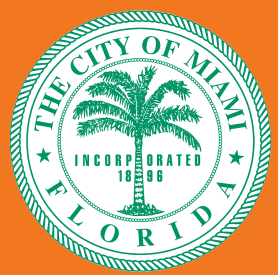


2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2013



CITY OF MIAMI FLORIDA





2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED SEPTEMBER 30, 2013

Prepared By:
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Director



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City of Miami

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2013

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INTRODUCTORY SECTION



City of Miami Principal Officials

September 30, 2013

MAYOR

Tomás P. Regalado

CITY COMMISSION

Marc D. Sarnoff, Chairman

Wifredo (Willy) Gort, Vice – Chairman

Frank Carollo, Commissioner

Michelle Spence-Jones, Commissioner

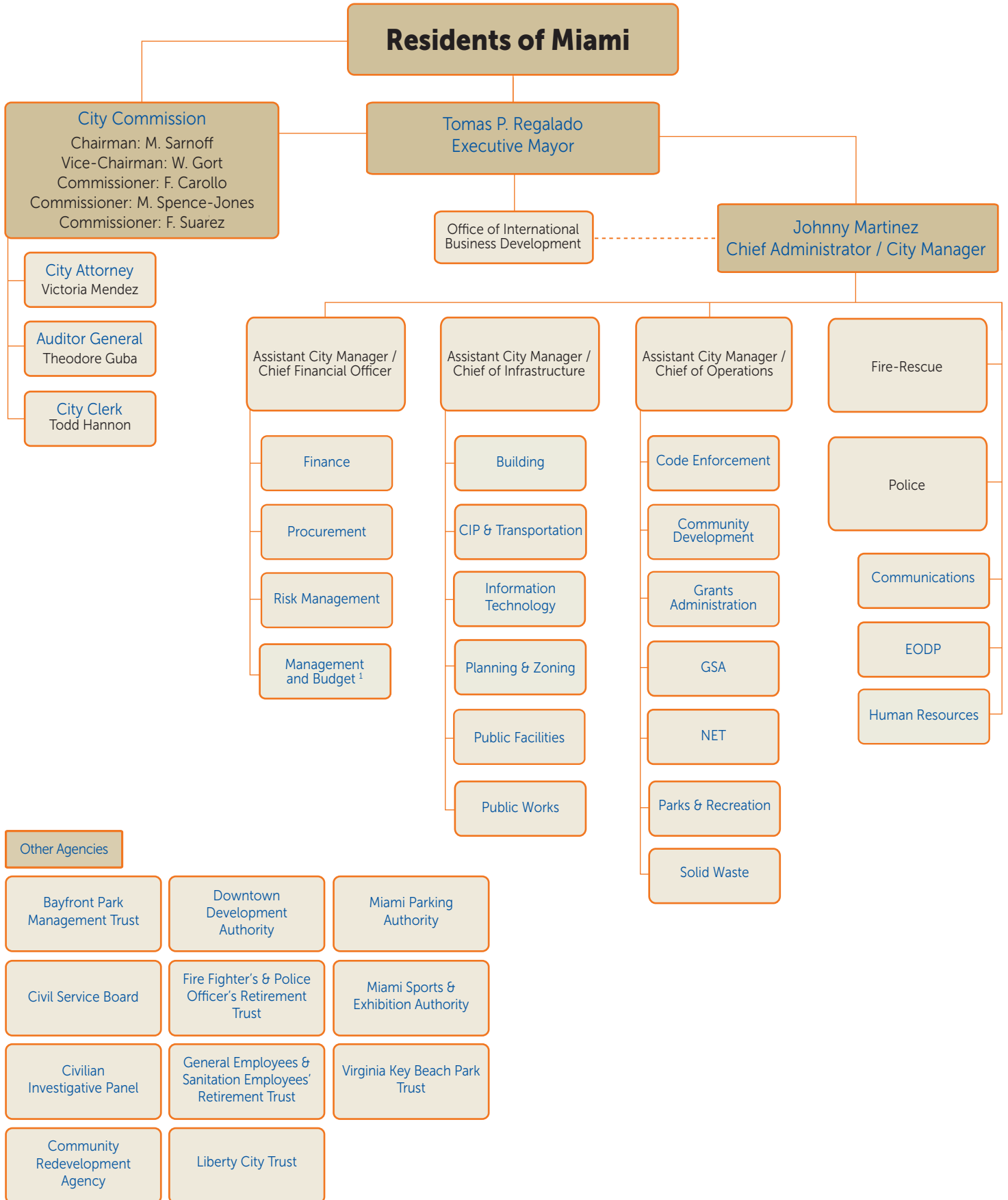
Francis Suarez, Commissioner

CITY MANAGER

Johnny Martinez, P.E.

CITY ATTORNEY

Victoria Méndez



¹ Management and Budget is an Office within the City Manager's Office



March 28, 2014

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

We are pleased to present the City of Miami's ("the City") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2013 is hereby submitted as required by state statute. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

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

Ernst & Young LLP, Certified Public Accountants, have issued an unmodified opinion on the City's basic financial statements for the year ended September 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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

City Profile & Government Structure

The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay. It is a main port of entry into Florida. Now 117 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 414,000 residents according to the U.S. Census Bureau, 58.1 percent of them foreign born. In physical size, the City is not large, encompassing only 35.87 square miles. In population, the City is the largest of the 35 municipalities that make up Miami-Dade County and is the county seat.

The City Charter was adopted by the electors of the City of Miami at an election held May 17, 1921 and legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. 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 ("County"). The County

is, in effect, a municipality with governmental powers affecting thirty-five cities and unincorporated areas, including the City. The County has not displaced nor replaced the cities' powers, but supplements them. The County can take over particular activities of the City's operations if the services fall below minimum standards set by the County Commission, or with the consent of the governing body of the City. Accordingly, the County's financial statements are not included in this report.

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

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

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

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

Budget Process and Control

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

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

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

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

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

Local Economic Condition and Outlook

This past year confirmed a continued slow growth for the economy and employment as well as a modest reduction in the unemployment rate. The local economy derived strength from a surprisingly strong real estate sector, both in terms of real estate transactions and new construction. For Miami’s main economic engines fiscal year 2013 was a very interesting year. The comeback of real estate has been somewhat unexpectedly robust. Tourism went from being majority domestic to majority international and the international trade sector moved towards looking more like the US trade sector with a reduction in exports and strong increases in imports.

While overall job growth has been modest, it is nonetheless viewed as favorable, thus making it a year of recovery. Despite a limited gain in the size of the labor force, the unemployment rate noticeably decreased.

Traditionally, the real estate sector in Miami is viewed as one of the important measures of the County’s economic health. Over the past year, the sector broke away from the slow pace improvement mode experienced since 2011. Residential sales, sales prices and construction increased while foreclosure filings dropped. By the year end, sales of existing single-family homes and condominiums increased slightly. This was fueled, in part, by low mortgage rates and expectations of higher rates in the future.

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 firms and international corporate headquarters.

Local Government Financial Trend

The City’s General Fund Reserve marked its third year of positive growth for the year ended September 30, 2013. The table below summarizes and compares General Fund revenues and expenditures and transfers over the last four fiscal years. Some of the reasons for these trends are explained by the local economic conditions briefly discussed in this letter and others are related to actions taken by the City and discussed further in this letter under the heading of *Long-Term Financial Planning*.

Summary of General Fund Financial Results
by fiscal year
(\$ in thousands)

	2013	2012	2011	2010
Revenues and Transfers In	\$ 539,065	\$ 518,053	\$ 515,361	\$ 505,536
Expenditures and Transfers Out	521,147	480,153	513,190	532,066
Net Changes in Fund Balance	17,918	37,900	2,171	(26,530)
Beginning Fund Balance	57,544	19,644	17,473	44,003
Ending Fund Balance	\$ 75,462	\$ 57,544	\$ 19,644	\$ 17,473

Housing & Real Estate Market

The City is just beginning to come out of the real estate crisis and stagnant housing market that has been affecting the entire state. The City's tax base increased to \$32.7 billion in fiscal year 2013. However, it is still lower than the previous high of \$37.8 billion in fiscal year 2008. In terms of valuation, housing prices continued its upward trend in FY 2013. The median sales price of an existing single-family home rose to \$214,505 up by 17.5 percent. Existing condominiums displayed a robust growth in sales price increasing by 23.1 percent increase from 2012. According to www.realtytrac.com the foreclosure filings in Miami have decreased from one in every one in every 300 housing units in 2012 to one in every 354 in 2013.

Employment & Wealth Demographics

According to the Bureau of Labor Statistics the preliminary unemployment rate decreased from 8.1 percent in 2012 to 7 percent in 2013 for the Miami-Fort Lauderdale-Pompano Beach Metropolitan Area. The poverty rate also decreased from 32.4 percent in 2011 to 27.7 percent in 2012.

Our regional economic base remains diversified, comprised of wholesale and retail trade, construction, light manufacturing, and tourism. 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.

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

- United Parcel Services
- Federal Express
- Discovery Networks Latin America/US Hispanic
- Avaya
- HBO Latin America
- Hewlett-Packard Company
- ExxonMobil Inter-America

Source: The Beacon Council

Tourism

Tourism is also an important industry in Miami. 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, spending \$17.1 billion. 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.

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 billion dollar project which encompasses five city blocks and includes hotel and condominium towers, a below level parking area and plenty of shops and office spaces. This project alone will be generating approximately 1,700

construction jobs in the next four years and, when finished, it will employ over 3,800 people. The Swire Group Project will provide our City with over four million dollars annually in property tax revenues plus over a million dollars in parking surcharge revenues.

Miami International Airport

The Miami International Airport (“MIA”) passenger levels reached 40 million for the first time in fiscal year 2013, representing a gain of 1.4 percent compared to a gain of 5.1 percent in the prior year. This outcome consists of decrease in domestic air passengers outweighed by an increase in international passengers. MIA international passengers activity increased by 4.2 percent to 20.01 million, while domestic passengers activity decreased by 1.2 percent to 20.09 million. With the continued improvement of the facilities at MIA, aviation officials are projecting that passenger traffic in 2014 will be higher than the previous year. This is based on the continued addition and increase in frequencies of flights from MIA to more destinations domestically and around the world.

Port of Miami

The Port of Miami, (“the Port”) known as the “cruise capital of the world,” is operated by the Seaport Department of Miami-Dade County. In 2013, more than 4.0 million passengers sailed from the Port of Miami. The Port continues to be the world’s busiest cruise port. The Port is also a hub for Caribbean and Latin American commerce and is known as the “Gateway to the Americas”. These countries account for over half of the approximately 8.0 million tons of cargo processed through the Port of Miami during the 2013 fiscal year. The Port of Miami is also reaching out to the global community where trade with the Far East, Asia and the Pacific account for the second largest cargo segment processed through the Port. The Port is important to the South Florida economy, contributing in excess of \$27 billion annually.

The Port continues to grow its infrastructure to accommodate future growth and to remain competitive. Throughout 2013, the construction of the tunnel that will expedite cargo traffic in and out of the port continued; the tunnel is expected to be open to the public in May 2014. Additionally, the Port of Miami is in the process of dredging its main channel to accommodate larger cargo ships. The completion of the dredge will strategically position the Port for the completion of the Panama Canal. The improved port facilities will make the Port of Miami a competitive port for cargo.

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.

Refinances

During fiscal year 2012, the City and successfully refinanced the balance of a \$50 million short-term bank loan that was to be paid in January 2013, see Note 8 Long Term Debt. The debt service for the loan will be paid via a contribution from the OMNI CRA. There are no new financings anticipated during fiscal year 2014. The City is evaluating the possibility of refinancing existing bonds to achieve lower interest costs.

As of September 30, 2013, the SEOPW CRA has been given the authorization to issue bonds in an amount not to exceed \$60 million. Said bonds would be repaid with tax increment revenue. The proceeds would be used to finance or refinance the acquisition and construction of community redevelopment projects in the redevelopment area of the CRA. No bonds have been issued as of the date of printing of this CAFR.

Future Outlook

After a year of overall slow growth, but important realignment of the different sectors of the local economy, conditions are set for a modest acceleration of economic activity in the upcoming 2014 fiscal year. The stock market, a forward looking indicator, recorded its best performance in 25 years during calendar year 2013. And after years of very contentious budget battles and a partial government shutdown, the U.S. Congress achieved a bipartisan budget deal that paves the way for calm waters on the political front for the next two years. Thus, the prospect for growth of the nation’s economy is bright.

After an active year for real estate and construction, the level of activity in 2014 is expected to remain high. Permit requests and announced proposed projects continued to point to strength in real estate.

Given the strength in real estate and other sectors of the economy, employment should strengthen as well. One unknown that leaves a question mark is *Local Government* employment. For the past five years the local government sector has been reducing its level of employment. In the City of Miami, this trend was reversed in 2013-14, it remains to be seen if other governments will increase hiring as well.

There are signs in the current economic environment that point to a year of modest gains. As noted above, property value growth and new construction, in conjunction with increased tourism, visitor counts, stock market rebound, and lower unemployment, among others all point to an economic recovery for the South Florida area and Miami in particular.

Capital Improvement Plan

The City’s six-year Capital Improvement Plan, covering the period from October 1, 2012 through September 30, 2018, has earmarked funding estimated at approximately \$568 million for 362 projects throughout the City.

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

Capital Improvement Program		
Revenue by Type		
(\$ in thousands)		
Description	Amount	Percent
City Bonds	\$ 245,875	43.3%
Private Donations/Other	5,053	0.9%
CIP Fees/Revenues	164,013	28.9%
State Grants	68,839	12.1%
Federal Grants	4,124	0.7%
Miami-Dade County Grants	47,729	8.4%
Other Grants	28,383	5.0%
Others	3,754	0.7%
Total	\$ 567,770	

**Capital Improvement Program
Expenditures by Fund
(\$ in thousands)**

Description	Amount	Percent
Streets and Sidewalks	\$ 144,609	25.5%
CRA Projects	13,093	2.3%
General Government	76,719	13.5%
Mass Transit	11,715	2.0%
Parks and Recreation	97,059	17.1%
Public Facilities	111,123	19.6%
Public Safety	26,452	4.7%
Sanitary Sewers	17,276	3.0%
Solid Waste	4,403	0.8%
Storm Sewers	65,321	11.5%
Total	\$ 567,770	

Relevant Financial Policies

The City has adopted a comprehensive set of financial policies. During the current year, a number of these policies were particularly relevant.

Debt 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. Additionally, the Policy is to provide guidance in the preparation and implementation necessary for debt management compliance. 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 following policies concerning the issuance and management of debt were established in the Debt Management Policy: (a) the City will not issue debt obligations or use debt proceeds to finance current operations; (b) the City will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the projects to finance the project over its useful life; and (c) the City will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten and twenty year periods.

Pursuant to the Debt Management Policy, the City’s debt issuance is subject to the following constraints: (i) the Net Debt Per Capita and the Net Debt to Taxable Assessed Value percentages, which shall be determined by the Finance Committee by bench marking the City to current industry standards, and (ii) the maximum maturity shall be the earlier of (a) the estimated useful life of the capital improvements being financed or (b) thirty years or (c) in the event debt was issued to refinance outstanding debt obligations, the final maturity of the debt obligations being refinanced, unless a longer term is recommended by the Finance Committee.

Investment Management Policy

The City adopted a detailed written investment policy on August 23, 2007, that applies to all cash and investments held or controlled by the City and identified as “general operating funds”. The Investment Policy does not apply to the City’s Pension Funds, Deferred Compensation & Section

401(a) Plans, and 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 primary objective of the investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The portfolios are required to be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Return on investment is of least importance compared to the safety and liquidity objectives described in the policy. In accordance with the City's Administrative Policies, the responsibility for providing oversight and direction in regard to the management of the investment program resides with the City's Director of Finance. The Director of Finance has established written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls. The City's investment policy may be modified from time to time by the City Commission.

Subject to the exceptions in the City's investment policy, the City may invest in the following types of securities: (a) The Florida Local Government Surplus Funds Trust Fund, (b) United States Government Securities, (c) United States Government Agencies, (d) Federal Instrumentalities, (e) Interest Bearing Time Deposit or Savings Accounts, (f) Repurchase Agreements, (g) Commercial Paper, (h) Corporate Notes, (i) Bankers' Acceptances, (j) State and/or Local Government Taxable and/or Tax-Exempt Debt, (k) Registered Investment Companies (Money Market Mutual Funds) and (l) Intergovernmental Investment Pool. Also, the City may invest in investment products that include the use of derivatives. The City does not own any derivative products.

With the exception of weighted average to maturity of its investments that exceeds maximum allowed time of 3 years, the City complied with its Investment Policy and Debt Management Policy.

Financial Integrity Principles

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

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

The City's General Fund reserves increased by \$17.9 million and had approximately \$72.9 million in its assigned fund balance reserve during the 2013 fiscal year. Although the City's assigned fund

balance reserves met requirements, there was no unassigned reserve and therefore was not in compliance with the unassigned reserve requirements of the Financial Integrity Ordinance.

The City has a plan wherein the two reserves identified within the 5th Financial Integrity Principle would be restored over a two to three 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. The City continues to recommend balanced budgets, including recommendations to restore General Fund Reserves to required levels as quickly and as reasonably as possible.

Risk Management – Self Insurance Program

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

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

For the fiscal year 2013 Budget, the City established procedures allow for cost allocation of pension, health insurance and worker's compensation benefits in the operating departments and a centralized account from which payments are made. Currently the administration is discussing the impact of any possible reporting changes for next fiscal year.

Current Ratings & Other Actions

During fiscal year 2013, Standard and Poor's affirmed the City's credit ratings, but changed the outlook from negative to positive. Fitch affirmed its prior credit ratings and outlook.

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 14. The Police Department plans to hire, train, and deploy officers through funding from grants and the general fund.

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 14. The Police Department plans to hire, train, and deploy officers through funding from grants and the general fund.

Other initiatives include planning the design and construction of a new Marine Stadium Marina at Virginia Key that will generate additional revenues to the City; and an expanded 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.

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, 2012. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management team.


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

Acknowledgements


The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. The year-end, the audit, and compiling and publishing the CAFR could not have been accomplished without hard work, commitment and personal sacrifice.

We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. The guidance and cooperation of the Mayor and City Commission in planning and conducting the financial affairs of the City is greatly appreciated. We would also like to express our appreciation for the cooperation and assistance to the City's independent auditors – Ernst and Young LLP. Lastly, we wish to express our appreciation to the City's General Services Administration for the reproduction of this report.

Respectfully submitted,



Daniel J. Alfonso
City Manager



Jose M. Fernandez, CPA
Finance Director



Government Finance Officers Association

**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, 2012

Executive Director/CEO



FINANCIAL SECTION



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ey.com

Report of Independent Certified Public Accountants

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Florida (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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 represent 93% and 70% 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 solely 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position for the year then ended in conformity with US generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that that management's discussion and analysis, the budgetary comparison schedules - general fund and fire rescue special revenue fund, the schedule of funding progress (pensions), and the schedule of employer contributions (pensions) on pages 105 through 106, page 108, and page 109 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 which 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 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 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we also have issued our report dated March 28, 2014 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 in considering City's internal control over financial reporting and compliance.

Ernst + Young LLP

March 28, 2014



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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, 2013. 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 3 – 13 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$402.1 million (*net position*).
- At the close of the current fiscal year, the City's governmental operating fund (*General Fund*) reported a fund balance of \$75.5 million, an increase of \$17.9 million in comparison with the prior year.
- The City's total outstanding debt decreased \$29.5 million during the current fiscal year because of a reduction of principal in accordance with scheduled retirements of bond payments.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to the private-sector business.

The focus of the statement of net position presents financial information on all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some time that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The information is presented with the intent to summarize and simplify the user's analysis of the cost for the primary government and its component unit's governmental activities.

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

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

The government-wide financial statements can be found on pages 31-32 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The City maintains thirty-nine 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, fire rescue 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-three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, and debt service funds. Budgetary comparison schedules have been provided for the general fund and special obligation bonds debt service fund to demonstrate compliance with the budget. The budgetary comparison schedules are presented as required supplementary information.

The basic governmental fund financial statements can be found on pages 33-36 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-104 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 105-109 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 110-154 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$402.1 million at the close of the most recent fiscal year.

The largest portion of the City's net position 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, 2013, the City's net investment in capital assets was approximately \$626.0 million.

Approximately 23.2 percent of the City's net position represents resources that are subject to restrictions on how they may be used. As of September 30, 2013 the City's portion of restricted net position was approximately \$93.4 million.

The remaining portion represents an unrestricted net position deficit of approximately \$317.2 million which 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 (OPEB) liability.

At the end of the current fiscal year, the City is able to report a positive balance of net position. However, the City's overall net position did decrease by \$13.6 million from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities. The following schedule reflects a summary of net position compared to the prior year:

Summary of Net Position as of September 30, 2013

Governmental Activities

(\$ in thousands)

	<u>2013</u>	<u>2012</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Current and other assets	\$ 518,484	\$ 507,737	\$ 10,747	2.12%
Capital assets	1,137,126	1,157,018	(19,892)	-1.72%
Total assets	<u>1,655,610</u>	<u>1,664,755</u>	<u>(9,145)</u>	<u>-0.55%</u>
Other liabilities	178,091	209,341	(31,250)	-14.93%
Long-term liabilities	1,075,375	1,039,660	35,715	3.44%
Total liabilities	<u>1,253,466</u>	<u>1,249,001</u>	<u>4,465</u>	<u>0.36%</u>
Net Position:				
Net Investment in capital assets	626,017	657,452	(31,435)	-4.78%
Restricted	93,376	90,078	3,298	3.66%
Unrestricted (Deficit)	(317,249)	(331,776)	14,527	-4.38%
Total Net Position	<u>\$ 402,144</u>	<u>\$ 415,754</u>	<u>\$ (13,610)</u>	<u>-3.27%</u>

The following table provides a summary of the City's changes in net position for the fiscal years ended September 30, 2013 and 2012.

**Changes in Net Position
Governmental Activities**
(\$ in thousands)

	2013	2012	Change (\$)	Change (%)
Revenues:				
Program revenues				
Charges for services	\$ 194,061	\$ 166,732	\$ 27,329	16.39%
Operating grants and contributions	103,177	88,608	14,569	16.44%
Capital grants and contributions	17,042	29,303	(12,261)	-41.84%
General revenues:				
Property taxes	258,508	250,273	8,235	3.29%
Franchise taxes	44,699	44,650	49	0.11%
State revenue sharing - unrestricted	12,673	12,367	306	2.47%
Sales and other use taxes	27,738	25,803	1,935	7.50%
Public services tax	59,322	58,046	1,276	2.20%
Loss on sale of capital assets	(116)	-	(116)	100.00%
Investment earnings/(losses) - unrestricted	(2,653)	2,826	(5,479)	-193.88%
Total revenues	<u>714,451</u>	<u>678,608</u>	<u>35,843</u>	<u>5.28%</u>
Expenses:				
General government	156,125	104,495	51,630	49.41%
Planning and development	11,688	16,397	(4,709)	-28.72%
Community development	40,906	38,100	2,806	7.36%
Community redevelopment areas	20,836	17,041	3,795	22.27%
Public works	68,733	83,062	(14,329)	-17.25%
Public safety	337,347	352,869	(15,522)	-4.40%
Public facilities	15,403	16,330	(927)	-5.68%
Parks and recreation	43,341	44,977	(1,636)	-3.64%
Interest on long-term debt	33,682	37,426	(3,744)	-10.00%
Total expenses	<u>728,061</u>	<u>710,697</u>	<u>17,364</u>	<u>2.44%</u>
Change in net position	<u>(13,610)</u>	<u>(32,089)</u>	<u>18,479</u>	<u>57.59%</u>
Net position - Beginning	415,754	447,843	(32,089)	-7.17%
Net position - Ending	<u>\$ 402,144</u>	<u>\$ 415,754</u>	<u>\$ (13,610)</u>	<u>-3.27%</u>

Governmental Activities

As noted earlier, the City's net position decreased by approximately \$13.6 million compared to prior year. The major changes are as follows:

Charges for services increased by \$27.3 million a 16.4 percent increase from prior year. The overall increase in revenue is attributable to \$12.8 million in revenue from Other Charges (i.e. lease management services, hearing board fees and towing), \$4.9 million in impact fees, \$2.0 million in public safety charges (including EMS and other police and fire services) \$1.8 million in other non-operating sources, \$1.5 million in licenses & permits, \$1.2 million from parks and recreational services, \$1.0 million in rents, \$0.9 million in solid waste fees, and \$0.8 million in red light camera revenue.

The increase in operating grants and contributions of \$14.6 million is a result of an increase in General Government and Community Development of \$12.5 million and \$2.1 million, respectively. The \$12.5 million is attributed to an additional \$0.7 million in grants monies received from the Emergency Shelter Grant and Homeless Assistance Program to provide outreach, assessment and placement to homeless individuals and families in the City; \$8.7 million in grant funds awarded to Fire Rescue to ensure adequate staffing and to address the planning, organization, equipment, training and exercise needs of the community; and approximately \$3.1 million in grant funding for the purchase of police fleet vehicles and the hiring, training, and deployment of police officers. The \$2.1 million increase in Community

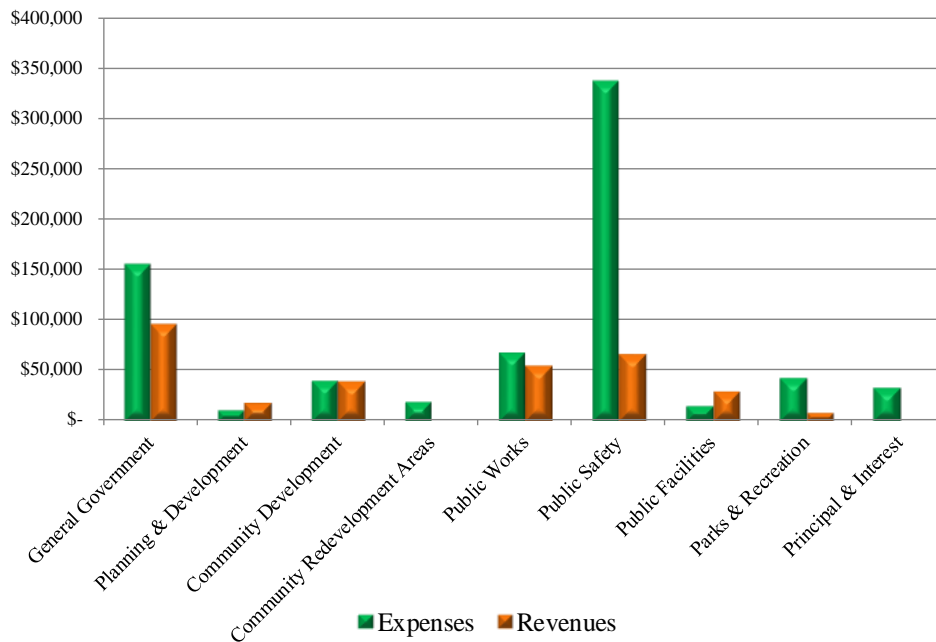
Development is primarily attributed to the re-distribution of pension, health and worker's compensation costs from Risk Management to the respective departments.

