
Actuarial cost method:	Modified entry age normal
Amortization method:	Level percent, closed
Remaining amortization period:	7 - 18 years
Equivalent single amortization period:	10 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.

Source: City of Miami General Employees' and Sanitation Employees' Retirement Trust Actuarial Valuation Report as of October 1, 2011 prepared by Cavanaugh Macdonald Consulting, LLC.

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.

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	<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
	2012	\$ 25,973,331	100%	\$ -
*	2011	20,232,513	100%	-
	2010	24,037,093	100%	-

\* ARC for fiscal year 2011 adjusted for interest to reflect timing

Source: City of Miami General Employees' and Sanitation Employees' Retirement Trust Actuarial Valuation Report as of October 1, 2011 prepared by Cavanaugh Macdonald Consulting, LLC.

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

Annual required contribution	\$ 25,973,331
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>25,973,331</u>
Contributions made	<u>(25,973,331)</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

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

*Plan Description*

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

At October 1, 2011, the date of the most recent actuarial report, membership in the EBP consisted of 35 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them. There are no current employees in the plan.

*Deferred Retirement Option Plan (DROP)*

The GESE made the DROP available to GESE Trust members eligible for normal retirement as of the January 1, 2013 or vested as of October 1, 2010. The DROP is not available to any other GESE Trust member. The DROP is an enhancement to the GESE Trust that can provide a member with another way to save for retirement. It allows a participant to receive pension payments by depositing in the DROP program while continuing to work and receive pay and benefits as an active employee. At the end of the DROP period, the participant may receive the accumulated DROP account balance after withdrawing from the DROP.

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Contributions and Funding Policies

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

The payroll for employees covered by the Excess Benefit Plan for the year ended September 30, 2012 was approximately \$63.6 million; the City's total payroll was approximately \$253.4 million.

Annual Pension Cost and Net Pension Obligation

The EBP is an unfunded plan; however if the City were to fund the EBP on the same actuarial basis as the GESE. The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2011. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	October 1, 2011
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar, closed
Remaining amortization period:	19 years
Asset valuation method:	Not Applicable
<u>Actuarial assumptions</u>	
Investment rate of return:	8.00%
Projected salary increases	Variable By Years of Service
Includes inflation at:	3.50%
Cost of living adjustment	None

Source: City of Miami General Employees' and Sanitation Employees' Excess Benefit Plan Actuarial Valuation Report as of October 1, 2011 prepared by Cavanaugh Macdonald Consulting, LLC.

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

<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2012	\$ 496,201	104%	\$ 4,556,490
2011	488,253	83%	4,575,196
2010	541,428	63%	4,493,186

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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	\$ 606,589
Interest on net pension obligation	366,016
Adjustment to annual required contribution	<u>(476,404)</u>
Annual pension cost	496,201
Contributions made	<u>(514,907)</u>
Change in net pension obligation	(18,706)
Net pension obligation, beginning of year	<u>4,575,196</u>
Net pension obligation, end of year	<u><u>\$ 4,556,490</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, pursuant to Chapter 40 of the City Code. The Staff Trust covers all administrative full-time employees and other positions as may be named by the Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full-time employees, other than those eligible to decline membership.

At October 1, 2011, the date of the most recent actuarial report, membership in the Staff Trust had no retirees and beneficiaries currently receiving benefits; one terminated employee entitled to benefits, but not yet receiving them and 11 current employees.

*Pension Benefits*

The minimum normal retirement age is 55. Any member in service who has 10 or more years of continuous creditable service may elect to retire upon attainment of normal retirement age. A member who has completed a combination of at least 10 or more years of creditable service plus attained an age equaling 70 points may elect a Rule of 70 Retirement. However, a member is entitled to early retirement at any age with at least 10 years of creditable service. Retirement benefits are generally based on 3% of the average final compensation during the highest two years of membership service multiplied by years of creditable service, which is paid annually in monthly installments.

A retired member who dies prior to having received 12 monthly retirement payments and prior to having an optional allowance becoming effective will have a lump sum equal to the excess, if any, of 12 times the monthly payments over the actual payments received paid to his designated beneficiary.

*Deferred Retirement Option Plan*

The Staff Trust implemented a DROP for employees eligible for Rule of 70 Retirement on March 26, 2010. Any employee who is eligible for a Rule of 70 Retirement is eligible to participate in the DROP. Upon election of participation, a member’s creditable service, accrued benefits, and compensation calculation are frozen and the DROP payment is based on the member’s average final compensation. The member’s contribution and the City contribution to the retirement plan for that member ceases as no further service credit is earned. The member does not acquire additional pension credit for the purposes

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of the pension plan, but may continue City employment for up to a maximum of 48 months. Once the maximum participation has been achieved, the participant must terminate employment.

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

Contributions and Funding Policies

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

The payroll for employees covered by the Staff Trust for the year ended September 30, 2012 was approximately \$0.7 million; the City's total payroll was approximately \$253.4 million.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2011. Significant actuarial assumptions used to compute the contribution requirements are as follows:

Valuation date:	October 1, 2011
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar amount, closed
Remaining amortization period:	5 - 20 years
Equivalent single amortization period:	13 years
Asset valuation method:	3-year smoothed market
Actuarial assumptions	
Investment rate of return:	8.10%
Projected salary increases:	6.00%
Includes inflation at:	3.50%
Cost of living adjustments:	None

Source: City of Miami General Employees' and Sanitation Employees' t Plan Actuarial Valuation Report as of October 1, 2011 prepared by Cavanaugh Macdonald Consulting, LLC.

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**

<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2012	\$ 226,793	100%	\$ -
2011	164,490	100%	-
2010	132,542	100%	-

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

Annual required contribution	\$ 226,793
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>226,793</u>
Contributions made	<u>(226,793)</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

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

*Plan Description*

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

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

At the most recent preliminary actuarial valuation dated November 5, 2012, membership in the EORT consisted of 7 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 4 active officers with the future range of service from 2 to 4 years.

*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. Benefits are payable on the later of age 55 or on the first day of the month following an officer's termination. An active participant will be fully vested upon death and a single sum death benefit is payable. The EORT was frozen to new entrants effective October 22, 2009. Only participants who were accruing benefits and had not yet become vested in their



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benefits as of that date continue to accrue benefits under the EORT. Benefit accruals for all other participants were frozen.

Contributions and Funding Policies

The funding methodology recently changed from the individual aggregate cost method to the Projected Unit Credit (PUC) 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. As EORT is a non-contributory defined benefit plan, all funding is provided by the City.

The payroll for employees covered by EORT for the year ended September 30, 2012 was approximately \$209,200; the City's total payroll was approximately \$253.4 million.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation determined as of January 1, 2012. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date:	January 1, 2012
Actuarial cost method:	Projected Unit Credit
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% compounded annually
Projected salary increases:	N/A
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.

Source: City of Miami Elected Officers' Retirement Trust Actuarial Valuation Report as of January 1, 2012 prepared by Cowden Associated, Inc..

EORT contributions are determined using the Projected Unit Credit funding method. This method separates and develops funding components for annual contributions into 1) normal costs and 2) an amortization payment toward the unfunded liability for past service benefits. Revising the actuarial funding method allows the City to fund the payment liability over a longer period of time. 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. The following is a six year trend information:

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<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC) and Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation</b>
2012	\$ 566,252	100%	\$ -
2011	432,170	100%	-
2010	1,275,242	100%	-
2009	412,588	100%	-
2008	711,209	100%	-
2007	285,408	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, 2012:

**Statement of Fiduciary Net Assets**

<b>Assets</b>	
Investments, at fair value	\$ 5,304,720
Money Market Funds	492,468
<b>Total Assets</b>	<b>5,797,188</b>
<b>Net Assets</b>	
Held in Trust for Pension Benefits	\$ 5,797,188

**Statement of Changes in Fiduciary Net Assets**

<b>Additions</b>	
Contributions:	
Employer	\$ 566,372
Investment Earnings:	
Interest	139,548
<b>Total Additions</b>	<b>705,920</b>
<b>Deductions</b>	
Benefits	263,535
<b>Total Deductions</b>	<b>263,535</b>
<b>Change in Net Assets</b>	<b>442,385</b>
<b>Net Assets - Beginning of Year</b>	<b>5,354,803</b>
<b>Net Assets - End of Year</b>	<b>\$ 5,797,188</b>

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

Pension Trust Fund	Actuarial Valuation Date	(1)	(2)	Unfunded (Overfunded)	Funded	(3)	Unfunded (Overfunded) as a Percentage of Covered Payroll
		Actuarial Value of Assets	Actuarial Liability (AAL)	AAL (2) - (1)	Ratio (1)/(2)	Covered Payroll	((2) - (1))/(3)
GESE Retirement Trust	10/1/2011	\$ 600,678,610	\$ 845,100,000	\$ 244,421,390	71.08%	\$ 63,601,380	384.30%
GESE Staff Plan	10/1/2011	2,136,978	3,139,899	1,002,921	68.06%	735,056	136.44%
GESE Excess Plan	10/1/2011	-	5,825,435	5,825,435	0.00%	63,601,380	9.16%
FIPO	10/1/2011	1,150,323,527	1,590,500,000	440,176,473	72.32%	82,164,617	535.73%
EORT	1/1/2012	5,922,119	7,480,479	1,558,360	79.17%	209,200	744.91%

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 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 (the "SBP"). This defined contribution deferred compensation plan, which covers governmental employees throughout the country, is governed by a Board of Directors responsible for carrying out the overall management of the organization, including investment administration and regulatory compliance. Membership for the City employees is limited by the City Code to specific members of the City Clerk, City Manager, City Attorney's offices, Department Directors, Assistant Directors, and other executives. To participate in the plan a written trust agreement must be executed, which requires the City to contribute 8% 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	\$	253,363,666
Current year's payroll for participating employees		3,275,063
Current year employer contributions		318,166

In addition to coverage under the FIPO, the firefighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Chapters 175 and 185, Florida Statutes, respectively. These two plans are funded solely from proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within the City limits. This tax, which is collected from insurers by the State of Florida, is remitted directly to the plans' Boards of Trustees. The City is entitled to levy such excise taxes solely for the use of the money purchase benefit plans as long as the minimum benefit provisions of Chapter 175 and 185, Florida Statutes, are met by the FIPO. The City does not have any fiduciary responsibility relating to the SBP, consequently amount accrued 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 \$10,008,353 for the year ended

September 30, 2012. Accordingly, these monies are recorded as pass through funds in the City's financial statements. Benefits are allocated to the participants based upon their service during the year and the level of funding received during said year. Participants are fully vested after nine years of service. Upon termination of service, a participant may elect to receive one of the three options (1) a lump sum payment; (2) five substantially equal payments, or (3) 10% or more in the first year and the remainder in any way over the next four years. The total must be paid out within five years.

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

Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation to the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retired police officers are offered coverage at a discounted premium under the FOP Health Trust that is administered separately from the City's health care plan. For non-police retirees (fire fighters, general employees, sanitation employees and elected officials) and their dependents, the City subsidizes health care coverage and life insurance at a discounted premium equal to 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 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 has two separate single-employer OPEB plans for its retirees. One plan is for retiring police officers and the other plan is for all other retiring employees (the "Non-Police Retirees"). The benefits afforded to all retirees include lifetime medical, prescription, vision, dental and certain life insurance coverage for retiree and dependents. Non-Police Retirees receive the same benefits as similarly situated active employees of the City, while retired police officers receive the same benefits as provided through the Fraternal Order of Police (the "FOP") Health Trust.

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 Section 112.0801, Florida Statutes. Substantially all of the City's general employees, sanitation employees and firefighters may become eligible for these benefits when they reach normal retirement age while working for the City. There are approximately 4,939 covered participants (including spouses and dependents), of which approximately 3,306 are active employees and 1,633 are retirees.

##### Funding Policy

The City is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. Beginning with the 2012 plan year, the retirees are contributing the majority of their premium costs each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost.

The FOP sponsors a Health Insurance Trust (the "HIT") that is partially self-insured, which provides life, health, and accidental death and dismemberment insurance to substantially all full-time sworn members of the City's Police department, eligible retirees, their families and beneficiaries. The HIT receives a

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significant source of its funding from the City, pursuant to the terms of a collective bargaining agreement. The agreement requires the City to reimburse the HIT an amount that is required to bring the HIT's minimum fund balance to \$2.35 million annually.

Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate trust funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's cost of the OPEB benefits is funded on a pay-as-you-go basis. The City contributed \$7,341,000 for the fiscal year ended September 30, 2012.

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 3.85%, 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.

Significant actuarial assumptions and methods used to estimate the OPEB liability are as follows:

Valuation date	October 1, 2011
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent of Payroll
Amortization Period	26 years
Actuarial assumptions:	
Assumed rate of return on investments	3.85%
Assumed health care cost trend rates:	
	2011 - 8.5%
	2012 - 8.0%
	2013 - 7.5%
	2014 - Decrease of .5 % annually, until reaching 5.0%, 5.0% thereafter

Source: City of Miami Other Than Police Actuarial Valuation Report of Postemployment Benefit Plan as of October 1, 2011 prepared by Healthcare Analytics, a Division of Gallagher Benefit Services, Inc.

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)
Non-Police	10/1/2011	\$ -	\$ 152,498,000	152,498,000	0.00%
Police	10/1/2011	-	400,586,000	400,586,000	0.00%
Total		\$ -	\$ 553,084,000	\$ 553,084,000	0.00%

\* Amounts based on actuarial valuation. No assets existed in the plan at September 30, 2012.

