

# 2014

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED SEPTEMBER 30, 2014



CITY OF MIAMI  
FLORIDA





# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED SEPTEMBER 30, 2014

PREPARED BY:  
**THE FINANCE DEPARTMENT**

**ARMANDO J. BLANCO**  
TREASURER

**MIGUEL AUGUSTIN, CPA**  
CONTROLLER

**EUGENE CODNER**  
FINANCIAL REPORTING  
& COMPLIANCE MANAGER

**ERICA T. PASCHAL, CPA**  
ASSISTANT DIRECTOR

**JOSE M. FERNANDEZ, CPA**  
DIRECTOR



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# City of Miami, Florida

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2014

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# INTRODUCTORY SECTION



# **CITY OF MIAMI, FLORIDA**

## **PRINCIPAL CITY OFFICIALS**

**SEPTEMBER 30, 2014**

### **MAYOR**

TOMÁS P. REGALADO

### **CITY COMMISSION**

WIFREDO (WILLY) GORT, CHAIRMAN  
KEON HARDEMON, VICE-CHAIRMAN  
MARC D. SARNOFF, COMMISSIONER  
FRANK CAROLLO, COMMISSIONER  
FRANCIS SUAREZ, COMMISSIONER

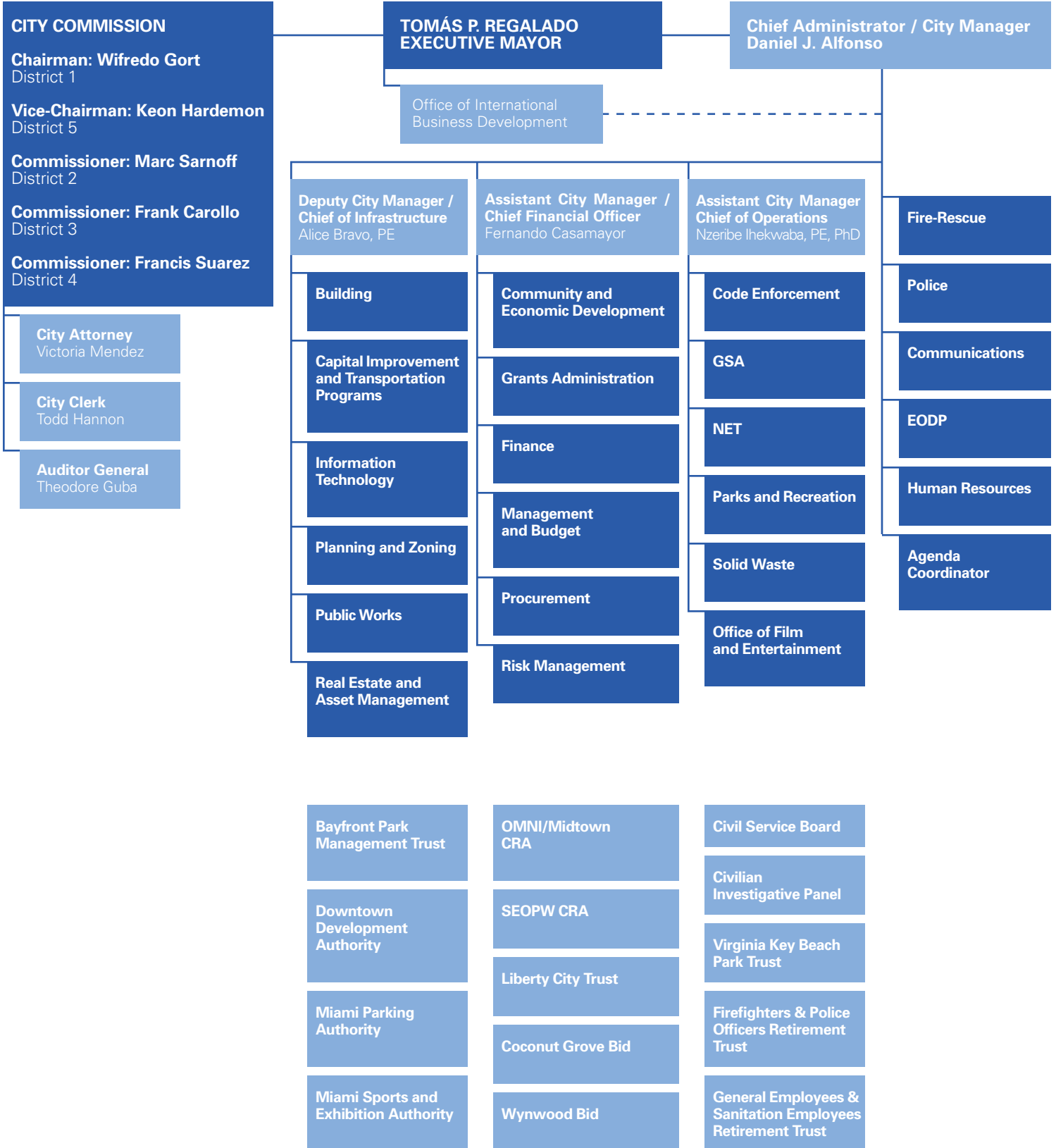
### **CITY MANAGER**

DANIEL J. ALFONSO

### **CITY ATTORNEY**

VICTORIA MÉNDEZ

# CITY OF MIAMI ORGANIZATIONAL CHART





March 25, 2015

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

We are pleased to present the City of Miami, Florida's ("the City") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2014. 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.