The decrease in capital grants and contributions of \$12.3 million is attributable to a \$10.7 million, \$2.4 million, and \$1.1 million decrease in General Government, Public Facilities, and Parks and Recreation, respectively; partially offset with an increase of \$1.5 million in Public Works.

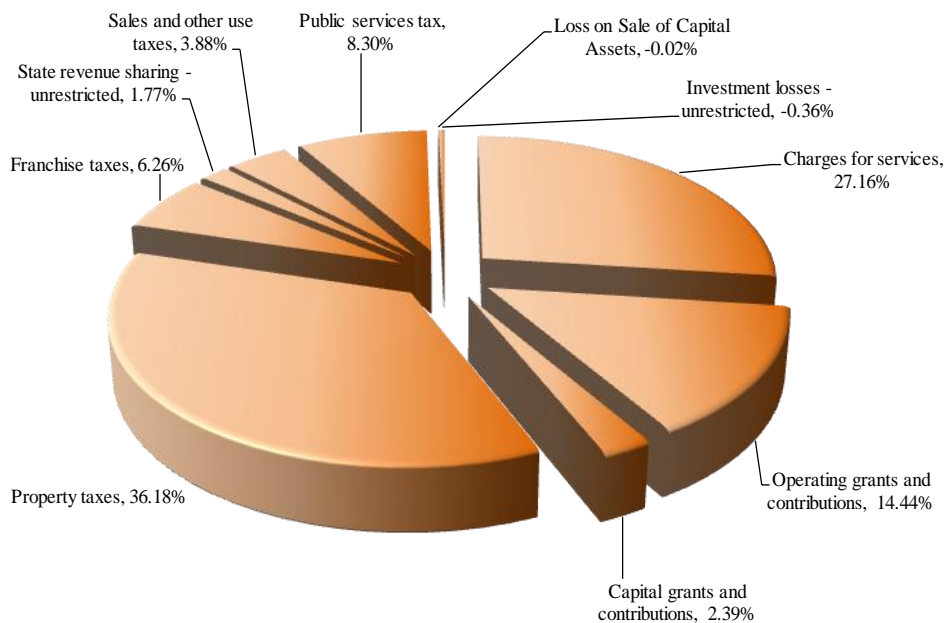
General Government expenses increased approximately \$51.6 million from the prior year. As compared to the prior year there was an additional \$20.0 million in retiree health costs and \$4.0 million in depreciation costs incurred for the fiscal year. The remaining increase can primarily be attributed to pension, health and worker's compensation costs being charged directly to the respective departments based on actual costs.

Expenses and Program Revenues - Governmental Activities

(\$ in thousands)



Revenue by Source Governmental Activities



Financial Analysis of Governmental 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 \$75.5 million. Of this amount, approximately \$2.6 million is recorded as non-spendable for prepaid expenses. \$72.9 million is assigned fund balance in accordance with the City's Financial Integrity Ordinance which requires 10 percent of the average 3 years revenue to be designated as assigned fund balance.

General Fund's fund balance had a net increase of \$17.9 million during the current fiscal year. Key factors in the overall increase were due to:

- An increase in tax revenues due to the 3.29 percent growth in the City's taxable property value.
- The City was very diligent in creating stop-gaps in fiscal year 2013, 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 \$34.8 million. This represents an increase of approximately \$2.5 million.

Fire Rescue Services has a fund balance of approximately \$3.7 million. This represents an increase in fund balance of \$7.6 million attributable to the reimbursement of grant expenditures from contracts that ended in fiscal year 2013.

Public Safety Capital Projects Fund has a fund balance of \$1.4 million; an increase in fund balance of \$1.2 million from the prior year due primarily to increases in revenues of \$0.5 million and a decrease in expenditures not funded by grants.

The General Government Capital Project Fund has a fund balance of \$56.2 million. This represents a decrease of approximately \$2.6 million. The decrease can be attributed to an increase in expenditures on projects funded by homeland defense in fiscal year 2013 which includes police vehicle replacements.

Streets & Sidewalks Capital Projects Fund has a fund balance of \$58.6 million. This represents a decrease of approximately \$7.4 million. The decrease can be attributed to an increase in expenditures on road improvement projects throughout the City.

General Fund Budgetary Highlights

The City's adopted budget maintained funding for current City services, identifying various efficiencies coupled with a small revenue increase, while reducing overall millage rate from 8.501 mills to 8.471 mills, allowed for continued support of essential services.

During fiscal year 2013, there was an amendment to increase the adopted budget by \$13.6 million, to a revised total of \$516.8 million. This increase in the General Fund is primarily due to Florida Statutes Chapter 175 and 185 revenues that are regularly recognized in the Fire Rescue and Police Departments at

the end of the fiscal year. There was a need to increase the budgets for a couple of departments due to higher than budgeted expenditures. The increase allocation was offset by a reduction of unspent allocations within the General Fund without increasing the overall budget.

In recent years, the City has faced a significant challenge regarding its cash reserves and the deferral of capital needs. The City continues the practice of maintaining the required \$5 million emergency contingency reserve in the operating budget. These reserves are a safeguard against previous fund balance challenges. In fiscal year 2011, for the first time in five years, the City's General Fund year-end fund balance increased slightly. The fund balance increased again in fiscal year 2012 by \$37.9 million, and again at the end of fiscal year 2013 by \$17.9 million.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets as of September 30, 2013 is \$1.1 billion. This investment in capital assets includes land, buildings, improvements, machinery, equipment and infrastructure. The total decrease in capital assets from the end of prior year is approximately 1.72 percent.

**Capital Assets at Year End
(Net of Depreciation)
(\$ in thousands)**

Governmental Activities					
	2013	2012	Change (\$)	Change (%)	
Land	\$ 94,128	\$ 93,583	\$ 545	0.58%	
Construction-in-Progress	59,118	48,223	10,895	22.59%	
Buildings	194,766	199,861	(5,095)	-2.55%	
Improvements	162,334	174,290	(11,956)	-6.86%	
Machinery and Equipment	49,834	55,703	(5,869)	-10.54%	
Infrastructure	576,946	585,358	(8,412)	-1.44%	
Total	\$ 1,137,126	\$ 1,157,018	\$ (19,892)	-1.72%	

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

- Construction in progress increased approximately \$10.9 million. The total transfers out of Construction in progress amounted to \$28 million and \$38.9 million in new expenditures for remaining projects not yet completed during fiscal year 2013.
- The Infrastructure projects completed during the fiscal year included \$2.0 million in Docks & Piers/Storm Drain Pipe Distributions/Waterway projects and the remaining amount is primarily attributable to Streets and Sidewalks projects.
- The Improvement projects completed during the fiscal year included \$0.1 million in building and the remaining amount is primarily attributable to land improvements.

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

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$672.8 million. Of this amount, \$13.8 million is backed by the full faith and credit of the City and \$215.2 million is backed Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation, Revenue bonds and loans secured solely by Non-Ad Valorem revenue sources.

Outstanding Debt
General Obligation Bonds, Special Obligations
and Revenue Bonds and Loans
(\$ in thousands)

	Governmental Activities			
	2013	2012	Change	% Change
General Obligation Bonds	\$ 228,970	\$ 239,988	\$ (11,018)	-4.59%
Special Obligation, Revenue Bonds and Loans	\$ 443,851	\$ 462,339	\$ (18,488)	-4.00%
Total	\$ 672,821	\$ 702,327	\$ (29,506)	-4.20%

The City's net debt decreased during the current fiscal year by \$29.5 million (or 4.20 percent). This decrease can be attributed to a reduction of principal in accordance with scheduled retirements of bond payments.

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. However, Standard and Poor's did revise their negative outlook to a positive outlook, indicating a strengthened financial position.

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

Economic Factors and Next Year's Budget and Rates

The budget is developed based on needs and performance, and follows the direction of policy as set by the elected officials. The process begins with the preparation of the financial outlook, a comprehensive review of allocation needs that are expected to be required by the City for its operations. These allocations include a review of salaries and wages (growth as dictated by negotiated union contracts); pension requirement needs, anticipated insurance premium increases, etc. These allocation needs are then compared to the City's anticipated revenue inflows to determine whether these needs can be satisfied. It is with this analysis, along with the Mayor and City Commissioners' feedback, and the City's comprehensive strategic plan, that the guidelines for preparing the budget toolkit are determined and compiled into an all-inclusive instructional booklet that is then distributed to departments for their use in preparing their budget submissions. The City's elected and appointed officials considered many factors when adopting the fiscal year 2014 budget. Included among these factors were uncertainties regarding pension costs, health insurance costs, other post employment benefit costs, and other various economic indicators.

The City of Miami, like many municipalities throughout the State, is slowly recovering from the economic downturn of 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 2014, while the total millage decreased, the operating millage increased slightly from 7.571 mills to 7.6148 mills. The budgeted General Fund property tax revenue is approximately \$225.7 million, which represents an increase of approximately \$8.1 million or 3.7 percent over the fiscal year 2013 budget. The fiscal year 2014 Adopted Budget continues the movement to a path of financial stability and long-term sustainable growth that was begun nearly four years ago. Additionally it greatly enhances the likelihood of continuing the trend towards compliance with the City's Financial Integrity Principles, which requires a year-end fund balance of approximately \$96 million.

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 7 percent which is approximately a one percent decrease from the prior year.

Requests for Information

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



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City of Miami, Florida
Statement of Net Position
September 30, 2013
(\$ in thousands)

	Governmental Activities	Component Units
Assets		
Cash, Cash Equivalents, and Investments	\$ 326,321	\$ 24,791
Receivables - Net	31,313	1,272
Accrued Interest	475	-
Due from Other Governments	27,453	288
Inventory	295	5
Prepays	2,554	356
Other Assets	-	489
Restricted Cash, Cash Equivalents, and Investments related to Bond Proceeds	98,352	-
Restricted Cash, Cash Equivalents, and Investments	21,857	7,678
Capital Assets:		
Non-Depreciable	153,246	13,654
Depreciable - Net	983,880	61,666
Deferred Charges	9,864	1,780
Total Assets	\$ 1,655,610	\$ 111,979
Liabilities		
Accounts Payable and Accrued Liabilities	49,435	3,664
Due to Other Governments	1,714	1,245
Unearned Revenue	24,827	659
Deposits	8,033	153
Accrued Interest Payable	8,256	1,757
Due Within One Year:		
Bonds and Loans Payable	25,690	1,154
Compensated Absences	7,471	400
Claims Payable	52,665	-
Non-Current Liabilities		
Due In More Than One Year:		
Bonds and Loans Payable	670,597	68,423
Compensated Absences	57,498	353
Claims Payable	148,215	-
Other Post Employment Benefits	194,489	82
Net Pension Obligation	4,576	-
Total Liabilities	\$ 1,253,466	\$ 77,890
Net Position		
Net Investment in Capital Assets	626,017	12,355
Restricted for:		
Capital Projects	-	108
Debt Service	38,348	991
Parking Waiver	-	502
Law Enforcement	1,958	-
Community Redevelopment	47,022	-
Choice Housing Voucher Program	187	-
E-911	5,861	-
Unrestricted (Deficit)	(317,249)	20,133
Total Net Position	\$ 402,144	\$ 34,089

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

City of Miami, Florida
Statement of Activities
For the Year Ended September 30, 2013
(\$ in thousands)

Functions/Programs:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
General Government	\$ 156,125	\$ 63,878	\$ 23,243	\$ 7,956	\$ (61,048)	\$ -
Planning and Development	11,688	18,848	20	-	7,180	-
Community Development	40,906	1,555	37,899	435	(1,017)	-
Community Redevelopment Areas	20,836	62	948	-	(19,826)	-
Public Works	68,733	47,176	190	7,961	(13,406)	-
Public Safety	337,347	26,212	39,186	57	(271,892)	-
Public Facilities	15,403	29,219	82	350	14,248	-
Parks and Recreation	43,341	7,111	1,609	283	(34,338)	-
Interest on Long-Term Debt	33,682	-	-	-	(33,682)	-
Total primary government	\$ 728,061	\$ 194,061	\$ 103,177	\$ 17,042	\$ (413,781)	\$ -
Component Units:						
Miami Sports Exhibition Authority	\$ 46	\$ -	\$ -	\$ -	-	(46)
Department of Off-Street Parking	29,613	27,791	-	-	-	(1,822)
Downtown Development Authority	5,958	-	-	-	-	(5,958)
Bayfront Park	5,546	6,088	-	-	-	542
Coconut Grove BID	1,116	1,008	-	-	-	(108)
Civilian Investigative Panel	630	-	500	-	-	(130)
Total component units	\$ 42,909	\$ 34,887	\$ 500	\$ -	\$ -	\$ (7,522)

General Revenues:

Taxes:		
Property Taxes, levied for general purposes	232,083	5,110
Property Taxes, levied for debt service	26,425	-
Franchise Taxes	44,699	-
State Revenue Sharing - Unrestricted	12,673	-
Sales and Other Use Taxes	27,738	-
Public Service Taxes	59,322	-
Investment Earnings (Losses) - Unrestricted	(2,653)	8
Other	-	188
Loss on Sale of Capital Assets	(116)	-
Total General Revenues	400,171	5,306
Change in Net Position	(13,610)	(2,216)
Net position - Beginning	415,754	36,305
Net position - Ending	\$ 402,144	\$ 34,089

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

City of Miami, Florida
Balance Sheet
Governmental Funds
September 30, 2013
(\$ in thousands)

	Major Funds						Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Fire Rescue Services	Public Safety	General Government	Street & Sidewalks		
Assets								
Pooled Cash, Cash Equivalents and Investments	\$ 88,083	\$ 15,970	\$ 2,033	\$ 12,854	\$ 57,074	\$ 61,359	\$ 187,300	\$ 424,673
Restricted Cash, Cash Equivalents, and Investments	134	18,539	-	-	-	-	3,184	21,857
Receivables (Net of Allowance for Uncollectibles):								
Accounts	20,215	250	600	-	-	-	2,880	23,945
Loans Receivable	-	-	-	-	-	-	2	2
Property Taxes	6,670	-	-	-	-	-	696	7,366
Due from Other Governments	8,567	-	3,296	62	370	1,227	13,931	27,453
Due from Other Funds	1,052	-	-	-	-	-	-	1,052
Accrued Interest	330	-	-	-	13	103	29	475
Prepays	2,554	-	-	-	-	-	-	2,554
Total Assets	\$ 127,605	\$ 34,759	\$ 5,929	\$ 12,916	\$ 57,457	\$ 62,689	\$ 208,022	\$ 509,377
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Liabilities	26,816	-	1,787	940	845	3,756	15,291	49,435
Due to Other Funds	-	-	-	-	-	-	1,052	1,052
Due to Other Governments	53	-	-	-	-	-	1,661	1,714
Unearned Revenue	19,214	-	488	10,576	370	351	5,366	36,365
Deposits	6,060	-	-	-	-	-	1,973	8,033
Total Liabilities	52,143	-	2,275	11,516	1,215	4,107	25,343	96,599
Fund Balances (Deficit):								
Non-Spendable Fund Balance								
Non Spendable	\$ 2,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 3,554
Spendable Fund Balance								
Restricted	-	34,759	3,654	311	53,294	53,342	169,792	315,152
Committed	-	-	-	1,089	-	5,240	14,552	20,881
Assigned	72,908	-	-	-	2,948	-	734	76,590
Unassigned	-	-	-	-	-	-	(3,399)	(3,399)
Total Fund Balances	75,462	34,759	3,654	1,400	56,242	58,582	182,679	412,778
Total Liabilities and Fund Balances	\$ 127,605	\$ 34,759	\$ 5,929	\$ 12,916	\$ 57,457	\$ 62,689	\$ 208,022	\$ 509,377

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

City of Miami, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2013
(\$ in thousands)

Fund Balances - Total Governmental Funds (Page 35)	\$	412,778
<p>Amounts reported for governmental activities in the Statement of Net Position 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	2,252,950	
Less: Accumulated Depreciation	<u>(1,115,824)</u>	1,137,126
<p>Inventory (Land) held for resale are not financial resources and therefore are not reported in the governmental funds.</p>		
		295
<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>		
		6,287
<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>		
		5,251
<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>		
		9,864
<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	(696,287)	
Compensated Absences	(64,969)	
Claims Liability	(200,880)	
Other Post Employment Benefit	(194,489)	
Net Pension Obligation	(4,576)	
Accrued Interest Payable	<u>(8,256)</u>	<u>(1,169,457)</u>
Net Position of Governmental Activities (Page 32)	\$	<u><u>402,144</u></u>

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

City of Miami, Florida
Statement of Revenues, Expenditures and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended September 30, 2013
(\$ in thousands)

	Major Funds						Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Fire Rescue Services	Public Safety	General Government	Street & Sidewalks		
Revenues								
Property Taxes	\$ 208,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,509	\$ 258,508
Franchise and Other Taxes	103,975	-	-	-	-	-	46	104,021
Licenses and Permits	35,794	-	-	-	-	-	100	35,894
Fines and Forfeitures	11,459	-	-	-	-	-	363	11,822
Intergovernmental Revenues	58,259	3,000	35,156	908	-	2,827	69,227	169,377
Charges for Services	104,604	-	5	296	-	-	18,368	123,273
Investment Earnings (Loss)	(2,547)	39	-	-	(77)	2	(70)	(2,653)
Impact Fees	-	-	-	-	9,122	-	-	9,122
Other	17,846	-	6	-	75	-	2,530	20,457
Total Revenues	538,389	3,039	35,167	1,204	9,120	2,829	140,073	729,821
Expenditures								
Current Operating:								
General Government	95,458	991	-	45	568	306	8,683	106,051
Planning and Development	11,819	-	-	-	-	-	119	11,938
Community Development	-	-	-	-	-	-	40,442	40,442
Community Redevelopment Areas	-	-	-	-	-	-	20,408	20,408
Public Works	62,538	-	-	-	525	-	(288)	62,775
Public Safety	275,521	-	23,784	227	-	-	12,267	311,799
Public Facilities	5,651	-	-	-	-	-	6,771	12,422
Parks and Recreation	29,268	-	-	-	-	-	3,194	32,462
Debt Service:								
Principal	-	57,466	-	-	-	-	15,601	73,067
Interest and Other Charges	-	30,320	-	-	-	-	13,792	44,112
Debt Issuance Costs	-	-	-	-	-	-	-	-
Capital Outlay	1,919	-	4,190	4,610	4,121	14,401	23,339	52,580
Total Expenditures	482,174	88,777	27,974	4,882	5,214	14,707	144,328	768,056
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	56,215	(85,738)	7,193	(3,678)	3,906	(11,878)	(4,255)	(38,235)
Other Financing Sources (Uses)								
Transfers In	440	38,185	389	4,878	5,365	5,588	25,009	79,854
Transfers Out	(38,973)	-	-	(1)	(11,957)	(1,136)	(27,787)	(79,854)
Proceeds from Sale of Property	236	-	-	-	68	-	-	304
Issuance of Debt	-	50,029	-	-	-	-	-	50,029
Total Other Financing Sources (Uses)	(38,297)	88,214	389	4,877	(6,524)	4,452	(2,778)	50,333
Net Changes in Fund Balances	17,918	2,476	7,582	1,199	(2,618)	(7,426)	(7,033)	12,098
Fund Balances (Deficit)- Beginning	57,544	32,283	(3,928)	201	58,860	66,008	189,712	400,680
Fund Balances - Ending	\$ 75,462	\$ 34,759	\$ 3,654	\$ 1,400	\$ 56,242	\$ 58,582	\$ 182,679	\$ 412,778

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

City of Miami, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2013
(\$ in thousands)

Net Changes in Fund Balances - Total Governmental Funds (Page 35)	\$	12,098
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.		6,287
Revenues in the statement of activities for the previous year provided current financial resources and, as such, are reported as revenues in the funds for the current year.		(21,984)
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	52,580	
Less: Current Year Depreciation	<u>(72,589)</u>	(20,009)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, etc) that decrease net position.		(513)
Principal Paid on Bonds and Loans	73,067	
Net effect of Deferring and Amortizing Issuance Costs, Premiums, Discounts, and Accretion Issuance of Debt	<u>8,351</u> <u>(50,029)</u>	31,389
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	1,284	
Claims Payable	13,847	
Other Post Employment Benefits	(38,071)	
Net Pension Obligation	(20)	
Accrued Interest Payable	<u>2,082</u>	<u>(20,878)</u>
Change in Net Position of Governmental Activities (Page 32)	\$	<u><u>(13,610)</u></u>

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

City of Miami, Florida
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2013
(\$ in thousands)

	Employee Retirement Funds
Assets	
Cash and Short-Term Investments	\$ 60,614
Accounts Receivable	47,237
Capital Assets	4,025
	111,876
Investments	
U.S. Government Obligations	324,260
Corporate Bonds	335,727
Corporate Stocks	883,127
Money Market Funds and Commercial Paper	32,051
International Equity	264,014
Mutual Funds	200,182
Real Estate	137,613
Private Equity	53,081
Total Investments	2,230,055
Securities Lending Collateral	286,709
Total Assets	2,628,640
Liabilities	
Obligations Under Security Lending	286,709
Accounts Payable	1,315
Accrued Liabilities	200,182
Payable for Securities Purchased	41,422
Total Liabilities	529,628
Net Position	
Held in Trust for Pension Benefits	\$ 2,099,012

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

City of Miami, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2013
(\$ in thousands)

	Employee Retirement Funds
Additions	
Contributions:	
Employer	\$ 73,027
Plan Members	16,189
Total Contributions	89,216
Investment Earnings:	
Net Increase in Fair Value of Investments	191,250
Interest	30,822
Dividends	17,905
Other	429
Total Investment Earnings	240,406
Security Lending Activities:	
Security Lending Income	885
Security Lending Fees and Rebates	(221)
Net Income From Security Lending Activities	664
Less Investment Expenses	8,198
Net Investment Earnings	232,208
Reimbursement from City for Administrative Costs	2,914
Total Additions	325,002
Deductions	
Benefit Payments	198,222
Refunds upon Resignation, Death, etc.	2,816
Distribution to Retirees	19,522
Administrative Expenses and Other Deductions	5,309
Total Deductions	225,869
Change in Net Position	99,133
Net Position - Beginning of Year	1,999,879
Net Position - End of Year	\$ 2,099,012

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

City of Miami, Florida
Statement of Net Position
Discretely Presented Component Units
September 30, 2013
(\$ in thousands)

	Miami Sports and Exhibition Authority	Department of Off-Street Parking	Downtown Development Authority	Bayfront Park Management Trust	Coconut Grove BID	Civilian Investigative Panel	Total
Assets							
Cash, Cash Equivalents and Investments	\$ 569	\$ 10,683	\$ 4,220	\$ 5,701	\$ 3,461	\$ 157	\$ 24,791
Receivables (Net)							
Accounts	-	493	161	17	601	-	1,272
Due From Other Governments	-	288	-	-	-	-	288
Inventory	-	-	-	5	-	-	5
Prepays	-	262	55	33	6	-	356
Other Assets	-	489	-	-	-	-	489
Restricted Assets:							
Cash, Cash Equivalents, and Investments	-	7,678	-	-	-	-	7,678
Capital Assets:							
Non-Depreciable	-	13,138	-	516	-	-	13,654
Depreciable, Net	-	56,715	201	4,750	-	-	61,666
Deferred Charges	-	1,780	-	-	-	-	1,780
Total Assets	569	91,526	4,637	11,022	4,068	157	111,979
Liabilities							
Accounts Payable and Accrued Liabilities	-	2,661	815	146	29	13	3,664
Due to Other Governments	-	1,245	-	-	-	-	1,245
Unearned Revenue	-	473	-	186	-	-	659
Deposits	-	125	-	28	-	-	153
Accrued Interest Payable	-	1,757	-	-	-	-	1,757
Non-Current Liabilities							
Due Within One Year:							
Bonds and Loans Payable	-	1,154	-	-	-	-	1,154
Compensated Absences	-	384	16	-	-	-	400
Due In More Than One Year:							
Bonds and Loans Payable	-	68,423	-	-	-	-	68,423
Other Post-Employment Benefit Obligation	-	82	-	-	-	-	82
Compensated Absences	-	173	180	-	-	-	353
Total Liabilities	-	76,477	1,011	360	29	13	77,890
Net Position							
Invested in Capital Assets, Net of Related Debt	-	6,888	201	5,266	-	-	12,355
Restricted for:							
Capital Projects	108	-	-	-	-	-	108
Debt Service	-	991	-	-	-	-	991
Parking Waiver	-	-	-	-	502	-	502
Unrestricted	461	7,170	3,425	5,396	3,537	144	20,133
Total Net Position	\$ 569	\$ 15,049	\$ 3,626	\$ 10,662	\$ 4,039	\$ 144	\$ 34,089

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

City of Miami, Florida
Discretely Presented Component Units
Statement of Activities
For the Year Ended September 30, 2013
(\$ in thousands)

	Program Revenues			Miami Sports and Exhibition Authority
	Expenses	Charges for Services	Operating Grants and Contributions	
Miami Sports Exhibition Authority				
Culture and Recreation	\$ 46	\$ -	\$ -	\$ (46)
Total Miami Sports Exhibition Authority	<u>46</u>	<u>-</u>	<u>-</u>	<u>(46)</u>
Department of Off-Street Parking				
Transportation	29,613	27,791	-	-
Total Department of Off-Street Parking	<u>29,613</u>	<u>27,791</u>	<u>-</u>	<u>-</u>
Downtown Development Authority				
Economic Development	5,958	-	-	-
Total Downtown Development Authority	<u>5,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bayfront Park				
Parks and Recreation	5,546	6,088	-	-
Total Bayfront Park	<u>5,546</u>	<u>6,088</u>	<u>-</u>	<u>-</u>
Coconut Grove BID				
General Government	1,116	1,008	-	-
Total Coconut Grove BID	<u>1,116</u>	<u>1,008</u>	<u>-</u>	<u>-</u>
Civilian Investigative Panel				
General Government	630	-	500	-
Total Civilian Investigative Panel	<u>630</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total Component Units	<u>\$ 42,909</u>	<u>\$ 34,887</u>	<u>\$ 500</u>	<u>\$ (46)</u>

General Revenues:

Taxes:	
Property Taxes, levied for general purposes	-
Investment Earnings	-
Gain on Disposal of Property	-
Other	-
Total General Revenues	<u>-</u>
Change in Net Position	(46)
Net position - Beginning	615
Net position - Ending	<u>\$ 569</u>

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

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

Department of Off-Street Parking	Downtown Development Authority	Bayfront Park Management Trust	Coconut Grove BID	Civilian Investigative Panel	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (46)
-	-	-	-	-	(46)
(1,822)	-	-	-	-	(1,822)
(1,822)	-	-	-	-	(1,822)
-	(5,958)	-	-	-	(5,958)
-	(5,958)	-	-	-	(5,958)
-	-	542	-	-	542
-	-	542	-	-	542
-	-	-	(108)	-	(108)
-	-	-	(108)	-	(108)
-	-	-	-	(130)	(130)
-	-	-	-	(130)	(130)
\$ (1,822)	\$ (5,958)	\$ 542	\$ (108)	\$ (130)	\$ (7,522)
-	5,110	-	-	-	5,110
-	8	-	-	-	8
-	-	-	-	-	-
-	112	76	-	-	188
-	5,230	76	-	-	5,306
(1,822)	(728)	618	(108)	(130)	(2,216)
16,871	4,354	10,044	4,147	274	36,305
\$ 15,049	\$ 3,626	\$ 10,662	\$ 4,039	\$ 144	\$ 34,089

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 had a population of approximately 414,000 in 2013. 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.