**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

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

***Annual OPEB Cost and Net OPEB Obligation***

The City's annual OPEB cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The annual required contribution 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 over a period not to exceed 30 years. The City's annual OPEB cost for the fiscal year was \$30,876,000 for Police retirees and \$13,676,000 for the Non-Police retirees. The City's annual OPEB cost and the net OPEB obligation for the fiscal year ended September 30, 2012 for both Non-Police and Police retirees are as follows:

	<b>Non-Police Retirees</b>	<b>Police Retirees</b>	<b>Total</b>
Annual required contribution (ARC)	\$ 13,757,000	\$ 30,977,000	\$ 44,734,000
Interest on net OPEB obligation	1,005,000	3,585,000	4,590,000
Adjustment to annual required contribution	(1,086,000)	(3,686,000)	(4,772,000)
Annual OPEB cost (expense)	13,676,000	30,876,000	44,552,000
Contributions made	(3,172,000)	(4,169,000)	(7,341,000)
Increase in net OPEB obligation	10,504,000	26,707,000	37,211,000
Net OPEB obligation - beginning of year	26,101,000	93,106,000	119,207,000
Net OPEB obligation - end of year	<u>\$ 36,605,000</u>	<u>\$ 119,813,000</u>	<u>\$ 156,418,000</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, 2012 are as follows:

	<b>Fiscal Year Ending</b>	<b>Beginning Balance Net OPEB Obligation</b>	<b>Annual OPEB Cost</b>	<b>Amount Contributed</b>	<b>Percentage of of Annual OPEB Cost Contributed</b>	<b>Ending Balance Net OPEB Obligation</b>
Police	9/30/2012	\$ 93,106,000	\$ 30,876,000	\$ 4,169,000	13.50%	\$ 119,813,000
Non-Police	9/30/2012	26,101,000	13,676,000	3,172,000	23.19%	36,605,000
Total		<u>\$ 119,207,000</u>	<u>\$ 44,552,000</u>	<u>\$ 7,341,000</u>	<u>16.48%</u>	<u>\$ 156,418,000</u>

The 2012 contributions for the Police and non-Police retiree plans represented 13.50% and 23.19% 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 purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures being disallowed under the grant terms. Based upon prior experience, the City’s management believes any requests for reimbursement, if any, will not be significant.

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

The agreement specifically calls for the OMNI CRA to increase its contribution to the County to service debt and other loans on the Arsht Center. Further, the agreement established parameters by which the City, County, and CRAs would move forward with the legal process of extending the lives and expanding the geographic boundaries of both CRAs, and utilizing the additional tax increment revenues to finance affordable housing, infrastructure, and redevelopment projects consistent with the CRAs’ redevelopment plans. The additional OMNI CRA tax increment revenues 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 and related parking facilities built on the former Orange Bowl location site. To date, the total contributions required to be made by the City for the Museum Park Improvement projects has not been determined. The OMNI CRA has voted to provide an annual grant of tax increment revenues to the City in connection with repayment of the City’s Special Obligation Non-Ad Valorem Revenue Refunding Bonds, Series (Part of Miami Tunnel Project) issued December 13, 2012.

**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 Interlocal 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 Interlocal 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 share the operating/maintenance costs in proportion to their occupancy percentages (59% for the City and 41% for the School Board).

**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 (“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. Subsequently, PERC adopted the Recommended Order and entered a Final Order in favor of the City. The Union appealed to the First District Court of Appeals. The hearing is scheduled for May 21, 2013 and is pending decision as of the date of this report.

**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, 2012, 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)



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modified by the City Commission. A hearing was scheduled before a Special Magistrate and 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. Subsequently, PERC adopted the recommended order and entered a Final Order in favor of the City. The Union appealed to the Third District Court of Appeals. The hearing occurred on April 15, 2013 and is pending decision as of the date of this report.

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

On December 10, 2009, the City of Miami was notified by the Miami Regional Office of the SEC that the staff of the SEC was conducting a non-public inquiry concerning certain City of Miami bond offerings to determine whether there had 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 \$13.3 million from the Capital Projects Fund to the General Fund in Fiscal Year 2008, 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.

In February 2010, the SEC issued a formal order directing a non-public investigation (“Formal Order”), stating that it had information tending to show possible violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and Section 17(a) of the Securities Act of 1933. According to the Formal Order, the SEC is investigating whether, since at least 2005, the City and others may have violated these provisions by, among other things, employing devices, schemes or artifices to defraud, engaging in transactions which operated or would operate as a fraud or deceit, or making false statements of material fact or failing to disclose material facts concerning, among other things, the state of the City’s financial condition.

The SEC has requested documents from the City, both voluntarily and by subpoena, and has also issued subpoenas for documents from and the testimony of current and former City officials and employees, and has taken the testimony of some individuals. The City has received multiple subpoenas from the SEC asking for additional documents concerning primarily the Auditor General's report referenced above, the fund transfers referenced above, City bond issues in 2007 and 2009, bond document disclosures, reports to bondholders, City pension plans and obligations under such plans, any policies, procedures and guidelines related to inter-fund transfers, any adverse conditions concerning the City's finances, any internal investigation, review or analysis conducted by the City and related to matters that have been identified as subjects of the SEC investigation and documents related to the use of certain revenue sources as recently mentioned in the Internal Auditor General Report No. 11-001. Documents requested include communications with and among City management and elected officials.

On July 23, 2012, the SEC notified the City that the SEC’s enforcement staff intends to recommend that the SEC file civil fraud charges against the City based on transactions that occurred with respect to the City’s fiscal years ending September 30, 2007 and September 30, 2008. This notification from the SEC staff is commonly referred to as a “Wells Notice,” and it contains the SEC staff’s recommendations based upon its investigation. On August 6, 2012, the City filed its response to the Wells Notice which respectfully disagreed with the SEC staff’s position and the City has presented information to the SEC’s senior staff demonstrating that such charges are not warranted. The City continues to discuss the recommendation with the SEC senior staff.

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The SEC investigation has 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 financial condition and operations. The City cannot predict at this time the duration or the outcome of the final conclusion of this investigation.

Additionally, the SEC has requested documents in connection with the City's Special Obligation Parking Revenue Bonds, Series 2010A and Series 2010B (Marlins Stadium Project). The City is cooperating fully with the SEC investigation and is providing information in response to the SEC's requests. The SEC has not advised the City when the investigation 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 may temporarily divert the attention of City officials and employees from the conduct of City operations, could cause the City to incur significant expenses, and could have a material effect on the City's 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.

In a prior action, dated March 21, 2003, the SEC ordered the City to cease and desist from committing or causing any further violations or future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. This action was taken in connection with three bond offerings, all of which occurred in 1995, for failure to disclose that the City's cash position had materially declined since the close of Fiscal Year 1994.

**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 it has been selected for a routine examination to determine compliance with federal tax requirements regarding arbitrage under sections 148 and 149 of the Internal Revenue Code.

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. 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 duration or 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, 2012:

<u>Governmental Funds</u>	
Major Funds:	
Public Safety	\$ 4,701,486
Streets and Sidewalks	13,152,305
General Government	906,590
Other Non-Major Governmental Funds	<u>34,417,390</u>
	<u><u>53,177,771</u></u>

**NOTE 13. – SUBSEQUENT EVENTS**

CITY OF MIAMI COMMUNITY REDEVELOPMENT REVENUE BONDS SERIES 1990, \$11,500,000. On October 1, 2012, the City defeased the outstanding balance of the City of Miami Community Redevelopment Revenue Bonds Series 1990.

SECTION 108 LOAN UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WAGNER SQUARE) \$4,000,000– On October 2, 2012 the City as part of the bankruptcy settlement with Wagner Square LLC defeased the balance of this outstanding loan.

SPECIAL OBLIGATION NON-AD VALOREM REVENUE REFUNDING BONDS SERIES 2012 (PORT OF MIAMI TUNNEL PROJECT) \$44,725,000 – On December 13, 2012, the City issued \$44,725,000 in Special Obligation Non-Ad Valorem Revenue Refunding Bonds Series 2012 (Port of Miami Tunnel Project) for the purpose of, together with any other available monies, (i) refinancing the City’s Revenue Note, Series 2010 (Port of Miami Tunnel and Access Improvement Project) outstanding in the appregate principal amount of \$45,000,000, including the payment of accrued interest; ii) funding a deposit to the debt service reserve Account; and (iii) paying certain costs of issuance of the Series 2012 Bonds.

On April 9, 2013, the Catholic Archdiocese of Miami filed a lawsuit against the City asserting claims seeking \$89 million dollars in damages, plus interest, attorneys fees, and expenses under the Bert J. Harris, Jr. Private Property Rights Protection Act, Section 70.001, F.S. regarding four parcels of property owned by the Archdiocese and located at 3333, 3601, 3607, and 3675 South Miami Avenue within the City. The lawsuit alleges diminution of property values due to the City’s enactment of the Miami 21 Zoning Code. At this time, the City cannot predict with certainty the outcome of this lawsuit. See *The Most Reverend Thomas G. Wenski, Archbishop of the Archdiocese of Miami, Inc. v. city of Miami*, Miami-Dade County Circuit Court, Case No., 1312523 CA 06.

**NOTE 14. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

**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

CITY OF MIAMI, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

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 the 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 the 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 the year ending September 30, 2013.

**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 recognized, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for the City's year ending September 30, 2014.

**GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62***, This Statement amends Statement No. 10, Accounting and financial Reporting for Risk Financing and Related Insurance Issues, by removing the provisions that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. The provisions of this Statement are effective for financial statements for the City's year ending September 30, 2014.

**GASB Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25***, The objective of this Statement is to improve financial reporting by state and local governmental pensions plans. This Statement results from comprehensive review of the effectiveness of existing standards of accounting standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions of this Statement are effective for financial statements for the City's year ending September 30, 2014.

**GASB Statement No. 68, *Accounting and Financial Reporting for Pension, an Admendment of GASB Statement No. 27***, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to

CITY OF MIAMI, FLORIDA  
**NOTES TO FINANCIAL STATEMENTS**

contribute to those plans. The provisions of this Statement are effective for financial statements for the City's year ending September 30, 2015.

**GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The provisions of this Statement are effective for financial statements for the City's year ending September 30, 2015.

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

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**City of Miami, Florida**  
**Schedule of Revenues, Expenditures and Changes In Fund Balance**  
**Budget and Actual - General Fund**  
**For The Year Ended September 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive (Negative)</b>
<b>Revenues:</b>				
Property Taxes	\$ 215,449,900	\$ 215,449,900	209,126,414	(6,323,486)
Franchise and Other Taxes	36,350,000	99,064,100	102,489,740	3,425,640
Licenses and Permits	36,177,500	36,616,500	35,655,699	(960,801)
Fines and Forfeitures	5,000,000	5,000,000	4,808,276	(191,724)
Intergovernmental Revenues	42,477,500	42,477,500	56,176,739	13,699,239
Charges for Services	82,645,800	83,170,700	91,413,221	8,242,521
Interest	1,500,000	1,500,000	2,418,809	918,809
Other	13,575,100	17,845,600	11,373,919	(6,471,681)
<b>Total Revenues</b>	<b>433,175,800</b>	<b>501,124,300</b>	<b>513,462,817</b>	<b>12,338,517</b>
<b>Expenditures:</b>				
<b>General Government</b>				
Mayor	631,800	643,800	643,291	509
Board of Commissioners	1,700,000	1,700,000	1,619,795	80,205
Office of City Manager	7,673,400	7,891,000	7,085,321	805,679
Office of City Clerk	1,061,900	1,111,900	1,048,340	63,560
Office of Civil Service	290,500	290,500	286,141	4,359
Office of Auditor General	835,100	685,100	436,025	249,075
Office of Communications	428,000	428,000	377,331	50,669
Employee Relations	2,123,000	2,158,000	1,882,005	275,995
Information Technology	8,904,400	8,454,400	8,454,345	55
Office of the City Attorney	4,420,000	4,420,000	4,264,429	155,571
Office of Strategic Planning & Budgeting	1,144,600	1,144,600	1,114,154	30,446
Purchasing	1,002,600	1,002,600	900,777	101,823
Office of Equal Opportunity & Diversity	229,300	238,200	237,745	455
Finance	5,993,900	5,993,900	5,743,691	250,209
Capital Improvement Administration	778,300	2,641,100	2,641,053	47
Non-Departmental	30,143,800	24,511,800	14,914,374	9,597,426
<b>Total General Government</b>	<b>67,360,600</b>	<b>63,314,900</b>	<b>51,648,817</b>	<b>11,666,083</b>
<b>Planning and Development</b>				
Building	4,775,300	4,940,300	4,492,190	448,110
Department of Planning	3,377,300	3,377,300	3,213,862	163,438
<b>Total Planning and Development</b>	<b>8,152,600</b>	<b>8,317,600</b>	<b>7,706,052</b>	<b>611,548</b>
<b>Public Works</b>				
Solid Waste	18,932,000	20,142,000	20,140,882	1,118
General Service Administration	16,330,800	16,330,800	15,910,361	420,439
Public Works	14,503,300	14,503,300	12,824,820	1,678,480
<b>Total Public Works</b>	<b>49,766,100</b>	<b>50,976,100</b>	<b>48,876,063</b>	<b>2,100,037</b>
<b>Public Safety</b>				
Fire- Rescue	68,047,000	71,917,500	71,917,444	56
Police	117,613,600	118,452,300	118,452,286	14
<b>Total Public Safety</b>	<b>185,660,600</b>	<b>190,369,800</b>	<b>190,369,730</b>	<b>70</b>
<b>Pensions</b>				
G.E.S.E. Pension	76,808,800	76,808,800	72,843,201	3,965,599
<b>Total Pension</b>	<b>76,808,800</b>	<b>76,808,800</b>	<b>72,843,201</b>	<b>3,965,599</b>
<b>Public Facilities</b>				
Parks and Recreation	4,244,300	4,244,300	4,162,439	81,861
Parks and Recreation	21,562,300	23,168,000	22,857,751	310,249
Risk Management	58,413,200	58,413,200	48,659,416	9,753,784
<b>Total Expenditures</b>	<b>471,968,500</b>	<b>475,612,700</b>	<b>447,123,469</b>	<b>28,489,231</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(38,792,700)</b>	<b>25,511,600</b>	<b>66,339,348</b>	<b>40,827,748</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	46,110,500	5,317,500	4,590,247	(727,253)
Transfers Out	(7,317,800)	(30,829,100)	(33,029,917)	(2,200,817)
<b>Total Other Financing Sources (Uses)</b>	<b>38,792,700</b>	<b>(25,511,600)</b>	<b>(28,439,670)</b>	<b>(2,928,070)</b>
<b>Net Change in Fund Balance</b>	-	-	37,899,678	37,899,678
<b>Fund Balance - Beginning of Year</b>	-	-	19,644,174	19,644,174
<b>Fund Balance - End of Year</b>	\$ -	\$ -	57,543,852	\$ 57,543,852