McGladrey LLP, Certified Public Accountants, have issued an unmodified opinion on the City's basic financial statements for the year ended September 30, 2014. 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 118 years old, the City is part of the nation's eighth 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 417,650 residents according to the U.S. Census Bureau, 57.7 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.

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, including the City and unincorporated areas. 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 of streets, and other infrastructure; recreational and cultural activities; and 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<sup>th</sup> preceding the beginning of the fiscal year on October 1<sup>st</sup>. 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***

Miami has become a major center and a leader in finance, commerce, culture, media, entertainment, the arts and international trade. Miami is one of the nation's eighth largest metropolitan areas; experiencing an over-the-year job growth of 3.2 percent, exceeding the national average of 2.0 percent. The industries under which this growth was created were primarily construction, professional and business services, and financial activities.

Employment is growing faster in the construction industry than in any other sector of the economy with an over-the-year increase of 8.9 percent from November 2013 to November 2014. The growth in construction is primarily due to the increase in high rise residential development. This resurgence of the construction industry is fueled by the increase of foreign buyers fleeing the unstable economic conditions of foreign markets.

Professional and business services are also contributing to employment growth in Miami, with an increase of 5.0 percent from November 2013 to November 2014. These services include executive recruitment, legal services, advertising and consulting. With Miami always being a hub for companies that want to do business in Latin America, the City serves as headquarters for a number of multinational companies.

Financial services are a growing sector in Miami; resulting in an over-the-year increase in employment of 4.0 percent. This growth is attributed to the expansion of specialty finance, hedge funds and private equity firms. Miami has evolved into a complex and diversified international finance center with Downtown Miami being the home of the largest concentration of international banks in the United States. The attraction is in part attributed to the expanding cultural offerings, no personal tax, and essentially the close proximity to Latin America.

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 fourth year of positive growth for the year ended September 30, 2014. 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 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)*

	2014	2013	2012	2011
Revenues and Transfers In	\$ 569,457	\$ 525,870	\$ 518,053	\$ 515,361
Expenditures and Transfers Out	532,497	507,943	480,153	513,190
Net Change in Fund Balance	36,959	17,927	37,900	2,171
Beginning Fund Balance	75,463	57,544	19,644	17,473
Ending Fund Balance	\$ 112,422	\$ 75,471	\$ 57,544	\$ 19,644

*Housing & Real Estate Market*

The City's tax base increased to \$35.3 billion in fiscal year 2014. 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 2014, with homeownership rate reported to be at 32.8 percent. The median sales price was up 17.5 percent from prior year to \$235,000. However, condominiums showed larger price gains than single family sales did. Condo median sales price was \$210,000; up 20 percent and single family median sales was \$270,000, an increase of 5.2 percent over 2013. Furthermore, according to [www.realtytrac.com](http://www.realtytrac.com) the foreclosure filings in Miami are 16% lower than the previous year.

*Employment & Wealth Demographics*

The following information was reported by the Bureau of Labor Statistics and the United States Census Bureau. The table provides Miami demographics compared to the State of Florida and the United States.

	Miami	Florida	United States
Unemployment Rate	5.6%	5.6%	5.4%
Median Household Income	\$30,375	\$46,956	\$53,046
Persons below poverty level	29.9%	16.3%	15.4%
High school graduate or higher	70.9%	86.1%	86.0%
Bachelor's degree or higher	23.1%	26.4%	28.4%

*Tourism*

Tourism remains an important industry in Miami. Along with New York City, Miami remains international visitors' top urban destination when coming to the United States. Annual events that attract visitors from across the country and world include the Sony Ericsson Open, Art Basel, Winter Music Conference, and the Ultra Music Festival. In addition, Miami is the home to nation's busiest ports of entry, Miami International Airport and Port Miami. As a result, Miami has the fourth largest hotel occupancy rate after Oahu Island, New York and San Francisco as reported by The Greater

Miami Convention and Visitors Bureau. With the tourism economy steadily improving, the employment within the leisure and hospitality field has steadily increased by 4.8 percent from 2013.

### *Miami International Airport*

The Miami International Airport (“MIA”) is operated by the Miami-Dade Aviation Department and is property of the Miami-Dade County government. MIA reported a total of 41.0 million passengers for the 2014 calendar year, representing an increase of approximately 1.0 percent from the prior year. In addition, a total of 2.2 million in cargo-tons was transported through MIA, 1.9 million primarily being transported on international flights. MIA generates business revenue of 33.5 billion annually and welcomes 70 percent of all international visitors to Florida. This makes MIA the second-busiest gateway to the United States following New York’s JFK Airport.

### *PortMiami*

The PortMiami, (“the Port”) known as the “Cruise Capital of The World,” is operated by the Seaport Department of Miami-Dade County. For fiscal year ending September 30, 2014, the port processed approximately 4.8 million multi-day cruise passenger. 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 during the 2013 fiscal year. The Port 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 and generating 207,000 direct, indirect and induced jobs.

On August 3, 2014, the Port Tunnel was opened to traffic. After three years of planning, designing, constructing and safety testing, Downtown Miami will start to feel the benefit of the Port Tunnel with 16,000 vehicles being diverted from downtown streets on an average weekday. With the tunnel operational, the Port’s ability to grow is no longer restricted by truck and bus routes. Also with the diverted traffic, redevelopment of the northern portion of Miami’s Central Business District is no longer limited and congestion will decrease on downtown streets.