Based upon the application of the criteria in GASB Statement No. 61, an amendment of GASB Statements No. 14 and 34, the financial statements of the component units listed on the following pages

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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, 2013.

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 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).

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

VIRGINIA KEY BEACH PARK TRUST (“VKBPT”) – On December 14, 2000 (and effective January 2001), via sections 38-230 through 38-242 of Chapter 38 of the Code of the City of Miami Ordinance 12003, the VKBPT was established and acts as a limited agency and instrumentality of the City of Miami. Its general purposes, in cooperation with City of Miami, are to preserve, restore, and maintain the Historic Virginia Key Beach Park in a manner consistent with environmental health, 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 the City is discretely presenting the MSEA in the accompanying financial statements.

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

DOWNTOWN DEVELOPMENT AUTHORITY (“DDA”) – The DDA was created by the City in 1965 pursuant to Chapter 65-1090 of the General Laws of Florida and City Code Section 14-25. The DDA is governed by a board appointed by the City Commission and was established for the purpose of furthering the development of the Downtown Miami area by promoting economic growth in the region and strengthening downtown’s appeal as a livable city as well as a regional, national and international center

CITY OF MIAMI, FLORIDA
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for commerce and culture. The City Commission must approve the DDA's operating budget and the millage levied on the special taxing district established to fund the DDA. Therefore, the DDA is fiscally dependent and the City is discretely presenting the DDA in the accompanying financial statements.

BAYFRONT PARK MANAGEMENT TRUST (“BFP”) – The BFP was established by the City in 1987 under the authority of City of Miami Resolution No. 10348. The BFP was created for the purpose of managing and operating the events held at Bayfront and Bicentennial Park and the daily maintenance and upkeep of the grounds, its various amenities including the amphitheater and the Mildred and Claude Pepper Fountain. The governing body of the BFP consists of nine appointed members serving initial terms of one to three years. Upon expiration of an initial term, each successor member may be appointed by the City Commission for terms of one to three years. The BFP has appointed an executive director to act as the chief executive officer, subject to policy directives. The BFP prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the BFP is fiscally dependent and the City is discretely presenting the BFP in the accompanying financial statements.

CIVILIAN INVESTIGATIVE PANEL (“CIP”) – The CIP was established by the City of Miami Commission Ordinance Number 12188 on February 14, 2002 for the purpose of creating an independent citizen’s oversight panel to conduct investigations related to allegations of police misconduct, review 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 the City 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 the City is discretely presenting the BID in the accompanying financial statements.

HEALTH FACILITY AUTHORITY (“HFA”) – The HFA is an agency established by the City in 1979 under the authority of Chapter 154, Florida Statutes and City Resolution No. 79-93 to serve as a conduit to issue revenue bonds. The City Commission must approve the HFA’s board membership and operating budget. 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 \$20.1 million at September 30, 2013. The HFA does not issue stand-alone audited financial statements.

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On June 1, 2011, Mercy Hospital redeemed the Miami Health facilities Authority Series 1998, 2002, 2008 and 2009 bonds. Series 2003 Bonds were defeased on June 2, 2011 to their call date November 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, 2013 is as follows:

(\$ in thousands)

	Miami Jewish Home	Principal Payment	Outstanding Balance
Series 2005	\$ 20,830	\$ 710	\$ 20,120
Total	<u>\$ 20,830</u>	<u>\$ 710</u>	<u>\$ 20,120</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.

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 rd 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 rd Street Suite 1103 Miami, Florida 33128	CIP 970 SW 1 st 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 Suite 130 Coconut Grove, FL 33133
Liberty City 4800 NW 12 th Avenue Miami, Florida 33127-2218		

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. The primary government is reported separately from the legally separate component units. The statement of net position presents the financial position of the City and its discretely presented component units at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly

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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 and indirect expenses (claims payable, compensated absences, and other post-employment benefits) are allocated to activities based on each activities pro-rata share of the activities compensated absences.

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 position, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, 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 used for the payment of principal, interest, and other costs related to various special obligation and revenue bonds and loans.

Fire Services – The Fire Services Fund accounts for grants revenues and expenditures which supplement the City's emergency Fire Rescue operations.

Public Safety – This Capital Project Fund accounts for the acquisition or construction of major capital facilities that support the City'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
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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 to qualified employees.

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. Effective fiscal year 2013, the City extended its grant revenue recognition to a period of one year. The changes were made to include a period that better reflects the City’s overall historical grant reimbursement cycle.

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.

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

E. Assets, Liabilities, and Net Position/Fund Balance

Deposits and Investments

The City has defined “cash, cash equivalents and investments” to include cash on hand, demand deposits, money market funds, debt securities, and cash with fiscal agents. Each fund’s equity in the City’s investment pool is considered to be a cash equivalent since 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 of the Pension Trust Funds 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 net asset value per 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.

CITY OF MIAMI, FLORIDA
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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 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. Infrastructure assets include roads and other infrastructure assets acquired prior to June 30, 1980.

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 primary government, 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

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

CITY OF MIAMI, FLORIDA
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classification. The amount accrued as of September 30, 2013 is \$64.9 million of which \$7.5 million is the current portion. The City accrues a liability for compensated absences as well as certain other salary related costs associated with the payment of compensated absences. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The 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, 2013 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 position. 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 contributions are less than 100 percent of the annual required contributions.

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 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 unearned revenue in the governmental fund financial statements; primarily grant related reimbursements not yet collected.

CITY OF MIAMI, FLORIDA
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Unearned revenues in the government-wide and governmental funds financial statements at September 30, 2013 are as follows:

<i>(\$ in thousands)</i>	Government-Wide	Governmental
Source	Level	Funds Level
College of Policing	\$ 10,573	\$ 10,573
Burglar Alarms and Business Taxes Receipts	14,118	14,118
Miami Exhibition and Sports Authority	136	136
Deferred Taxes	-	5,251
Grants and Others	-	6,287
Total	\$ 24,827	\$ 36,365

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bonds payable 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 Position

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investments in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Net position is reported as restricted when there are legal limitations imposed on their use by State Statutes or City legislation or external

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restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all items that do not meet the definition of either of the other two components.

At September 30, 2013, the government-wide statement of net position reports \$93.4 million of restricted net position, all of which is restricted by enabling legislation.

Fund Balance

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 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, prepaid assets, and permanent endowments.

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, except the general fund, if cumulative expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

CITY OF MIAMI, FLORIDA
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The following schedule classifies the City's fund balances as of fiscal year end September 30, 2013:

City of Miami, Florida Fund Balance Classification Major Governmental Funds September 30, 2013 (in thousands)								
	Major Funds						Other	Total
	General	SOB	Fire Rescue Services	Public Safety	General Government	Street & Sidewalks	Non-Major Governmental Funds	Governmental Funds
FUND BALANCES								
Non Spendable:								
Recycling Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
Prepaid Items	2,554	-	-	-	-	-	-	2,554
Long Term Due from Other Funds	-	-	-	-	-	-	-	-
	<u>2,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>3,554</u>
Spendable:								
Restricted for:								
Debt Service Reserved by Debt Covenants	-	34,759	-	-	-	-	5,042	39,801
Environmental Projects	-	-	-	-	475	-	2,408	2,883
Water-Sewer Combination	-	-	-	-	-	-	25,784	25,784
Emergency and Disaster Relief	-	-	-	-	-	-	2,587	2,587
Other Grants	-	-	98	-	-	2,909	2,044	5,051
Park Projects	-	-	-	-	-	-	15,104	15,104
Capital Improvements	-	-	-	-	50,458	47,868	-	98,326
Transportation and Transit	-	-	-	-	-	2,565	36,819	39,384
Computer and Software Upgrade	-	-	-	311	2,320	-	175	2,806
Housing and Urban Development	-	-	-	-	-	-	1,059	1,059
Equipment	-	-	-	-	-	-	240	240
Public Safety	-	-	3,179	-	14	-	7,966	11,159
Other Infrastructure and Development	-	-	-	-	-	-	194	194
Other Facilities Improvement	-	-	-	-	-	-	22,901	22,901
Community Redevelopment Agencies	-	-	-	-	-	-	47,024	47,024
Other	-	-	377	-	27	-	445	849
	<u>-</u>	<u>34,759</u>	<u>3,654</u>	<u>311</u>	<u>53,294</u>	<u>53,342</u>	<u>169,792</u>	<u>315,152</u>
Committed to:								
Elected Officials	-	-	-	-	-	-	301	301
Planning Projects	-	-	-	-	-	-	740	740
Housing and Urban Development	-	-	-	-	-	-	4,453	4,453
Downtown Development	-	-	-	-	-	-	5,037	5,037
Transportation Projects	-	-	-	-	-	5,240	-	5,240
Public Safety	-	-	-	1,089	-	-	-	1,089
Other	-	-	-	-	-	-	4,021	4,021
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,089</u>	<u>-</u>	<u>5,240</u>	<u>14,552</u>	<u>20,881</u>
Assigned to:								
Other	72,908	-	-	-	2,948	-	734	76,590
	<u>72,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,948</u>	<u>-</u>	<u>734</u>	<u>76,590</u>
Unassigned:								
Unassigned	-	-	-	-	-	-	(3,399)	(3,399)
Total Fund Balances	<u>\$ 75,462</u>	<u>\$ 34,759</u>	<u>\$ 3,654</u>	<u>\$ 1,400</u>	<u>\$ 56,242</u>	<u>\$ 58,582</u>	<u>\$ 182,679</u>	<u>\$ 412,778</u>

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.

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Excess of Expenditures over Appropriations

The following fund’s actual expenditures exceeded appropriations as of September 30, 2013:

(\$ in thousands)

<u>Fund</u>	<u>Exceed Budget Authorization</u>
General:	
Information Technology	\$ 4
Capital Improvement Administration	31
Risk Management	11,184
Solid Waste	24
General Service Administration	21
Fire-Rescue	109
Police	313
GESE Pension	141
Special Revenue:	
Midtown CRA	\$ 621
Transportation & Transit	43
SEOPW CRA Other Special Obligation	6

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

Fund Deficits

The following funds had fund balance deficits in the amounts indicated as of September 30, 2013:

(\$ in thousands)

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Convention Center	\$ 31
General Special Revenues	188
Capital Projects:	
Disaster Recovery	772
Mass Transit	80

The fund deficits reported as of September 30, 2013, for the Convention Center, 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.

New Accounting Pronouncements

The following are new pronouncements effective beginning the year ending September 30, 2013 and of which the City is currently in compliance.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*, was issued in November 2010 and effective beginning the year ending September 30, 2013. This objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and entity interest transactions of a financial reporting entity. This Statement did not have an impact on the City’s financial statements.

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 and the provisions of this Statement were effective for the City beginning with the year ending September 30, 2013. 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. This Statement did not have a material impact on the City’s financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued in June 2011 and the provisions of this Statement were be effective for the City beginning with the year ending September 30, 2013. 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.

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 three 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 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Investments

Custodial Credit Risk – This is the risk in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The City’s investment policy requires securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City’s name 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 his/her 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 have been in default within five years prior to date of purchase; negotiable certificates of deposit, bankers acceptance drafts, money market investments, the State Board of Administration Investment Pool, and prime commercial paper.

The State Board of Administration administers 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 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, 2013, 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:

<i>(\$ in thousands)</i>	
Investment Type	Fair Value
Federal National Mortgage Association	\$ 81,966
Federal Home Loan Mortgage Corporation	50,455
Federal Farm Credit Bank	57,463
Federal Home Loan Bank	77,598
Money Market Fund	21,857
Total Investments	289,339
Bank Deposits	157,191
Total Pooled Cash, Cash Equivalents and Investments	<u>\$ 446,530</u>

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

As of September 30, 2013, \$98.4 million of the total balance listed above relates to unspent bond proceeds. Unspent bond proceeds consisted of the following:

(\$ in thousands)

<u>Issue</u>	<u>Unspent Proceeds</u>
2007 Street & Sidewalks	\$ 11,983
Special Obligations A	1,825
2009 Limited	24,404
2009 Streets and Sidewalks	37,757
2010A Marlins Garage Tax Exempt	5,906
2010B Marlins Garage Taxable	2,391
2011A - Non-Ad Valorem Refunding Bond	14,086
	<u>\$ 98,352</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 five years. As of September 30, 2013, 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’ maturity date.

(\$ in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>
Federal National Mortgage Association	\$ 81,966	4.06
Federal Home Loan Mortgage Corporation	50,455	4.28
Federal Farm Credit Bank	57,463	4.23
Federal Home Loan Bank	77,598	4.01
Money Market	21,857	0.00
	<u>\$ 289,339</u>	

The portfolio’s overall weighted average duration was 3.85 years. The City’s investment policy dictates the overall weighted average duration of the City’s portfolio shall be three (3) years or less at the time of purchase. At the time of purchase, the City was in compliance with the investment policy. The portfolio’s overall weighted average increased at September 30, 2013 as a result of the maturity of shorter term securities leaving the securities with the longer durations ranging from 4 to 5 years. The consequence of the longer duration of the portfolio’s investments is a higher exposure to interest rate risk resulting in unrealized gains and losses as rates fluctuate. As of September 30, 2013, the City recorded an unrealized loss of approximately \$4.5 million.

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 (Standard & Poor’s and Moody’s).

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The table below summarizes the investments by credit rating at September 30, 2013:

<u>Investment Type</u>	<u>Standard & Poor's Credit Rating</u>	<u>Moody's Credit Rating</u>
Federal National Mortgage Association	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa

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 percent of the portfolio may be invested in SEC registered money market funds with no more than 10 percent to any single money market fund. A maximum of 100 percent of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100 percent of the total portfolio may be invested in U.S. Government securities and federal instruments, with a limit of 25 percent invested in any one issuer of federal instruments at the time of purchase. A maximum of 35 percent of the portfolio may be invested in prime commercial paper with a maximum of 5 percent with any one issuer. A maximum of 10 percent of the portfolio may be invested in banker’s acceptances with a maximum of 5 percent with any one issuer.

As of September 30, 2013, the following issuers held 10 percent or more of the investment portfolio:

<u>Issuer</u>	<u>Percentage</u>
Federal Farm Credit Bank (FFCB)	22%
Federal Home Loan Bank (FHLB)	29%
Federal Home Loan Mortgage Corp. (FHLMC)	19%
Federal National Mortgage Association (FNMA)	30%

The chart above excludes investments in mutual funds and external investments pools. Although the holdings in FHLB and FNMA exceeded the 25% threshold, the City was not out of compliance because at the time the investments were purchased, the portfolio was in compliance with the investment policy.

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

FIPO’s investment policy is determined by its Board of Trustees and has engaged outside investment professionals to manage the assets of the Trust. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain property, real, personal or mixed and investments specifically including, bonds, debentures and other corporate obligations, and stocks, preferred or common. Please refer to Pension Note 10 for additional detail regarding FIPO.

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

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2013:

<i>(\$ in thousands)</i>	<u>U.S. Treasuries</u>	<u>U.S. Agencies</u>	<u>Corporate Bonds</u>	<u>Total</u>
Fair Value	\$ 120,497	\$ 112,220	\$ 283,087	\$ 515,804
Investment Maturities:				
Less than 1 year	8,005	15	4,596	12,616
1 to 5 years	45,129	5,494	112,158	162,781
6 to 10 years	54,200	6,223	119,275	179,698
More than 10 years	13,163	100,488	47,058	160,709

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, 2013:

<i>(\$ in thousands)</i>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
<u>Investment Type /Rating</u>		
U.S. Government guaranteed*	\$ 232,717	45.12%
Credit risk debt securities		
AAA	14,796	2.87%
AA+	11,609	2.25%
AA	6,747	1.31%
AA-	4,454	0.86%
A+	14,002	2.71%
A	18,393	3.57%
A-	36,197	7.02%
BBB+	22,251	4.31%
BBB	29,521	5.72%
BBB-	19,102	3.70%
BB+ and lower	88,636	17.19%
Not Rated	17,379	3.37%
	<u>283,087</u>	<u>54.88%</u>
	<u>\$ 515,804</u>	<u>100.00%</u>

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

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

Concentration of Credit Risk – The investment policy of the Trust contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5 percent or more of plan investments at September 30, 2013.

Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. Each investment manager, through the purchase of units in a

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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:

<i>(\$ in thousands)</i>	Holdings valued in U.S. Dollars -	
<u>Currency</u>	<u>International Equities</u>	
Swiss Franc	\$	4,064
Canadian Dollar		2,239
Euro		17,096
British Pound Sterling		5,030
Hong Kong Dollar		1,596
Japanese Yen		15,491
South Korean Won		2,474
Swedish Krona		1,045
Mexican Peso		527
Norwegian Krone		557
Signapore Dollar		3,229
Australian Dollar		964
Other		1,909
	<u>\$</u>	<u>56,221</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 percent and international securities of 105 percent 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following represents the balances relating to securities lending transactions at September 30, 2013:

<i>(\$ in thousands)</i>	Fair Value of Underlying Securities	Cash Collateral Received/Securities Collateral Value	Cash Collateral Investment Value
Securities Lent:			
Lent for cash collateral:			
U.S. government and agency obligations	\$ 109,340	\$ 111,793	\$ 111,793
International equities	4,626	4,921	4,921
Domestic corporate stocks	122,942	126,117	126,117
Domestic corporate bonds	42,778	43,878	43,878
	<u>\$ 279,686</u>	<u>\$ 286,709</u>	<u>\$ 286,709</u>

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

The following table details the investments as of September 30, 2013:

<i>(\$ in thousands)</i>	Amount
Investments, at fair value:	
Debt securities, domestic:	
U.S. Treasuries	\$ 81,228
U.S. Agencies	112,220
Treasury Inflation Protected Securities (TIPS)	39,269
U.S. Government Obligations	<u>\$ 232,717</u>
Corporate Bonds	207,424
Asset Backed Securities	22,694
Mortgage Backed Securities	15,502
Guaranteed Fixed Income	4,133
Debt Securities, International:	
International Government Bonds	6,461
Corporate Bonds	26,873
Corporate Bonds	<u>\$ 283,087</u>
Corporate Stocks	482,382
International Equity	264,014
Mutual Funds - DROP	200,182
Real Estate	117,203
Private	53,081
Total Investments	<u>\$ 1,632,666</u>

Domestic equity is valued at current market price. Private equity and real estate are listed under alternative investments. DROP – mutual fund represent the value of the DROP contributions by the City to DROP participant accounts held in trust outside of the Plan’s investments. The contra amount is

recorded in the liability section at asset value. These are included on the financial statement for disclosure purposes.

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, Net Asset Value, or adjusted for cash flow activities through September 30, 2013.

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, 2013, is as follows:

<i>(\$ in thousands)</i>	Fair Value	
	GESE Trust	Staff Trust
Investment Type		
U.S. Government and Agency Securities	\$ 91,543	\$ -
Corporate Stocks	398,834	1,911
Corporate Bonds	51,760	880
	<u>542,137</u>	<u>2,791</u>
Real Estate Fund	20,410	-
Money Market Fund and Commercial Paper	26,050	-
Total Investments	<u>\$ 588,597</u>	<u>\$ 2,791</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. Please refer to Pension Note 10 for additional detail regarding GESE.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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.

The following represents the investment's value and duration of the securities at September 30, 2013:

(\$ in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity Years</u>
Other Gov't	\$ 321	13.72
Asset-Backed	421	2.05
Corporate - Bank	9,118	2.65
Corporate - Finance	7,714	4.90
Corporate - Industrial	22,582	6.41
Corporate - Utility	851	7.51
Corporate - Comm. Utility	2,157	4.23
Corporate - Electric Utility	1,833	2.93
US Treasury Bonds	7,245	13.57
US Treasury Notes	37,691	4.60
US Agency	11,360	1.96
Yankee - Finance	987	1.68
Yankee - Industrial	2,633	3.91
Mortgages	39,305	4.23
Cash	3,990	0.00
Other	118	13.52
Total	<u>\$ 148,326</u>	<u>4.84</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 percent of each manager's portfolio may be invested in high yield securities rated by Moody's/S&P as Caa/CCC or better.

At September 30, 2013, the following table displays Moody's ratings and the market value of the total fixed-income portfolio invested:

(\$ in thousands)

<u>Investment Type/Rating</u>	<u>Fair Value</u>	<u>Percent</u>
US Treasury*	\$ 44,936	30.3%
US Agency*	11,360	7.7%
Other Government - AAA	321	0.2%
Asset-Backed**	421	0.3%
Mortgages**	39,305	26.4%
Aaa	76	0.1%
Aa	5,106	3.3%
A	24,849	16.8%
Baa	16,293	11.0%
Ba	137	0.1%
Caa and Below	118	0.1%
Cash	3,990	2.7%
Foreign Bonds	1,414	1.0%
Total	<u>\$ 148,326</u>	<u>100.0%</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 percent (at market) of the value of the portfolio. Single industry weightings will be a maximum of 25 percent, except U.S. government and agency securities. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. At September 30, 2013, the GESE Trust did not have any corporate bond investments with issuers greater than 5 percent.

Foreign Currency Risk – The GESE Trust Investment policy allows a maximum of 10 percent of each manager’s portfolio to be invested in aggregate to Yankee bonds, foreign credits, Eurodollar bonds, and Rule 144A securities. At September 30, 2013, 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, 2013, the fixed income assets of the pension plan were invested in a mutual fund managed passively by Vanguard.

The value of the fixed income portfolio was approximately \$880,000. 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, 2013:

(\$ in thousands)

<u>Investment Type/Rating</u>	<u>Fair Value</u>	<u>Percent</u>
Government*	\$ 642	73%
Aaa	5	1%
Aa	41	4%
A	94	11%
Baa	99	11%
	<u>\$ 881</u>	<u>100%</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 percent (at market) of the value of the portfolio. Single industry weightings will be a maximum of 20 percent, except U.S. government and agency securities. As of September 30, 2013, the Staff Trust did not have any positions with issuers greater than 5 percent.

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

Elected Official Retirement Trust (EORT)

At September 30, 2013, the investments of EORT consisted of the following:

(\$ in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$ 1,256
Federal Home Loan Mortgage Corporation	1,247
Federal Home Loan Bank	1,379
Federal Farm Credit Bank	1,341
Money Market Funds	778
	<u>\$ 6,001</u>

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, 2013, 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	3.58
Federal Home Loan Mortgage Association	3.75
Federal Home Loan Bank	3.25
Federal Farm Credit Bank	3.75
Money Market Funds	Less than 1 year

The investments at September 30, 2013 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, 2013, 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 percent of the portfolio may be invested in SEC registered money market funds with no more than 10 percent to any single money market fund. A maximum of 100 percent of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100 percent of the total portfolio may be invested in U.S. Government securities and federal instruments, with a limit of 25 percent invested in any one issuer of federal instruments. A maximum of 35 percent of the portfolio may be invested in prime commercial paper with a maximum of 5 percent with any one issuer. A maximum of 10 percent of the portfolio may be invested in banker’s acceptances with a maximum of 5 percent with any one issuer. At September 30, 2013, the EORT Trust did not have any positions with issuers greater than 5 percent.

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:

(\$ in thousands)

Receivables	General	Special Obligation Bonds	Public Safety	Fire Services	General Government	Streets & Sidewalks	Non-Major Govt Funds	Total
Accounts	\$ 36,844	\$ 250	\$ -	\$ 600	\$ 827	\$ 104	\$ 5,439	\$ 44,064
Property Taxes	6,670	-	-	-	-	-	696	7,366
Due from Other Govts	8,567	-	62	3,296	370	1,227	13,931	27,453
Loan to component unit	-	-	-	-	-	-	2	2
Loan Receivables	-	13,822	-	-	-	-	-	13,822
Gross Receivables	52,081	14,072	62	3,896	1,197	1,331	20,068	92,707
Less: Allowance for:								
Uncollectibles	(16,629)	(13,822)	-	-	(827)	(104)	(2,559)	(33,941)
Net Total Receivables	\$ 35,452	\$ 250	\$ 62	\$ 3,896	\$ 370	\$ 1,227	\$ 17,509	\$ 58,766

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 million (the “Old Note”) under a new note at a lesser interest rate for the then currently outstanding principal amount of \$15.6 million (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 80 percent and the County’s pro-rata payment obligations remain 20 percent.

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

- 1. Parrot Jungle Project HUD Section 108 Loan Deferred Payments** will begin August 1, 2019 to repay the City’s earlier 80 percent payments to HUD in the approximate amount of \$13.8 million; as a result the City has recorded an allowance for the full amount of the receivable.
- 2. Regular Lease Rent Payments** began 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. 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:

(\$ in thousands)

Program	September 30, 2013	
	Loans Outstanding	Amount
CDBG	35 loans	\$ 1,345
HOME	472 loans	22,372
SHIP	309 loans	13,327
Other	51 loans	1,566
Total	867 loans	\$ 38,610

Home Ownership and Rental Multi-Family Loans

As of September 30, 2013, there are 122 projects aggregating to \$64.6 million for new construction or rehabilitation of multi-family units, which under the terms of the loan agreement are to be repaid if program conditions are not met. Home ownership loans are usually “forgiven” to the developer and transferred to the home buyer. The home buyer loans are usually amortizable or deferred during the life of the affordability period. Such loans will be forgiven and become grants if the homeowners remain in their homes during the full term of the loan. Given the nature of these “loans”, collections are not assured, consequently they are not recognized in the financial statements.