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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000
Interest	-	-	37,533	37,533
Other	-	3,000,000	-	(3,000,000)
<b>Total Revenues</b>	<u>-</u>	<u>3,000,000</u>	<u>3,037,533</u>	<u>37,533</u>
<b>Expenditures:</b>				
Debt Service:				
Principal	11,680,900	11,680,900	11,120,815	560,085
Interest and Other Charges	27,627,300	27,627,200	27,402,989	224,211
Debt Insurance Cost	-	4,000	-	4,000
<b>Total Expenditures</b>	<u>39,308,200</u>	<u>39,312,100</u>	<u>38,523,804</u>	<u>788,296</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(39,308,200)</u>	<u>(36,312,100)</u>	<u>(35,486,271)</u>	<u>825,829</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	39,308,200	36,312,100	35,968,904	(343,196)
<b>Total Other Financing Sources (Uses)</b>	<u>39,308,200</u>	<u>36,312,100</u>	<u>35,968,904</u>	<u>(343,196)</u>
<b>Net Change in Fund Balance</b>	-	-	482,633	482,633
<b>Fund Balance - Beginning of Year</b>	-	-	31,800,461	31,800,461
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,283,094</u>	<u>\$ 32,283,094</u>

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, 2012**  
**(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 and Emergency Services Fund. The Capital Projects Funds are budgeted on a total project basis for which annual budgets are not available. The Emergency Services Fund is dedicated for the training and operations of the Urban Search and Rescue team reimbursed by FEMA. For governmental funds, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**B. BUDGET-LEGAL COMPLIANCE**

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

- Prior to August 31<sup>st</sup>, the City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund, which is at the departmental level, for the fiscal year commencing the upcoming October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
- The Mayor prepares and delivers a budgetary address annually to the people of the City between July 1<sup>st</sup> and September 30<sup>th</sup>.
- Such report is prepared after consultation with the City Manager.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1<sup>st</sup>, the budget is legally enacted through the passage of 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 2012, supplemental appropriations with a net effect in expenditures totaling \$2,370,900 in the General Fund, \$692,317 in Public Safety Capital Fund, 3,895,825 in General Government Capital Fund, \$15,980,212 in Streets and Sidewalks Capital Fund, and \$135,510,701 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)**

<b>Actuarial Valuation Date</b>	<b>(1) Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded (Overfunded) AAL (2) - (1)</b>	<b>Funded Ratio (1)/(2)</b>	<b>(3) Covered Payroll</b>	<b>Unfunded (Overfunded) as a Percentage of Covered Payroll ((2) - (1))/(3)</b>
<b>GESE Retirement Trust (b)(in millions)</b>						
10/1/2011	\$600.7	\$845.1	\$244.4	71%	\$63.6	384%
10/1/2010	\$653.0	\$840.9	\$187.9	78%	\$68.8	273%
10/1/2009	\$645.6	\$780.6	\$135.0	83%	\$90.0	150%
10/1/2008	\$691.8	\$808.6	\$116.8	85%	\$90.9	128%
10/1/2007	\$664.1	\$770.2	\$106.1	86%	\$82.1	129%
10/1/2006	\$618.5	\$732.0	\$113.5	84%	\$75.6	150%
<b>GESE Staff Plan (b)(in thousands)</b>						
10/1/2011	\$2,137.0	\$3,139.9	\$1,002.9	68%	\$735.0	136%
10/1/2010	\$1,834.6	\$2,827.0	\$992.4	65%	\$843.0	118%
10/1/2009	\$1,556.7	\$2,121.8	\$565.1	73%	\$738.9	76%
10/1/2008	\$1,313.4	\$1,748.1	\$434.7	75%	\$632.2	69%
10/1/2007	\$1,138.7	\$1,622.7	\$484.1	70%	\$734.1	66%
10/1/2006	\$939.7	\$1,129.3	\$189.6	83%	\$643.8	29%
<b>GESE Excess Plan (b)(in millions)</b>						
10/1/2011	\$0.0	\$5.8	\$5.8	0%	\$63.6	9%
10/1/2010	\$0.0	\$5.7	\$5.7	0%	\$68.8	8%
10/1/2009	\$0.0	\$5.8	\$5.8	0%	\$90.0	7%
10/1/2008	\$0.0	\$5.1	\$5.1	0%	\$90.9	5%
10/1/2007	\$0.0	\$8.6	\$8.6	0%	\$82.1	10%
10/1/2006	\$0.0	\$8.0	\$8.0	0%	\$75.6	11%
<b>FIPO (c)(in millions)</b>						
10/1/2011	\$1,150.3	\$1,590.5	\$440.2	72%	\$82.2	536%
10/1/2010	\$1,180.6	\$1,568.3	\$387.7	75%	\$80.2	483%
10/1/2009	\$1,165.0	\$1,539.3	\$374.3	76%	\$122.2	306%
10/1/2008	\$1,219.6	\$1,452.5	\$232.9	85%	\$129.4	172%
10/1/2007	\$1,208.8	\$1,318.4	\$109.6	92%	\$103.6	106%
10/1/2006	\$1,133.0	\$1,260.5	\$127.5	90%	\$90.4	141%
<b>EORT (e) (Elected Officials Retirement Trust (in million)</b>						
1/1/2012	\$5.9	\$7.4	\$1.5	80%	\$0.2	750%
1/1/2011	\$5.5	\$6.5	\$1.0	85%	\$0.3	333%
1/1/2010	\$5.3	\$6.2	\$0.9	85%	\$0.6	150%
<b>City of Miami Other Post Employment Benefits (d)</b>						
10/1/2008	\$0.0	\$540,682,820.0	\$540,682,820.0	0.00%	\$257,775,622.0	209.75%
10/1/2006	\$0.0	\$480,319,812.0	\$480,319,812.0	0.00%	\$187,489,148.0	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, 2012  
e. Calculated using Projected Unit Credit Cost as of 01/01/2012, prior years individual aggregate cost method.

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

**Schedule of Employer Contributions**  
**(Unaudited)**

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>	<b>Fiscal Year Ended</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
<u>GESE Retirement Trust</u>			<u>FIPO Trust</u>		
9/30/2012	\$25,724,977	100%	9/30/2012	\$47,418,316	100%
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>		
9/30/2012	\$226,793	100%	9/30/2012	\$606,589	69%
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%
<u>EORT (Elected Officials Retirement Trust)</u>					
1/1/2012	\$471,049	100%			
1/1/2011	\$545,785	100%			
1/1/2010	\$431,995	100%			
<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Contributed</b>	<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Contributed</b>
<u>City of Miami Other Post Employment Benefits - Non-Police</u>			<u>City of Miami Other Post Employment Benefits - Police</u>		
9/30/2012	\$13,676,000	23.19%	9/30/2012	\$30,876,000	19.71%
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)		

(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 unfunded. There are no separate Trust Funds or equivalent arrangements to advance-fund the OPEB obligations (See Note 11).



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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 CRA)** – 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.



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## 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** – To account for grants and FEMA reimbursements related to disasters. Additionally, this fund accounts for non-disaster related reimbursable expenditures.

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



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## 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.

**Miami Ballpark Parking Facility** – To account for the operations of the Miami Ballpark Parking Facilities.

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

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

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



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## 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.



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## 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.

**Public Facilities** – To account for the acquisition or construction of major capital facilities for public use such as marinas.

**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.

**Transportation and Transit** – To account for the proceeds from the Citizen's Independent Transportation Trust.

**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, 2012

	<b>Special Revenue Funds</b>				
	<u>Omni CRA</u>	<u>Midtown CRA</u>	<u>SEOPW CRA</u>	<u>Homeless Program</u>	<u>Community Development</u>
<b>Assets</b>					
Pooled Cash, Cash Equivalents and Investments	\$ 19,863,802	\$ -	\$ 26,768,068	\$ -	\$ 6,301,811
Restricted Cash and Investments	-	-	-	-	4,007,475
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	5,796
Taxes	-	-	-	-	-
Due from Other Governments	27,310	-	16,002	406,052	2,853,638
Accrued Interest	8,798	-	14,317	-	4,125
<b>Total Assets</b>	<u>\$ 19,899,910</u>	<u>\$ -</u>	<u>\$ 26,798,387</u>	<u>\$ 406,052</u>	<u>\$ 13,172,845</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 293,117	\$ -	\$ 1,307,546	\$ 43,244	\$ 2,415,015
Due to Other Funds	-	-	-	240,774	-
Due to Other Governments	281,607	-	-	-	668,530
Deferred Revenue or Unearned Revenue	-	-	-	104,290	920,004
Deposits	-	-	-	-	213,468
<b>Total Liabilities</b>	<u>574,724</u>	<u>-</u>	<u>1,307,546</u>	<u>388,308</u>	<u>4,217,017</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	19,325,186	-	25,490,841	89,452	5,496,806
Committed	-	-	-	-	3,459,022
Assigned	-	-	-	-	-
Unassigned	-	-	-	(71,708)	-
<b>Total Fund Balances (Deficits)</b>	<u>19,325,186</u>	<u>-</u>	<u>25,490,841</u>	<u>17,744</u>	<u>8,955,828</u>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<u>\$ 19,899,910</u>	<u>\$ -</u>	<u>\$ 26,798,387</u>	<u>\$ 406,052</u>	<u>\$ 13,172,845</u>

**Special Revenue Funds**

<b>Choice Housing Vouchers</b>	<b>SHIP</b>	<b>Convention Center</b>	<b>Economic Development &amp; Planning Services</b>	<b>Fire Rescue Services</b>	<b>Net Offices</b>	<b>Parks &amp; Recreation Services</b>	<b>Police Services</b>	<b>Law Enforcement Trust</b>
\$ 302,612	\$ 319,348	\$ 129,415	\$ 3,911,389	\$ -	\$ 1,764,306	\$ 2,305,345	\$ 4,133,980	\$ 3,870,340
-	-	177,126	-	-	-	-	-	-
-	-	114,038	-	3,570	9,606	6,931	490,428	8
-	-	-	-	-	-	-	-	-
-	10,900	-	14,338	5,960,476	-	181,321	3,895,700	-
-	79	-	-	13	-	1	1,899	106
<u>\$ 302,612</u>	<u>\$ 330,327</u>	<u>\$ 420,579</u>	<u>\$ 3,925,727</u>	<u>\$ 5,964,059</u>	<u>\$ 1,773,912</u>	<u>\$ 2,493,598</u>	<u>\$ 8,522,007</u>	<u>\$ 3,870,454</u>
\$ 4,568	\$ 10,900	\$ 191,259	\$ 40,864	\$ 3,352,872	\$ 25,045	\$ 238,066	\$ 1,273,848	\$ 76,317
-	-	-	-	934,414	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	110,643	-	5,604,975	-	21,375	359,003	-
-	-	-	-	-	3,810	-	-	112,413
<u>4,568</u>	<u>10,900</u>	<u>301,902</u>	<u>40,864</u>	<u>9,892,261</u>	<u>28,855</u>	<u>259,441</u>	<u>1,632,851</u>	<u>188,730</u>
-	-	-	-	-	-	-	-	-
298,044	319,427	118,677	333,948	1,061,057	1,776,382	540,464	7,820,799	3,681,724
-	-	-	3,538,838	-	-	925,171	-	-
-	-	-	12,077	-	-	768,522	-	-
-	-	-	-	(4,989,259)	(31,325)	-	(931,643)	-
<u>298,044</u>	<u>319,427</u>	<u>118,677</u>	<u>3,884,863</u>	<u>(3,928,202)</u>	<u>1,745,057</u>	<u>2,234,157</u>	<u>6,889,156</u>	<u>3,681,724</u>
<u>\$ 302,612</u>	<u>\$ 330,327</u>	<u>\$ 420,579</u>	<u>\$ 3,925,727</u>	<u>\$ 5,964,059</u>	<u>\$ 1,773,912</u>	<u>\$ 2,493,598</u>	<u>\$ 8,522,007</u>	<u>\$ 3,870,454</u>

(continued)

**City of Miami, Florida  
Combining Balance Sheet  
Non-major Governmental Funds  
September 30, 2012**

	<b>Special Revenue Funds</b>				
	<b>Public Works Services</b>	<b>City Clerk Services</b>	<b>Emergency Services</b>	<b>General Special Revenues</b>	<b>Departmental Improvement Initiatives</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents and Investments	\$ 2,912,159	\$ 435,918	\$ 1,249,552	\$ -	\$ 1,953,884
Restricted Cash and Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	441	124,220
Taxes	-	-	-	-	-
Due from Other Governments	-	-	677,496	1,585,943	445,290
Accrued Interest	186	-	-	-	-
<b>Total Assets</b>	<u>\$ 2,912,345</u>	<u>\$ 435,918</u>	<u>\$ 1,927,048</u>	<u>\$ 1,586,384</u>	<u>\$ 2,523,394</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable and Accrued Liabilities	\$ 1,125	\$ 13,201	\$ 601,345	\$ 776,929	\$ 163,819
Due to Other Funds	-	-	-	559,064	-
Due to Other Governments	-	-	-	125,197	-
Deferred Revenue or Unearned Revenue	-	-	-	1,522,047	16,282
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<u>1,125</u>	<u>13,201</u>	<u>601,345</u>	<u>2,983,237</u>	<u>180,101</u>
<b>Fund Balances (Deficits):</b>					
<b>Non Spendable Fund Balance</b>					
Non Spendable	1,000,000	-	-	-	-
<b>Spendable Fund Balance</b>					
Restricted	287,840	-	1,748,436	225,792	1,255,924
Committed	1,552,786	422,717	-	13,950	1,087,369
Assigned	70,594	-	-	-	-
Unassigned	-	-	(422,733)	(1,636,595)	-
<b>Total Fund Balances (Deficits)</b>	<u>2,911,220</u>	<u>422,717</u>	<u>1,325,703</u>	<u>(1,396,853)</u>	<u>2,343,293</u>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<u>\$ 2,912,345</u>	<u>\$ 435,918</u>	<u>\$ 1,927,048</u>	<u>\$ 1,586,384</u>	<u>\$ 2,523,394</u>