The Port continues to grow its infrastructure to accommodate future growth and to remain competitive. Great Lakes Dredge and Dock Company is currently dredging the Port’s channel to minus 50/52 feet. With expected completion in 2015, the Port will be big ship ready; equipped to welcome super-size container vessels arriving via the Panama Canal. The improved Port facilities will increase the Port’s competitive advantage for cargo.

### *Brickell Citi Centre*

The Swire Group continues construction on the “Brickell Citi Centre”, a \$1.05 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 generate approximately 1,700 construction jobs in the next four years and, when finished, it will employ over 3,700 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.



## ***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.

### ***Financing***

During fiscal year 2014, the City successfully refunded \$25.6 million Special Revenue Refunding Bonds Series 2002A and Series 2002C. See Note 8 Long-Term Debt.

In fiscal year 2014, the SEOPW CRA issued \$58.6 million in bonds. The bonds will be repaid with tax increment revenue. The proceeds will be used to finance or refinance the acquisition and construction of community redevelopment projects in the redevelopment area of the CRA.

### ***Future Outlook***

After a year of continued growth, conditions are set for gradual acceleration of economic activity in the upcoming 2015 fiscal year. The U.S. economy ended the year on a positive note as third quarter gross domestic product (GDP) increased 5.0 percent, making it the strongest result since 2003. This increase is reflective of positive contributions from consumer spending, nonresidential fixed investment, federal government spending, exports, state and local government spending, and residential fixed investments. In addition, the unemployment rate dropped to 5.6 percent, which is the lowest level since 2008.

The Federal Open Market Committee (FOMC) expects inflation to rise gradually toward 2.0 percent as the labor market improves further and the temporary effects of lower energy prices and other factors dissipate. Typically, lower oil prices boost consumer discretionary income, while lower production costs for energy-intensive industries increase efficiency and profitability. Though energy employment may decline, it will be offset by gains in other industries.

The stock market will react with short and intermediate term interest rates generally rising while longer maturity yields fall modestly causing the yield curve to flatten. This is an indication that the economic growth of the market is still fragile. The FOMC judges that it expects to keep rates low for some time. If incoming information indicates faster progress, then increases for the federal funds rate are likely to occur sooner. If progress proves slower than expected, then an increase is likely to occur later.

With low interest rates and low oil prices, a good business climate has been created for the South Florida economy encouraging growth in construction, trade, financial services, professional and legal services and tourism. With growth in these sectors of the South Florida economy, employment should strengthen as well, and all indicators point towards steady improvement in the local economy, specifically Miami.

Capital Improvement Plan

The City's six-year Capital Improvement Plan has earmarked funding estimated at approximately \$448 million for 628 projects, 288 active and 340 future projects.

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

<b>Capital Improvement Program Revenue by Type (<i>\$ in thousands</i>)</b>		
<b>Description</b>	<b>Amount</b>	<b>Percent</b>
City Bonds	\$ 124,356	27.7%
Private Donations/Other	3,710	0.8%
CIP Fees/Revenues	196,394	43.8%
State Grants	62,806	14.0%
Federal Grants	6,731	1.5%
Miami-Dade County Grants	28,832	6.4%
Other Grants	21,272	4.7%
Other	4,336	1.0%
<b>Total</b>	<b>\$ 448,437</b>	

<b>Capital Improvement Program Expenditures by Fund (<i>\$ in thousands</i>)</b>		
<b>Description</b>	<b>Amount</b>	<b>Percent</b>
Streets and Sidewalks	\$ 160,107	35.7%
CRA Projects	9,593	2.1%
Disaster Recovery	1,896	0.4%
General Government	79,646	17.8%
Mass Transit	4,188	0.9%
Parks and Recreation	75,942	16.9%
Public Facilities	15,372	3.4%
Public Safety	29,546	6.6%
Sanitary Sewers	4,296	1.0%
Solid Waste	5,009	1.1%
Storm Sewers	62,842	14.0%
<b>Total</b>	<b>\$ 448,437</b>	

## ***Relevant Financial Policies***

The City has adopted a comprehensive set of financial policies. Two of these policies are described below.

### **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 to assure 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 benchmarking 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 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.

The policy stipulates that 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 Finance Director. The Finance Director has established written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls.

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.

For the year ending September 30, 2014, the City has complied with its Investment and Debt Management Policies.

The investment policy is adopted by City Resolution. The Finance Director, Treasurer, and the Investment Committee shall review the policy annually and the City Commission shall approve any modifications made thereto. Recommendations for revisions to the policy are currently pending approval by the City Commission.

### *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.

For the 2014 fiscal year, the City's General Fund reserves increased by approximately \$36.9 million to an ending fund balance of approximately \$112.4 million. Of the ending fund balance, approximately \$3.0 million is non-spendable; approximately \$51.8 million is assigned, and the remaining of approximately \$57.6 is unassigned. Consequently, based on the results, the City is in compliance with the related Financial Integrity Principles.

The City's five year forecast assumes increasing the General Fund's fund balance each of the five years. While meeting fund balance requirements of the Financial Integrity Principles is a significant accomplishment and reverses the trend of declines experienced in fiscal years 2008 through 2009, the ultimate course will be determined by the City Commission in its review, consideration, and ultimate approval of future budgets 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. The City allows 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.

#### ***Major Initiatives***

The City will continue to build the City's reserves and keep the City on a path to achieve the Financial Integrity Principles, while addressing the strategic needs for service and reinvesting in our capital infrastructure. In the summer of 2013, the City developed and launched its Strategic Planning initiative. This initiative encompassed three major elements: strategy development, performance management and public engagement.