Economic Development Commercial Loans

As of September 30, 2013, there are 29 loans aggregating to \$8.5 million for special economic development projects under the CDBG program. Those projects are collateralized by placing a mortgage against the property of the business or non-profit entity’s assets to ensure repayment of the loan and interest to the City. Some of these “loans” are written with no interest payment or deferred payments and are “forgivable”, if all program conditions are met. Given the nature of these “loans”, collection is not assured, consequently they are not recognized in the financial statements.

NOTE 4. – PROPERTY TAXES

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

The assessed value of property, as established by the Miami-Dade County Property Appraiser, at January 1, 2012, upon which the 2012-2013 levy was based, was \$32.7 billion. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to ten dollars per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation long-term debt. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services (other than the payment of principal and interest on general obligation long-term debt) for the year ended September 30, 2013, was \$7.5710 per \$1,000. The debt service tax rate for the same period was \$0.9000 per \$1,000.

Property taxes receivable reported in the government-wide statement of net position and the governmental funds Balance Sheet represent amounts due for unpaid delinquent property taxes at September 30, 2013. Property taxes that are not considered “available” have been reported as deferred revenues in the governmental funds Balance Sheet.

NOTE 5. – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2013:

<i>(\$ in thousands)</i>	Primary Government			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 93,584	\$ 544	\$ -	\$ 94,128
Construction in Progress	48,223	38,895	28,000	59,118
Total Capital Assets, not being depreciated	\$ 141,807	\$ 39,439	\$ 28,000	\$ 153,246
Depreciable Assets:				
Buildings	\$ 298,595	\$ (690)	\$ -	\$ 297,905
Improvements	264,677	9,685	-	274,362
Machinery and Equipment	199,672	14,943	4,785	209,830
Infrastructure	1,299,867	17,740		1,317,607
Total Capital Assets being depreciated	\$ 2,062,811	\$ 41,678	\$ 4,785	\$ 2,099,704
Less Accumulated Depreciation for:				
Buildings	\$ 98,734	\$ 4,405	\$ -	\$ 103,139
Improvements	90,387	21,641	-	112,028
Machinery and Equipment	143,969	20,392	4,365	159,996
Infrastructure	714,510	26,151	-	740,661
Total accumulated depreciation	1,047,600	72,589	4,365	1,115,824
Total Capital Assets being depreciated, net	1,015,210	(30,911)	420	983,880
Governmental activities capital assets, net	\$ 1,157,017	\$ 8,528	\$ 28,420	\$ 1,137,126

Depreciation expense was charged to governmental functions as follows:

Function/Program Activities	Depreciation Expenses
General Government	\$ 41,056
Planning and Development	94
Community Development	32
Community Redevelopment Areas	428
Public Works	7,400
Public Safety	8,803
Public Facilities	3,170
Parks and Recreation	11,606
Total depreciation expense	\$ 72,589

Construction Commitments

As of September 30, 2013, the City had in progress various construction projects that were not completed with remaining balances totaling \$34.5 million. Funding of these projects is to be made primarily through the proceeds of the related bond issues, loans, and future tax revenues.

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, 2013:

MSEA, CIP, and BID did not have any capital asset balances at September 30, 2013.

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

(\$ in thousands)	DOSP			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 13,138	\$ -	\$ -	\$ 13,138
Construction in progress	1,804	4	(1,808)	-
Total capital assets, not being depreciated	14,942	4	(1,808)	13,138
Capital assets, being depreciated:				
Building and structures	72,310	1,969	-	74,279
Leasehold improvements	10,488	149	-	10,637
Furniture and fixtures	932	-	-	932
Equipment	15,962	692	(584)	16,070
Total capital assets, being depreciated	99,692	2,810	(584)	101,918
Less accumulated depreciation for:				
Building and structures	20,277	2,094	-	22,371
Leasehold improvements	8,721	404	-	9,125
Furniture and fixtures	237	66	-	303
Equipment	12,805	1,181	(582)	13,404
Total accumulated depreciation	42,040	3,745	(582)	45,203
Total capital assets, being depreciated, net	57,652	(935)	(2)	56,715
DOSP capital assets, net	\$ 72,594	\$ (931)	\$ (1,810)	\$ 69,853

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

(\$ in thousands)	DDA			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assets, being depreciated:				
Furniture and equipment	\$ 524	\$ 99	\$ (49)	\$ 574
Less accumulated depreciation for:				
Furniture and equipment	(388)	(34)	49	(373)
DDA capital assets, net	\$ 136	\$ 65	\$ -	\$ 201

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

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

(\$ in thousands)	BFP			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 516	\$ -	\$ -	\$ 516
Total capital assets, not being depreciated	516	-	-	516
Capital assets, being depreciated:				
Buildings	2,638		-	2,638
Public domain and system infrastructure	5,403	357	-	5,760
Machinery and equipment	472	51	-	523
Total capital assets, being depreciated	8,513	408	-	8,921
Less accumulated depreciation for:				
Buildings	1,283	53	-	1,336
Public domain and system infrastructure	2,216	218	-	2,434
Machinery and equipment	374	27	-	401
Total accumulated depreciation	3,873	298	-	4,171
Total capital assets being depreciated, net	4,640	110	-	4,750
BFP capital assets, net	\$ 5,156	\$ 110	\$ -	\$ 5,266

Summary of discretely presented component unit capital assets at September 30, 2013 is as follows:

(\$ in thousands)	DOSP		DDA		BFP		Total	
Capital Assets:								
Non-depreciable	\$ 13,138	\$ -	\$ -	\$ 516	\$ 13,654			
Depreciable, net	56,715	201	4,750	61,666				
	\$ 69,853	\$ 201	\$ 5,266	\$ 75,320				

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

(\$ in thousands)	Entity	Depreciation Expense
	DOSP	\$ 3,745
	DDA	34
	BFP	298
	Total depreciation expense	\$ 4,077

NOTE 6. – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities reported in the governmental funds balance sheet at September 30, 2013 consisted of the following:

(\$ in thousands)

	General	Public Safety	General Government	Streets & Sidewalks	Fire Service	Non-Major Governmental Funds	Total
Accounts Payables	\$ 9,681	\$ 566	\$ 585	\$ 2,993	\$ 1,695	\$ 12,428	\$ 27,948
Retainage	75	374	260	762	-	2,561	4,032
Salaries and Benefits	17,060	-	-	1	92	302	17,455
Total	\$ 26,816	\$ 940	\$ 845	\$ 3,756	\$ 1,787	\$ 15,291	\$ 49,435

NOTE 7. – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The balances reflected as due from/due to other funds reported as of September 30, 2013 are as follows:

(\$ in thousands)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Other Non-Major	
General Fund	Governmental Funds	\$ 1,052
	Total	\$ 1,052

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 reported for the year ended September 30, 2013:

(\$ in thousands)

<u>Transfer Out</u>	<u>Transfer In</u>							Total
	General	Special Obligation Bonds	Fire Services	Public Safety	General Government	Street & Sidewalks	Nonmajor Governmental Funds	
General	\$ -	\$ 20,613	389	\$ 911	\$ 5,364	\$ 1,755	\$ 9,941	\$ 38,973
Public Safety	-	-	-	-	1	-	-	1
General Government	-	-	-	3,967	-	351	7,639	11,957
Street & Sidewalks	-	-	-	-	-	-	1,136	1,136
Nonmajor Governmental Funds	440	17,572	-	-	-	3,482	6,293	27,787
Total	\$ 440	\$ 38,185	\$ 389	\$ 4,878	\$ 5,365	\$ 5,588	\$ 25,009	\$ 79,854

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 million. This total was comprised of transfers from the Omni CRA of \$0.4 million to fund the Police Visibility Program. The Public Safety fund is in the midst of building Fire Station #13 funded by Homeland Defense Bonds reported as part of the General Government funds, during the current fiscal year \$3.9 million were spent on the construction of the station.

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 James L. Knight Convention Center revenue.

NOTE 8. – LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations reported for the year ended September 30, 2013:

(\$ in thousands)

Primary Government	Beginning Balance	Additions	Reduction	Ending Balance	Due within One Year
General Obligation Bonds	\$ 239,988	\$ -	\$ (11,018)	\$ 228,970	\$ 11,593
Special Obligation and Revenue					
Bonds and Loans	462,339	44,725	(63,213)	443,851	14,097
Total General Obligation/Special Obligation and Revenue Bonds and Loans	702,327	44,725	(74,231)	672,821	25,690
Accretion	23,261	-	(6,442)	16,819	-
Bond Premium (Discounts)	5,430	5,304	(1,084)	9,650	-
Deferred Loss on Advance Refunding	(3,502)	499	-	(3,003)	-
Total Bonds Costs	25,189	5,803	(7,526)	23,466	-
Total Bonds and Loans	727,516	50,528	(81,757)	696,287	25,690
Other Liabilities:					
Compensated Absences	66,252	7,975	(9,258)	64,969	7,471
Claims Payable	214,727	9,176	(23,023)	200,880	52,665
Other Post Employment Benefits	156,418	44,455	(6,384)	194,489	-
Net Pension Obligation	4,556	543	(523)	4,576	-
Total Governmental Activities Long-Term Liabilities	\$ 1,169,469	\$ 112,677	\$ (120,945)	\$ 1,161,201	\$ 85,826

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

Claims payable balance of \$200.9 million includes an accrual of \$.9 million for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution and \$3.2 million 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Bonds and Loans Outstanding – Summarized below are the City’s bond and loan issues reported, which are outstanding at September 30, 2013:

<i>(\$ in thousands)</i> DESCRIPTION	Purpose of Issue	Maturity Date	Amount Issued	Outstanding Balance	Interest Rate Range
General Obligation Bonds:					
Homeland Defense/Neighborhood CIP Series 2002 (Limited)	Homeland Defense	1/1/2021	\$ 153,186	\$ 17,960	4.670%-4.970%
General Obligation Refunding Bonds Series 2002A	Refunding	9/1/2017	32,510	12,415	5.000%-5.375%
General Obligation Bonds Series 2003B	Refunding	12/1/2013	4,180	1,365	3.500%
Homeland Defense/Neighborhood CIP Series 2007A (Limited)	Refunding	1/1/2022	103,060	102,345	4.000%-5.000%
Homeland Defense/Neighborhood CIP Series 2007B (Limited)	Homeland Defense	1/1/2028	50,000	50,000	4.995%-5.000%
Homeland Defense/Neighborhood CIP Series 2009 (Limited)	Homeland Defense	1/1/2029	51,055	44,885	3.553%-5.500%
Total General Obligation Bonds			\$ 393,991	\$ 228,970	
Special Obligation and Revenue Bonds and Loans:					
Special Revenue Refunding Bonds Series 1987	Refunding	1/1/2015	\$ 65,271	\$ 1,361	8.000%
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	12/1/2020	72,000	24,670	7.000%-7.200%
Special Revenue Refunding Bonds Series 2002A	Refunding	9/1/2025	27,895	15,860	4.250%-5.000%
Special Revenue Refunding Bonds Series 2002C	Refunding	10/1/2017	28,390	11,910	3.700%-4.375%
Special Obligation Non-Ad Valorem Refunding Bonds Series 2009	Refunding	12/1/2025	37,435	34,330	4.750%-7.550%
Special Obligation Tax-Exempt Revenue Bonds Series 2010A	Parking	7/1/2039	84,540	84,540	5.000%-5.250%
Special Obligation Tax Revenue Bonds, Garages Series 2010B	Parking	7/1/2027	16,830	16,830	5.935%-7.443%
Special Revenue Bonds Series 2007	Street & Sidewalks	1/1/2037	80,000	72,635	3.831%-5.250%
Special Revenue Bonds Series 2009	Street & Sidewalks	1/1/2039	65,000	62,200	3.000%-5.625%
Special Obligation Non-Ad Valorem Refunding 2012	Refunds Port Tunnel	3/1/2030	44,725	44,725	3.000%-5.000%
Special Obligation Refunding Bonds Series 2011-A	Refunding	2/1/2031	70,645	70,645	4.000%-6.000%
Gran Central Corporation Loan	Redevelopment	N/A	1,709	1,709	0.000%
Mears Leasing Company	Recycling Bins	10/1/2015	3,600	2,436	3.020%
Total Special Obligation Bonds, Revenue Bonds, and Loans			\$ 598,040	\$ 443,851	
Total Bonds and Loans			\$ 992,031	\$ 672,821	

Annual Debt Service Requirements to Maturity

The annual debt service requirements for all bonds and loans outstanding, as of September 30, 2013 are as follows:

(\$ in thousands)

Year Ended September 30,	General Obligation Bonds		Special Obligation, Revenue Bonds, and Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 11,592	\$ 13,781	\$ 14,062	\$ 28,567	\$ 25,654	\$ 42,348
2015	12,340	13,741	10,531	27,705	22,871	41,446
2016	14,908	11,166	11,585	22,674	26,493	33,840
2017	17,000	9,067	21,475	21,816	38,475	30,883
2018	17,865	8,196	22,195	20,614	40,060	28,810
2019-2023	90,940	26,641	88,569	86,059	179,509	112,700
2024-2028	60,225	9,066	88,360	62,971	148,585	72,037
2029-2033	4,100	113	87,930	37,510	92,030	37,623
2034-2038	-	-	85,300	16,415	85,300	16,415
2039	-	-	13,844	412	13,844	412
Total	\$ 228,970	\$ 91,771	\$ 443,851	\$ 324,743	\$ 672,821	\$ 416,514

Synopsis of Bond Covenants

Debt service for general obligation bonds is provided for by a tax levy on non-exempt property value. The total general obligation debt outstanding is limited by the City Charter to 15 percent of the assessed non-exempt property value. At September 30, 2013, the statutory limitation of assessed non-exempt property value for the City amounted to \$4.6 billion providing a debt margin of \$4.4 billion after consideration of \$229 million of general obligation bonds outstanding at September 30, 2013 and adjusted for the fund balance of \$4 million in the related Debt Service Fund.

Pledged Revenue

The City pledged future revenue proceeds of (i) 80 percent Transportation Taxes, (ii) 100 percent new Local Option Gas Taxes, and (iii) 20 percent of the City’s Parking Surcharge to repay \$80 million in Special Obligation Revenue Bonds, Series 2007 and \$65 million Special Obligation Revenue Bonds, Series 2009. The proceeds from the bonds were used for the improvement of streets, sidewalks and drainage within the City. Those bonds are payable solely from the pledged revenues listed above through January 1, 2039. Principal and interest paid for the current year were \$2.6 million and \$7 million respectively. The current year revenues were (i) \$14.4 million (ii) \$6.6 million and (iii) \$20.2 million respectively. Principal and interest to be paid in subsequent years totals \$125.4 million on the Series 2007 bonds and \$121.8 million on the Series 2009 bonds.

The City further pledged future revenue proceeds of (i) 100 percent 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 \$84.5 million Tax-Exempt Special Obligation Parking Revenue Bonds, Series 2010A and \$16.8 million 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.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Principal and interest to be paid in subsequent years totals \$177 million on the Series 2010A bonds and \$30 million on the Series 2010B bonds.

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, 2013, the City had approximately \$34.7 million available in the sinking fund to meet this requirement. Principal and interest to be paid in subsequent years totals \$312.7 million 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 \$18.5 million with the Escrow Agent during fiscal year 2013 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 2013 are as follows:

<i>(\$ in thousands)</i>	Beginning			Ending	Due Within
	Balance	Additions	Reductions		
Bonds payable	\$ 70,735	\$ -	\$ 960	\$ 69,775	\$ 1,004
Deferred amounts	(2,066)	-	(69)	(1,997)	-
Compensated absences	576	444	463	557	384
Other post-employment benefit obligation	71	11	-	82	-
Loan from primary government	1,950	-	150	1,800	150
	<u>\$ 71,266</u>	<u>\$ 455</u>	<u>\$ 1,504</u>	<u>\$ 70,217</u>	<u>\$ 1,538</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 million 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, 2013, DOSP has drawn \$3 million of this loan. The balance as of September 30, 2013 is \$1.8 million.

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NOTES TO FINANCIAL STATEMENTS

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2013:

(\$ in thousands)

Year Ending September 30,	Bonds			Loan
	Principal	Interest	Total	Principal
2014	\$ 1,005	\$ 3,461	\$ 4,466	\$ 150
2015	1,060	3,406	4,466	150
2016	1,115	3,349	4,464	150
2017	1,505	3,243	4,748	150
2018	1,585	3,157	4,742	150
2019-2023	9,260	14,412	23,672	750
2024-2028	11,645	11,928	23,573	300
2029-2033	14,770	8,613	23,383	-
2034-2038	18,880	4,294	23,174	-
2039-2040	8,950	237	9,187	-
Total	<u>\$ 69,775</u>	<u>\$ 56,100</u>	<u>\$ 125,875</u>	<u>\$ 1,800</u>

Range of Rates 4.25%-5.66%

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 coverage. 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 percent 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 \$46.4 million in limits for all perils including windstorm and flood. The James L. Knight Center property program has a \$50,000 all other perils deductible, and a deductible of 5 percent of total insured values at time of loss, with a \$1 million minimum for named windstorm and flood perils. The Marlins Stadium parking garage program provides for \$25 million in total limits for windstorm and flood, and for \$81.2 million for all other perils. The Marlins Stadium parking garage program has a \$25,000 all other perils deductible, and

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

The 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 percent while the employees are contributing 13 percent 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 percent 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 of an amount \$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, 2013, the total estimated liability is discounted at an interest rate of 0.8 percent and recorded in the government-wide financial statements. Changes in the claims liability amount in 2012 and 2013 were as follows:

(\$ in thousands)

Fiscal Year Ended September 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in estimates	Claim Payments	Balance at Fiscal Year End
2013	\$ 214,727	\$ 9,176	\$ (23,023)	\$ 200,880
2012	207,942	57,887	(51,102)	214,727

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 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.

FIREFIGHTERS' AND POLICE OFFICERS' RETIREMENT TRUST (FIPO)

The Board of Trustees of the GESE Trust administers three defined benefit pension plans: (a) 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.

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

Plan Description

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

As of October 1, 2012, the date of the most recent actuarial report valuation, membership in the FIPO consisted of 2,293 retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving them; current members equaled 1,273.

Pension Benefits

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

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

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

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.

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

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

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

Cost of Living Adjustment

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

The COLA II account is funded annually by a percentage of the excess investment return from the COLA I account assets. The excess earnings contributed to the COLA II account are used to fund a minimum annual payment of \$2.5 million, increasing by 4 percent compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by the annual excess earnings no later than January 1 of the following year.

Deferred Retirement Option Plan (DROP)

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

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

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

An individual account is created for each participant. A series of investment vehicles, as established by FIPO's Board of Trustees, are made available to DROP participants to choose from. Any losses incurred on account of the option selected by the participant will not be made up by the City or the FIPO Trust, and will be borne by the participant only. All interest will be credited to the member's account. Upon termination of employment, a participant may receive payment from the DROP account in a lump sum distribution; or periodic payments. A participant may elect to rollover the balance to another qualified retirement plan, individual retirement account, an Internal Revenue Code Section 457 Plan, or an annuity. A participant may defer payment until the latest date authorized by Section 401(a) (9) of the Internal

Revenue Code. DROP participation will not affect any other death or disability benefit provided under law or applicable collective bargaining agreement. If a participant dies before the account balances are paid out in full, the beneficiary will receive the remaining balance.

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

Contributions and Funding Policies

Police officer members of FIPO are required to contribute 10 percent of their salary on a bi-weekly basis (7 percent prior to October 1, 2011). Firefighter members are also required to contribute 10 percent (9 percent 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, 2013 was approximately \$82.2 million.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost, net pension obligations for the fiscal, and percentage of annual pension cost contributed to FIPO for the year ended September 30, 2013 and each of the two preceding years are as follows:

Valuation date	: October 1, 2012
Actuarial cost method	: Entry Age Normal Cost Method
Amortization method	: Level Percent of Payroll
Amortization Period	: The Unfunded Actuarial Accrued Liability is amortized over a period of 25 years on an open and closed basis with a starting amortization period of 30 years in FY 2008
<u>Actuarial assumptions</u>	
Assumed rate of return on investments	: 3.85%
Assumed health care cost trend rates	: 9.5% for pre 65 medical and 8.5% for post 65 medical, grading down by 0.5% annually until an ultimate trend rate of 5.0% is reached

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

(\$ in thousands)

Annual required contribution	\$45,412
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>45,412</u>
Contributions made	<u>(45,412)</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

Funded status and funding progress

As of October 1, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

(\$ in millions)

Actuarial value of plan assets	\$ 1,144
Actuarial accrued liability (AAL)	<u>1,573</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 429</u>
Funded ratio (actuarial value of plan assets/AAL)	73%
Covered payroll	\$ 82
UAAL as a percentage of covered payroll	522%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The City’s current year contribution for the plan was determined as part of the October 1, 2012 actuarial valuation using the following methods and assumptions:

Valuation Date:	October 1, 2012
Actuarial Cost Method:	Aggregate Cost Method. Percentage of actual payroll, if greater than calculated dollar City contributions, if greater than dollar amount calculated under the provision of Gates.
Amortization Method:	N/A
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 the previous valuation date and cash flow during the year. 20% of the difference between the 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	7.5%, compounded annually
Salary increases:	
Inflation	3.25%, compounded annually, attributable to inflation
Seniority/merit	5% to 0% reducing by attained age
Promotion/other	1.5%
Mortality table	RP 2000 mortality table projected to 2020
Disabled mortality	RP 2000 disabled mortality table projected to 2020

GENERAL EMPLOYEES AND SANITATION EMPLOYEES RETIREMENT TRUST (GESE Trust)

The Board of Trustees of the GESE Trust administers three defined benefit pension plans: (a) 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.

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

GESE

Plan Description

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

As of October 1, 2012, the date of the most recent actuarial report valuation, membership in the GESE consisted of 2,073 retirees and beneficiaries currently receiving benefits and 162 terminated members entitled to benefits but not yet receiving them; current members equaled 1,288.

Pension Benefits

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

Retirement benefits are generally based on 3 percent of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. For service after September 30, 2010, for members not eligible to retire as of that date, benefits are based on 2.25 percent of average final compensation multiplied by creditable service up to 15 years, 2.5 percent of average final compensation for 16 to 20 years of service and 2.75 percent for service over 20 years. Effective September 30, 2012, for members not eligible to retire on that date, member retirement allowances shall not exceed \$80,000. Any member who has accrued a benefit in excess of the maximum benefit as of September 30, 2012 will retain that benefit but will not accrue any additional benefit.

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

Cost of Living Adjustment (COLA)

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

Deferred Retirement Option Plan (DROP)

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

BACKDROP Option (BACKDROP)

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

Contributions and Funding Policies

Members of the GESE are required to contribute 10 percent of their salary on a bi-weekly basis. The GESE's funding policies provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the GESE

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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, 2013 was approximately \$62.5 million.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost, net pension obligations for the fiscal, and percentage of annual pension cost contributed to GESE for the year ended September 30, 2013 and each of the two preceding years are as follows:

(\$ in thousands)

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 25,568	100%	\$ -
2012	25,973	100%	-
* 2011	20,233	100%	-

* APC for fiscal year 2011 adjusted for interest to reflect timing

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

(\$ in thousands)

Annual required contribution	\$ 25,568
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	25,568
Contributions made	(25,568)
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	\$ -

Funded status and funding progress

As of October 1, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

(\$ in thousands)

Actuarial value of plan assets	\$ 560,967
Actuarial accrued liability (AAL)	858,249
Unfunded actuarial accrued liability (UAAL)	\$ 297,282
Funded ratio (actuarial value of plan assets/AAL)	65%
Covered payroll	\$ 62,516
UAAL as a percentage of covered payroll	476%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The City’s current year contribution for the plan was determined as part of the October 1, 2012 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2012
Actuarial cost method:	Modified entry age normal
Amortization method:	Level percent, closed
Remaining amortization period:	11 to 22 years
Asset valuation method:	5-Year Smoothed Market
<u>Actuarial assumptions</u>	
Investment rate of return:	8.00%
Projected salary increases:	4.0% to 8.75%
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.

GESE Excess Benefit Plan (EBP)

Plan Description

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

As of October 1, 2012, the date of the most recent actuarial report valuation, membership in the EBP consisted of 38 retirees and beneficiaries currently receiving benefits and there are no current members.

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 EBP is an unfunded plan and the City is required to contribute as benefits become payable.

The payroll for employees covered by the EBP for the year ended September 30, 2013 was approximately \$62.5 million.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost, net pension obligations for the fiscal, and percentage of annual pension cost contributed to the EBP for the year ended September 30, 2013 and each of the two preceding years are as follows:

(\$ in thousands)

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 543	96%	\$ 4,576
2012	496	104%	4,556
2011	488	83%	4,575

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

(\$ in thousands)

Annual required contribution	\$ 666
Interest on net pension obligation	360
Adjustment to annual required contribution	(483)
Annual pension cost	543
Contributions made	(523)
Change in net pension obligation	20
Net pension obligation, beginning of year	4,556
Net pension obligation, end of year	\$ 4,576

Funded status and funding progress

As of October 1, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

(\$ in thousands)

Actuarial value of plan assets	\$ -
Actuarial accrued liability (AAL)	<u>6.3</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6.3</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 62.5
UAAL as a percentage of covered payroll	10%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The City’s current year contribution for the plan was determined as part of the October 1, 2012 actuarial valuation report using the following methods and assumptions:

Valuation date:	October 1, 2012
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar, closed
Remaining amortization period:	18 years
Asset valuation method:	Not Applicable
<u>Actuarial assumptions</u>	
Investment rate of return:	7.90%
Projected salary increases	Variable By Years of Service
Includes inflation at:	3.50%
Cost of living adjustment	None

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, 2012, the date of the most recent actuarial valuation report, membership in the Staff Trust had five retirees currently receiving benefits; one terminated employee entitled to benefits, but not yet receiving them and five 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 percent of the average final compensation during the highest two years of membership service multiplied by years of creditable service, which is paid annually in monthly installments. A retired member who dies prior to having received 12 monthly retirement payments and prior to having an optional allowance becoming effective will have a lump sum equal to the excess, if any, of 12 times the monthly payments over the actual payments received paid to his designated beneficiary.