Special Revenue Funds						Debt Service Funds
Transportation & Transit	Miami Ballpark Parking Facilities	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Gusman and Olympia	Total Special Revenue	General Obligation Bonds
\$ 14,158,271	\$ -	\$ 353,249	\$ -	\$ -	\$ 90,733,449	\$ -
-	-	-	32,802	-	4,217,403	2,996,472
-	2,190,717	-	-	-	2,945,755	-
-	-	-	-	-	-	991,460
3,079,906	-	1,400	-	96,968	19,252,740	-
-	-	27	-	-	29,551	-
<u>\$ 17,238,177</u>	<u>\$ 2,190,717</u>	<u>\$ 354,676</u>	<u>\$ 32,802</u>	<u>\$ 96,968</u>	<u>\$ 117,178,898</u>	<u>\$ 3,987,932</u>
\$ 394,857	\$ 466,831	\$ 3,582	\$ 23,560	\$ -	\$ 11,717,910	\$ 4,491
-	645,726	-	41,705	96,968	2,518,651	1,039,990
-	-	-	-	-	1,075,334	-
1,100,000	162,275	11,500	-	-	9,932,394	991,460
-	-	-	-	-	329,691	-
<u>1,494,857</u>	<u>1,274,832</u>	<u>15,082</u>	<u>65,265</u>	<u>96,968</u>	<u>25,573,980</u>	<u>2,035,941</u>
-	\$ -	-	-	-	1,000,000	-
-	-	-	-	-	-	-
15,743,320	915,885	339,594	-	-	86,869,598	1,951,991
-	-	-	-	-	10,999,853	-
-	-	-	-	-	851,193	-
-	-	-	(32,463)	-	(8,115,726)	-
<u>15,743,320</u>	<u>915,885</u>	<u>339,594</u>	<u>(32,463)</u>	<u>-</u>	<u>91,604,918</u>	<u>1,951,991</u>
<u>\$ 17,238,177</u>	<u>\$ 2,190,717</u>	<u>\$ 354,676</u>	<u>\$ 32,802</u>	<u>\$ 96,968</u>	<u>\$ 117,178,898</u>	<u>\$ 3,987,932</u>

City of Miami, Florida  
Combining Balance Sheet  
Non-major Governmental Funds  
September 30, 2012

	Debt Service Funds		Capital Projects Funds		
	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency	Sanitary Sewers	Storm Sewers
<b>Assets</b>					
Pooled Cash, Cash Equivalents and Investments	\$ 10,250	\$ 10,250	\$ 1,813	\$ 18,009,082	\$ 11,515,483
Restricted Cash and Investments	1,219,725	4,216,197	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	-
Taxes	-	991,460	-	-	-
Due From Other Governments	-	-	-	-	819,325
Accrued Interest	-	-	-	4,125	-
<b>Total Assets</b>	<u>\$ 1,229,975</u>	<u>\$ 5,217,907</u>	<u>\$ 1,813</u>	<u>\$ 18,013,207</u>	<u>\$ 12,334,808</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 3,991	\$ 8,482	\$ -	\$ 64,867	\$ 1,867,931
Due to Other Funds	-	1,039,990	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue or Unearned Revenue	-	991,460	-	-	819,325
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<u>3,991</u>	<u>2,039,932</u>	<u>-</u>	<u>64,867</u>	<u>2,687,256</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	1,225,984	3,177,975	1,813	17,948,340	9,647,552
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>1,225,984</u>	<u>3,177,975</u>	<u>1,813</u>	<u>17,948,340</u>	<u>9,647,552</u>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<u>\$ 1,229,975</u>	<u>\$ 5,217,907</u>	<u>\$ 1,813</u>	<u>\$ 18,013,207</u>	<u>\$ 12,334,808</u>

**Capital Projects Funds**

<b>Solid Waste</b>	<b>Public Facilities</b>	<b>Parks &amp; Recreation</b>	<b>Transportation &amp; Transit</b>	<b>Disaster Recovery</b>	<b>Mass Transit</b>	<b>Total Capital Projects</b>	<b>Total Non-Major Governmental Funds</b>
\$ 1,892,402	\$ 26,229,358	\$ 19,080,615	\$ 19,725,884	\$ 1,137,476	\$ -	\$ 97,592,113	188,335,812
-	-	-	-	-	-	-	8,433,600
1,938	-	14,701	-	-	-	16,639	2,962,394
-	-	-	-	-	-	-	991,460
-	777,167	585,618	-	12,683	1,939,653	4,134,446	23,387,186
-	-	-	-	-	-	4,125	33,676
<u>\$ 1,894,340</u>	<u>\$ 27,006,525</u>	<u>\$ 19,680,934</u>	<u>\$ 19,725,884</u>	<u>\$ 1,150,159</u>	<u>\$ 1,939,653</u>	<u>\$ 101,747,323</u>	<u>224,144,128</u>
\$ 99,275	768,705	\$ 1,534,135	\$ -	\$ 26,949	\$ 128,780	\$ 4,490,642	16,217,034
-	-	-	-	-	1,911,016	1,911,016	5,469,657
-	-	-	-	-	-	-	1,075,334
-	962,671	589,340	-	1,895,593	79,146	4,346,075	15,269,929
-	-	-	-	-	-	-	329,691
<u>99,275</u>	<u>1,731,376</u>	<u>2,123,475</u>	<u>-</u>	<u>1,922,542</u>	<u>2,118,942</u>	<u>10,747,733</u>	<u>38,361,645</u>
-	-	-	-	-	-	-	1,000,000
-	25,275,149	17,557,459	19,725,884	-	-	90,156,197	180,203,770
1,795,065	-	-	-	-	-	1,795,065	12,794,918
-	-	-	-	-	-	-	851,193
-	-	-	-	(772,383)	(179,289)	(951,672)	(9,067,398)
<u>1,795,065</u>	<u>25,275,149</u>	<u>17,557,459</u>	<u>19,725,884</u>	<u>(772,383)</u>	<u>(179,289)</u>	<u>90,999,590</u>	<u>185,782,483</u>
<u>\$ 1,894,340</u>	<u>\$ 27,006,525</u>	<u>\$ 19,680,934</u>	<u>\$ 19,725,884</u>	<u>\$ 1,150,159</u>	<u>\$ 1,939,653</u>	<u>\$ 101,747,323</u>	<u>224,144,128</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, 2012**

<b>Special Revenue Funds</b>						
	<b>Omni CRA</b>	<b>Midtown CRA</b>	<b>SEOPW CRA</b>	<b>Homeless Program</b>	<b>Community Development</b>	<b>Choice Housing Vouchers</b>
<b>Revenues</b>						
Property Taxes	\$ 4,524,625	\$ 1,636,727	\$ 8,098,297	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	150	-
Fines and Forfeitures	-	-	-	-	-	-
Intergovernmental Revenues	270,082	-	407,701	1,367,428	32,093,746	1,010,849
Charges for Services	4,100	-	10,389	-	66,483	-
Interest	36,804	-	56,868	-	1,969	-
Other	-	-	-	-	-	3,192
<b>Total Revenues</b>	<u>4,835,611</u>	<u>1,636,727</u>	<u>8,573,255</u>	<u>1,367,428</u>	<u>32,162,348</u>	<u>1,014,041</u>
<b>Expenditures</b>						
Current Operating:						
General Government	-	-	-	-	-	-
Planning and Development	-	-	-	-	-	-
Community Development	-	-	-	1,522,010	32,580,585	1,653,076
Community Redevelopment Areas	13,301,893	1,623,585	6,966,581	-	-	-
Public Works	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Facilities	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>13,301,893</u>	<u>1,623,585</u>	<u>6,966,581</u>	<u>1,522,010</u>	<u>32,580,585</u>	<u>1,653,076</u>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over (Under) Expenditures</b>	<u>(8,466,282)</u>	<u>13,142</u>	<u>1,606,674</u>	<u>(154,582)</u>	<u>(418,237)</u>	<u>(639,035)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	1,737,237	196,800	894,677	-
Transfers Out	(859,614)	(13,142)	(2,398,897)	-	(1,136,933)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(859,614)</u>	<u>(13,142)</u>	<u>(661,660)</u>	<u>196,800</u>	<u>(242,256)</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	(9,325,896)	-	945,014	42,218	(660,493)	(639,035)
<b>Fund Balances, (Deficit) - Beginning</b>	<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>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 19,325,186</u>	<u>\$ -</u>	<u>\$ 25,490,841</u>	<u>\$ 17,744</u>	<u>\$ 8,955,828</u>	<u>\$ 298,044</u>

**Special Revenue Funds**

<b>SHIP</b>	<b>Convention Center</b>	<b>Economic Development &amp; Planning Services</b>	<b>Fire Rescue Services</b>	<b>Net Offices</b>	<b>Parks &amp; Recreation Services</b>	<b>Police Services</b>	<b>Law Enforcement Trust</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
25	-	16,500	-	20	48,934	-	-
-	23,164	-	-	-	-	-	546,271
868,463	-	33,541	14,408,142	-	1,352,353	8,933,259	-
-	6,621,300	1,256,648	2,306	331,019	162,213	895,531	-
771	-	-	103	1,773	102	16,805	2,183
28,890	317,784	-	10,129	-	707,980	41,366	-
<u>898,149</u>	<u>6,962,248</u>	<u>1,306,689</u>	<u>14,420,680</u>	<u>332,812</u>	<u>2,271,582</u>	<u>9,886,961</u>	<u>548,454</u>
-	-	-	-	247,510	-	-	-
-	-	216,316	-	-	-	-	-
950,656	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	17,703,536	-	-	11,574,631	699,204
-	3,838,057	-	-	-	-	-	-
-	-	-	-	-	2,304,981	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	370,504	199,792	-
<u>950,656</u>	<u>3,838,057</u>	<u>216,316</u>	<u>17,703,536</u>	<u>247,510</u>	<u>2,675,485</u>	<u>11,774,423</u>	<u>699,204</u>
(52,507)	3,124,191	1,090,373	(3,282,856)	85,302	(403,903)	(1,887,462)	(150,750)
-	3,452,788	74,000	6,805	80,000	-	825,581	-
-	(6,614,437)	(4,975,224)	-	-	-	-	-
-	<u>(3,161,649)</u>	<u>(4,901,224)</u>	<u>6,805</u>	<u>80,000</u>	<u>-</u>	<u>825,581</u>	<u>-</u>
(52,507)	(37,458)	(3,810,851)	(3,276,051)	165,302	(403,903)	(1,061,881)	(150,750)
<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>\$ 319,427</u>	<u>\$ 118,677</u>	<u>\$ 3,884,863</u>	<u>\$ (3,928,202)</u>	<u>\$ 1,745,057</u>	<u>\$ 2,234,157</u>	<u>\$ 6,889,156</u>	<u>\$ 3,681,724</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, 2012**

	<b>Special Revenue Funds</b>				
	<b>Public Works Services</b>	<b>City Clerk Services</b>	<b>Emergency Services</b>	<b>General Special Revenues</b>	<b>Departmental Improvement Initiatives</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	2,795
Fines and Forfeitures	-	-	-	-	160,263
Intergovernmental Revenues	-	-	4,755,458	5,419,357	1,189,216
Charges for Services	295,997	126,165	-	-	500
Interest	1,718	-	-	-	771
Other	-	-	-	-	15,000
<b>Total Revenues</b>	<u>297,715</u>	<u>126,165</u>	<u>4,755,458</u>	<u>5,419,357</u>	<u>1,368,545</u>
<b>Expenditures</b>					
Current Operating:					
General Government	-	198,082	-	3,141,632	2,083,476
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	39,481	-	-	-	-
Public Safety	-	-	100,268	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	2,629,234	12,070
<b>Total Expenditures</b>	<u>39,481</u>	<u>198,082</u>	<u>100,268</u>	<u>5,770,866</u>	<u>2,095,546</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>258,234</u>	<u>(71,917)</u>	<u>4,655,190</u>	<u>(351,509)</u>	<u>(727,001)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	35,000	-	-	1,619,600
Transfers Out	-	-	(3,947,965)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>35,000</u>	<u>(3,947,965)</u>	<u>-</u>	<u>1,619,600</u>
<b>Net Changes in Fund Balances</b>	258,234	(36,917)	707,225	(351,509)	892,599
<b>Fund Balances, (Deficit) - Beginning</b>	<u>2,652,986</u>	<u>459,634</u>	<u>618,478</u>	<u>(1,045,344)</u>	<u>1,450,694</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 2,911,220</u>	<u>\$ 422,717</u>	<u>\$ 1,325,703</u>	<u>\$ (1,396,853)</u>	<u>\$ 2,343,293</u>

Special Revenue Funds						Debt Service Funds
Transportation & Transit	Miami Ballpark Parking Facility	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Gusman and Olympia	Total Special Revenue	General Obligation Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,259,649	\$ 26,887,032
-	-	-	-	-	-	-
-	-	-	-	-	68,424	-
-	-	-	-	-	729,698	-
13,537,633	-	5,450	-	-	85,652,678	-
-	4,835,653	-	296,719	-	14,905,023	-
-	-	243	-	-	120,110	-
-	-	9,150	71,613	-	1,205,104	-
<u>13,537,633</u>	<u>4,835,653</u>	<u>14,843</u>	<u>368,332</u>	<u>-</u>	<u>116,940,686</u>	<u>26,887,032</u>
1,031,576	-	-	-	-	6,702,276	20,151
-	-	-	-	-	216,316	-
-	-	-	-	-	36,706,327	-
-	-	148,708	-	-	22,040,767	-
-	-	-	-	-	39,481	-
-	-	-	-	-	30,077,639	-
-	1,295,168	-	-	-	5,133,225	-
-	-	-	413,427	-	2,718,408	-
-	-	-	-	-	-	11,578,375
-	-	-	-	-	-	13,673,035
279,594	-	-	-	-	3,491,194	-
<u>1,311,170</u>	<u>1,295,168</u>	<u>148,708</u>	<u>413,427</u>	<u>-</u>	<u>107,125,633</u>	<u>25,271,561</u>
<u>12,226,463</u>	<u>3,540,485</u>	<u>(133,865)</u>	<u>(45,095)</u>	<u>-</u>	<u>9,815,053</u>	<u>1,615,471</u>
6,593,994	-	-	-	-	15,516,482	-
(9,404,600)	(2,624,600)	-	-	-	(31,975,412)	-
<u>(2,810,606)</u>	<u>(2,624,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,458,930)</u>	<u>-</u>
9,415,857	915,885	(133,865)	(45,095)	-	(6,643,877)	1,615,471
<u>6,327,463</u>	<u>-</u>	<u>473,459</u>	<u>12,632</u>	<u>-</u>	<u>98,248,795</u>	<u>336,520</u>
<u>\$ 15,743,320</u>	<u>\$ 915,885</u>	<u>\$ 339,594</u>	<u>\$ (32,463)</u>	<u>\$ -</u>	<u>\$ 91,604,918</u>	<u>\$ 1,951,991</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, 2012