With input from Miami's residents, City employees and community partners, six priority areas were identified: 1) public safety, 2) clean and beautiful neighborhoods, 3) growth and development, 4) education and economic access, 5) culture and recreation, and 6) efficient and effective government. The details on the key objectives of these priorities and the strategies for achieving these objectives are outlined in the *City of Miami Strategic Plan* adopted in September 2014, which can be accessed at [www.miamigov.com/citymanager/strategicplanning](http://www.miamigov.com/citymanager/strategicplanning).

### ***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, 2013. 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.

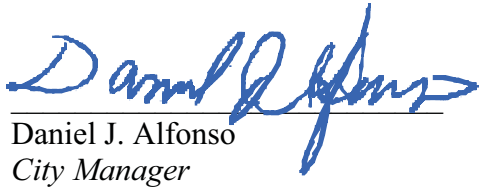
In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is 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 closing, 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 – McGladrey LLP, Certified Public Accountants. Lastly, we wish to express our appreciation to the City's General Services Administration for the reproduction of this report.

Respectfully submitted,



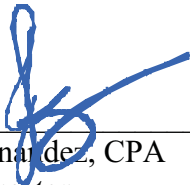
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Daniel J. Alfonso  
*City Manager*



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Fernando Casamayor  
*Assistant City Manager/CFO*



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Jose M. Fernandez, CPA  
*Finance Director*



Government Finance Officers Association

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**City of Miami  
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For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**



Executive Director/CEO





# FINANCIAL SECTION



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## Independent Auditor's Report

The Honorable Mayor and Members of the City Commission  
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, 2014, 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 accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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:

<b>Component Units / Funds</b>	<b>Classification</b>
• Southeast Overtown Park West Redevelopment Agency	nonmajor special revenue fund
• Omni Redevelopment Agency	nonmajor special revenue fund
• Midtown Community Redevelopment Agency	nonmajor special revenue fund
• Virginia Key Beach Park Trust	nonmajor special revenue fund
• Liberty City Community Revitalization District Trusts	nonmajor special revenue fund
• Firefighters' and Police Officers' Retirement Trust	aggregate remaining fund information
• General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts	aggregate remaining fund information
• Miami Sports and Exhibition Authority	discretely presented component unit
• Downtown Development Authority	discretely presented component unit
• Bayfront Park	discretely presented component unit
• Civil Investigative Panel	discretely presented component unit
• Coconut Grove Business Improvement District	discretely presented component unit
• Wynwood Business Improvement District	discretely presented component unit

The component units and funds represent the percentage of assets/deferred outflow of resources and revenue/additions, where applicable, of the respective opinion units listed below:

<b>Reporting Classification</b>	<b>Percentage of,</b>	
	<b>Total Assets/ Deferred Outflow of Resources</b>	<b>Total Revenues/Additions</b>
• Governmental Activities	8%	5%
• Discretely Presented Component Units	7%	35%
• Aggregate Remaining Fund Information	94%	75%

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the funds and component units referred to above, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 of Miami, Florida, as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective October 1, 2013. The net position balance of the governmental activities and the aggregate discretely presented component units as of October 1, 2013 have been restated. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the City's pension plans adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, effective October 1, 2013. The net position balance of the fiduciary funds as of October 1, 2013 has been restated. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison schedules, schedule of funding progress, schedule of employer contributions, schedule of changes in the net pension liability and related ratios, schedule of contributions, and schedule of investment returns* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

### *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 *introductory section, the combining and individual fund financial statements and schedules, and the statistical section*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual fund financial statements and schedules* are the responsibility of management and were derived from and relates 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 of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the *combining and individual fund statements and schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The *introductory and statistical sections* have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we 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 have also issued our report dated March 25, 2015 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 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 the City's internal control over financial reporting and compliance.

*McGladrey LLP*

Miami, Florida  
March 25, 2015



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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, 2014. 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 5 – 16 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the 2014 fiscal year by approximately \$412.2 million (*net position*).
- At the close of the current fiscal year, the City's governmental operating fund (*General Fund*) reported a fund balance of approximately \$112.4 million, an increase of approximately \$37.0 million in comparison with the prior year.
- The City's total outstanding debt had a net increase of approximately \$25.3 million during the current fiscal year. This increase can be attributed to the issuance of the City of Miami's 2014 Revenue Refunding Bonds, CRA Revenue Bonds Series 2014 A-1 and Series 2014 A-2, totaling approximately \$73.9 million; partially offset by a reduction of principal on various City outstanding debt of approximately \$48.6 million. Please reference Note 8 for further discussion and information related to debt.

### 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 private-sector business.

The focus of the statement of net position presents financial information on all of the City's assets and liabilities, and deferred inflows/outflows of resources 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 items 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 units' 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, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 35-36 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 forty-one individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statements 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-five governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements 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 37-40 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 41-42 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 47-127 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 128-135 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 141-157 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 and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$412.2 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); net of accumulated depreciation, 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 are typically not used to liquidate these liabilities. As of September 30, 2014, the City's net investment in capital assets was approximately \$651.5 million.

Approximately 21 percent of the City's net position represents resources that are subject to restrictions on how they may be used. As of September 30, 2014 the City's portion of restricted net position was approximately \$86.2 million.