Deferred Retirement Option Plan (DROP)

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

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

Contributions and Funding Policy

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

The payroll for employees covered by the Staff Trust for the year ended September 30, 2013 was approximately \$0.4 million.

Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost, net pension obligations for the fiscal, and percentage of annual pension cost contributed to the Staff Trust for the year ended September 30, 2013 and each of the two preceding years are as follows:

(\$ in thousands)

Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 220	100%	\$ -
2012	227	100%	-
2011	164	100%	-

The City’s annual pension cost and net pension obligation for the Staff Trust are as follows:

(\$ in thousands)

Annual required contribution	\$ 220
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	220
Contributions made	(220)
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	\$ -

Funded status and funding progress

As of October 1, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

(\$ in thousands)

Actuarial value of plan assets	\$ 2,455
Actuarial accrued liability (AAL)	4,364
Unfunded actuarial accrued liability (UAAL)	\$ 1,909
Funded ratio (actuarial value of plan assets/AAL)	56%
Covered payroll	\$ 355
UAAL as a percentage of covered payroll	538%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions

The City's current year contribution for the plan was determined as part of the October 1, 2012 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2012
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar amount, closed
Remaining amortization period:	4 - 20 years
Equivalent single amortization period:	13 years
Asset valuation method:	3-year smoothed market
<u>Actuarial assumptions</u>	
Investment rate of return:	8.00%
Projected salary increases:	6.00%
Includes inflation at:	3.50%
Cost of living adjustments:	None

Staff Trust contributions are determined using the modified individual entry age normal cost method. Under this method, normal costs are determined on the individual entry age normal method. However, if the actuarial value of assets exceeds the entry age accrued liability, the individual entry age normal cost rate for the Plan shall be adjusted by the excess actuarial value of assets divided by the present value of future payroll, in order for the unfunded accrued liability to not be less than zero.

Elected Officers Retirement Trust (EORT)

Plan Description

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

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

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

As of January 1, 2013, the most recent actuarial valuation date, membership in the EORT consisted of 6 retirees currently receiving benefits and 1 terminated employee 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 elected officers at the rate of 50 percent of the highest annual W-2 wages in the last three years of employment after 7 years of service as an elected official of the City plus 5 percent for each additional year up to 100 percent at 7 or more years of service. The Plan benefit is payable beginning on the date the participant ceases to be an elected officer, but no earlier than the participant's 55th birthday. The benefit is payable monthly, for the participant's lifetime. An active participant will be fully vested upon death and a single sum death benefit is payable. The EORT was frozen to new entrants effective October 22, 2009. Only participants who were accruing benefits and had not yet become vested in their benefits as of that date continue to accrue benefits under the EORT. Benefit accruals for all other participants were frozen.

Contributions and Funding Policy

The annual contribution is determined using the Projected Unit Credit (PUC) Cost Method, which was adopted and effective with the January 1, 2013 actuarial valuation report. Prior to the PUC method the individual aggregate cost method was used to determine the annual contribution. The PUC Cost Method separates and develops funding components for annual contributions into 1) normal costs and 2) an amortization payment toward the unfunded accrued liability for past service benefits. Revising the actuarial funding method allows the City to fund the payment liability over a longer period of time. Contributions made to EORT are in accordance with actuarially determined contribution requirements, based on the actuarial valuation performed for each respective year.

EORT is a non-contributory defined benefit plan; therefore, all funding is provided by the City.

The payroll for employees covered by EORT for the year ended September 30, 2013 was approximately \$0.20 million. The current employer contribution rate is 864 percent of annual covered payroll.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost which is equal to the annual required contribution for the plan for the current year and each of the two preceding years were as follows:

Year Ended September 30	(APC) and Annual Required Contribution (in thousands)	Percentage Contributed	Net Pension Obligation
2013	\$ 489	100%	\$ -
2012	566	100%	-
2011	432	100%	-

Funded status and funding progress

As of January 1, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial value of plan assets	\$ 6,258
Actuarial accrued liability (AAL)	8,043
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,785</u>
Funded ratio (actuarial value of plan assets/AAL)	78%
Covered payroll	\$ 209
UAAL as a percentage of covered payroll	854%

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The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions

The City’s current year contribution for the plan was determined as part of the January 1, 2013 actuarial valuation using the following methods and assumptions:

Valuation date:	January 1, 2013
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.

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 percent of the individual's earnable compensation, and the employee to contribute 10 percent of their salary. Participants may withdraw funds at retirement or upon separation based on a variety of payout options. The City does not have any fiduciary responsibility relating to the plan, consequently the amount accrued for benefits are not recorded in the fiduciary funds.

As of September 30, 2013 the City’s participation in this plan was as follows:

(\$ in thousands)

Total current year's payroll for all employees	\$	262,708
Current year's payroll for participating employees		3,354
Current year employer contributions		318

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 \$10.64 million for the year ended September 30, 2013. Accordingly, these monies are recorded as pass through funds in the City's financial statements. Benefits are allocated to the participants based upon their service during the year and the level of funding received during said year. Participants are fully vested after nine years of service. Upon termination of service, a participant may elect to receive one of the three options (1) a lump sum payment; (2) five substantially equal payments, or (3) 10 percent or more in the first year and the remainder in any way over the next four years. The total must be paid out within five years.

NOTE 11. – POST-EMPLOYMENT HEALTH CARE BENEFITS

Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation to the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retired police officers are offered coverage at a discounted premium under the 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 retiree's comprehensive medical coverage and life insurance benefits through its self-insurance plan. This plan was established in accordance with Section 112.0801, Florida Statutes. Substantially all of the City's general employees, sanitation employees and firefighters may become eligible for these benefits when they reach normal retirement age while working for the City.

As of October 1, 2012, the most recent actuarial valuation date, there are approximately 4,939 covered participants of whom approximately 3,306 are active employees and 1,633 retirees.

Contributions and Funding Policy

The City is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. 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.

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

Currently, the City’s subsidy to OPEB benefits is unfunded. There are no separate trust funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City’s cost of the OPEB benefits is funded on a pay-as-you-go basis. The City contributed \$9.23 million for the fiscal year ended September 30, 2013.

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 percent, which is the long-range expected return on such short-term fixed income instruments, to calculate the present values and costs of the OPEB.

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.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual OPEB cost and the net OPEB obligation for the fiscal year ended September 30, 2013 for both Non-Police and Police retirees are as follows:

	Police	Non-Police	
	Retirees	Retirees	Total
	(in thousands)	(in thousands)	(in thousands)
Annual required contribution (ARC)	\$ 33,012	\$ 14,647	\$ 47,659
Interest on net OPEB obligation	4,613	1,409	6,022
Adjustment to annual required contribution	(4,880)	(1,504)	(6,384)
Annual OPEB cost (expense)	32,745	14,552	47,297
Contributions made	5,620	3,606	9,226
Increase in net OPEB obligation	27,125	10,946	38,071
Net OPEB obligation - beginning of year	119,813	36,605	156,418
Net OPEB obligation - end of year	<u>\$ 146,938</u>	<u>\$ 47,551</u>	<u>\$ 194,489</u>

The City’s annual OPEB cost, net OPEB obligations, and percentage of annual OPEB cost contributed, year ended September 30, 2013 are as follows:

	Annual OPEB Cost (in thousands)	OPEB Contributions (in thousands)	Percentage of Annual OPEB Cost Contributed	Net OPEB Contributions (in thousands)
Police	\$ 32,745	\$ 5,620	17%	\$ 146,938
Non-Police	14,552	3,606	25%	47,551
Total	<u>\$ 47,297</u>	<u>\$ 9,226</u>		<u>\$ 194,489</u>

Funded status and funding progress

As of October 1, 2012, the most recent actuarial valuation date, the funded status of the Police and Non-Police Retirees OPEB plan was as follows:

	Actuarial Valuation of Assets (in thousands) (a)	Actuarial Accrued Liability* (in thousands) (b)	Unfunded Actuarial Accrued Liability* (in thousands) (b - a)	Funded Ratio (a / b)
Non-Police	\$ -	\$ 162,562	\$ 162,562	0.00%
Police	-	424,343	424,343	0.00%
Total	<u>\$ -</u>	<u>\$ 586,905</u>	<u>\$ 586,905</u>	<u>0.00%</u>

	Non-Police	Police
Total OPEB Plan covered payroll	\$ 191,540	\$ 75,258
UAAL as a percentage of covered payroll	84.9%	563.9%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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.

The Annual Required Contribution for the plan year was determined as part of the plan’s October 1, 2012 actuarial valuation using the following methods and assumptions:

Valuation date : October 1, 2012

Actuarial cost method : Entry Age Normal Cost Method

Amortization method : Level Percent of Payroll

Amortization Period : The Unfunded Actuarial Accrued Liability is amortized over a period of 25 years on an open and closed basis with a starting amortization period of 30 years in FY 2008

Actuarial assumptions

Assumed rate of return on investments : 3.85%

Assumed health care cost trend rates : 9.5% for pre 65 medical and 8.5% for post 65 medical, grading down by 0.5% annually until an ultimate trend rate of 5.0% is reached

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.

Fraternal Order of Police, Walter E. Headley, Jr., Miami Lodge No. 20 v. City of Miami, Case No.: CA-2010-119. The FOP Miami Lodge 20 (hereinafter the "Union") alleges that it has 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 the Public Employees Relations Commission ("PERC") that it had engaged in negotiations on the impact of the financial urgency, and any action necessitated by the financial urgency, and that a dispute existed. The Union then alleges that on August 31, 2010, the City unilaterally took action to alter the terms and conditions of employment before reaching impasse with the Union, in violation of Section 447.501(1)(a) and (1)(c). Further, the Union alleges that, although the changes were not discussed with them, they were discussed in a closed door unnoticed "shade" meeting conducted in violation of Section 447.605, 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 City received a recommended order from the Hearing Officer in its favor, which was ultimately adopted by the Commission. The FOP has appealed to the Florida District Court of Appeals, First District. The First District affirmed. The FOP has sought review by the Florida Supreme Court. As of the date of the report, the City cannot predict the outcome of this case or financial consequences, if any.

International Association of Firefighters, Local 587 v. City of Miami, Case No.: CA-2010-119. The IAF Local 587 (hereinafter "Union") alleges that it has a Collective Bargaining Agreement ("CBA") with the City, effective through October 1, 2010, that, in exchange for concessions by the Union, the CBA was extended through September 30, 2011, and that the City expressly waived its right not to fund any year of the CBA except in the case of "true fiscal emergency", defined in the CBA as, "the City must demonstrate that there is no other reasonable alternative means of appropriating monies to fund the agreement for that year or years". The 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 City received a recommended order from the Hearing Officer in its favor, which was adopted by the Commission. The Union appealed to the District Court of Appeal, Third District. The hearing took place on April 15, 2013. As of the date of the report, the City is awaiting a decision from the Third District Court of Appeal and City cannot predict the outcome of this case or financial consequences, if any.

Securities and Exchange Commission v. City of Miami and Former Budget Director, Case No.:13-CV-22600 The plaintiff filed an action in the United States District Court in and for the Southern District of Florida against the City alleging that affirmative steps were taken to mislead the financial status of the City, thus allegedly misleading bond investors. In December 2013, the Court denied Motions to Dismiss filed by the City and by former budget director. In January 2014, the former budget director appealed to the United States Court of Appeals for the Eleventh Circuit, the lower Court's denial of the former budget director's Motion to Dismiss and filed a Motion for Stay of Proceedings Pending Appeal, which the lower Court granted on January 30, 2014. Subsequently, the Eleventh Circuit has set an appellate mediation for April 30th, before Eleventh Circuit Appellate Mediator. The Mediator also has authorized the City's involvement in the mediation. The City cannot predict the outcome of this investigation or the ultimate consequences resulting from any action on the part of the SEC.

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

The City is cooperating fully with the SEC investigation and is providing information in response to the SEC's subpoena. The SEC has not advised the City when the investigation, which appears to be in its

early stages, is expected to be concluded or of any potential outcome of the investigation, and the City cannot predict either the duration of the investigation or its outcome. The SEC investigation has temporarily diverted the attention of City officials and employees from the conduct of City operations and may continue to do so, could cause the City to incur significant expense, and could have a material effect on the City's future financial condition and operations. The City cannot predict the outcome of this investigation or the ultimate consequences resulting from any action on the part of the SEC.

Pursuant to (1) the City Parking Agreement, effective as of April 15, 2009, by and among the City, the County, and Miami Marlins Stadium Developer LLC assigned to Stadium Parking LLC, Miami Parking Authority ("MPA"), on behalf of the City, operates and manages the City's parking facilities which were financed by the Baseball Stadium Parking Garage Bonds.

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"). Since November 18, 2011, the City of Miami, Florida ("City") has been cooperating with the examination by the U.S. Department of Treasury, Internal Revenue Service ("IRS") of the Series 2007A&B Bonds. On October 18, 2013, the IRS sent to the City a Notification of No Change Determination, which completes that examination, confirms the tax-exempt status of the Series 2007A&B Bonds, and requires the City to continue to yield restrict any unspent proceeds and to spend any remaining proceeds as soon as possible. As of March 17, 2014, the City continues its required spend-down progress and continues to yield restrict any remaining unspent proceeds and interest of the Series 2007 A&B Bonds.

Petroleum Products Corporation, Claim No.: 001721-EO-01. An environmental claim is presently being asserted by the United States of America involving an alleged disposal by the City of Miami Fire Department's service garage of 83,055 gallons of waste oil to Petroleum Products Corporation ("PPC") on November 25, 1972. PPC allegedly operated as a processor and broker of waste oil at a site located in Hollywood, Florida, and, during its period of operation, disposed of sludges generated from the oil refining process in unlined pits on the site. Contamination assessment and initial remedial activities undertaken by the United States Environmental Protection Agency ("EPA) and the State Department of Environmental Protection ("DEP") during the past ten (10) years indicate that the soils and groundwater at the site are significantly contaminated by waste oil and other hazardous wastes.

Based on an invoice, allegedly documenting the City's involvement in this matter, the EPA has advised that it considers the City a generator of hazardous wastes at the site and, therefore, jointly and severally liable for the cleanup and recovery costs at the site. EPA's preliminary estimate for the collective costs of remedial activities at the site is approximately \$26 million dollars. It should be noted that in April, 1999, the EPA offered the City a de minimus settlement offer of \$344,109; however, the City rejected the offer. Outside counsel has re-evaluated this matter for the City and estimated the City's potential exposure for soil cleanup activities to be \$154,960. This sum was calculated by multiplying the City's allocated share of liability within the Cooperating Parties Group ("CPG") - 0.596% - against what counsel for the CPG ("Common Counsel") has advised is one possible worst case cost scenario to the CPG - \$20 million.

The City has joined the group of Potentially Responsible Parties ("PRP"s), and has entered into a Consent Decree with EPA on the first phase of a three-phased approach to the cleanup of the site, generally known as Operable Unit 1, 2 and 3. Following the execution of the Consent Decree by all settling PRPs, and completion of the remedial design at the site, and after further negotiations with EPA, the group of

settling PRPs has taken a very aggressive technical posture at the site. The remedial design addresses not only free product recovery (OU-3), but also aims to achieve significant flushing of impacted soils (OU-2).

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, 2013:

<u>Governmental Funds</u>	
Major Funds:	
Public Safety	\$ 1,253
Streets and Sidewalks	12,819
General Government	575
Fire Services	875
Other Non-Major Governmental Funds	35,763
	<u>\$ 51,285</u>

NOTE 13. – SUBSEQUENT EVENTS

The City is a defendant to other legal proceedings that occur in the normal course of operations. The ultimate resolution of these legal proceedings may have been settled subsequent to the financial statement date, but prior to their issuance. These settlements are not likely to have a material, adverse impact on the financial position of the County or the affected funds. All subsequent events detailed below are being reported through the date of the report.

In the fall of 2013, the environmental assessment of two City parks in the vicinity of the former Coconut Grove Incinerator – Blanche Park and Merrie Christmas Park - revealed the presence of solid waste and contaminants of concern in the soil. Subsequently, the City reviewed the historical uses of 110 City parks to determine if the historical uses necessitated environmental assessment. As a result of the City’s proactive historical review and initial testing, environmental assessments are in progress on the following parks: Bayfront Park, Billy Rolle Mini Park, Blanche Park, Curtis Park, Douglas Park, Fern Isle Park, Grapeland Heights Park, Jose Marti Park, and Merrie Christmas Park. These environmental assessments are supervised by Miami Dade County, pursuant to its regulatory authority. As of this date, no adjacent property owners or third parties have asserted any claims against the City related to the results of the environmental assessments of the aforementioned parks.

On July 21, 2011 the City of Miami (“City”) issued \$70,645,000 of Special Obligation Non-Ad-Valorem Revenue Refunding Bonds, Series 2011-A (the “Series 2011-A Bonds”) to refund the City’s previous loans from the Sunshine State Governmental Financing Commission borrowed in 1987, 1988, 1995, 2007, 2008, and 2009 (the “Sunshine State Loans”). The Series 2011-A Bonds required that the remaining original issue proceeds, and any interest thereon, on February 1, 2014, would be used to pay interest on the Series 2011-A Bonds.

To comply with the City's continuing covenants under the Bond Resolution and the Tax Compliance Certificate, and in accordance with advice from Bond Counsel, the City will be seeking approval from the City Commission during fiscal year 2014 to: (1) reallocate the remaining original issue proceeds of the Sunshine State Loans as debt service interest payments attributable to such interest payments previously made for fiscal years 2014, 2013, and 2012; (2) reallocate back to the General Fund earlier General Funds transferred to pay debt service interest payments on the Series 2011-A Bonds for fiscal years 2012, 2013, and 2014; (3) allocate the remaining original issue proceeds of the 2007, 2008, and 2009 Sunshine State Loans to the City's future February 1, 2015 interest payment on the Series 2011-A Bonds; and (4) attribute the General Fund revenues previously budgeted to make such required debt service interest payments by a separate resolution to amend, rebudget, reprogram, and reappropriate such previous General Funds to the Capital Projects Appropriations of the City's Multi-Year Capital Plan.

NOTE 14. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

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 Amendment 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 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.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, establishes accounting and financial reporting standards by governments which extend and

receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, establishes requirements for accounting and financial reporting for pensions by state and local government employers and nonemployer contributing entities. The requirements of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2014.

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

Required Supplementary Information

City of Miami, Florida
 Schedule of Revenues, Expenditures and Changes In Fund Balance
 Budget and Actual - General Fund
 For The Year Ended September 30, 2013
 (\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 217,631	\$ 217,631	\$ 208,999	\$ (8,632)
Franchise and Other Taxes	97,871	98,572	103,975	5,403
Licenses and Permits	40,294	40,294	35,794	(4,500)
Fines and Forfeitures	4,400	4,400	11,459	7,059
Intergovernmental Revenues	44,985	55,629	58,259	2,630
Charges for Services	87,997	88,397	104,604	16,207
Interest	800	800	(2,547)	(3,347)
Other	9,201	11,050	17,846	6,796
Total Revenues	<u>503,179</u>	<u>516,773</u>	<u>538,389</u>	<u>21,616</u>
Expenditures:				
General Government				
Mayor	884	884	875	9
Board of Commissioners	2,416	2,416	2,371	45
Office of City Manager	2,847	2,847	2,496	351
Office of City Clerk	1,456	1,456	1,267	189
Office of NET	3,496	3,496	3,373	123
Office of Civil Service	394	408	408	-
Office of Auditor General	1,071	1,071	925	146
Office of Communications	925	925	895	30
Human Resources	3,088	3,088	2,966	122
Information Technology	11,034	11,052	11,056	(4)
Office of the City Attorney	5,769	5,769	5,683	86
Office of Strategic Planning & Budgeting	1,535	1,535	1,533	2
Purchasing	1,440	1,440	1,384	56
Office of Equal Opportunity & Diversity	314	314	299	15
Finance	7,740	7,740	7,195	545
Capital Improvement Administration	3,906	4,858	4,889	(31)
Office of Grants administration	833	833	732	101
Risk Management	13,566	13,566	24,750	(11,184)
Non-Departmental	32,594	25,605	21,739	3,866
Total General Government	<u>95,308</u>	<u>89,303</u>	<u>94,836</u>	<u>(5,533)</u>
Planning and Development				
Building	7,633	7,712	7,146	566
Department of Planning	4,684	4,782	4,758	24
Total Planning and Development	<u>12,317</u>	<u>12,494</u>	<u>11,904</u>	<u>590</u>
Public Works				
Solid Waste	26,853	27,298	27,322	(24)
General Service Administration	20,520	20,520	20,541	(21)
Public Works	16,908	16,908	16,121	787
Total Public Works	<u>64,281</u>	<u>64,726</u>	<u>63,984</u>	<u>742</u>
Public Safety				
Office of Code Compliance	4,417	4,417	4,332	85
Fire- Rescue	99,640	106,876	106,985	(109)
Police	155,723	164,070	164,383	(313)
Total Public Safety	<u>259,780</u>	<u>275,363</u>	<u>275,700</u>	<u>(422)</u>
Pensions				
G.E.S.E. Pension	658	658	799	(141)
Total Pension	<u>658</u>	<u>658</u>	<u>799</u>	<u>(141)</u>
Public Facilities	5,874	5,901	5,651	250
Parks and Recreation	29,002	29,013	29,300	(287)
Total Expenditures	<u>467,220</u>	<u>477,458</u>	<u>482,174</u>	<u>(4,716)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,959</u>	<u>39,315</u>	<u>56,215</u>	<u>16,900</u>
Other Financing Sources (Uses):				
Transfers In	70	70	440	370
Transfers Out	(36,029)	(39,385)	(38,973)	412
Proceeds from Sale of Property	-	-	236	236
Total Other Financing Sources (Uses)	<u>(35,959)</u>	<u>(39,315)</u>	<u>(38,297)</u>	<u>1,018</u>
Net Change in Fund Balance	-	-	17,918	17,918
Fund Balance - Beginning of Year	-	-	57,544	57,544
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>75,462</u>	<u>\$ 75,462</u>

Required Supplementary Information

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, 2013
 (\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 26,038	\$ 27,381	\$ 35,156	\$ 7,775
Charges for Services	-	-	5	5
Other	514	3,091	6	(3,085)
Total Revenues	<u>26,552</u>	<u>30,472</u>	<u>35,167</u>	<u>4,695</u>
Expenditures:				
Current Operating:				
Public Safety	10,176	13,938	23,784	(9,846)
Capital Outlay	16,764	16,923	4,190	12,733
Total Expenditures	<u>26,940</u>	<u>30,861</u>	<u>27,974</u>	<u>2,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(388)</u>	<u>(389)</u>	<u>7,193</u>	<u>7,582</u>
Other Financing Sources:				
Transfers In	388	389	389	-
Total Other Financing Sources	<u>388</u>	<u>389</u>	<u>389</u>	<u>-</u>
Net Change in Fund Balance	-	-	7,582	7,582
Fund Balance (Deficit) - Beginning of Year	-	-	(3,928)	(3,928)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,654</u>	<u>\$ 3,654</u>

Notes to Required Supplementary Information

City of Miami, Florida
Year Ended September 30, 2013
(Unaudited)

NOTE 1. - BUDGETARY POLICY

A. Budget Policy

The City Commission annually adopts an operating budget ordinance for all governmental funds of the City, except for the Capital Projects Funds. The Capital Projects Funds are budgeted on a total project basis for which annual budgets are not available. For governmental funds, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

B. Budget-Legal Compliance

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

- Prior to August 31st, the City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund, which is at the departmental level, for the fiscal year commencing the upcoming October 1st. The operating budget includes proposed expenditures and the means of financing them.
- The Mayor prepares and delivers a budgetary address annually to the people of the City between July 1st and September 30th.
- Such report is prepared after consultation with the City Manager.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1st, the budget is legally enacted through the passage of a resolution and adoption of the budget report.
- Management may not make changes to the adopted budget without the approval of a majority vote of the Commission.
- The Commission may transfer among departments any part of an unencumbered balance of an appropriation to a purpose for which an appropriation for the current year has proved insufficient. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.
- Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level.

All budget amendments require City Commission approval. During fiscal year 2013, supplemental appropriations totaling \$13.6 million in the General Fund, \$3.9 million in the Fire Rescue Services Fund, \$2.9 million in Public Safety Capital Fund, \$5.7 million in General Government Capital Fund, \$5.7 million in the Streets and Sidewalks Capital Fund, \$51.6 in Special Obligation Bonds and \$25.2 million in Other Non-Major Funds was required to fund expenditures for unanticipated program requirements.

During fiscal year 2013, the General fund had expenditures of approximately \$1.9 million attributable to capital expenditures; these expenditures are budgeted at the department level and not reported separately on the General Fund Budget to Actual Schedule of Revenues, Expenditures and Changes in Fund Balance presented on page 105.

Required Supplementary Information

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

Schedule of Funding Progress (a) (Unaudited)

Actuarial Valuation Date	(1) Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (2) - (1)	Funded Ratio (1)/(2)	(3) Covered Payroll	Unfunded (Overfunded) as a Percentage of Covered Payroll (2) - (1)/(3)
<i>GESE Retirement Trust (b)(in millions)</i>						
10/1/2012	\$ 560.90	\$ 858.20	\$ 297.30	65%	\$ 62.52	476%
10/1/2011	600.70	845.10	244.40	71%	63.60	384%
10/1/2010	653.00	840.90	187.90	78%	68.80	273%
<i>GESE Staff Plan (b)(in thousands)</i>						
10/1/2012	\$ 2,455.40	\$ 4,364.40	\$ 1,909.00	56%	\$ 354.90	538%
10/1/2011	2,137.00	3,139.90	1,002.90	68%	735.00	136%
10/1/2010	1,834.60	2,827.00	992.40	65%	843.00	118%
<i>GESE Excess Plan (b)(in thousands)</i>						
10/1/2012	\$ -	\$ 6.30	\$ 6.30	0%	\$ 62.50	10%
10/1/2011	-	5.80	5.80	0%	63.60	9%
10/1/2010	-	5.70	5.70	0%	68.80	8%
<i>FIPO (c)(in millions)</i>						
10/1/2012	\$ 1,143.60	\$ 1,573.00	\$ 429.40	73%	\$ 82.20	522%
10/1/2011	1,150.30	1,590.50	440.20	72%	82.20	536%
10/1/2010	1,180.60	1,568.30	387.70	75%	80.20	483%
<i>EORT (e)(in thousands)</i>						
1/1/2013	\$ 6,258.00	\$ 8,043.00	\$ 1,785.00	78%	\$ 209.00	854%
1/1/2012	5,922.00	7,480.00	1,558.00	79%	209.00	745%
1/1/2011	5,498.00	6,503.00	1,005.00	85%	336.00	299%
<i>City of Miami Police Other Post Employment Benefits (d)(in millions)</i>						
10/1/2012	\$ -	\$ 424.34	\$ 424.34	0%	\$ 75.26	564%
10/1/2008	-	394.13	394.13	0%	72.71	542%
10/1/2006	-	333.52	333.52	0%	57.60	579%
<i>City of Miami Other Than Police Other Post Employment Benefits (d)(in millions)</i>						
10/1/2012	\$ -	\$ 162.56	\$ 162.56	0%	\$ 191.54	85%
10/1/2008	-	146.56	146.56	0%	185.06	79%
10/1/2006	-	146.80	146.80	0%	129.89	113%

- 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, 2013
- e. Calculated using Projected Unit Credit Cost as of 01/01/2013, prior years individual aggregate cost method.