	Debt Service Funds		Capital Projects Funds		
	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency	Transportation & Transit	Sanitary Sewers
<b>Revenues</b>					
Property Taxes	\$ -	\$ 26,887,032	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	300,000	300,000	-	-	-
Charges for Services	-	-	-	-	-
Interest	-	-	-	-	37,207
Other	-	-	-	-	-
<b>Total Revenues</b>	<u>300,000</u>	<u>27,187,032</u>	<u>-</u>	<u>-</u>	<u>37,207</u>
<b>Expenditures</b>					
Current Operating:					
General Government	3,991	24,142	-	-	1,503,091
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	235,000	11,813,375	-	-	-
Interest and Other Charges	109,437	13,782,472	-	-	-
Capital Outlay	-	-	-	-	1,033,320
<b>Total Expenditures</b>	<u>348,428</u>	<u>25,619,989</u>	<u>-</u>	<u>-</u>	<u>2,536,411</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(48,428)</u>	<u>1,567,043</u>	<u>-</u>	<u>-</u>	<u>(2,499,204)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	492,143	492,143	-	23,784,897	-
Transfers Out	-	-	-	(4,059,013)	-
<b>Total Other Financing Sources (Uses)</b>	<u>492,143</u>	<u>492,143</u>	<u>-</u>	<u>19,725,884</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	443,715	2,059,186	-	19,725,884	(2,499,204)
<b>Fund Balances, (Deficit) - Beginning</b>	<u>782,269</u>	<u>1,118,789</u>	<u>1,813</u>	<u>-</u>	<u>20,447,544</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 1,225,984</u>	<u>\$ 3,177,975</u>	<u>\$ 1,813</u>	<u>\$ 19,725,884</u>	<u>\$ 17,948,340</u>

**Capital Projects Funds**

<b>Storm Sewers</b>	<b>Solid Waste</b>	<b>Public Facilities</b>	<b>Parks &amp; Recreation</b>	<b>Disaster Recovery</b>	<b>Mass Transit</b>	<b>Total Capital Projects</b>	<b>Total Non-Major Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,146,681
21,740	-	-	-	-	-	21,740	21,740
-	1,448	-	-	-	-	1,448	69,872
-	510	-	-	-	-	510	730,208
34,715	-	1,980,282	1,181,781	-	1,860,507	5,057,285	91,009,963
-	-	-	88,746	-	-	88,746	14,993,769
-	-	20,442	-	-	-	57,649	177,759
-	119	2,147,209	-	-	-	2,147,328	3,352,432
<u>56,455</u>	<u>2,077</u>	<u>4,147,933</u>	<u>1,270,527</u>	<u>-</u>	<u>1,860,507</u>	<u>7,374,706</u>	<u>151,502,424</u>
656,992	-	-	-	-	401,703	2,561,786	9,288,204
-	-	-	-	-	-	-	216,316
-	-	-	-	-	-	-	36,706,327
-	-	-	-	-	-	-	22,040,767
-	33,416	-	-	-	-	33,416	72,897
-	-	-	-	-	-	-	30,077,639
-	-	3,412,778	-	-	-	3,412,778	8,546,003
-	-	-	303,254	-	-	303,254	3,021,662
-	-	-	-	-	-	-	11,813,375
-	-	-	-	-	-	-	13,782,472
<u>6,769,521</u>	<u>1,332,867</u>	<u>16,971,921</u>	<u>15,347,511</u>	<u>-</u>	<u>2,706,835</u>	<u>44,161,975</u>	<u>47,653,169</u>
<u>7,426,513</u>	<u>1,366,283</u>	<u>20,384,699</u>	<u>15,650,765</u>	<u>-</u>	<u>3,108,538</u>	<u>50,473,209</u>	<u>183,218,831</u>
<u>(7,370,058)</u>	<u>(1,364,206)</u>	<u>(16,236,766)</u>	<u>(14,380,238)</u>	<u>-</u>	<u>(1,248,031)</u>	<u>(43,098,503)</u>	<u>(31,716,407)</u>
8,218,885	2,113,744	2,267,969	8,748,142	-	1,068,741	46,202,378	62,211,003
(1,847,541)	-	(81,670)	(105,000)	-	(7,652,694)	(13,745,918)	(45,721,330)
<u>6,371,344</u>	<u>2,113,744</u>	<u>2,186,299</u>	<u>8,643,142</u>	<u>-</u>	<u>(6,583,953)</u>	<u>32,456,460</u>	<u>16,489,673</u>
(998,714)	749,538	(14,050,467)	(5,737,096)	-	(7,831,984)	(10,642,043)	(15,226,734)
<u>10,646,266</u>	<u>1,045,527</u>	<u>39,325,616</u>	<u>23,294,555</u>	<u>(772,383)</u>	<u>7,652,695</u>	<u>101,641,633</u>	<u>201,009,217</u>
<u>\$ 9,647,552</u>	<u>\$ 1,795,065</u>	<u>\$ 25,275,149</u>	<u>\$ 17,557,459</u>	<u>\$ (772,383)</u>	<u>\$ (179,289)</u>	<u>\$ 90,999,590</u>	<u>\$ 185,782,483</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, 2012**

	<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>
<b>Revenues:</b>				
Property Taxes	\$ 5,123,129	\$ 4,524,625	\$ 4,794,707	\$ 270,082
Charges for Services	-	-	4,100	4,100
Interest	-	-	36,804	36,804
<b>Total Revenues</b>	<u>5,123,129</u>	<u>4,524,625</u>	<u>4,835,611</u>	<u>310,986</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	34,995,351	33,075,706	13,301,893	19,773,813
<b>Total Expenditures</b>	<u>34,995,351</u>	<u>33,075,706</u>	<u>13,301,893</u>	<u>19,773,813</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(29,872,222)</u>	<u>(28,551,081)</u>	<u>(8,466,282)</u>	<u>20,084,799</u>
<b>Other Financing Uses:</b>				
Transfers Out	-	-	(859,614)	(859,614)
<b>Total Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>(859,614)</u>	<u>(859,614)</u>
<b>Net Change in Fund Balance</b>	(29,872,222)	(28,551,081)	(9,325,896)	19,225,185
<b>Fund Balance - Beginning of Year</b>	29,872,222	28,551,081	28,651,082	100,001
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,325,186</u>	<u>\$ 19,325,186</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 510,337	\$ 1,636,727	\$ 1,636,727	\$ -
<b>Total Revenues</b>	<u>510,337</u>	<u>1,636,727</u>	<u>1,636,727</u>	<u>-</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	510,337	1,636,727	1,623,585	13,142
<b>Total Expenditures</b>	<u>510,337</u>	<u>1,636,727</u>	<u>1,623,585</u>	<u>13,142</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>13,142</u>	<u>13,142</u>
<b>Other Financing Uses:</b>				
Transfers Out	-	-	(13,142)	(13,142)
<b>Total Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>(13,142)</u>	<u>(13,142)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<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, 2012**

	<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>
<b>Revenues:</b>				
Property Taxes	\$ 9,460,410	\$ 9,057,183	\$ 8,098,297	\$ (958,886)
Intergovernmental Revenues	932,655	1,038,174	407,701	(630,473)
Charges for Services	-	-	10,389	10,389
Interest	-	-	56,868	56,868
<b>Total Revenues</b>	<u>10,393,065</u>	<u>10,095,357</u>	<u>8,573,255</u>	<u>(1,522,102)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	<u>34,099,456</u>	<u>32,992,651</u>	<u>6,966,581</u>	<u>26,026,070</u>
<b>Total Expenditures</b>	<u>34,099,456</u>	<u>32,992,651</u>	<u>6,966,581</u>	<u>26,026,070</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(23,706,391)</u>	<u>(22,897,294)</u>	<u>1,606,674</u>	<u>24,503,968</u>
<b>Other Financing Sources (Uses):</b>				
Net carryover fund balance	25,167,764	23,184,295	-	(23,184,295)
Transfers In	-	-	1,737,237	1,737,237
Transfers Out	<u>(1,461,373)</u>	<u>(1,438,696)</u>	<u>(2,398,897)</u>	<u>(960,201)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>23,706,391</u>	<u>21,745,599</u>	<u>(661,660)</u>	<u>(22,407,259)</u>
<b>Net Change in Fund Balance</b>	-	-	945,014	945,014
<b>Fund Balance - Beginning of Year</b>	-	-	24,545,827	24,545,827
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,490,841</u>	<u>\$ 25,490,841</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ 1,325,200	\$ 1,367,428	\$ 42,228
<b>Total Revenues</b>	<u>-</u>	<u>1,325,200</u>	<u>1,367,428</u>	<u>42,228</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	196,800	1,522,000	1,522,010	(10)
<b>Total Expenditures</b>	<u>196,800</u>	<u>1,522,000</u>	<u>1,522,010</u>	<u>(10)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(196,800)</u>	<u>(196,800)</u>	<u>(154,582)</u>	<u>42,218</u>
<b>Other Financing Sources:</b>				
Transfers In	196,800	196,800	196,800	-
<b>Total Other Financing Sources</b>	<u>196,800</u>	<u>196,800</u>	<u>196,800</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	42,218	42,218
<b>Fund Balance (Deficit) - Beginning of Year</b>	-	-	(24,474)	(24,474)
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,744</u>	<u>\$ 17,744</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive (Negative)</b>
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 150	\$ 150
Intergovernmental Revenues	-	44,475,800	32,093,746	(12,382,054)
Charges for Services	-	-	66,483	66,483
Interest	-	-	1,969	1,969
Other	-	245,100	-	(245,100)
<b>Total Revenues</b>	<b>-</b>	<b>44,720,900</b>	<b>32,162,348</b>	<b>(12,558,552)</b>
<b>Expenditures:</b>				
Current Operating:				
Community Development	-	44,162,100	32,580,585	11,581,515
Debt Service:				
Principal	-	198,000	-	198,000
Interest and Other Charges	-	23,700	-	23,700
Capital Outlay	-	92,600	-	92,600
<b>Total Expenditures</b>	<b>-</b>	<b>44,476,400</b>	<b>32,580,585</b>	<b>11,895,815</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>244,500</b>	<b>(418,237)</b>	<b>(662,737)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	592,700	894,677	301,977
Transfers Out	-	(837,200)	(1,136,933)	(299,733)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(244,500)</b>	<b>(242,256)</b>	<b>2,244</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(660,493)</b>	<b>(660,493)</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>9,616,321</b>	<b>9,616,321</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,955,828</b>	<b>\$ 8,955,828</b>

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, 2012

	<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>
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ 1,653,100	\$ 1,010,849	\$ (642,251)
Other	-		3,192	3,192
<b>Total Revenues</b>	<u>-</u>	<u>1,653,100</u>	<u>1,014,041</u>	<u>(639,059)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	-	1,653,100	1,653,076	24
<b>Total Expenditures</b>	<u>-</u>	<u>1,653,100</u>	<u>1,653,076</u>	<u>24</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(639,035)</u>	<u>(639,035)</u>
<b>Net Change in Fund Balance</b>	-	-	(639,035)	(639,035)
<b>Fund Balance - Beginning of Year</b>	-	-	937,079	937,079
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,044</u>	<u>\$ 298,044</u>

City of Miami, Florida  
Schedule of Revenues, Expenditures and Changes In Fund Balance  
Budget and Actual - SHIP  
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 25	\$ 25
Intergovernmental Revenues	-	960,900	868,463	(92,437)
Interest	-	-	771	771
Other	-	-	28,890	28,890
<b>Total Revenues</b>	<u>-</u>	<u>960,900</u>	<u>898,149</u>	<u>(62,751)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	-	960,900	950,656	10,244
<b>Total Expenditures</b>	<u>-</u>	<u>960,900</u>	<u>950,656</u>	<u>10,244</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(52,507)</u>	<u>(52,507)</u>
<b>Net Change in Fund Balance</b>	-	-	(52,507)	(52,507)
<b>Fund Balance - Beginning of Year</b>	-	-	371,934	371,934
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,427</u>	<u>\$ 319,427</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ -		\$ 23,164	\$ 23,164
Charges for Services	6,724,000	6,999,700	6,621,300	(378,400)
Other	-	-	317,784	317,784
<b>Total Revenues</b>	<u>6,724,000</u>	<u>6,999,700</u>	<u>6,962,248</u>	<u>(37,452)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Facilities	3,725,900	4,001,600	3,838,057	163,543
<b>Total Expenditures</b>	<u>3,725,900</u>	<u>4,001,600</u>	<u>3,838,057</u>	<u>163,543</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,998,100</u>	<u>2,998,100</u>	<u>3,124,191</u>	<u>126,091</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,452,800	3,452,800	3,452,788	(12)
Transfers Out	(6,450,900)	(6,450,900)	(6,614,437)	(163,537)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,998,100)</u>	<u>(2,998,100)</u>	<u>(3,161,649)</u>	<u>(163,549)</u>
<b>Net Change in Fund Balance</b>	-	-	(37,458)	(37,458)
<b>Fund Balance (Deficit)- Beginning of Year</b>	-	-	156,135	156,135
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,677</u>	<u>\$ 118,677</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, 2012**