The remaining portion represents a unrestricted net deficit of approximately \$325.5 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's net position increased from approximately \$392.3 million to approximately \$412.2 million. The reasons for this overall increase 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 September 30, 2014**  
**Governmental Activities**  
*(\$ in thousands)*

	<u>2014</u>	<u>2013</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Current and other assets	\$ 608,615	\$ 508,622	\$ 99,992	19.66%
Capital Assets	<u>1,133,786</u>	<u>1,137,126</u>	<u>(3,339)</u>	<u>-0.29%</u>
Total Assets	1,742,401	1,645,748	96,653	5.87%
Total Deferred Outflows of Resources	2,521	3,003	(482)	-16.05%
Other Liabilities	167,709	153,264	14,445	9.42%
Long-Term Liabilities	<u>1,150,054</u>	<u>1,078,378</u>	<u>71,676</u>	<u>6.65%</u>
Total Liabilities	1,317,763	1,231,642	86,121	6.99%
Total Deferred Inflows of Resources	14,951	24,827	(9,876)	-39.78%
Net Position:				
Net Investment in Capital Assets	651,485	626,017	25,468	4.07%
Restricted	86,209	93,376	(7,167)	-7.68%
Unrestricted (Deficit)	<u>(325,486)</u>	<u>(327,113)</u>	<u>1,627</u>	<u>-0.50%</u>
Total Net Position	<u>\$ 412,208</u>	<u>\$ 392,282</u>	<u>\$ 19,926</u>	<u>0.01%</u>

The implementation of GASB 65 resulted in the restatement of the prior year net position for governmental activities due to the write off of bond issuance costs and restatement of deferred loss on refunding.

The following table provides a summary of the City's changes in net position for the fiscal years ended September 30, 2014 and 2013.

<b>Changes in Net Position Governmental Activities</b> <i>(\$ in thousands)</i>				
	<b>2014</b>	<b>2013</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Revenues:</b>				
<b>Program revenues</b>				
Charges for Services	\$ 216,187	\$ 180,866	\$ 35,321	19.53%
Operating Grants and Contributions	105,483	103,177	2,306	2.23%
Capital Grants and Contributions	2,598	17,042	(14,444)	-84.76%
<b>General revenues:</b>				
Property Taxes	266,575	258,508	8,067	3.12%
Franchise Taxes	46,312	44,699	1,613	3.61%
State Revenue Sharing - Unrestricted	13,389	12,673	716	5.65%
Sales and Other Use Taxes	29,491	27,738	1,753	6.32%
Public Service Taxes	60,396	59,322	1,074	1.81%
Proceeds from Sale of Property	9,960	(116)	10,076	-8,686.21%
Investment earnings/(losses) - unrestricted	4,298	(2,653)	6,951	-262.01%
<b>Total Revenues</b>	<b>754,689</b>	<b>701,256</b>	<b>53,433</b>	<b>7.62%</b>
<b>Expenses:</b>				
General Government	147,632	142,930	4,702	3.29%
Planning and Development	13,985	11,688	2,297	19.65%
Community Development	35,026	40,906	(5,880)	-14.37%
Community Redevelopment Areas	16,798	20,836	(4,038)	-19.38%
Public Works	71,269	68,733	2,536	3.69%
Public Safety	363,081	337,347	25,734	7.63%
Public Facilities	14,549	15,403	(854)	-5.54%
Parks and Recreation	40,492	43,341	(2,849)	-6.57%
Interest on long-term debt	31,931	43,544	(11,613)	-26.67%
<b>Total Expenses</b>	<b>734,763</b>	<b>724,728</b>	<b>10,035</b>	<b>1.38%</b>
Net Change in Fund Balance	19,926	(23,472)	43,398	-184.89%
Net position - Beginning, as restated	392,282	415,754	(23,472)	-5.65%
Net position - Ending	\$ 412,208	\$ 392,282	\$ 19,926	5.08%

### ***Governmental Activities***

As noted earlier, the City's net position increased by approximately \$19.9 million compared to prior year. The major changes are as follows:

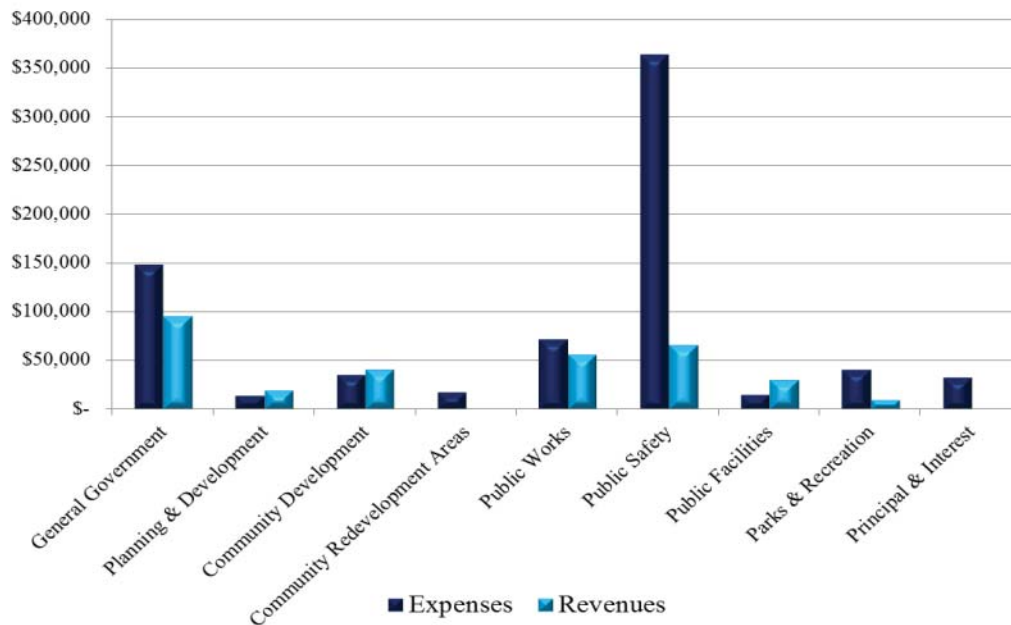
The increase in net position can be attributed to growth in program revenues, decrease in program expenses, decrease in interest expense, and an increase in general revenues. The growth in program revenues can be attributed to increases in planning and development related to continued growth in impact and building related fees. This growth was partially offset by declines in capital and operating grants. The majority of the City's grants are reimbursement grants—meaning the City recognizes revenue after it has incurred an eligible expense. The City's compensated absences liability decreased approximately \$13.8 million. Furthermore, the excess of city and employee contributions related to health and workers compensation exceeded the related claims by approximately \$9.9 million.