Required Supplementary Information

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

Schedule of Employer Contributions (Unaudited)

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed
<i>(\$ in thousands)</i>					
<u>GESE Retirement Trust</u>			<u>FIPO Trust</u>		
9/30/2013	\$ 25,568	100%	9/30/2013	\$ 45,412	100%
9/30/2012	25,725	100%	9/30/2012	47,418	100%
9/30/2011	20,092	100%	9/30/2011	47,157	100%
<u>GESE Staff Plan</u>			<u>GESE Excess Plan</u>		
9/30/2013	\$ 220	100%	9/30/2013	\$ 666	79%
9/30/2012	227	100%	9/30/2012	607	69%
9/30/2011	164	100%	9/30/2011	585	69%
<u>EORT (Elected Officials Retirement Trust)</u>					
1/1/2013	\$ 488	100%			
1/1/2012	566	100%			
1/1/2011	432	100%			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Contributed
<u>City of Miami Other Post Employment Benefits - Non-Police</u>			<u>City of Miami Other Post Employment Benefits - Police</u>		
9/30/2013	\$ 14,552	25%	9/30/2013	\$ 32,745	17%
9/30/2012	13,676	23%	9/30/2012	30,876	20%
9/30/2011	9,182	25%	9/30/2011	4,932	39%
(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).



Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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



Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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



Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

Miami Ballpark Parking Facility - To account for the operations of the Miami Ballpark Parking Facility.

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

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



DEBT SERVICE FUNDS

Non-major Governmental 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.

Major Governmental Funds

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



Non-major Governmental Funds

CAPITAL PROJECT FUNDS

Capital Project 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.

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, 2013
(\$ in thousands)

Special Revenue Funds

	<u>Omni CRA</u>	<u>Midtown CRA</u>	<u>SEOPW CRA</u>	<u>Homeless Program</u>	<u>Community Development</u>
Assets					
Pooled Cash, Cash Equivalents and Investments	\$ 19,643	\$ -	\$ 28,907	\$ -	\$ 7,703
Restricted Cash and Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	28
Loans Receivable	-	-	-	-	2
Taxes	-	-	-	-	-
Due from Other Governments	825	-	-	615	3,153
Accrued Interest	7	-	10	-	4
Total Assets	<u>20,475</u>	<u>-</u>	<u>28,917</u>	<u>615</u>	<u>10,890</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	984	-	510	61	2,868
Due to Other Funds	-	-	-	334	-
Due to Other Governments	430	-	446	-	660
Unearned Revenue	-	-	-	-	558
Deposits	-	-	-	-	1,857
Total Liabilities	<u>1,414</u>	<u>-</u>	<u>956</u>	<u>395</u>	<u>5,943</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	19,061	-	27,961	82	494
Committed	-	-	-	-	4,453
Assigned	-	-	-	-	-
Unassigned	-	-	-	138	-
Total Fund Balances (Deficits)	<u>19,061</u>	<u>-</u>	<u>27,961</u>	<u>220</u>	<u>4,947</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 20,475</u>	<u>\$ -</u>	<u>\$ 28,917</u>	<u>\$ 615</u>	<u>\$ 10,890</u>

Special Revenue Funds

Choice Housing Vouchers	SHIP	Convention Center	Economic Development & Planning Services	Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust
\$ 191	\$ 178	\$ 354	\$ 6,010	\$ 2,398	\$ 2,009	\$ 2,352	\$ 2,103
-	-	177	-	-	-	-	-
-	-	98	-	93	-	437	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	29	7	-	97	1,732	-
-	-	-	-	-	-	4	-
<u>191</u>	<u>178</u>	<u>658</u>	<u>6,017</u>	<u>2,491</u>	<u>2,106</u>	<u>4,525</u>	<u>2,103</u>
3	-	689	5	25	183	142	33
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	-	-	-	-	-	172	-
-	-	-	-	4	-	-	112
<u>4</u>	<u>-</u>	<u>689</u>	<u>5</u>	<u>29</u>	<u>183</u>	<u>314</u>	<u>145</u>
-	-	-	-	-	-	-	-
187	178	-	346	2,488	682	6,070	1,958
-	-	-	5,585	-	591	-	-
-	-	-	13	-	650	-	-
-	-	(31)	68	(26)	-	(1,859)	-
<u>187</u>	<u>178</u>	<u>(31)</u>	<u>6,012</u>	<u>2,462</u>	<u>1,923</u>	<u>4,211</u>	<u>1,958</u>
<u>\$ 191</u>	<u>\$ 178</u>	<u>\$ 658</u>	<u>\$ 6,017</u>	<u>\$ 2,491</u>	<u>\$ 2,106</u>	<u>\$ 4,525</u>	<u>\$ 2,103</u>

City of Miami, Florida
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2013
(\$ in thousands)

	Special Revenue Funds				
	Public Works Services	City Clerk Services	Emergency Services	General Special Revenues	Departmental Improvement Initiatives
Assets					
Pooled Cash, Cash Equivalents and Investments	\$ 3,166	\$ 475	\$ 2,174	\$ -	\$ 1,983
Restricted Cash and Investments	-	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	34
Loans Receivable	-	-	-	-	-
Taxes	-	-	-	-	-
Due from Other Governments	-	-	-	1,328	407
Accrued Interest	-	-	-	-	-
Total Assets	<u>3,166</u>	<u>475</u>	<u>2,174</u>	<u>1,328</u>	<u>2,424</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	29	18	460	142
Due to Other Funds	-	-	-	561	-
Due to Other Governments	-	-	-	125	-
Unearned Revenue	-	-	-	370	1
Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>29</u>	<u>18</u>	<u>1,516</u>	<u>143</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	1,000	-	-	-	-
Spendable Fund Balance					
Restricted	259	-	2,587	225	1,363
Committed	1,836	446	-	14	918
Assigned	71	-	-	-	-
Unassigned	-	-	(431)	(427)	-
Total Fund Balances (Deficits)	<u>3,166</u>	<u>446</u>	<u>2,156</u>	<u>(188)</u>	<u>2,281</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 3,166</u>	<u>\$ 475</u>	<u>\$ 2,174</u>	<u>\$ 1,328</u>	<u>\$ 2,424</u>

Special Revenue Funds					Debt Service Funds	
Transportation & Transit	Miami Ballpark Parking Facilities	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Total Special Revenue	General Obligation Bonds	
\$ 16,123	\$ -	201	\$ 21	95,991	\$ 295	
-	-	-	11	188	2,996	
-	2,188	-	-	2,878	-	
-	-	-	-	2	-	
-	-	-	-	-	696	
3,192	-	2	-	11,387	114	
-	-	-	-	25	-	
<u>19,315</u>	<u>2,188</u>	<u>203</u>	<u>32</u>	<u>110,471</u>	<u>4,101</u>	
833	649	3	7	7,644	-	
-	86	-	-	981	-	
-	-	-	-	1,661	-	
1,060	-	-	-	2,162	512	
-	-	-	-	1,973	-	
<u>1,893</u>	<u>735</u>	<u>3</u>	<u>7</u>	<u>14,421</u>	<u>512</u>	
-	-	-	-	1,000	-	
17,422	1,453	200	-	83,016	3,589	
-	-	-	-	13,843	-	
-	-	-	-	734	-	
-	-	-	25	(2,543)	-	
<u>17,422</u>	<u>1,453</u>	<u>200</u>	<u>25</u>	<u>96,050</u>	<u>3,589</u>	
<u>\$ 19,315</u>	<u>\$ 2,188</u>	<u>203</u>	<u>\$ 32</u>	<u>\$ 110,471</u>	<u>\$ 4,101</u>	

City of Miami, Florida
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2013
(in thousands)

	Debt Service Funds		Capital Projects Funds		
	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency	Sanitary Sewers	Storm Sewers
Assets					
Pooled Cash, Cash Equivalents and Investments	\$ -	\$ 295	\$ 2	\$ 17,217	\$ 11,267
Restricted Cash and Investments	-	2,996	-	-	-
Receivables (Net of Allowances for Uncollectibles):					
Accounts	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Taxes	-	696	-	-	-
Due From Other Governments	-	114	-	-	319
Accrued Interest	-	-	-	4	-
Total Assets	<u>-</u>	<u>4,101</u>	<u>2</u>	<u>17,221</u>	<u>11,586</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	-	-	(16)	2,886
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	512	-	-	153
Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>512</u>	<u>-</u>	<u>(16)</u>	<u>3,039</u>
Fund Balances (Deficits):					
Non Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	-	3,589	2	17,237	8,547
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>3,589</u>	<u>2</u>	<u>17,237</u>	<u>8,547</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 4,101</u>	<u>\$ 2</u>	<u>\$ 17,221</u>	<u>\$ 11,586</u>

Capital Projects Funds

	Solid Waste	Public Facilities	Parks & Recreation	Transportation & Transit	Disaster Recovery	Mass Transit	Total Capital Projects	Total Non-Major Governmental Funds
\$	882	\$ 23,867	\$ 17,245	\$ 19,397	\$ 1,137	\$ -	\$ 91,014	187,300
	-	-	-	-	-	-	-	3,184
	2	-	-	-	-	-	2	2,880
	-	-	-	-	-	-	-	2
	-	-	-	-	-	-	-	696
	-	990	1,013	-	13	95	2,430	13,931
	-	-	-	-	-	-	4	29
	<u>884</u>	<u>24,857</u>	<u>18,258</u>	<u>19,397</u>	<u>1,150</u>	<u>95</u>	<u>93,450</u>	<u>208,022</u>
	175	1,472	3,079	-	26	25	7,647	15,291
	-	-	-	-	-	71	71	1,052
	-	-	-	-	-	-	-	1,661
	-	488	76	-	1,896	79	2,692	5,366
	-	-	-	-	-	-	-	1,973
	<u>175</u>	<u>1,960</u>	<u>3,155</u>	<u>-</u>	<u>1,922</u>	<u>175</u>	<u>10,410</u>	<u>25,343</u>
	-	-	-	-	-	-	-	1,000
	-	22,901	15,103	19,397	-	-	83,187	169,792
	709	-	-	-	-	-	709	14,552
	-	-	-	-	-	-	-	734
	-	(4)	-	-	(772)	(80)	(856)	(3,399)
	<u>709</u>	<u>22,897</u>	<u>15,103</u>	<u>19,397</u>	<u>(772)</u>	<u>(80)</u>	<u>83,040</u>	<u>182,679</u>
\$	<u>884</u>	<u>\$ 24,857</u>	<u>\$ 18,258</u>	<u>\$ 19,397</u>	<u>\$ 1,150</u>	<u>\$ 95</u>	<u>\$ 93,450</u>	<u>\$ 208,022</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, 2013
(\$ in thousands)

	Special Revenue Funds					
	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development	Choice Housing Vouchers
Revenues						
Property Taxes	10,030	\$ 2,821	\$ 10,233	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Intergovernmental Revenues	1,449	-	-	1,777	33,583	1,642
Charges for Services	-	-	-	-	1,179	-
Investment Earnings (Loss)	28	-	(100)	-	(3)	-
Other	(58)	-	130	-	345	1
Total Revenues	<u>11,449</u>	<u>2,821</u>	<u>10,263</u>	<u>1,777</u>	<u>35,104</u>	<u>1,643</u>
Expenditures						
Current Operating:						
General Government	-	-	-	-	-	-
Planning and Development	-	-	-	-	-	-
Community Development	-	-	-	1,981	36,527	1,754
Community Redevelopment Areas	9,563	3,414	7,272	-	-	-
Public Works	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Facilities	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	3,413	-
Interest and Other Charges	-	-	-	-	4	-
Capital Outlay	-	-	-	-	425	-
Total Expenditures	<u>9,563</u>	<u>3,414</u>	<u>7,272</u>	<u>1,981</u>	<u>40,369</u>	<u>1,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,886</u>	<u>(593)</u>	<u>2,991</u>	<u>(204)</u>	<u>(5,265)</u>	<u>(111)</u>
Other Financing Sources (Uses)						
Transfers In	-	634	-	406	2,537	-
Transfers Out	(2,150)	(41)	(521)	-	(1,281)	-
Total Other Financing Sources (Uses)	<u>(2,150)</u>	<u>593</u>	<u>(521)</u>	<u>406</u>	<u>1,256</u>	<u>-</u>
Net Changes in Fund Balances	(264)	-	2,470	202	(4,009)	(111)
Fund Balances, (Deficit) - Beginning	<u>19,325</u>	<u>-</u>	<u>25,491</u>	<u>18</u>	<u>8,956</u>	<u>298</u>
Fund Balances (Deficit) - Ending	<u>19,061</u>	<u>\$ -</u>	<u>\$ 27,961</u>	<u>\$ 220</u>	<u>\$ 4,947</u>	<u>\$ 187</u>

Special Revenue Funds

SHIP	Convention Center	Economic Development & Planning Services	Net Offices	Parks & Recreation Services	Police Services	Law Enforcement Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	30	-	73	-	-
-	31	-	2	-	-	222
(10)	82	199	-	1,405	6,442	-
-	6,387	2,656	824	217	320	-
(1)	-	-	1	-	(23)	(9)
50	587	-	4	709	-	-
<u>39</u>	<u>7,087</u>	<u>2,885</u>	<u>831</u>	<u>2,404</u>	<u>6,739</u>	<u>213</u>
-	-	233	-	-	-	-
-	-	48	-	-	-	-
180	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	102	-	10,142	1,958
-	3,885	-	-	-	-	-
-	-	-	-	2,684	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12	37	327	(21)
<u>180</u>	<u>3,885</u>	<u>281</u>	<u>114</u>	<u>2,721</u>	<u>10,469</u>	<u>1,937</u>
<u>(141)</u>	<u>3,202</u>	<u>2,604</u>	<u>717</u>	<u>(317)</u>	<u>(3,730)</u>	<u>(1,724)</u>
-	3,262	74	-	121	1,052	-
-	(6,614)	(551)	-	(115)	-	-
-	(3,352)	(477)	-	6	1,052	-
(141)	(150)	2,127	717	(311)	(2,678)	(1,724)
<u>319</u>	<u>119</u>	<u>3,885</u>	<u>1,745</u>	<u>2,234</u>	<u>6,889</u>	<u>3,682</u>
<u>\$ 178</u>	<u>\$ (31)</u>	<u>\$ 6,012</u>	<u>\$ 2,462</u>	<u>\$ 1,923</u>	<u>\$ 4,211</u>	<u>\$ 1,958</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, 2013
(\$ in thousands)

	Special Revenue Funds				
	Public Works Services	City Clerk Services	Emergency Services	General Special Revenues	Departmental Improvement Initiatives
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	(3)
Fines and Forfeitures	-	-	-	-	108
Intergovernmental Revenues	-	-	308	2,577	2,224
Charges for Services	836	169	-	-	-
Investment Earnings (Loss)	(3)	-	-	-	32
Other	-	(1)	-	1	-
Total Revenues	<u>833</u>	<u>168</u>	<u>308</u>	<u>2,578</u>	<u>2,361</u>
Expenditures					
Current Operating:					
General Government	-	209	-	1,625	2,416
Planning and Development	-	-	-	-	61
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	28	-	(587)	50	42
Public Safety	-	-	65	-	-
Public Facilities	-	-	-	-	10
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	(306)	15
Total Expenditures	<u>28</u>	<u>209</u>	<u>(522)</u>	<u>1,369</u>	<u>2,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>805</u>	<u>(41)</u>	<u>830</u>	<u>1,209</u>	<u>(183)</u>
Other Financing Sources (Uses)					
Transfers In	-	64	-	-	473
Transfers Out	(550)	-	-	-	(352)
Total Other Financing Sources (Uses)	<u>(550)</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>121</u>
Net Changes in Fund Balances	255	23	830	1,209	(62)
Fund Balances, (Deficit) - Beginning	<u>2,911</u>	<u>423</u>	<u>1,326</u>	<u>(1,397)</u>	<u>2,343</u>
Fund Balances (Deficit) - Ending	<u>\$ 3,166</u>	<u>\$ 446</u>	<u>\$ 2,156</u>	<u>\$ (188)</u>	<u>\$ 2,281</u>

Special Revenue Funds					Debt Service Funds	
Transportation & Transit	Miami Ballpark Parking Facility	Liberty City Revitalization Trust	Virginia Key Beach Park Trust	Total Special Revenue	General Obligation Bonds	
\$ -	\$ -	-	\$ -	\$ 23,084	\$ 26,425	
-	-	-	-	-	-	
-	-	-	-	100	-	
-	-	-	-	363	-	
14,471	-	12	-	66,161	-	
-	5,250	-	459	18,297	-	
-	-	-	-	(78)	-	
2	100	7	10	1,887	-	
<u>14,473</u>	<u>5,350</u>	<u>19</u>	<u>469</u>	<u>109,814</u>	<u>26,425</u>	
3,339	-	-	-	7,822	38	
-	-	-	-	109	-	
-	-	-	-	40,442	-	
-	-	159	-	20,408	-	
-	-	-	-	(467)	-	
-	-	-	-	12,267	-	
-	2,188	-	-	6,083	-	
-	-	-	412	3,096	-	
-	-	-	-	-	-	
-	-	-	-	3,413	11,018	
-	-	-	-	4	13,732	
13	-	-	-	502	-	
<u>3,352</u>	<u>2,188</u>	<u>159</u>	<u>412</u>	<u>93,679</u>	<u>24,788</u>	
<u>11,121</u>	<u>3,162</u>	<u>(140)</u>	<u>57</u>	<u>16,135</u>	<u>1,637</u>	
-	-	-	-	8,623	-	
(9,442)	(2,625)	-	-	(24,242)	-	
(9,442)	(2,625)	-	-	(15,619)	-	
1,679	537	(140)	57	516	1,637	
<u>15,743</u>	<u>916</u>	<u>340</u>	<u>(32)</u>	<u>95,534</u>	<u>1,952</u>	
<u>\$ 17,422</u>	<u>\$ 1,453</u>	<u>200</u>	<u>\$ 25</u>	<u>\$ 96,050</u>	<u>\$ 3,589</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, 2013
(in thousands)

	Debt Service Funds		Capital Projects Funds		
	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency	Transportation & Transit	Sanitary Sewers
Revenues					
Property Taxes	\$ -	\$ 26,425	\$ -	\$ -	\$ -
Franchise Fees and Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-
Charges for Services	-	-	-	-	-
Investment Earnings (Loss)	-	-	-	-	(6)
Other	-	-	-	15	-
Total Revenues	<u>-</u>	<u>26,425</u>	<u>-</u>	<u>15</u>	<u>(6)</u>
Expenditures					
Current Operating:					
General Government	-	38	-	-	-
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	1,170	12,188	-	-	-
Interest and Other Charges	56	13,788	-	-	-
Capital Outlay	-	-	-	-	705
Total Expenditures	<u>1,226</u>	<u>26,014</u>	<u>-</u>	<u>-</u>	<u>705</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,226)</u>	<u>411</u>	<u>-</u>	<u>15</u>	<u>(711)</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	3,190	-
Transfers Out	-	-	-	(3,534)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(344)</u>	<u>-</u>
Net Changes in Fund Balances	<u>(1,226)</u>	<u>411</u>	<u>-</u>	<u>(329)</u>	<u>(711)</u>
Fund Balances, (Deficit) - Beginning	<u>1,226</u>	<u>3,178</u>	<u>2</u>	<u>19,726</u>	<u>17,948</u>
Fund Balances (Deficit) - Ending	<u>\$ -</u>	<u>\$ 3,589</u>	<u>\$ 2</u>	<u>\$ 19,397</u>	<u>\$ 17,237</u>

Capital Projects Funds

Storm Sewers	Solid Waste	Public Facilities	Parks & Recreation	Disaster Recovery	Mass Transit	Total Capital Projects	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,509
46	-	-	-	-	-	46	46
-	-	-	-	-	-	-	100
-	-	-	-	-	-	-	363
1,169	-	831	1,050	-	16	3,066	69,227
-	-	-	71	-	-	71	18,368
-	-	14	-	-	-	8	(70)
-	-	628	-	-	-	643	2,530
<u>1,215</u>	<u>-</u>	<u>1,473</u>	<u>1,121</u>	<u>-</u>	<u>16</u>	<u>3,834</u>	<u>140,073</u>
656	-	112	37	-	18	823	8,683
-	-	-	10	-	-	10	119
-	-	-	-	-	-	-	40,442
-	-	-	-	-	-	-	20,408
-	179	-	-	-	-	179	(288)
-	-	-	-	-	-	-	12,267
-	-	688	-	-	-	688	6,771
-	-	-	98	-	-	98	3,194
-	-	-	-	-	-	-	15,601
-	-	-	-	-	-	-	13,792
5,099	1,761	4,492	10,730	-	50	22,837	23,339
<u>5,755</u>	<u>1,940</u>	<u>5,292</u>	<u>10,875</u>	<u>-</u>	<u>68</u>	<u>24,635</u>	<u>144,328</u>
<u>(4,540)</u>	<u>(1,940)</u>	<u>(3,819)</u>	<u>(9,754)</u>	<u>-</u>	<u>(52)</u>	<u>(20,801)</u>	<u>(4,255)</u>
3,439	854	1,452	7,300	-	151	16,386	25,009
-	-	(11)	-	-	-	(3,545)	(27,787)
<u>3,439</u>	<u>854</u>	<u>1,441</u>	<u>7,300</u>	<u>-</u>	<u>151</u>	<u>12,841</u>	<u>(2,778)</u>
(1,101)	(1,086)	(2,378)	(2,454)	-	99	(7,960)	(7,033)
<u>9,648</u>	<u>1,795</u>	<u>25,275</u>	<u>17,557</u>	<u>(772)</u>	<u>(179)</u>	<u>91,000</u>	<u>189,712</u>
<u>\$ 8,547</u>	<u>\$ 709</u>	<u>\$ 22,897</u>	<u>\$ 15,103</u>	<u>\$ (772)</u>	<u>\$ (80)</u>	<u>\$ 83,040</u>	<u>\$ 182,679</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 9,601	\$ 9,599	\$ 10,030	\$ 431
Intergovernmental Revenues	-	-	1,449	1,449
Investment Earnings (Loss)	-	-	28	28
Other	-	-	(58)	(58)
Total Revenues	<u>9,601</u>	<u>9,599</u>	<u>\$ 11,449</u>	<u>1,850</u>
Expenditures:				
Current Operating:				
Community Redevelopment Areas	29,075	28,334	9,563	18,771
Total Expenditures	<u>29,075</u>	<u>28,334</u>	<u>9,563</u>	<u>18,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,474)</u>	<u>(18,735)</u>	<u>1,886</u>	<u>20,621</u>
Other Financing Sources (Uses):				
Sales of Land	(620)	(600)	-	600
Transfers Out	-	-	(2,150)	(2,150)
Total Other Financing Sources (Uses)	<u>(620)</u>	<u>(600)</u>	<u>(2,150)</u>	<u>(1,550)</u>
Net Change in Fund Balance	(20,094)	(19,335)	(264)	19,071
Fund Balance - Beginning of Year	20,094	19,335	19,325	(10)
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,061</u>	<u>\$ 19,061</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, 2013
(\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 2,881	\$ 2,821	\$ 282	\$ -
Total Revenues	<u>2,881</u>	<u>2,821</u>	<u>282</u>	<u>-</u>
Expenditures:				
Current Operating:				
Community Redevelopment Areas	2,852	2,793	3,414	(621)
Total Expenditures	<u>2,852</u>	<u>2,793</u>	<u>3,414</u>	<u>(621)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29</u>	<u>28</u>	<u>(3,132)</u>	<u>(621)</u>
Other Financing Source (Uses):				
Transfers In	-	-	634	(634)
Transfers Out	(29)	(28)	(41)	13
Total Other Financing Sources (Uses)	<u>(29)</u>	<u>(28)</u>	<u>593</u>	<u>(621)</u>
Net Change in Fund Balance	-	-	(2,539)	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,539)</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 9,501	\$ 9,787	\$ 10,233	\$ 446
Investment Earnings (Loss)	-	-	(100)	(100)
Other	-	166	130	(36)
Total Revenues	<u>9,501</u>	<u>9,953</u>	<u>10,263</u>	<u>310</u>
Expenditures:				
Community Redevelopment Areas	34,404	34,307	7,272	27,035
Total Expenditures	<u>34,404</u>	<u>34,307</u>	<u>7,272</u>	<u>27,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,903)</u>	<u>(24,354)</u>	<u>2,991</u>	<u>27,345</u>
Other Financing Sources (Uses):				
Transfers Out	(1,473)	(1,137)	(521)	616
Total Other Financing Sources (Uses)	<u>(1,473)</u>	<u>(1,137)</u>	<u>(521)</u>	<u>616</u>
Net Change in Fund Balance	(26,376)	(25,491)	2,470	27,961
Fund Balance - Beginning of Year	<u>26,376</u>	<u>25,491</u>	<u>25,491</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,961</u>	<u>\$ 27,961</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, 2013
(\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 1,836	\$ 1,885	\$ 1,777	\$ (108)
Other	-	398	-	(398)
Total Revenues	<u>1,836</u>	<u>2,283</u>	<u>1,777</u>	<u>(506)</u>
Expenditures:				
Current Operating:				
Community Development	2,242	2,689	1,981	708
Total Expenditures	<u>2,242</u>	<u>2,689</u>	<u>1,981</u>	<u>708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(406)</u>	<u>(406)</u>	<u>(204)</u>	<u>202</u>
Other Financing Sources (Uses):				
Transfers In	406	406	406	-
Total Other Financing Sources (Uses)	<u>406</u>	<u>406</u>	<u>406</u>	<u>-</u>
Net Change in Fund Balance	-	-	202	202
Fund Balance (Deficit) - Beginning of Year	-	-	18	18
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 220</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, 2013
(\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 45,033	\$ 44,671	\$ 33,583	(11,088)
Charges for Services	-	-	1,179	1,179
Investment Earnings (Loss)	-	-	(3)	(3)
Other	20	3,827	345	(3,482)
Total Revenues	<u>45,053</u>	<u>48,498</u>	<u>35,104</u>	<u>(13,394)</u>
Expenditures:				
Current Operating:				
Community Development	46,929	49,093	36,527	12,566
Principal	-	-	3,413	(3,413)
Interest and Other Charges	-	-	4	(4)
Capital Outlay	-	-	425	(425)
Total Expenditures	<u>46,929</u>	<u>49,093</u>	<u>40,369</u>	<u>8,724</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,876)</u>	<u>(595)</u>	<u>(5,265)</u>	<u>(4,670)</u>
Other Financing Sources (Uses):				
Transfers In	2,151	2,151	2,537	386
Transfers Out	(275)	(1,556)	(1,281)	275
Total Other Financing Sources (Uses)	<u>1,876</u>	<u>595</u>	<u>1,256</u>	<u>661</u>
Net Change in Fund Balance	-	-	(4,009)	(4,009)
Fund Balance - Beginning of Year	-	-	8,956	8,956
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,947</u>	<u>\$ 4,947</u>