	<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>
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 16,500	\$ 16,500
Intergovernmental Revenues	-	-	33,541	33,541
Charges for Services	-	-	1,256,648	1,256,648
Other	4,174,600	7,695,800	-	(7,695,800)
<b>Total Revenues</b>	<u>4,174,600</u>	<u>7,695,800</u>	<u>1,306,689</u>	<u>(6,389,111)</u>
<b>Expenditures:</b>				
Current Operating:				
Planning and Development	4,248,600	7,769,800	216,316	7,553,484
<b>Total Expenditures</b>	<u>4,248,600</u>	<u>7,769,800</u>	<u>216,316</u>	<u>7,553,484</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(74,000)</u>	<u>(74,000)</u>	<u>1,090,373</u>	<u>1,164,373</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	74,000	74,000	74,000	-
Transfers Out	-	-	(4,975,224)	(4,975,224)
<b>Total Other Financing Sources (Uses)</b>	<u>74,000</u>	<u>74,000</u>	<u>(4,901,224)</u>	<u>(4,975,224)</u>
<b>Net Change in Fund Balance</b>	-	-	(3,810,851)	(3,810,851)
<b>Fund Balance - Beginning of Year</b>	-	-	7,695,714	7,695,714
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,884,863</u>	<u>\$ 3,884,863</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, 2012**

	<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>
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ 1,156,400	\$ 14,408,142	\$ 13,251,742
Charges for Services	-	-	2,306	2,306
Interest	-	-	103	103
Other	-	18,825,700	10,129	(18,815,571)
<b>Total Revenues</b>	<u>-</u>	<u>19,982,100</u>	<u>14,420,680</u>	<u>(5,561,420)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	-	19,803,700	17,703,536	2,100,164
Capital Outlay	-	198,800	-	198,800
<b>Total Expenditures</b>	<u>-</u>	<u>20,002,500</u>	<u>17,703,536</u>	<u>2,298,964</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(20,400)</u>	<u>(3,282,856)</u>	<u>(3,262,456)</u>
<b>Other Financing Sources:</b>				
Transfers In	-	20,400	6,805	(13,595)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>20,400</u>	<u>6,805</u>	<u>(13,595)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(3,276,051)</u>	<u>(3,276,051)</u>
<b>Fund Balance (Deficit) - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>(652,151)</u>	<u>(652,151)</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,928,202)</u>	<u>\$ (3,928,202)</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 20	\$ 20
Charges for Services	-	-	331,019	331,019
Interest	-	-	1,773	1,773
Other	679,100	1,584,400	-	(1,584,400)
<b>Total Revenues</b>	<u>679,100</u>	<u>1,584,400</u>	<u>332,812</u>	<u>(1,251,588)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	-	905,300	247,510	657,790
Capital Outlay	679,100	679,100	-	679,100
<b>Total Expenditures</b>	<u>679,100</u>	<u>1,584,400</u>	<u>247,510</u>	<u>1,336,890</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>85,302</u>	<u>85,302</u>
<b>Other Financing Sources:</b>				
Transfers In	-	-	80,000	80,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
<b>Net Change in Fund Balance</b>	-	-	165,302	165,302
<b>Fund Balance - Beginning of Year</b>	-	-	1,579,755	1,579,755
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,745,057</u>	<u>\$ 1,745,057</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, 2012**

	<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>
<b>Revenue:</b>				
Licenses and Permits	\$ -	\$ 250,000	\$ 48,934	\$ (201,066)
Intergovernmental Revenues	-	940,100	1,352,353	412,253
Charges for Services	970,000	970,000	162,213	(807,787)
Interest	-	-	102	102
Other	2,372,000	3,827,600	707,980	(3,119,620)
<b>Total Revenues</b>	<u>3,342,000</u>	<u>5,987,700</u>	<u>2,271,582</u>	<u>(3,716,118)</u>
<b>Expenditures:</b>				
Current Operating:				
Parks and Recreation	2,981,500	5,617,200	2,304,981	3,312,219
Capital Outlay	360,500	370,500	370,504	(4)
<b>Total Expenditures</b>	<u>3,342,000</u>	<u>5,987,700</u>	<u>2,675,485</u>	<u>3,312,215</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(403,903)</u>	<u>(403,903)</u>
<b>Net Change in Fund Balance</b>	-	-	(403,903)	(403,903)
<b>Fund Balance - Beginning of Year</b>	-	-	2,638,060	2,638,060
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,234,157</u>	<u>\$ 2,234,157</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ 3,766,500	\$ 8,933,259	\$ 5,166,759
Charges for Services	-	760,000	895,531	135,531
Interest	-	-	16,805	16,805
Other	3,394,100	16,365,700	41,366	(16,324,334)
<b>Total Revenues</b>	<u>3,394,100</u>	<u>20,892,200</u>	<u>9,886,961</u>	<u>(11,005,239)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	3,394,100	19,409,300	11,574,631	7,834,669
Capital Outlay	-	2,082,900	199,792	1,883,108
<b>Total Expenditures</b>	<u>3,394,100</u>	<u>21,492,200</u>	<u>11,774,423</u>	<u>9,717,777</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(600,000)</u>	<u>(1,887,462)</u>	<u>(1,287,462)</u>
<b>Other Financing Sources:</b>				
Transfers In	-	600,000	825,581	225,581
<b>Total Other Financing Sources</b>	<u>-</u>	<u>600,000</u>	<u>825,581</u>	<u>225,581</u>
<b>Net Change in Fund Balance</b>	-	-	(1,061,881)	(1,061,881)
<b>Fund Balance - Beginning of Year</b>	-	-	7,951,037	7,951,037
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,889,156</u>	<u>\$ 6,889,156</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Fines and Forfeitures	\$ -	\$ -	\$ 546,271	\$ 546,271
Interest	-	-	2,183	2,183
Other	2,029,900	3,832,500	-	(3,832,500)
<b>Total Revenues</b>	<u>2,029,900</u>	<u>3,832,500</u>	<u>548,454</u>	<u>(3,284,046)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	2,029,900	3,356,700	699,204	2,657,496
Capital Outlay	-	475,800	-	475,800
<b>Total Expenditures</b>	<u>2,029,900</u>	<u>3,832,500</u>	<u>699,204</u>	<u>3,133,296</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(150,750)</u>	<u>(150,750)</u>
<b>Net Change in Fund Balance</b>	-	-	(150,750)	(150,750)
<b>Fund Balance - Beginning of Year</b>	-	-	3,832,474	3,832,474
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,681,724</u>	<u>\$ 3,681,724</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ 295,997	\$ 295,997
Interest	-	-	1,718	1,718
Other	1,111,600	2,575,200	-	(2,575,200)
<b>Total Revenues</b>	<u>1,111,600</u>	<u>2,575,200</u>	<u>297,715</u>	<u>(2,277,485)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Works	1,111,600	2,575,200	39,481	2,535,719
<b>Total Expenditures</b>	<u>1,111,600</u>	<u>2,575,200</u>	<u>39,481</u>	<u>2,535,719</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>258,234</u>	<u>258,234</u>
<b>Net Change in Fund Balance</b>	-	-	258,234	258,234
<b>Fund Balance - Beginning of Year</b>	-	-	2,652,986	2,652,986
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,911,220</u>	<u>\$ 2,911,220</u>

**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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	\$ 72,000	\$ 72,000	\$ 126,165	\$ 54,165
Other	227,400	459,700	-	(459,700)
<b>Total Revenues</b>	<u>299,400</u>	<u>531,700</u>	<u>126,165</u>	<u>(405,535)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	334,400	566,700	198,082	368,618
<b>Total Expenditures</b>	<u>334,400</u>	<u>566,700</u>	<u>198,082</u>	<u>368,618</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(71,917)</u>	<u>(36,917)</u>
<b>Other Financing Sources:</b>				
Transfers In	35,000	35,000	35,000	-
<b>Total Other Financing Sources</b>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	(36,917)	(36,917)
<b>Fund Balance - Beginning of Year</b>	-	-	459,634	459,634
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,717</u>	<u>\$ 422,717</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, 2012**

	<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>
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 4,755,458	\$ 4,755,458
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>4,755,458</u>	<u>4,755,458</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	-	-	100,268	(100,268)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>100,268</u>	<u>(100,268)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>4,655,190</u>	<u>4,655,190</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(3,947,965)	(3,947,965)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(3,947,965)</u>	<u>(3,947,965)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>707,225</u>	<u>707,225</u>
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>618,478</u>	<u>618,478</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,325,703</u>	<u>\$ 1,325,703</u>

**City of Miami, Florida**  
**Schedule of Revenues, Expenditures and Changes In Fund Balance**  
**Budget and Actual - General Special Revenues**  
**For The Year Ended September 30, 2012**

	<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>
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ 1,471,600	\$ 5,419,357	\$ 3,947,757
Other		6,169,400	-	(6,169,400)
<b>Total Revenues</b>	<u>-</u>	<u>7,641,000</u>	<u>5,419,357</u>	<u>(2,221,643)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	-	4,995,800	3,141,632	1,854,168
Capital Outlay	-	2,645,200	2,629,234	15,966
<b>Total Expenditures</b>	<u>-</u>	<u>7,641,000</u>	<u>5,770,866</u>	<u>1,870,134</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(351,509)</u>	<u>(351,509)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	9,506,250	9,506,300	-	(9,506,300)
Transfers Out	(9,506,250)	(9,506,300)	-	9,506,300
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	(351,509)	(351,509)
<b>Fund Balance (Deficit) - Beginning of Year</b>	-	-	(1,045,344)	(1,045,344)
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,396,853)</u>	<u>\$ (1,396,853)</u>

City of Miami, Florida  
Schedule of Revenues, Expenditures and Changes In Fund Balance  
Budget and Actual - Miami Ballpark Parking Facilities  
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ -	\$ -	\$ 4,835,653	\$ 4,835,653
Other	-	4,999,800	-	(4,999,800)
<b>Total Revenues</b>	<u>-</u>	<u>4,999,800</u>	<u>4,835,653</u>	<u>(164,147)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Facilities	-	2,624,000	1,295,168	1,328,832
<b>Total Expenditures</b>	<u>-</u>	<u>2,624,000</u>	<u>1,295,168</u>	<u>1,328,832</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>2,375,800</u>	<u>3,540,485</u>	<u>1,164,685</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	2,624,600	(2,624,600)	(5,249,200)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>2,624,600</u>	<u>(2,624,600)</u>	<u>(5,249,200)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>5,000,400</u>	<u>915,885</u>	<u>(4,084,515)</u>
<b>Fund Balance- Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ 5,000,400</u>	<u>\$ 915,885</u>	<u>\$ (4,084,515)</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, 2012**

	<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>
<b>Revenues:</b>				
Licenses and Permits	\$ -	\$ -	\$ 2,795	\$ 2,795
Fines and Forfeitures	-	-	160,263	160,263
Intergovernmental Revenues	-	2,062,300	1,189,216	(873,084)
Charges for Services	-	-	500	500
Interest	-	-	771	771
Other	438,200	926,300	15,000	(911,300)
<b>Total Revenues</b>	<u>438,200</u>	<u>2,988,600</u>	<u>1,368,545</u>	<u>(1,620,055)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	438,200	4,611,400	2,083,476	2,527,924
Capital Outlay	-	-	12,070	(12,070)
<b>Total Expenditures</b>	<u>438,200</u>	<u>4,611,400</u>	<u>2,095,546</u>	<u>2,515,854</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(1,622,800)</u>	<u>(727,001)</u>	<u>895,799</u>
<b>Other Financing Sources :</b>				
Transfers In	-	1,622,800	1,619,600	(3,200)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>1,622,800</u>	<u>1,619,600</u>	<u>(3,200)</u>
<b>Net Change in Fund Balance</b>	-	-	892,599	892,599
<b>Fund Balance - Beginning of Year</b>	-	-	1,450,694	1,450,694
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,343,293</u>	<u>\$ 2,343,293</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 11,829,600	\$ 11,829,600	\$ 13,537,633	\$ 1,708,033
<b>Total Revenues</b>	<u>11,829,600</u>	<u>11,829,600</u>	<u>13,537,633</u>	<u>1,708,033</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	2,957,400	9,019,000	1,031,576	7,987,424
Capital Outlay			279,594	(279,594)
<b>Total Expenditures</b>	<u>2,957,400</u>	<u>9,019,000</u>	<u>1,311,170</u>	<u>7,707,830</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>8,872,200</u>	<u>2,810,600</u>	<u>12,226,463</u>	<u>9,415,863</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	6,594,000	6,593,994	-
Transfers Out	(8,872,200)	(9,404,600)	(9,404,600)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(8,872,200)</u>	<u>(2,810,600)</u>	<u>(2,810,606)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	9,415,857	9,415,863
<b>Fund Balance - Beginning of Year</b>	-	-	6,327,463	6,327,463
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,743,320</u>	<u>\$ 15,743,326</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 9,000	\$ 8,750	\$ 5,450	\$ (3,300)
Other	8,400	6,093	9,393	3,300
<b>Total Revenues</b>	<u>17,400</u>	<u>14,843</u>	<u>14,843</u>	<u>-</u>
<b>Expenditures:</b>				
Community Redevelopment Areas	617,650	148,710	148,708	2
<b>Total Expenditures</b>	<u>617,650</u>	<u>148,710</u>	<u>148,708</u>	<u>2</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(600,250)</u>	<u>(133,867)</u>	<u>(133,865)</u>	<u>2</u>
<b>Other Financing Sources:</b>				
Sale of Property	115,000	-	-	-
<b>Total Other Financing Sources</b>	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(485,250)	(133,867)	(133,865)	2
<b>Fund Balance - Beginning of Year</b>	485,250	473,459	473,459	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ 339,592</u>	<u>\$ 339,594</u>	<u>\$ 2</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for Services	\$ 306,000	\$ 306,000	\$ 296,719	\$ (9,281)
Other	75,000	75,000	71,613	(3,387)
<b>Total Revenues</b>	<u>381,000</u>	<u>381,000</u>	<u>368,332</u>	<u>(12,668)</u>
<b>Expenditures:</b>				
Current Operating:				
Parks and Recreation	381,000	381,000	413,427	(32,427)
<b>Total Expenditures</b>	<u>381,000</u>	<u>381,000</u>	<u>413,427</u>	<u>(32,427)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(45,095)</u>	<u>(45,095)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(45,095)</u>	<u>(45,095)</u>
<b>Fund Balance (Deficit) - Beginning of Year</b>	<u>106,307</u>	<u>106,307</u>	<u>12,632</u>	<u>(93,675)</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 106,307</u>	<u>\$ 106,307</u>	<u>\$ (32,463)</u>	<u>\$ (138,770)</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Property Taxes	\$ 28,999,600	\$ 28,999,600	\$ 26,887,032	\$ (2,112,568)
<b>Total Revenues</b>	<u>28,999,600</u>	<u>28,999,600</u>	<u>26,887,032</u>	<u>(2,112,568)</u>
<b>Expenditures:</b>				
General Government			20,151	(20,151)
Debt Service:				
Principal	14,761,900	14,761,900	11,578,375	3,183,525
Interest and Other Charges	14,237,700	14,237,700	13,673,035	564,665
<b>Total Expenditures</b>	<u>28,999,600</u>	<u>28,999,600</u>	<u>25,271,561</u>	<u>3,728,039</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>1,615,471</u>	<u>1,615,471</u>
<b>Net Change in Fund Balance</b>	-	-	1,615,471	1,615,471
<b>Fund Balance (Deficit) - Beginning of Year</b>	-	-	336,520	336,520
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,951,991</u>	<u>\$ 1,951,991</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, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental Revenues	\$ -	\$ -	\$ 300,000	\$ 300,000
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
<b>Expenditures:</b>				
General Government	-	-	3,991	(3,991)
Debt Service:				
Principal	220,000	220,000	235,000	(15,000)
Interest and Other Charges	131,300	131,300	109,437	21,863
<b>Total Expenditures</b>	<u>351,300</u>	<u>351,300</u>	<u>348,428</u>	<u>2,872</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(351,300)</u>	<u>(351,300)</u>	<u>(48,428)</u>	<u>302,872</u>
<b>Other Financing Sources:</b>				
Transfers In	351,300	351,300	492,143	140,843
<b>Total Other Financing Sources:</b>	<u>351,300</u>	<u>351,300</u>	<u>492,143</u>	<u>140,843</u>
<b>Net Change in Fund Balance</b>	-	-	443,715	443,715
<b>Fund Balance - Beginning of Year</b>	-	-	782,269	782,269
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,225,984</u>	<u>\$ 1,225,984</u>