The City's interest expense decreased when compared to last year based on the required interest payments based on the respective bond debt service schedule. During the 2014 fiscal year, the City's bonds and loans

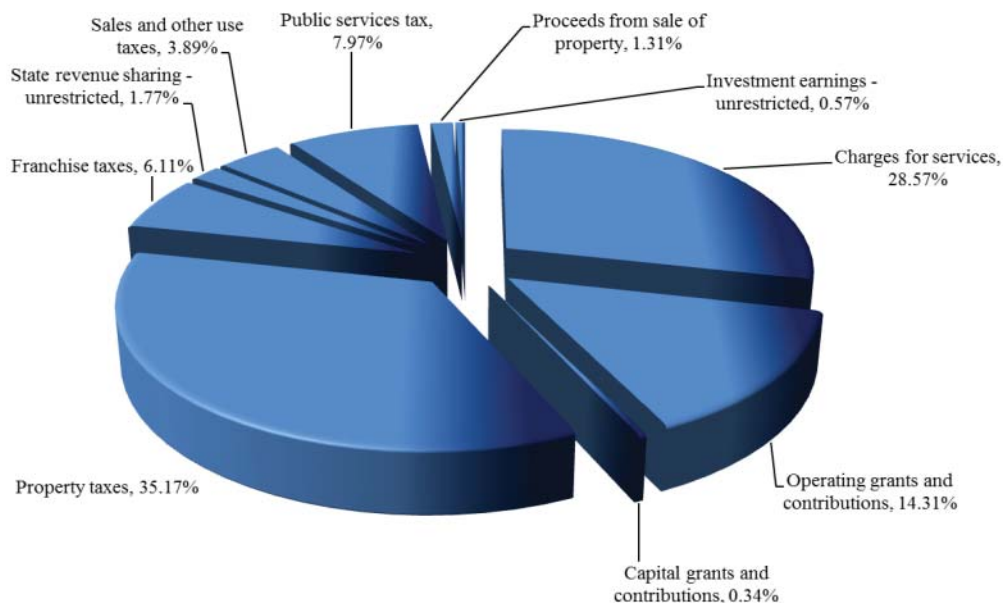
had a net decrease of approximately \$25.3. The net reduction reduced the principal outstanding, thereby reducing the interest expense.

General Government revenues increased approximately \$30.3 million. This increase can be attributed to an increase in property taxes related to the growth in assessed value; the increase in franchise taxes, state revenue sharing, sales and other use taxes and public service taxes can be attributed to growth in the related activity. During the year, the City recognized a gain on the sale of capital assets of approximately \$9.9 million, representing an increase of approximately \$10.1 million when compared to the prior year loss of approximately \$.12 million.

### 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 \$112.4 million. Of this amount, approximately \$3.0 million is recorded as non-spendable for prepaid expenses. Approximately \$51.8 million is assigned fund balance in accordance with the City's Financial Integrity Ordinance and approximately \$57.6 million to be designated as unassigned fund balance.

General Fund's fund balance had a net increase of approximately \$37.0 million during the current fiscal year. The General Fund's budgeted revenues, less expenditures and other financing sources was expected to yield no change in fund balance. Considering this, key factors in the overall increase were due to:

- Revenues performing approximately \$27.0 million better than budgeted while expenditures were approximately \$10.4 million lower than budgeted.
- The City was very diligent in creating stop-gaps in fiscal year 2014, 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 \$29.2 million. This represents a decrease of approximately \$5.5 million.

The Fire Rescue Services' fund balance of approximately \$3.5 million remained constant with the prior fiscal year. This resulted \$6 thousand change to its fund balance.

Public Safety Capital Projects Fund has a deficit fund balance of \$2.3 million; a decrease in fund balance of \$3.7 million from the prior year due primarily to capital expenditures of approximately \$6.4 million partially offset by a net excess of approximately \$2.4 million in transfers in over transfers out.

The General Government Capital Project Fund has a fund balance of \$62.9 million. This represents an increase of approximately \$6.6 million. The increase can be attributed to an increase in impact fees.

Streets & Sidewalks Capital Projects Fund has a fund balance of \$53.1 million. This represents a decrease of approximately \$5.5 million. The decrease can be attributed to an increase in expenditures on road improvement projects throughout the City.

### *General Fund Budgetary Highlights*

The FY 2013-14 Adopted Budget maintains funding for current City services, and allows for expanded services in some categories while reducing the overall millage rate from 8.471 to 8.431. The Adopted Budget enhances the level of service and support to both the Police and Fire Rescue Departments so that they can continue to provide our residents, visitors, and businesses with excellent public safety, to facilitate a vibrant, safe, and growing community.