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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 1,988	\$ 1,988	\$ 1,642	\$ (346)
Other	-	-	1	1
Total Revenues	<u>1,988</u>	<u>1,988</u>	<u>1,643</u>	<u>(345)</u>
Expenditures:				
Current Operating:				
Community Development	1,982	1,982	1,754	228
Total Expenditures	<u>1,982</u>	<u>1,982</u>	<u>1,754</u>	<u>228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6</u>	<u>6</u>	<u>(111)</u>	<u>(117)</u>
Other Financing Sources (Uses):				
Transfers In	(6)	(6)	-	6
Total Other Financing Sources (Uses)	<u>(6)</u>	<u>(6)</u>	<u>-</u>	<u>6</u>
Net Change in Fund Balance	-	-	(111)	(111)
Fund Balance - Beginning of Year	-	-	298	298
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187</u>	<u>\$ 187</u>

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SHIP
For The Year Ended September 30, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ 362	\$ (10)	\$ (372)
Investment Earnings (Loss)	-	-	(1)	(1)
Other	-	-	50	50
Total Revenues	<u>-</u>	<u>362</u>	<u>39</u>	<u>(323)</u>
Expenditures:				
Current Operating:				
Community Development	-	362	180	182
Total Expenditures	<u>-</u>	<u>362</u>	<u>180</u>	<u>182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(141)</u>	<u>(141)</u>
Net Change in Fund Balance	-	-	(141)	(141)
Fund Balance - Beginning of Year	-	-	319	319
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178</u>	<u>\$ 178</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 31	\$ 31
Intergovernmental Revenues	-	50	82	32
Charges for Services	6,847	6,847	6,387	(460)
Other	63	128	587	459
Total Revenues	<u>6,910</u>	<u>7,025</u>	<u>7,087</u>	<u>62</u>
Expenditures:				
Public Facilities	3,956	4,071	3,885	186
Total Expenditures	<u>3,956</u>	<u>4,071</u>	<u>3,885</u>	<u>186</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,954</u>	<u>2,954</u>	<u>3,202</u>	<u>248</u>
Other Financing Sources (Uses):				
Transfers In	3,461	3,461	3,262	(199)
Transfers Out	(6,415)	(6,415)	(6,614)	(199)
Total Other Financing Sources (Uses)	<u>(2,954)</u>	<u>(2,954)</u>	<u>(3,352)</u>	<u>(398)</u>
Net Change in Fund Balance	-	-	(150)	(150)
Fund Balance (Deficit)- Beginning of Year	-	-	119	119
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ (31)</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, 2013
(\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Licenses and Permits	\$ 9	\$ 9	\$ 30	\$ 21
Intergovernmental Revenues	181	181	199	18
Charges for Services	1,350	1,350	2,656	1,306
Other	3,418	4,064	-	(4,064)
Total Revenues	<u>4,958</u>	<u>5,604</u>	<u>2,885</u>	<u>(2,719)</u>
Expenditures:				
Current Operating:				
General Government	-	-	233	(233)
Planning and Development	5,032	5,678	48	5,630
Total Expenditures	<u>5,032</u>	<u>5,678</u>	<u>281</u>	<u>5,397</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(74)</u>	<u>(74)</u>	<u>2,604</u>	<u>2,678</u>
Other Financing Sources (Uses):				
Transfers In	74	74	74	-
Transfers Out	-	-	(551)	(551)
Total Other Financing Sources (Uses)	<u>74</u>	<u>74</u>	<u>(477)</u>	<u>(551)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>2,127</u>	<u>2,127</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,885</u>	<u>3,885</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,012</u>	<u>\$ 6,012</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, 2013
(\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental Revenues	-	-	-	\$ -
Charges for Services	200	200	824	624
Investment Earnings (Loss)	-	-	1	1
Other	1,680	1,745	4	(1,741)
Total Revenues	<u>1,880</u>	<u>1,945</u>	<u>831</u>	<u>(1,114)</u>
Expenditures:				
Current Operating:				
Public Safety	1,730	1,795	102	1,693
Capital Outlay	150	150	12	138
Total Expenditures	<u>1,880</u>	<u>1,945</u>	<u>114</u>	<u>1,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>717</u>	<u>717</u>
Net Change in Fund Balance	-	-	717	717
Fund Balance - Beginning of Year	-	-	1,745	1,745
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,462</u>	<u>\$ 2,462</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, 2013
(\$ in thousands)

	<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>
Revenue:				
Licenses and Permits	\$ 279	\$ 279	\$ 73	\$ (206)
Intergovernmental Revenues	1,138	1,330	1,405	75
Charges for Services	534	534	217	(317)
Other	1,372	3,124	709	(2,415)
Total Revenues	<u>3,323</u>	<u>5,267</u>	<u>2,404</u>	<u>(2,863)</u>
Expenditures:				
Current Operating:				
Parks and Recreation	2,574	4,518	2,684	1,834
Capital Outlay	870	870	37	833
Total Expenditures	<u>3,444</u>	<u>5,388</u>	<u>2,721</u>	<u>2,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(121)</u>	<u>(121)</u>	<u>(317)</u>	<u>(196)</u>
Other Financing Sources (Uses):				
Transfers In	121	121	121	-
Transfers Out	-	-	(115)	(115)
Total Other Financing Sources (Uses)	<u>121</u>	<u>121</u>	<u>6</u>	<u>(115)</u>
Net Change in Fund Balance	-	-	(311)	(311)
Fund Balance - Beginning of Year	-	-	2,234	2,234
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,923</u>	<u>\$ 1,923</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 8,488	\$ 8,553	\$ 6,442	\$ (2,111)
Charges for Services	884	1,004	320	(684)
Investment Earnings (Loss)		-	(23)	(23)
Other	16,621	16,971	-	(16,971)
Total Revenues	<u>25,993</u>	<u>26,528</u>	<u>6,739</u>	<u>(19,789)</u>
Expenditures:				
Current Operating:				
Public Safety	22,446	23,038	10,142	12,896
Capital Outlay	4,171	4,352	327	4,025
Total Expenditures	<u>26,617</u>	<u>27,390</u>	<u>10,469</u>	<u>16,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(624)</u>	<u>(862)</u>	<u>(3,730)</u>	<u>(2,868)</u>
Other Financing Sources:				
Transfers In	862	862	1,052	190
Transfers Out	(238)	-	-	-
Total Other Financing Sources	<u>624</u>	<u>862</u>	<u>1,052</u>	<u>190</u>
Net Change in Fund Balance	-	-	(2,678)	(2,678)
Fund Balance - Beginning of Year	-	-	6,889	6,889
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,211</u>	<u>\$ 4,211</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, 2013
 (\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 210	\$ -	\$ 222	\$ 222
Investment Earnings (Loss)	-	-	(9)	(9)
Other	1,300	3,682	-	(3,682)
Total Revenues	<u>1,510</u>	<u>3,682</u>	<u>213</u>	<u>(3,469)</u>
Expenditures:				
Current Operating:				
Public Safety	1,510	2,895	1,958	937
Capital Outlay	-	787	(21)	808
Total Expenditures	<u>1,510</u>	<u>3,682</u>	<u>1,937</u>	<u>1,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(1,724)</u>	<u>(1,724)</u>
Net Change in Fund Balance	-	-	(1,724)	(1,724)
Fund Balance - Beginning of Year	-	-	3,682	3,682
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,958</u>	<u>\$ 1,958</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 300	\$ 300	\$ 836	\$ 536
Investment Earnings (Loss)	-	-	(3)	(3)
Other	2,601	2,833	-	(2,833)
Total Revenues	<u>2,901</u>	<u>3,133</u>	<u>833</u>	<u>(2,300)</u>
Expenditures:				
Public Works	2,901	3,133	28	3,105
Total Expenditures	<u>2,901</u>	<u>3,133</u>	<u>28</u>	<u>3,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>805</u>	<u>805</u>
Other Financing Sources:				
Transfers Out	-	-	(550)	550
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(550)</u>	<u>550</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,911</u>	<u>2,911</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,166</u>	<u>\$ 3,166</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 75	\$ 75	\$ 169	\$ 94
Other	339	448	(1)	(449)
Total Revenues	<u>414</u>	<u>523</u>	<u>168</u>	<u>(355)</u>
Expenditures:				
Current Operating:				
General Government	358	467	209	258
Total Expenditures	<u>358</u>	<u>467</u>	<u>209</u>	<u>258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>56</u>	<u>56</u>	<u>(41)</u>	<u>(97)</u>
Other Financing Sources:				
Transfers In	64	64	64	-
Transfers Out	(120)	(120)	-	(120)
Total Other Financing Sources	<u>(56)</u>	<u>(56)</u>	<u>64</u>	<u>(120)</u>
Net Change in Fund Balance	-	-	23	(217)
Fund Balance - Beginning of Year	-	-	423	423
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446</u>	<u>\$ 206</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ -	\$ -	\$ 308	\$ 308
Other		100	-	(100)
Total Revenues	<u>-</u>	<u>100</u>	<u>308</u>	<u>208</u>
Expenditures:				
Current Operating:				
Public Works	-	-	(587)	587
Public Safety	-	100	65	35
Total Expenditures	<u>-</u>	<u>100</u>	<u>(522)</u>	<u>622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>830</u>	<u>830</u>
Net Change in Fund Balance	-	-	830	830
Fund Balance - Beginning of Year	-	-	1,326	1,326
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,156</u>	<u>\$ 2,156</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 1,408	\$ 1,408	\$ 2,577	\$ 1,169
Other	161	336	1	(335)
Total Revenues	<u>1,569</u>	<u>1,744</u>	<u>2,578</u>	<u>834</u>
Expenditures:				
Current Operating:				
General Government	1,528	1,703	1,625	78
Public Works	-	-	50	(50)
Capital Outlay	58	58	(306)	364
Total Expenditures	<u>1,586</u>	<u>1,761</u>	<u>1,369</u>	<u>392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17)</u>	<u>(17)</u>	<u>1,209</u>	<u>1,226</u>
Other Financing Sources (Uses):				
Transfers In	17	17	-	(17)
Total Other Financing Sources (Uses)	<u>17</u>	<u>17</u>	<u>-</u>	<u>(17)</u>
Net Change in Fund Balance	-	-	1,209	1,209
Fund Balance (Deficit) - Beginning of Year	-	-	(1,397)	(1,397)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (188)</u>	<u>\$ (188)</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, 2013
(\$ in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ -	\$ -	\$ (3)	\$ (3)
Fines and Forfeitures	-	360	108	(252)
Intergovernmental Revenues	2,664	3,238	2,224	(1,014)
Investment Earnings (Loss)	-	-	32	32
Other	1,172	1,371	-	(1,371)
Total Revenues	<u>3,836</u>	<u>4,969</u>	<u>2,361</u>	<u>(2,608)</u>
Expenditures:				
Current Operating:				
General Government	3,846	5,528	2,416	3,112
Planning and Development	-	-	61	(61)
Public Works	-	-	42	(42)
Public Facilities	-	-	10	(10)
Capital Outlay	-	-	15	(15)
Total Expenditures	<u>3,846</u>	<u>5,528</u>	<u>2,544</u>	<u>2,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10)</u>	<u>(559)</u>	<u>(183)</u>	<u>376</u>
Other Financing Sources :				
Transfers In	10	559	473	(86)
Transfers Out	-	-	(352)	(352)
Total Other Financing Sources	<u>10</u>	<u>559</u>	<u>121</u>	<u>(438)</u>
Net Change in Fund Balance	-	-	(62)	(62)
Fund Balance - Beginning of Year	-	-	2,343	2,343
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,281</u>	<u>\$ 2,281</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenues	\$ 13,123	\$ 13,123	\$ 14,471	\$ 1,348
Other	28	28	2	(26)
Total Revenues	<u>13,151</u>	<u>13,151</u>	<u>14,473</u>	<u>1,322</u>
Expenditures:				
Current Operating:				
General Government	3,309	3,309	3,339	(30)
Capital Outlay	-	-	13	(13)
Total Expenditures	<u>3,309</u>	<u>3,309</u>	<u>3,352</u>	<u>(43)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,842</u>	<u>9,842</u>	<u>11,121</u>	<u>1,279</u>
Other Financing Sources (Uses):				
Transfers Out	(9,842)	(9,842)	(9,442)	400
Total Other Financing Sources (Uses)	<u>(9,842)</u>	<u>(9,842)</u>	<u>(9,442)</u>	<u>400</u>
Net Change in Fund Balance	-	-	1,679	1,679
Fund Balance - Beginning of Year	-	-	15,743	15,743
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,422</u>	<u>\$ 17,422</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 5,356	\$ 5,356	\$ 5,250	\$ (106)
Other	-	-	100	100
Total Revenues	<u>5,356</u>	<u>5,356</u>	<u>5,350</u>	<u>(6)</u>
Expenditures:				
Current Operating:				
Public Facilities	2,731	2,731	2,188	543
Total Expenditures	<u>2,731</u>	<u>2,731</u>	<u>2,188</u>	<u>543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,625</u>	<u>2,625</u>	<u>3,162</u>	<u>537</u>
Other Financing Sources (Uses):				
Transfers Out	(2,625)	(2,625)	(2,625)	-
Total Other Financing Sources (Uses)	<u>(2,625)</u>	<u>(2,625)</u>	<u>(2,625)</u>	<u>-</u>
Net Change in Fund Balance	-	-	537	537
Fund Balance- Beginning of Year	-	-	916	916
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,453</u>	<u>\$ 1,453</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenues	\$ 15	\$ 15	\$ 12	\$ (3)
Other	-	-	7	7
Total Revenues	<u>15</u>	<u>15</u>	<u>19</u>	<u>4</u>
Expenditures:				
Community Redevelopment Areas	461	461	159	302
Total Expenditures	<u>461</u>	<u>461</u>	<u>159</u>	<u>302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(446)</u>	<u>(446)</u>	<u>(140)</u>	<u>306</u>
Other Financing Sources:				
Sale of Property	446	446	-	(446)
Total Other Financing Sources	<u>446</u>	<u>446</u>	<u>-</u>	<u>(446)</u>
Net Change in Fund Balance	-	-	(140)	(140)
Fund Balance - Beginning of Year	-	-	340	340
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 553	\$ 553	\$ 459	\$ (94)
Other	-	-	10	10
Total Revenues	<u>553</u>	<u>553</u>	<u>469</u>	<u>(84)</u>
Expenditures:				
Current Operating:				
Parks and Recreation	566	566	412	154
Total Expenditures	<u>566</u>	<u>566</u>	<u>412</u>	<u>154</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13)</u>	<u>(13)</u>	<u>57</u>	<u>70</u>
Net Change in Fund Balance	(13)	(13)	57	70
Fund Balance (Deficit) - Beginning of Year	13	13	(32)	(45)
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 25</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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 26,789	\$ 26,789	\$ 26,425	\$ (364)
Total Revenues	<u>26,789</u>	<u>26,789</u>	<u>26,425</u>	<u>(364)</u>
Expenditures:				
General Government	-	-	38	(38)
Debt Service:				
Principal	11,017	11,017	11,018	(1)
Interest and Other Charges	15,772	15,772	13,732	2,040
Total Expenditures	<u>26,789</u>	<u>26,789</u>	<u>24,788</u>	<u>2,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>1,637</u>	<u>1,637</u>
Net Change in Fund Balance	-	-	1,637	1,637
Fund Balance (Deficit) - Beginning of Year	-	-	1,952	1,952
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,589</u>	<u>\$ 3,589</u>

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, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenues	\$ 3,300	\$ 3,300	\$ 3,000	\$ (300)
Investment Earnings (Loss)	-	1,230	39	(1,191)
Total Revenues	<u>3,300</u>	<u>4,530</u>	<u>3,039</u>	<u>(1,491)</u>
Expenditures:				
Current Operating:				
General Government	-	-	991	(991)
Debt Service:				
Principal	12,096	59,000	57,466	1,534
Interest and Other Charges	27,030	28,905	30,320	(1,415)
Debt Insurance Cost	9	956	-	956
Other	-	1,914	-	1,914
Payments To Escrow Agent	-	-	-	-
Total Expenditures	<u>39,135</u>	<u>90,775</u>	<u>88,777</u>	<u>1,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,835)</u>	<u>(86,245)</u>	<u>(85,738)</u>	<u>507</u>
Other Financing Sources (Uses):				
Transfers In	35,835	36,460	38,185	1,725
Issuance of Debt	-	49,785	50,029	244
Total Other Financing Sources (Uses)	<u>35,835</u>	<u>86,245</u>	<u>88,214</u>	<u>1,969</u>
Net Change in Fund Balance	-	-	2,476	2,476
Fund Balance - Beginning of Year	-	-	32,283	32,283
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,759</u>	<u>\$ 34,759</u>

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

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SEOPW CRA Other Special Obligation Bonds Fund
For The Year Ended September 30, 2013
(\$ in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt Service:				
Principal	1,170	1,170	1,170	-
Interest and Other Charges	50	50	56	(6)
Total Expenditures	<u>1,220</u>	<u>1,220</u>	<u>1,226</u>	<u>(6)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,220)</u>	<u>(1,220)</u>	<u>(1,226)</u>	<u>(6)</u>
Other Financing Sources:				
Transfers Out	(6)	(6)	-	6
Total Other Financing Sources:	<u>(6)</u>	<u>(6)</u>	<u>-</u>	<u>6</u>
Net Change in Fund Balance	(1,226)	(1,226)	(1,226)	-
Fund Balance - Beginning of Year	<u>1,226</u>	<u>1,226</u>	<u>1,226</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



FIDUCIARY FUNDS

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

Firefighters and Police Officers (FIPO)

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

General Employees and Sanitation Employees (GESE)

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

City of Miami Elected Officers' Retirement Trust (EORT)

Funds are used to account for the accumulation of resources to be used for retirement benefits to elected officials. Resources are contributed by the City in amounts determined by actuarial valuations.

City of Miami, Florida
Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2013
(\$ in thousands)

	Employee Retirement Funds					Total Employee Retirement Funds
	Firefighters and Police (FIPO)	General and Sanitation Employees (GESE)	General and Sanitation Employees Excess Benefit (GESE Excess Plan)	General and Sanitation Employees Staff plan (GESE Staff Plan)	Elected Officers Retirement Trust (EORT)	
Assets						
Cash and Short-Term Investments	\$ 59,729	\$ 784	\$ 43	\$ 58	\$ -	\$ 60,614
Accounts Receivable	44,251	2,963	23	-	-	47,237
Capital Assets	1,957	2,068	-	-	-	4,025
	<u>105,937</u>	<u>5,815</u>	<u>66</u>	<u>58</u>	<u>-</u>	<u>111,876</u>
Investments						
U.S. Government Obligations	232,717	91,543	-	-	-	324,260
Corporate Bonds	283,087	51,760	-	880	-	335,727
Corporate Stocks	482,382	398,834	-	1,911	-	883,127
Money Market Funds and Commercial Paper	-	26,050	-	-	6,001	32,051
International Equity	264,014	-	-	-	-	264,014
Mutual Funds - DROP	200,182	-	-	-	-	200,182
Real Estate	117,203	20,410	-	-	-	137,613
Private Equity	53,081	-	-	-	-	53,081
Total Investments	<u>1,632,666</u>	<u>588,597</u>	<u>-</u>	<u>2,791</u>	<u>6,001</u>	<u>2,230,055</u>
Securities Lending Collateral	286,709	-	-	-	-	286,709
Total Assets	<u>2,025,312</u>	<u>594,412</u>	<u>66</u>	<u>2,849</u>	<u>6,001</u>	<u>2,628,640</u>
Liabilities						
Obligations Under Security Lending	286,709	-	-	-	-	286,709
Accounts Payable	403	845	66	1	-	1,315
Accrued Liabilities	200,182	-	-	-	-	200,182
Payable for Securities Purchased	38,240	3,182	-	-	-	41,422
Total Liabilities	<u>525,534</u>	<u>4,027</u>	<u>66</u>	<u>1</u>	<u>-</u>	<u>529,628</u>
Net Position						
Held in Trust for Pension Benefits	<u>\$ 1,499,778</u>	<u>\$ 590,385</u>	<u>\$ -</u>	<u>\$ 2,848</u>	<u>\$ 6,001</u>	<u>\$ 2,099,012</u>

City of Miami, Florida
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2013
(\$ in thousands)

	Employee Retirement Funds					Total Employee Retirement Funds
	Firefighters and Police (FIPO)	General and Sanitation Employees (GESE)	General and Sanitation Employees Excess Benefit (GESE Excess Plan)	General and Sanitation Employees Staff plan (GESE Staff Plan)	Elected Officers Retirement Trust (EORT)	
Additions						
Contributions:						
Employer	\$ 46,227	\$ 25,568	\$ 523	\$ 220	\$ 489	\$ 73,027
Plan Members	9,427	6,734	-	28	-	16,189
Total Contributions	<u>55,654</u>	<u>32,302</u>	<u>523</u>	<u>248</u>	<u>489</u>	<u>89,216</u>
Investment Earnings:						
Net Increase (Decrease) in Fair Value of Investments	133,697	57,321	-	253	(21)	191,250
Interest	25,332	5,490	-	-	-	30,822
Dividends	12,305	5,533	-	67	-	17,905
Other	347	82	-	-	-	429
Total Investment Earnings	<u>171,681</u>	<u>68,426</u>	<u>-</u>	<u>320</u>	<u>(21)</u>	<u>240,406</u>
Security Lending Activities:						
Security Lending Income	885	-	-	-	-	885
Security Lending Fees and Rebates	(221)	-	-	-	-	(221)
Net Income From Security Lending Activities	<u>664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664</u>
Less Investment Expenses	6,121	2,077	-	-	-	8,198
Net Investment Earnings	<u>166,224</u>	<u>66,349</u>	<u>-</u>	<u>320</u>	<u>(21)</u>	<u>232,208</u>
Reimbursement Income from City	-	2,820	94	-	-	2,914
Total	<u>221,878</u>	<u>101,471</u>	<u>617</u>	<u>568</u>	<u>468</u>	<u>325,002</u>
Deductions						
Benefits/Payments	124,985	72,432	523	282	-	198,222
Refunds upon Resignation, Death, etc.	773	1,779	-	-	264	2,816
Distribution to Retirees	19,522	-	-	-	-	19,522
Administrative and Other Expenses	2,142	3,073	94	-	-	5,309
Total	<u>147,422</u>	<u>77,284</u>	<u>617</u>	<u>282</u>	<u>264</u>	<u>225,869</u>
Change in Net Position	<u>74,456</u>	<u>24,187</u>	<u>-</u>	<u>286</u>	<u>204</u>	<u>99,133</u>
Net Position - Beginning of Year	<u>1,425,322</u>	<u>566,198</u>	<u>-</u>	<u>2,562</u>	<u>5,797</u>	<u>1,999,879</u>
Net Position - End of Year	<u>\$ 1,499,778</u>	<u>\$ 590,385</u>	<u>\$ -</u>	<u>\$ 2,848</u>	<u>\$ 6,001</u>	<u>\$ 2,099,012</u>



STATISTICAL SECTION

Capital Projects Funds are used to account for the acquisition and This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information contained in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Primary Government										
Net Investment in Capital Assets	\$ 626,017	\$ 657,452	\$ 693,247	\$ 752,507	\$ 791,006	\$ 773,960	\$ 730,273	\$ 640,931	\$ 608,958	\$ 586,493
Restricted	93,376	90,078	95,873	88,297	77,577	147,707	102,602	188,895	153,642	149,144
Unrestricted (Deficit)	(317,249)	(332,017)	(341,277)	(306,024)	(242,954)	(211,486)	(93,713)	(98,069)	(82,047)	(64,135)
Total Primary Government Net Assets	\$ 402,144	\$ 415,513	\$ 447,843	\$ 534,780	\$ 625,629	\$ 710,181	\$ 739,162	\$ 731,757	\$ 680,553	\$ 671,502

Notes:

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

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities:										
General Government	156,125	104,495	164,006	152,727	155,198	140,681	121,694	85,315	78,337	85,253
Planning and Development	11,688	16,397	10,801	12,019	15,465	16,218	16,923	16,912	16,260	13,149
Community Development	40,906	38,100	40,852	39,655	37,126	42,029	35,487	41,054	55,265	40,350
Community Redevelopment Areas	20,836	17,041	4,696	29,288	20,566	13,904	7,011	6,331	4,619	4,619
Public Works	68,733	83,062	65,604	69,970	72,003	72,573	75,073	65,958	70,988	49,498
Public Safety	337,347	352,869	333,431	371,351	375,402	370,007	343,470	347,977	325,534	282,428
Public Facilities	15,403	16,330	11,242	16,848	13,179	15,354	16,691	14,917	17,459	17,459
Parks and Recreation	43,341	44,977	39,223	39,776	43,441	39,550	39,893	25,718	24,293	44,276
Interest on Long-Term Debt	33,682	37,426	43,336	27,533	36,091	27,207	23,859	21,560	22,202	23,236
Contribution to Port Tunnel	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	-	-	50,000	-	-	-	-	-	-	-
Total Primary Government Expenses	728,061	710,697	763,191	759,167	768,471	737,523	709,649	652,433	636,944	586,416
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	63,878	51,264	48,814	38,703	35,587	40,062	33,404	51,162	41,774	48,955
Planning and Development	18,848	15,328	13,125	9,719	9,611	13,077	24,558	22,800	23,964	14,353
Community Development	1,555	709	1,585	155	-	703	2,302	4,054	777	2,069
Community Redevelopment Areas	62	39	224	1,275	1,065	1,141	1,415	214	45	221
Public Works	47,176	41,533	49,349	46,480	47,792	48,489	46,588	51,889	47,279	42,608
Public Safety	26,212	23,321	15,997	22,152	17,785	16,578	22,952	39,194	47,488	48,507
Public Facilities	29,219	27,353	18,244	14,636	15,459	16,660	6,559	25,137	22,793	16,737
Parks and Recreation	7,111	7,184	6,247	6,247	4,827	4,107	3,488	2,406	1,901	3,308
Operating Grants and Contributions	103,177	88,366	94,339	73,139	64,646	63,179	71,071	34,889	59,415	42,968
Capital Grants and Contributions	17,042	29,303	21,824	27,113	33,964	54,174	69,141	72,068	38,161	19,952
Total Primary Government Program Revenues	314,280	284,400	269,725	239,619	230,736	258,170	281,478	303,813	283,597	239,678
Net (Expense)/Revenue										
Total Primary Government Net Expense	(413,781)	(426,297)	(493,466)	(519,548)	(537,735)	(479,353)	(428,171)	(348,620)	(353,347)	(346,738)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	232,083	223,386	233,193	264,548	283,516	269,785	275,013	226,508	191,641	163,056
Property Taxes, Levied for Debt Service	26,425	26,887	28,132	22,663	21,378	21,328	19,887	19,966	20,369	19,932
Franchise Taxes	44,699	44,650	44,881	43,121	42,824	42,298	42,257	41,342	35,919	35,024
State Revenue Sharing - Unrestricted	12,673	12,367	11,430	10,516	22,567	12,187	13,074	12,947	12,581	10,352
Sales and Other Use Tax	27,738	25,803	25,988	22,666	10,791	24,861	25,505	25,800	23,422	22,280
Public Service Taxes	59,322	58,046	59,427	61,966	64,011	62,257	58,099	57,991	61,114	60,026
Investment Earnings (Losses) - Unrestricted	(2,653)	2,826	2,393	3,218	7,718	17,656	23,857	14,478	5,866	5,619
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-	1,502	-	(3,387)	-
Other	(116)	-	1,087	-	378	-	-	769	1,891	4,073
Special Item - Impairment Loss on Capital Assets	-	-	-	-	-	-	(23,595)	-	-	-
Total Primary Government	400,171	393,965	406,531	428,698	453,183	450,372	435,579	399,801	349,416	320,362
Change in Net Position										
Total Primary Government	(13,610)	(32,332)	(86,935)	(90,850)	(84,552)	(28,981)	7,408	51,181	(3,930)	(26,376)

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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Ad Valorem Taxes	Ad Valorem Taxes Debt Service	Franchise Taxes	Sales and Other Use Taxes	Communication Service Taxes	Total
2013	\$ 232,083	\$ 26,425	\$ 44,699	\$ 27,738	\$ 59,322	\$ 390,267
2012	223,386	26,887	26,650	17,794	58,046	352,763
2011	233,193	28,132	44,881	25,988	59,427	391,621
2010	264,548	22,663	43,121	22,666	61,966	414,964
2009	283,516	21,378	42,824	22,567	64,011	434,296
2008	269,785	21,328	42,298	24,861	62,257	420,529
2007	275,013	19,887	42,257	25,505	58,099	420,761
2006	226,508	19,966	41,342	25,800	57,991	371,607
2005	191,641	20,369	35,919	23,422	61,114	332,465
2004	163,056	19,932	35,024	22,280	60,025	300,317

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

(1)	2013	2012	2011	2010
Fund Balances (Deficit):				
Non-Spendable Fund Balance				
Non Spendable	\$ 3,554	\$ 8,141	\$ 4,897	\$ 3,808
Spendable Fund Balance				
Restricted	315,152	333,199	382,134	444,802
Committed	20,881	16,512	18,349	20,741
Assigned	76,590	52,161	18,908	16,230
Unassigned	(3,399)	(9,324)	(4,978)	(19,469)
Total Fund Balances (Deficit)	\$ 412,778	\$ 400,689	\$ 419,310	\$ 466,112

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*

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

	2013	2012	2011	2010	2009
Revenues					
Property Taxes	\$ 258,508	\$ 250,273	\$ 261,325	\$ 287,211	\$ 304,894
Franchise and Other Taxes	104,021	102,511	104,309	105,090	106,834
Licenses and Permits	35,894	35,726	34,031	25,348	26,105
Fines and Forfeitures	11,822	5,538	6,454	5,208	7,441
Intergovernmental Revenues	169,377	152,387	170,755	153,416	141,254
Charges for Services	123,273	106,716	94,711	88,420	85,927
Investment Earnings (Losses)	(2,653)	2,826	2,393	3,218	7,718
Impact Fees	9,122	4,338	1,355	12	332
Other	20,457	14,934	10,102	9,106	10,757
Total Revenues	729,821	675,249	685,435	677,029	691,262
Expenditures					
General Government	106,051	66,093	67,930	68,278	78,888
Planning and Development	11,938	7,922	8,328	9,340	11,350
Community Development	40,442	36,706	40,432	39,158	36,413
Community Redevelopment Areas	20,408	22,041	4,395	29,084	20,144
Public Works	62,775	48,949	46,644	51,337	55,173
Public Safety	311,799	221,066	218,698	249,749	266,285
Public Facilities	12,422	12,708	9,803	12,556	11,660
Parks and Recreation	32,462	25,879	26,540	27,545	33,211
Contribution to Port Tunnel	-	-	50,000	-	-
Risk Management	-	48,659	26,546	22,355	13,107
Pensions	-	72,843	72,195	89,975	66,907
Organizational Support	-	-	30,524	32,219	41,315
Non-Departmental	-	-	-	-	-
Debt Service:	-	-	-	-	-
Principal	73,067	22,934	29,492	27,261	23,566
Interest	44,112	41,185	39,648	38,065	31,928
Debt Issuance Costs	-	-	2,048	-	-
Capital Outlay	52,580	66,897	113,888	55,696	106,863
Total Expenditures	768,056	693,882	787,111	752,618	796,810
Excess (Deficiencies) of Revenues Over (Under) Expenditures	(38,235)	(18,633)	(101,676)	(75,589)	(105,548)
Other Financing Sources (Uses)					
Transfers In	79,854	114,263	100,560	146,557	196,099
Transfers Out	(79,854)	(114,263)	(100,560)	(146,557)	(196,099)
Sale of Property	304	-	1,087	-	-
Proceeds Received From Refunding	-	-	68,894	-	-
Payment To Escrow Agent For Refunding	-	-	(68,572)	-	(32,366)
Proceeds Received From Long-Term Debt	-	-	1,712	-	108,490
Premium (Discount) Long-Term Debt	-	-	-	-	(794)
Issuance of Debt	50,029	-	51,751	-	-
Loan	-	-	-	-	-
Capital Leases	-	-	-	(1,392)	-
Sale of Capital Assets	-	-	-	166,370	-
Total Other Financing Sources	50,333	-	54,872	164,978	75,330
Net Change In Fund Balances	\$ 12,098	\$ (18,633)	\$ (46,804)	\$ 89,389	\$ (30,218)
Debt Service as a Percentage of Non-Capital Expenditures	16.38%	10.23%	10.27%	9.37%	8.04%

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

	2008	2007	2006	2005	2004
Revenues					
Property Taxes	291,113	294,251	246,337	208,092	186,502
Franchise and Other Taxes	104,556	100,356	98,244	92,714	102,811
Licenses and Permits	29,845	32,848	28,469	27,394	23,012
Fines and Forfeitures	6,978	7,542	5,912	5,778	5,649
Intergovernmental Revenues	157,269	150,040	174,074	161,745	124,153
Charges for Services	86,387	89,589	106,682	110,483	102,173
Investment Earnings (Losses)	17,656	23,837	18,979	8,715	9,054
Impact Fees	4,679	4,017	9,388	9,257	3,743
Other	10,103	9,370	15,377	5,721	15,370
Total Revenues	708,586	711,850	703,462	629,899	572,467
Expenditures					
General Government	77,127	57,670	49,995	44,714	71,745
Planning and Development	11,236	11,863	12,741	12,859	12,421
Community Development	41,037	35,325	40,979	57,804	39,073
Community Redevelopment Areas	15,947	5,314	5,983	4,608	4,610
Public Works	55,068	56,484	50,580	48,267	56,927
Public Safety	265,498	256,692	251,915	222,378	265,574
Public Facilities	13,020	13,456	11,796	11,426	10,244
Parks and Recreation	29,056	30,638	17,896	17,261	16,682
Contribution to Port Tunnel	-	-	-	-	-
Risk Management	28,797	18,116	25,546	29,162	-
Pensions	65,116	70,708	78,865	73,862	-
Organizational Support	27,752	35,122	25,162	23,917	-
Non-Departmental	-	28,490	13,204	12,927	-
Debt Service:	-	-	-	-	-
Principal	21,343	20,887	19,219	18,770	19,839
Interest	28,921	24,346	21,651	21,823	22,694
Debt Issuance Costs	-	6,989	-	-	-
Capital Outlay	114,577	124,264	103,894	94,681	54,707
Total Expenditures	794,495	796,364	729,426	694,459	574,516
Excess (Deficiencies) of Revenues Over (Under) Expenditures	(85,909)	(84,514)	(25,964)	(64,560)	(2,049)
Other Financing Sources (Uses)					
Transfers In	227,563	278,006	229,701	204,248	224,948
Transfers Out	(227,563)	(278,006)	(229,701)	(204,248)	(224,948)
Sale of Property	-	1,502	-	-	-
Proceeds Received From Refunding	133,099	138,842	-	-	4,180
Payment To Escrow Agent For Refunding	-	(131,775)	-	-	(4,063)
Proceeds Received From Long-Term Debt	-	50,969	-	-	-
Premium (Discount) Long-Term Debt	1,345	-	-	-	-
Issuance of Debt	-	-	-	-	-
Loan	-	-	1	-	-
Capital Leases	-	-	-	-	3,204
Sale of Capital Assets	-	-	890	500	-
Total Other Financing Sources	134,444	59,538	891	500	3,321
Net Change In Fund Balances	\$ 48,535	\$ (24,976)	\$ (25,073)	\$ (64,060)	\$ 1,272
 Debt Service as a Percentage of Non-Capital Expenditures	 7.71%	 6.91%	 6.53%	 6.77%	 8.18%

CITY OF MIAMI, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN 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
2013	\$ 232,083	\$ 26,425	\$ 44,699	\$ 27,738	\$ 59,322	\$ 390,267
2012	223,386	26,887	44,650	25,803	58,046	378,772
2011	233,193	28,132	44,881	25,988	59,427	391,621
2010	264,548	22,663	43,121	22,666	61,966	414,964
2009	283,516	21,378	42,824	22,567	64,011	434,296
2008	269,785	21,328	42,298	24,861	62,257	420,529
2007	275,013	19,887	42,257	25,505	58,099	420,761
2006	266,305	20,033	41,342	25,800	56,900	410,380
2005	187,999	20,093	35,919	23,422	56,795	324,228
2004	166,121	20,381	35,024	22,280	67,787	311,593

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

Fiscal Year Ended September 30,	Real Property			Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value (1)
	Residential Property	Commercial Property						
	\$	\$	\$					
2013	19,181,170	11,485,074	\$ 2,069,325	\$ 32,735,570	8.4710	\$ 39,674,594	82.51%	
2012	19,106,567	10,336,397	1,890,870	31,333,834	8.5010	43,557,261	71.94%	
2011	18,536,983	10,078,997	1,736,766	30,352,746	8.6441	42,365,151	71.65%	
2010	23,341,894	11,921,087	1,686,540	36,949,521	8.3335	52,146,884	70.86%	
2009	23,572,179	11,890,691	1,686,321	37,149,191	8.2543	52,185,973	71.19%	
2008	24,279,025	11,727,241	1,749,573	37,755,839	7.8775	55,249,892	68.34%	
2007	20,320,802	11,038,460	1,673,648	33,032,909	8.9955	47,925,277	68.93%	
2006	12,959,277	12,341,927	1,676,173	26,977,377	9.2645	39,120,900	68.96%	
2005	10,364,158	9,870,434	1,695,111	21,929,702	9.6663	32,133,104	68.25%	
2004	8,789,475	8,369,951	1,711,698	18,871,123	9.8425	27,717,909	68.08%	

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

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

(1) Includes tax-exempt property.

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

City of Miami, Florida					Overlapping Rates (1)							Total Direct and Overlapping Rates
Fiscal Year	Tax Roll Year	General Operations	Debt Service	Total City	Miami-Dade County		Miami-Dade Children's Trust	Miami-Dade County Library System	South Florida Water Management District	Environmental Projects	Florida Inland Navigation District	
2013	2012	7.57100	0.9000	8.4710	7.9770	5.1255	0.5000	0.1725	0.3523	0.0587	0.0345	22.69150
2012	2011	7.57100	0.9300	8.5010	7.9980	4.9885	0.5000	0.1725	0.3676	0.0613	0.0345	22.62340
2011	2010	7.67400	0.9701	8.6441	8.0050	5.0900	0.5000	0.1795	0.3739	0.0624	0.0345	22.88940
2010	2009	7.67400	0.6595	8.3335	8.2490	5.8725	0.5000	0.2840	0.5346	0.0894	0.0345	23.89750
2009	2008	7.67400	0.5803	8.2543	7.9950	5.1229	0.5000	0.3822	0.5346	0.0894	0.0345	22.91290
2008	2007	7.29990	0.5776	7.8775	7.9480	4.8646	0.4223	0.3842	0.5346	0.0894	0.0345	22.15510
2007	2006	8.37450	0.6210	8.9955	8.1050	5.9000	0.4223	0.4860	0.5970	0.1000	0.0385	24.64430
2006	2005	8.49950	0.7650	9.2645	8.4380	6.1200	0.4288	0.4860	0.5970	0.1000	0.0385	25.47280
2005	2004	8.71625	0.9500	9.6663	8.6870	6.2200	0.4442	0.4860	0.5970	0.1000	0.0385	26.23895
2004	2003	8.76250	1.0800	9.8425	9.2000	6.2540	0.5000	0.4860	0.5970	-	0.0385	26.9180

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

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

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

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

2013			
Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power & Light	\$ 552,084	1	1.69%
200 S Biscayne TIC 1 LLC	250,335	2	0.76%
Crescent Miami Center	192,390	3	0.59%
Planation General Hospital	184,128	4	0.56%
T C 701 Brickell LLC	180,200	5	0.55%
Bellsouth Telecommunications	138,326	6	0.42%
Bayfront 2011 Property	132,906	7	0.41%
1450 Brickell LLC	132,080	8	0.40%
PR 1111 Brickell LLC	131,500	9	0.40%
Trustees of L&B	125,200	10	0.38%
	<u>\$ 2,019,149</u>		<u>6.17%</u>

2004			
Taxpayer	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power & Light	\$ 229,863	2	1.22%
Bellsouth Telecommunications	83,560	10	0.44%
SRI Miami Ventures, LP	25,000	1	1.32%
Teachers Ins & Annuity Assoc of America	228,000	3	1.21%
Terremark	173,192	4	0.92%
Prudential Insurance Co.	135,000	5	0.72%
Swire Properties	119,330	6	0.63%
1111 Brickell Office LLC	112,500	7	0.60%
1000 Brickell LTD	98,715	8	0.52%
Biscayne Tower Group	87,300	9	0.46%
	<u>\$ 1,292,460</u>		<u>8.04%</u>

Net Assessed Value \$ 32,735,570

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
2013	\$ 275,967	\$ 253,334	91.80%	\$ 5,174	\$ 258,508	93.67%
2012	265,429	238,225	89.75%	12,048	250,273	94.29%
2011	258,029	240,648	93.26%	20,677	261,325	101.28%
2010	319,395	275,813	86.35%	11,398	287,211	89.92%
2009	309,583	298,356	96.37%	7,538	305,894	98.81%
2008	297,422	285,911	96.13%	5,202	291,113	97.88%
2007	297,148	291,072	97.76%	3,179	294,251	99.03%
2006	249,932	244,216	96.82%	2,122	246,337	98.56%
2005	211,978	205,393	96.89%	2,699	208,092	98.17%
2004	185,739	183,379	98.73%	3,123	186,502	100.41%

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			
2013	\$ 228,971	\$ 441,414	\$ 2,436	\$ -	\$ 672,821	0.00%	1,626
2012	239,988	407,367	55,151	-	702,506	2.21%	1,759
2011	251,567	418,173	57,120	-	726,859	2.08%	1,820
2010	265,804	358,571	79,902	-	704,278	2.09%	1,763
2009	276,114	199,629	89,426	-	565,169	2.33%	1,559
2008	235,394	198,485	73,657	-	507,536	2.56%	1,400
2007	245,689	125,970	24,120	659	396,438	3.30%	1,094
2006	205,307	132,131	21,217	1,299	359,953	3.39%	993
2005	215,730	138,676	23,466	1,921	379,794	2.99%	1,048
2004	225,945	145,130	25,567	2,526	399,168	2.64%	1,101

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 171 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)
2013	\$ 228,971	\$ 4	\$ 228,967	0.699%	\$ 553
2012	239,988	1,952	238,036	0.760%	596
2011	251,567	337	251,230	0.828%	629
2010	265,804	(41)	265,845	0.719%	666
2009	276,114	1,496	274,617	0.739%	758
2008	235,394	2,139	233,255	0.618%	644
2007	245,689	2,304	243,385	0.737%	671
2006	205,307	1,995	203,312	0.754%	561
2005	215,730	1,513	214,217	0.977%	591
2004	225,945	966	224,979	1.192%	621

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 162 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 171 for population data.

CITY OF MIAMI, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2013

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	\$ 1,023,586	19.00%	\$ 194,481
Miami-Dade County School Board	139,740	19.00%	<u>26,551</u>
Subtotal, Overlapping Debt			221,032
City of Miami, Florida Direct Debt			
(Includes special obligation, revenue bonds, loans and capital leases)			<u>672,821</u>
Total Direct and Overlapping Debt			<u><u>\$ 893,853</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**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 4,599,937	\$ 4,533,761	\$ 4,383,369	\$ 5,370,834	\$ 5,372,350	\$ 5,400,940	\$ 4,954,936	\$ 4,046,607	\$ 3,289,455	\$ 2,830,668
Total Net Debt Applicable to Limit	228,967	238,036	251,230	265,846	274,617	233,255	243,385	203,312	214,217	224,979
Legal Debt Margin	\$ 4,370,970	\$ 4,295,725	\$ 4,132,139	\$ 5,104,988	\$ 5,097,733	\$ 5,167,685	\$ 4,711,551	\$ 3,843,295	\$ 3,075,238	\$ 2,605,689
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.98%	5.25%	5.73%	4.95%	5.11%	4.32%	4.91%	5.02%	6.51%	7.95%
Assessed Value	\$ 32,735,570									
Less Homestead Exempt Valuation	(2,069,325)									
Total Assessed Value	30,666,245									
Debt Limit for Bonds (15% of Total Assessed Value)	4,599,937									
Present Debt Application to Debt Limitation	228,971									
General Obligation Debt	(4)									
Less Amount Available in Debt Service Fund	228,967									
Total Net Debt Applicable to Limit	\$ 4,370,970									
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		
2013	\$ 257,633	\$ 11,018	\$ 13,732	\$ 49,500	5.20
2012	250,273	11,578	13,673	50,503	4.96
2011	261,325	14,238	13,783	56,041	4.66
2010	287,211	10,309	13,865	48,349	5.94
2009	304,894	10,335	12,228	45,127	6.76
2008	291,113	10,466	11,380	43,691	6.66
2007	294,252	10,515	14,628	50,285	5.85
2006	289,038	8,796	12,520	42,631	6.78
2005	261,901	8,555	12,491	42,093	6.22
2004	260,252	9,099	12,626	43,451	5.99

Note:

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

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

Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (2)		Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
		\$	\$				
2013	413,892	\$	-	\$ -	38	348,230	9.3%
2012	399,457		15,522,899	38,860	38	345,635	9.9%
2011	399,457		15,113,056	37,834	38	347,133	11.5%
2010	399,457		14,738,365	36,896	38	345,458	11.1%
2009	362,470		13,178,322	36,357	38	345,570	11.1%
2008	362,470		13,007,961	35,887	38	344,806	6.1%
2007	362,470		13,074,655	36,071	38	346,629	3.9%
2006	362,470		12,219,589	33,712	37	365,784	3.4%
2005	362,470		11,362,347	31,437	37	361,550	4.7%
2004	362,470		10,539,178	29,076	37	369,578	5.7%

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>	2013			2005		
	<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	4.8%	50,000	1	4.8%
Miami-Dade County	29,000	2	2.9%	30,000	2	2.9%
Federal Government	19,500	3	1.9%	20,300	3	1.9%
Florida State Government	17,100	4	1.7%	18,300	4	1.8%
University of Miami	16,000	5	1.6%	9,367	7	89.0%
Baptist Health South Florida	13,376	6	1.3%	10,683	6	1.0%
Jackson Health System	12,571	7	1.2%	-	-	-
Publix Super Markets	10,800	8	1.1%	-	-	-
American Airlines	9,000	9	0.9%	9,000	8	0.9%
Florida International University	8,000	10	0.8%	-	-	-
Miami-Dade College	6,200			5,400	9	52.0%
Total	190,118		18.2%	153,050		154.3%

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of Employees:										
General Government	540	533	505	538	511	641	644	641	617	594
Planning and Development	124	111	96	102	123	128	142	141	147	138
Community Development	43	43	60	54	55	61	52	61	73	77
Public Works	443	442	442	436	521	525	526	542	505	497
Public Safety	2,286	2,282	2,283	2,368	2,390	2,310	2,288	2,222	2,138	2,140
Public Facilities	42	41	41	41	41	54	56	55	45	43
Parks and Recreation	178	178	182	186	265	207	191	190	188	148
Total Number of Employees	3,656	3,630	3,609	3,725	3,906	3,926	3,899	3,852	3,713	3,637

Source: City of Miami, Budget Department

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Community Development:										
Entitlements/Grants Received	\$ 18,794	\$ 24,364	\$ 33,491	\$ 37,815	\$ 26,275	\$ 30,267	\$ 29,943	\$ 30,816	\$ 37,191	\$ 32,351
Public Safety:										
Police:										
Part 1 Crimes - (1)	25,898	28,070	27,045	26,097	25,761	27,907	27,302	26,219	29,455	30,966
Part 1 Arrests - (1)	3,837	4,166	4,295	4,393	4,536	4,741	4,635	4,359	5,728	6,662
Part 2 Arrests - (2)	26,329	25,155	22,269	26,670	32,826	31,211	32,738	33,408	33,385	38,467
Fire:										
Number of Fire Calls	13,131	15,122	16,686	14,493	10,411	18,191	14,472	12,694	19,017	17,889
Number of EMS Calls	79,544	79,279	81,638	76,747	73,017	69,870	72,757	70,423	67,300	64,500
Number of Alarms	92,675	94,401	98,324	91,240	88,847	88,061	87,227	83,117	86,318	82,389
Planning and Development:										
Certificate of Use Permits Issued	20,860	20,907	20,775	20,156	22,724	21,482	22,000	21,142	21,123	20,422
Occupational Licenses Issued	29,686	23,117	22,478	29,548	22,092	22,498	42,000	34,197	40,371	39,422
Culture and Recreation:										
Summer Food Program - Meals Served (Lunches)	119,603	98,129	92,737	58,785	N/A	N/A	104,472	55,126	89,324	122,749
Summer Food Program - Meals Served (Snacks)	122,512	106,449	87,963	62,983	N/A	N/A	114,670	61,000	100,870	115,837
Solid Waste:										
Refuse Collected (Tons/Day)	643	586	551	566	N/A	717	629	713	578	793
Recyclables Collected (Tons/Day)	52	14	14	11	N/A	16	13	10	72	21

Sources: Various City Departments

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

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

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

N/A Information not available.

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Public Safety:										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub-Stations	3	3	3	3	3	3	2	2	2	2
Fire:										
Fire Stations	14	14	14	14	14	14	14	14	14	12
Solid Waste:										
Collection Trucks	144	144	160	160	N/A	181	175	151	152	176
Public Works:										
Streets (Miles- Paved)	663.8	662.1	662.1	662.1	662.1	662.2	662.2	667.4	660.0	658.9
Streets (Miles - Unpaved)	0.92	1.12	1.12	1.12	1.12	N/A	1.2	3.1	1.4	1.4
Transportation:										
Street Resurfacing (Miles)	23.65	23.65	18.3	15.8	N/A	21.6	23.3	17.9	33.5	33.5
Culture and Recreation:										
Parks Acreage	897	897	894	894	894	894	894	800	800	800
Parks	127	127	112	112	112	112	112	112	111	111
Swimming Pools		15	15	15	15	11	11	12	10	10
Tennis Courts	61	61	61	61	61	55	55	53	53	53
Community Centers	34	34	34	34	34	32	32	32	30	31
Basketball Courts	71	71	71	71	71	63	63	63	61	63
Water Playgrounds	4	3	2	2	2	2	2	1	1	1
Soccer Fields	15	13	13	13	13	11	11	7	7	7
Football Fields	9	9	9	9	9	10	10		12	12
Baseball Fields	30	30	30	30	30	27	27	25	21	25
Open Practice Fields	2	2	2	2	2	2	2	-	-	-
Cricket Field	1	1	1	1	1	1	1	-	-	-

Sources: Various City Departments

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

N/A Information not available.



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About the Cover:

The pictures highlighted on the front cover of are from various parks and recreational activities throughout the City of Miami.

Top: Residents kayaking off Biscayne Bay

Bottom Left: The only water park within the City of Miami located at 1550 Northwest 37th Avenue, Grapeland Water Park, offers four pools, two slide pools, one for toddlers, one for older children and adults, a recreation pool and a lazy river.

Bottom Right: Gibson Park located in the City of Miami at 401 Northwest 12th Street offers various activities such as master/learn to swim, summer/winter/spring camp and after school programs.