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## 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, 2012

	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
<b>Assets</b>						
Cash and Short-Term Investments	\$ 52,745,388	\$ 511,414	\$ 43,485	\$ 5,495	\$ 56,876	\$ 53,362,658
Accounts Receivable	18,194,706	3,865,876	30,269	-	-	22,090,851
Capital Assets	1,999,913	2,154,876	-	-	-	4,154,789
	<u>72,940,007</u>	<u>6,532,166</u>	<u>73,754</u>	<u>5,495</u>	<u>56,876</u>	<u>79,608,298</u>
<b>Investments</b>						
U.S. Government Obligations	244,692,323	84,084,551	-	-	-	328,776,874
Corporate Bonds	280,685,368	66,133,102	-	1,671,786	-	348,490,256
Corporate Stocks	449,370,529	358,899,769	-	885,580	-	809,155,878
Money Market Funds and Commercial Paper		29,831,876	-	-	5,740,312	35,572,188
International Equity	222,966,793	-	-	-	-	222,966,793
Mutual Funds - DROP	168,278,569	-	-	-	-	168,278,569
Real Estate	125,109,383	25,096,325	-	-	-	150,205,708
Private Equity	43,900,769	-	-	-	-	43,900,769
<b>Total Investments</b>	<u>1,535,003,734</u>	<u>564,045,623</u>	<u>-</u>	<u>2,557,366</u>	<u>5,740,312</u>	<u>2,107,347,035</u>
Securities Lending Collateral	276,817,344	-	-	-	-	276,817,344
<b>Total Assets</b>	<u>1,884,761,085</u>	<u>570,577,789</u>	<u>73,754</u>	<u>2,562,861</u>	<u>5,797,188</u>	<u>2,463,772,677</u>
<b>Liabilities</b>						
Obligations Under Security Lending	276,817,344	-	-	-	-	276,817,344
Accounts Payable	608,290	733,373	73,754	1,030	-	1,416,447
Accrued Liabilities	168,278,569	3,769	-	-	-	168,282,338
Payable for Securities Purchased	13,735,005	3,643,116	-	-	-	17,378,121
<b>Total Liabilities</b>	<u>459,439,208</u>	<u>4,380,258</u>	<u>73,754</u>	<u>1,030</u>	<u>-</u>	<u>463,894,250</u>
<b>Net Assets</b>						
Held in Trust for Pension Benefits	<u>\$ 1,425,321,877</u>	<u>\$ 566,197,531</u>	<u>\$ -</u>	<u>\$ 2,561,831</u>	<u>\$ 5,797,188</u>	<u>\$ 1,999,878,427</u>

City of Miami, Florida  
Combining Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended September 30, 2012

	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
<b>Additions</b>						
Contributions:						
Employer	\$ 45,122,295	\$ 25,784,849	\$ 514,907	\$ 226,793	\$ 566,372	\$ 72,215,216
Plan Members	8,390,922	8,587,563	-	91,989	-	17,070,474
<b>Total Contributions</b>	<u>53,513,217</u>	<u>34,372,412</u>	<u>514,907</u>	<u>318,782</u>	<u>566,372</u>	<u>89,285,690</u>
Investment Earnings:						
Net Increase (Decrease) in Fair Value of Investments	184,293,441	78,349,329	-	342,208	-	262,984,978
Interest	26,950,637	6,229,231	-	-	85,182	33,265,050
Dividends	11,085,811	4,820,861	-	61,046	-	15,967,718
Other	261,065	108,029	-	-	-	369,094
<b>Total Investment Earnings</b>	<u>222,590,954</u>	<u>89,507,450</u>	<u>-</u>	<u>403,254</u>	<u>85,182</u>	<u>312,586,840</u>
Security Lending Activities:						
Security Lending Income	859,839	-	-	-	-	859,839
Security Lending Fees and Rebates	(214,836)	-	-	-	-	(214,836)
Unrealized Gain	-	-	-	-	54,366	54,366
<b>Net Income From Security Lending Activities</b>	<u>645,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,366</u>	<u>699,369</u>
Less Investment Expenses	5,718,976	2,129,415	-	-	-	7,848,391
<b>Net Investment Earnings</b>	<u>216,871,978</u>	<u>87,378,035</u>	<u>-</u>	<u>403,254</u>	<u>85,182</u>	<u>304,738,449</u>
Reimbursement Income from City	-	3,104,449	104,783	-	-	3,209,232
<b>Total</b>	<u>271,030,198</u>	<u>124,854,896</u>	<u>619,690</u>	<u>722,036</u>	<u>705,920</u>	<u>397,932,740</u>
<b>Deductions</b>						
Benefits/Payments	124,321,444	72,186,394	514,907	186,680	-	197,209,425
Refunds upon Resignation, Death, etc.	765,941	1,385,881	-	23,902	263,535	2,439,259
Distribution to Retirees	17,747,481	-	-	-	-	17,747,481
Administrative and Other Expenses	42,726	3,178,449	104,783	-	-	3,325,958
<b>Total</b>	<u>142,877,592</u>	<u>76,750,724</u>	<u>619,690</u>	<u>210,582</u>	<u>263,535</u>	<u>220,722,123</u>
<b>Change in Net Assets</b>	<u>128,152,606</u>	<u>48,104,172</u>	<u>-</u>	<u>511,454</u>	<u>442,385</u>	<u>177,210,617</u>
<b>Net Assets - Beginning of Year</b>	<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>
<b>Net Assets - End of Year</b>	<u>\$ 1,425,321,877</u>	<u>\$ 566,197,531</u>	<u>\$ -</u>	<u>\$ 2,561,831</u>	<u>\$ 5,797,188</u>	<u>\$ 1,999,878,427</u>



## STATISTICAL SECTION

This part of the City of Miami, Florida's comprehensive annual financial report presents detailed statistical information in order to provide the reader context in understanding what the information contained in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> <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>	<b>139</b>
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	<b>144</b>
<b>Debt Capacity</b> <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>	<b>149</b>
<b>Demographic and Economic Information</b> <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>	<b>154</b>
<b>Operating Information</b> <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>	<b>157</b>

*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)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Primary Government										
Invested in Capital Assets, Net of Related Debt	\$ 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	\$ 657,451,573
Restricted	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	90,077,677
Unrestricted (Deficit)	(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)	(332,017,000)
<b>Total Primary Government Net Assets</b>	<b>\$ 697,877,182</b>	<b>\$ 671,501,732</b>	<b>\$ 680,553,092</b>	<b>\$ 731,756,870</b>	<b>\$ 739,162,726</b>	<b>\$ 710,180,831</b>	<b>\$ 625,628,226</b>	<b>\$ 534,779,379</b>	<b>\$ 447,843,412</b>	<b>\$ 415,512,250</b>

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
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
2012	223,386,064	26,887,032	26,649,826	17,793,928	58,045,986	352,762,836

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

	2010	2011	2012	(1)
Fund Balances (Deficit):				
Non-Spendable Fund Balance				
Non Spendable	\$ 3,807,847	\$ 4,897,155	\$ 8,140,534	
Spendable Fund Balance				
Restricted	444,801,965	382,350,429	333,198,913	
Committed	20,740,827	18,349,332	16,512,138	
Assigned	16,230,193	18,908,221	52,161,359	
Unassigned	(19,468,939)	(4,978,082)	(9,323,713)	
<b>Total Fund Balances (Deficit)</b>	<b>\$ 466,111,893</b>	<b>\$ 419,527,055</b>	<b>\$ 400,689,231</b>	

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)**

	2008	2009	2010	2011	2012
<b>Revenues</b>					
Property Taxes	\$ 291,113,299	\$ 304,893,731	\$ 287,210,960	\$ 261,325,154	\$ 250,273,095
Franchise and Other Taxes	104,555,524	106,834,109	105,089,565	104,309,077	102,511,480
Licenses and Permits	29,844,868	26,105,211	25,348,038	34,030,742	35,725,571
Fines and Forfeitures	6,977,788	7,441,420	5,207,735	6,453,984	5,538,484
Intergovernmental Revenues	157,268,610	141,254,258	153,415,564	170,755,377	152,387,409
Charges for Services	86,386,721	85,926,635	88,420,225	94,710,889	106,715,608
Interest	17,655,770	7,718,282	3,217,854	2,393,382	2,825,787
Impact Fees	4,679,000	332,175	12,089	1,355,126	4,337,998
Other	10,102,809	10,757,077	9,105,815	10,102,466	14,933,656
<b>Total Revenues</b>	<b>708,584,389</b>	<b>691,262,898</b>	<b>677,027,845</b>	<b>685,436,197</b>	<b>675,249,088</b>
<b>Expenditures</b>					
General Government	77,127,072	78,888,172	68,278,497	67,930,182	66,093,488
Planning and Development	11,236,136	11,349,570	9,340,192	8,328,270	7,922,368
Community Development	41,036,697	36,413,108	39,157,777	40,432,177	36,706,327
Community Redevelopment Areas	15,946,941	20,144,229	29,084,137	4,394,953	22,040,767
Public Works	55,068,379	55,172,871	51,337,220	46,644,162	48,948,960
Public Safety	265,497,659	266,284,837	249,748,875	218,697,938	221,065,814
Public Facilities	13,019,718	11,660,410	12,555,541	9,802,765	12,708,442
Parks and Recreation	29,056,137	33,211,002	27,544,737	26,540,255	25,879,413
Contribution to Port Tunnel	-	-	-	50,000,000	-
Risk Management	28,796,859	13,107,068	22,354,729	26,546,382	48,659,416
Pensions	65,116,477	66,906,558	89,975,265	72,194,979	72,843,201
Organizational Support	27,751,691	41,314,516	32,218,742	30,523,550	-
Debt Service:					
Principal	21,343,143	23,566,021	27,261,275	29,492,004	22,934,190
Interest and Other Charges	28,920,735	31,928,202	38,064,683	39,647,545	41,185,461
Debt Issuance Costs	-	-	-	2,048,181	-
Capital Outlay	114,576,911	106,862,901	55,695,847	113,887,530	66,882,320
<b>Total Expenditures</b>	<b>794,494,555</b>	<b>796,809,465</b>	<b>752,617,517</b>	<b>787,110,873</b>	<b>693,870,167</b>
Excess (Deficiencies) of Revenues					-
Over (Under) Expenditures	(85,910,166)	(105,546,567)	(75,589,672)	(101,674,676)	(18,621,079)
<b>Other Financing Sources (Uses)</b>					
Transfers In	227,562,830	196,098,575	146,557,421	100,559,730	114,263,228
Transfers Out	(227,562,830)	(196,098,575)	(146,557,421)	(100,559,730)	(114,263,228)
Sale of Property	-	-	-	1,087,268	-
Proceeds Received From Refunding	133,098,930	-	-	68,894,025	-
Payment To Escrow Agent For Refunding	-	(32,366,235)	-	(68,571,500)	-
Proceeds Received From Long-Term Debt	-	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	-	-
<b>Total Other Financing Sources</b>	<b>134,443,886</b>	<b>75,329,785</b>	<b>164,977,791</b>	<b>54,873,093</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ 48,533,720</b>	<b>\$ (30,216,782)</b>	<b>\$ 89,388,119</b>	<b>\$ (46,801,583)</b>	<b>\$ (18,621,079)</b>
Debt Service as a Percentage of Non-Capital Expenditures	7.71%	8.04%	9.37%	10.27%	10.23%

**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
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
2012	223,386,063	26,887,032	44,649,826	25,803,387	58,045,986	378,772,294

**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				
2003	\$ 7,679,048,886	\$ 7,380,571,799	\$ 1,878,266,085	\$ 16,937,886,770	8.47	\$ 24,759,964,620	68.41%
2004	8,789,474,779	8,369,950,851	1,711,697,688	18,871,123,318	8.50	27,717,908,682	68.08%
2005	10,364,157,774	9,870,433,741	1,695,110,542	21,929,702,057	8.64	32,133,104,422	68.25%
2006	12,959,276,770	12,341,927,389	1,676,173,129	26,977,377,288	8.33	39,120,899,711	68.96%
2007	20,320,801,612	11,038,460,135	1,673,647,599	33,032,909,346	7.88	47,925,276,742	68.93%
2008	24,279,025,389	11,727,240,945	1,749,572,760	37,755,839,094	9.00	55,249,891,635	68.34%
2009	23,572,178,928	11,890,691,413	1,686,320,651	37,149,190,992	9.26	52,185,972,858	71.19%
2010	23,341,894,079	11,921,087,043	1,686,540,244	36,949,521,366	9.26	52,146,883,603	70.86%
2011	18,536,983,090	10,078,997,005	1,736,766,113	30,352,746,208	9.84	42,365,151,484	71.65%
2012	19,106,566,634	10,336,397,326	1,890,870,077	31,333,834,037	10.07	43,557,261,093	71.94%

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

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

(1) Includes tax-exempt property.