The FY 2013-14 City's Adopted General Fund Budget totaled approximately \$542.6 million. This amendment increases the previously adopted budget by approximately \$10.1 million to a revised total of approximately \$552.7 million. This increase in the General Fund is primarily due to the aforementioned Section 175 and Section 185 revenue and expenditures that were not initially budgeted. Instead, the General Fund's budget was amended to recognize the related expenditure. Additionally, there is a need to adjust a couple of departments due to higher than budgeted expenditures. The increased allocation was done and offset with reduction of unspent allocations within the General Fund without increasing the overall budget. Most of these adjustments were noted to the Commission during the monthly Budget Discussion and previous monthly reports.

In recent years, the City has faced a significant challenge regarding its cash reserves and the deferral of capital needs. The Adopted Budget increases the reserve for one-time pay-out events to \$14 million from \$11.31 million in order to set aside enough funding for the anticipated increase in employee retirement activity. Additionally, the City continued the practice of maintaining a revenue shortfall reserve of \$9.16 million, beyond the required \$5.0 million Emergency Contingency Reserve in the operating budget. These reserves are a safeguard against previous fund balance challenges, not forgetting that the City's General Fund balance declined from a high of \$141.86 million in FY 2002-03 to a low of \$13.44 million in FY 2009-10. In FY 2010-11, for the first time in five years, the City's General Fund year-end fund balance did not decline, but increased slightly. The fund balance increased again in FY 2011-12 and FY 2013-14. The Adopted Budget and the aforementioned reserves greatly enhanced the likelihood of continuing on this trend towards compliance with the City's Financial Integrity Principles, which requires a year-end fund balance of approximately \$103.9 million.

### ***Capital Assets and Debt Administration***

#### ***Capital Assets***

The City's investment in capital assets as of September 30, 2014 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 .29 percent.

<b>Capital Assets at Year End (Net of Depreciation)</b>					
<i>(\$ in thousands)</i>					
<b>Governmental Activities</b>					
	<b>2014</b>		<b>2013</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Land	\$ 94,079	\$	94,128	\$ (49)	-0.05%
Construction-in-Progress	61,575		59,118	2,457	4.16%
Buildings	203,071		194,766	8,305	4.26%
Improvements	150,564		162,334	(11,770)	-7.25%
Machinery and Equipment	47,205		49,834	(2,629)	-5.28%
Infrastructure	577,293		576,946	347	0.06%
<b>Total</b>	<b>\$ 1,133,787</b>	<b>\$</b>	<b>1,137,126</b>	<b>\$ (3,339)</b>	<b>-0.29%</b>

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

- Construction in progress increased approximately \$2.5 million. The total transfers out of Construction in progress amounted to approximately \$60.7 million; however there was an addition of approximately \$63.2 million in new expenditures during fiscal year 2014.
- Buildings increased by approximately \$8.3 million. This increase is attributed to the completion of the Moore Park Recreation Building and Daycare Center, Fire Station #13 and the Caribbean Marketplace.
- The Improvement projects completed during the fiscal year and transferred from construction in progress, included \$1.3 million in building improvements and \$1.8 million in land improvements. There was also an addition of \$1.2 million in improvement expenditures, primarily related to improvements at the Miami Riverside Center and \$4.6 million in improvements for the Community Redevelopment Agencies. These transfers and additions are offset by the \$20.7 million in depreciation expense incurred for the current fiscal year.
- Machinery and Equipment decreased by approximately \$2.6 million. There was \$11.4 million in additions and transfers, primarily attributed to the acquisition of operating equipment, to include light and heavy fleet vehicles, for the Police, General Services Administration and Fire departments. However, these expenditures are offset by approximately \$14.0 million in depreciation expense for the current fiscal year.

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 \$698.1 million. Of this amount, \$7.7 million is backed by the full faith and credit of the City and \$209.7 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)*

	<b>Governmental Activities</b>			
	<b>2014</b>	<b>2013</b>	<b>\$ Change</b>	<b>% Change</b>
General Obligation Bonds	\$ 217,378	\$ 228,970	\$ (11,592)	-5.06%
Special Obligation, Revenue Bonds and Loans	480,754	443,851	36,903	8.31%
<b>Total</b>	<b>\$ 698,132</b>	<b>\$ 672,821</b>	<b>\$ 25,311</b>	<b>3.76%</b>

The City's net debt increased during the current fiscal year by \$25.3 million (or 3.76 percent). This increase can be attributed to the issuance of CRA Revenue Bonds Series 2014 A-1 and Series 2014 A-2.

During fiscal year 2014, Fitch upgraded the City's bond rating to A+ from A-. Additionally, S&P upgraded the City's bond rating from BBB to A+.

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 2015 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 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 2015, while the total millage decreased, the operating millage increased slightly from 7.6148 mills to 7.6465 mills. The budgeted General Fund property tax revenue is approximately \$241.07 million, which represents an increase of approximately \$13.33 million or 5.9 percent over the fiscal year 2014 budget. The fiscal year 2015 Adopted Budget continues the movement to a path of financial stability and long-term sustainable growth that was begun nearly five 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 \$103.9 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 at September 30, 2014 was 5.6 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 2<sup>nd</sup> Avenue, Suite 618, Miami, Florida 33130, or visit the City's web site at [www.miamigov.com](http://www.miamigov.com).