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

City of Miami, Florida					Overlapping Rates (1)							
Fiscal Year	Tax Roll Year	General Operations	Debt Service	Total City	Miami-Dade County			Miami-Dade South Florida County			Florida Inland Navigation District	Total Direct and Overlapping Rates
					School Board	Miami-Dade County	Children's Trust	Library System	Water Management District	Environmental Projects		
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
2012	2011	7.57100	0.9000	8.4710	7.9980	4.9885	0.5000	0.1725	0.3676	0.0613	0.0345	22.59340

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**

2012				2003			
Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value	Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power & Light	\$ 424,296,740	1	1.35%	Florida Power & Light	\$ 211,910,572	3	1.40%
200 S Biscayne TIC 1 LLC	263,300,000	2	0.84%				
Crescent Miami Center	170,500,000	3	0.54%				
T C 701 Brickell LLC	170,400,000	4	0.54%				
Bellsouth Telecommunications	149,545,210	5	0.48%	Bellsouth	85,562,693	9	0.57%
1111 Brickell Office LLC	136,368,168	6	0.44%	1111 Brickell Office LLC	119,400,000	6	0.79%
Trustees of L&B	122,700,000	7	0.39%				
1450 Brickell LLC	167,693,016	8	0.54%				
RW 244 Biscayne Res LLC	140,443,750	9	0.45%				
Met II Office LLC	137,700,000	10	0.44%				
	<u>\$ 1,882,946,884</u>		<u>6.01%</u>	Teachers Ins & Annuity Assoc of America	221,000,000	2	1.46%
				Prudential Insurance Co.	157,700,000	4	1.04%
				Biscayne Tower Group	87,000,000	8	0.58%
				SRI Miami Ventures, LP	242,800,000	1	1.61%
				NOP LLC	109,600,000	7	0.73%
				Brickell Equities Corp	74,200,000	10	0.49%
				Swire Properties	138,667,229	5	0.92%
					<u>\$ 1,447,840,494</u>		<u>9.59%</u>
Net Assessed Value	\$ 31,333,834,037		6.01%	Net Assessed Value	15,113,061,441		9.58%

Source: Miami-Dade Property Appraiser

**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 of Delinquent Taxes	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2003	\$ 170,530,644	\$ 163,801,712	96.05%	\$ 1,474,980	\$ 165,276,692	96.92%
2004	185,739,031	183,378,517	98.73%	3,123,437	186,501,954	100.41%
2005	211,977,983	205,393,073	96.89%	2,698,741	208,091,814	98.17%
2006	249,931,912	244,215,621	96.82%	2,121,712	246,337,333	98.56%
2007	297,147,536	291,072,303	97.76%	3,178,849	294,251,152	99.03%
2008	297,421,622	285,910,801	96.13%	5,202,498	291,113,299	97.88%
2009	309,582,783	298,355,830	96.37%	7,537,901	305,893,731	98.81%
2010	319,395,358	275,812,810	86.35%	11,398,150	287,210,960	89.92%
2011	258,028,695	240,648,308	93.26%	20,676,849	261,325,157	101.28%
2012	265,428,908	238,225,003	89.75%	12,048,092	250,273,095	94.29%

Note 1: The County Tax Collector does not allocate delinquent taxes collected by the original tax year levied. Consequently, all collections of delinquent taxes are applied to the immediately prior tax year and, as a result, the percentage for collections to date may exceed 100%.

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

Fiscal Year Ended September 30,	Governmental Activities					Total	Percent of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Loans Payable	Capital Leases				
2003	\$ 236,549,956	\$ 151,566,324	\$ 28,230,764	-	\$ 416,347,044	0.00%	1,042	
2004	225,944,956	145,130,260	25,567,364	2,525,936	399,168,516	2.08%	999	
2005	215,729,956	138,676,431	23,465,964	1,921,177	379,793,528	2.09%	951	
2006	205,306,932	132,131,060	21,216,564	1,298,941	359,953,497	2.33%	993	
2007	245,689,409	125,969,708	24,120,164	658,722	396,438,003	2.56%	1,094	
2008	235,393,765	198,484,539	73,656,764	-	507,535,068	3.30%	1,400	
2009	276,113,503	199,629,250	89,426,363	-	565,169,117	3.39%	1,559	
2010	265,804,455	358,571,022	79,902,293	-	704,277,770	2.99%	1,943	
2011	251,566,791	418,172,682	57,119,793	-	726,859,266	2.64%	2,005	
2012	239,988,415	407,366,796	55,150,970	-	702,506,181	N/A	1,938	

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 154 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)
2003	\$ 236,549,956	\$ 1,410,866	\$ 235,139,090	0.540%	\$ 588.65
2004	225,944,956	966,126	224,978,830	0.531%	563.21
2005	215,729,956	1,512,591	214,217,365	0.411%	536.27
2006	205,306,932	1,994,991	203,311,941	0.390%	560.91
2007	245,689,409	2,304,217	243,385,192	0.441%	671.46
2008	235,393,765	2,138,512	233,255,253	0.487%	643.52
2009	276,113,503	1,496,363	274,617,140	0.702%	757.63
2010	265,804,455	(41,370)	265,845,825	0.827%	733.43
2011	251,566,791	336,520	251,230,271	0.906%	693.11
2012	239,988,415	1,951,991	238,036,424	0.961%	656.71

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 145 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 154 for population data.

**CITY OF MIAMI, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2012**

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	\$ 1,025,042,100	19.00%	\$ 194,757,999
Miami-Dade County School Board	186,140,000	19.00%	<u>35,366,600</u>
Subtotal, Overlapping Debt			<u>230,124,599</u>
City of Miami, Florida Direct Debt (excludes special obligation, revenue bonds, loans and capital leases)			<u>238,036,424</u>
Total Direct and Overlapping Debt			<u><u>\$ 468,161,023</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**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 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	\$ 4,533,761,443
Total Net Debt Applicable to Limit	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	238,036,424
Legal Debt Margin	\$ 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	\$ 4,295,725,019
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.31%	7.95%	6.51%	5.02%	4.91%	4.32%	5.11%	4.95%	5.73%	5.25%
Assessed Value										\$ 31,333,834,037
Less Homestead Exempt Valuation										<u>(1,108,757,753)</u>
Total Assessed Value										<u>30,225,076,284</u>
Debt Limit for Bonds (15% of Total Assessed Value)										<u>4,533,761,443</u>
Present Debt Application to Debt Limitation										239,988,415
General Obligation Debt										<u>(1,951,991)</u>
Less Amount Available in Debt Service Fund										<u>238,036,424</u>
Total Net Debt Applicable to Limit										<u>\$ 4,295,725,019</u>
Legal Debt Margin										

**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		
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
2012	250,273,095	11,578,375	13,673,035	50,502,820	4.96

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		Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
		(Amounts Expressed in Thousands) (2)	Personal Income (2)			
2003	362,470	10,001,635	27,593	37	371,482	7.5%
2004	362,470	10,539,178	29,076	37	369,578	5.7%
2005	362,470	11,362,347	31,437	37	361,550	4.7%
2006	362,470	12,219,589	33,712	37	365,784	3.4%
2007	362,470	13,074,655	36,071	38	346,629	3.9%
2008	362,470	13,007,961	35,887	38	344,806	6.1%
2009	362,470	13,178,322	36,357	38	345,570	11.1%
2010	399,457	14,738,365	36,896	38	345,458	11.1%
2011	399,457	15,113,056	37,834	38	347,133	11.5%
2012	399,457	N/A	N/A	38	345,635	8.7%

Sources:

- (1) United States Census Bureau
- (2) Bureau of Economic Analysis, U.S. Department of Commerce
- (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>2012</u>			<u>2003</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	48,571	1	4.80%	45,886	1	4.47%
Miami-Dade County	29,000	2	2.87%	32,000	2	3.12%
U.S. Federal Government	19,500	3	1.93%	-	-	0.00%
State of Florida	17,100	4	1.69%	-	-	0.00%
University of Miami	16,000	5	1.58%	-	-	0.00%
Baptist Health South Florida	13,376	6	1.32%	7,000	5	0.68%
Public Health Trust/Jackson Memorial Hospit	12,571	7	1.24%	11,700	3	1.14%
Publix Supermarkets	10,800	8	1.07%	4,000	10	0.39%
American Airlines	9,000	9	0.89%	9,000	4	0.88%
Florida International University	8,000	10	0.79%	-	-	0.00%
Precision Response Corporation	-	-	0.00%	6,000	6	0.59%
United Parcel Service	-	-	0.00%	5,000	7	0.49%
BellSouth	-	-	0.00%	4,700	8	0.46%
Carnival Cruise Lines	-	-	0.00%	4,000	9	0.39%
<b>Total</b>	<b>183,918</b>		<b>18.18%</b>	<b>129,286</b>		<b>12.61%</b>

Source: The Beacon Council/U.S. Department of Labor - Bureau of Labor Statistics

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Number of Employees:										
General Government	587	594	617	641	644	641	511	538	505	533
Planning and Development	140	138	147	141	142	128	123	102	96	111
Community Development	91	77	73	61	52	61	55	54	60	43
Public Works	498	497	505	542	526	525	521	436	442	442
Public Safety	2,248	2,140	2,138	2,222	2,288	2,310	2,390	2,368	2,283	2,282
Public Facilities	33	43	45	55	56	54	41	41	41	41
Parks and Recreation	141	148	188	190	191	207	265	186	182	178
Total Number of Employees	3,738	3,637	3,713	3,852	3,899	3,926	3,906	3,725	3,609	3,630

Source: City of Miami, Budget Department

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Community Development:</b>										
Entitlements/Grants Received	\$ 35,569,042	\$ 32,351,101	\$ 37,191,063	\$ 30,816,293	\$ 29,943,482	\$ 30,267,482	\$ 26,275,445	\$ 37,815,004	\$ 33,490,572	\$ 24,364,465
<b>Public Safety:</b>										
Police:										
Part 1 Crimes - (1)	33,527	30,966	29,455	26,219	27,302	27,907	25,761	26,097	27,045	28,070
Part 1 Arrests - (1)	6,729	6,662	5,728	4,359	4,635	4,741	4,536	4,393	4,295	4,166
Part 2 Arrests - (2)	26,786	38,467	33,385	33,408	32,738	31,211	32,826	26,670	22,269	25,155
<b>Fire:</b>										
Number of Fire Calls	15,571	17,889	19,017	12,694	14,472	18,191	10,411	14,493	16,686	15,122
Number of EMS Calls	62,784	64,500	67,300	70,423	72,757	69,870	73,017	76,747	81,638	79,279
Number of Alarms	78,355	82,389	86,318	83,117	87,227	88,061	88,847	91,240	98,324	94,401
<b>Planning and Development:</b>										
Certificate of Use Permits Issued	20,625	20,422	21,123	21,142	22,000	21,482	22,724	20,156	20,775	20,907
Occupational Licenses Issued	39,040	39,422	40,371	34,197	42,000	22,498	22,092	29,548	22,478	23,117
<b>Culture and Recreation:</b>										
Summer Food Program - Meals Served (Lunches)	124,701	122,749	89,324	55,126	104,472	N/A	N/A	58,785	92,737	98,129
Summer Food Program - Meals Served (Snacks)	146,786	115,837	100,870	61,000	114,670	N/A	N/A	62,983	87,963	106,449
<b>Solid Waste:</b>										
Refuse Collected (Tons/Day)	768	793	578	713	629	717	N/A	566	551	586
Recyclables Collected (Tons/Day)	24	21	72	10	13	16	N/A	11	14	14

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety:</b>										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub-Stations	2	2	2	2	2	3	3	3	3	3
Fire:										
Fire Stations	12	12	14	14	14	14	14	14	14	14
<b>Solid Waste:</b>										
Collection Trucks	172	176	152	151	175	181	N/A	160	160	144
<b>Public Works:</b>										
Streets (Miles- Paved)	658.9	658.9	660.0	667.4	662.2	662.2	662.1	662.1	662.1	662.1
Streets (Miles - Unpaved)	1.4	1.4	1.4	3.1	1.2	N/A	1.12	1.12	1.12	1.12
<b>Transportation:</b>										
Street Resurfacing (Miles)	25.0	33.5	33.5	17.9	23.3	21.6	N/A	15.8	18.3	23.65
<b>Culture and Recreation:</b>										
Parks Acreage	800	800	800	800	894	894	894	894	894	897
Parks	110	111	111	112	112	112	112	112	112	127
Swimming Pools	10	10	10	12	11	11	15	15	15	15
Tennis Courts	53	53	53	53	55	55	61	61	61	61
Community Centers	30	31	30	32	32	32	34	34	34	34
Basketball Courts	63	63	61	63	63	63	71	71	71	71
Water Playgrounds	-	1	1	1	2	2	2	2	2	3
Soccer Fields	6	7	7	7	11	11	13	13	13	13
Football Fields	12	12	12	12	10	10	9	9	9	9
Baseball Fields	25	25	21	25	27	27	30	30	30	30
Open Practice Fields	-	-	-	-	2	2	2	2	2	2
Cricket Field	-	-	-	-	1	1	1	1	1	1

Sources: Various City Departments

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

N/A Information not available.