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**City of Miami, Florida**  
**Statement of Net Position**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 403,160	\$ 26,360
Receivables - Net	30,385	2,136
Accrued Interest	457	-
Due From Other Governments	21,908	438
Inventory	614	-
Prepays	2,886	626
Other Assets	344	7,425
Restricted Cash, Cash Equivalents, and Investments Related to Bond Proceeds	132,751	-
Restricted Cash, Cash Equivalents, and Investments	16,110	8,335
Capital Assets:		
Non-Depreciable	155,654	8,851
Depreciable - Net	978,132	58,601
<b>Total Assets</b>	<b>1,742,401</b>	<b>112,772</b>
<b>Deferred Outflows of Resources</b>		
Deferred Loss on Refunding Bonds	2,521	1,195
<b>Total Deferred Outflows of Resources</b>	<b>2,521</b>	<b>1,195</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	45,907	3,841
Due to Other Funds	305	-
Due to Other Governments	450	1,329
Unearned Revenue	10,278	712
Deposits	12,726	504
Accrued Interest Payable	7,955	1,735
Due Within One Year:		
Bonds and Loans Payable	24,370	1,210
Compensated Absences	13,053	348
Claims Payable	52,665	-
Non-Current Liabilities		
Due In More Than One Year:		
Deposits	-	1,008
Bonds and Loans Payable	695,098	68,476
Compensated Absences	38,118	498
Claims Payable	156,416	-
Other Post Employment Benefits	255,823	92
Net Pension Obligation	4,599	-
<b>Total Liabilities</b>	<b>\$ 1,317,763</b>	<b>\$ 79,753</b>
<b>Deferred Inflows of Resources</b>		
Revenue Received in Advance	14,951	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ 14,951</b>	<b>\$ -</b>
<b>Net Position</b>		
Net Investment in Capital Assets	651,485	4,755
Restricted for:		
Capital Projects	20,456	134
Debt Service	-	667
Parking Waiver	-	541
Parking Surcharge	-	130
Law Enforcement	1,724	-
Community Redevelopment	59,303	-
Choice Housing Voucher Program	272	-
E-911	4,454	-
Unrestricted (Deficit)	(325,486)	27,987
<b>Total Net Position</b>	<b>\$ 412,208</b>	<b>\$ 34,214</b>

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, 2014  
(\$ in thousands)

	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
<b>Functions/Programs:</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 147,632	\$ 65,843	\$ 32,804	\$ 2,553	\$ (46,432)	\$ -
Planning and Development	13,985	36,880	-	-	22,895	-
Community Development	35,026	824	35,747	-	1,545	-
Community Redevelopment Areas	16,798	416	693	-	(15,689)	-
Public Works	71,269	50,258	3	-	(21,008)	-
Public Safety	363,081	25,426	34,633	5	(303,017)	-
Public Facilities	14,549	30,926	38	40	16,455	-
Parks and Recreation	40,492	5,614	1,565	-	(33,313)	-
Interest on Long-Term Debt	31,931	-	-	-	(31,931)	-
<b>Total Primary Government</b>	<u>\$ 734,763</u>	<u>\$ 216,187</u>	<u>\$ 105,483</u>	<u>\$ 2,598</u>	<u>\$ (410,495)</u>	<u>\$ -</u>
<b>Component Units:</b>						
Miami Sports and Exhibition Authority	\$ 66	\$ 30	\$ -	\$ -	\$ -	\$ (36)
Department of Off-Street Parking	30,145	28,796	-	-	-	(1,349)
Downtown Development Authority	5,812	-	-	-	-	(5,812)
Bayfront Park Management Trust	5,103	4,525	-	-	-	(578)
Coconut Grove BID	1,196	1,525	-	-	-	329
Wynwood BID	478	1,499	-	-	-	1,021
Civilian Investigative Panel	625	-	742	-	-	117
<b>Total Component Units</b>	<u>\$ 43,425</u>	<u>\$ 36,375</u>	<u>\$ 742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,308)</u>

**General Revenues:**

Taxes:		
Property Taxes, levied for general purposes	241,722	5,586
Property Taxes, levied for debt service	24,853	-
Franchise Taxes	46,312	-
State Revenue Sharing - Unrestricted	13,389	-
Sales and Other Use Taxes	29,491	-
Public Service Taxes	60,396	-
Investment Earnings - Unrestricted	4,298	6
Other General Revenues	-	274
Gain on Sale of Capital Assets	9,960	-
<b>Total General Revenues</b>	<u>430,421</u>	<u>5,866</u>
Special Item (Note 14)	-	1,289
Change in Net Position	19,926	847
Net Position - Beginning, as restated (Note1)	392,282	33,367
<b>Net Position - Ending</b>	<u>\$ 412,208</u>	<u>\$ 34,214</u>

**City of Miami, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	Major Funds						Other Non-Major Governmental Funds	Total Governmental Funds
	General	Special Obligation Bonds	Fire Rescue Services	Public Safety	General Government	Streets & Sidewalks		
<b>Assets</b>								
Pooled Cash, Cash Equivalents, and Investments	\$ 130,928	\$ 16,237	\$ 2,872	\$ 8,659	\$ 64,782	\$ 56,499	\$ 197,225	\$ 477,202
Restricted Cash, Cash Equivalents, and Investments	83	12,749	-	-	-	-	61,987	74,819
Receivables (Net of Allowance for Uncollectibles):								
Loans Receivable	-	-	-	-	-	-	2	2
Accounts Receivable	22,032	250	21	-	-	10	2,818	25,131
Property Tax	4,740	-	-	-	-	-	512	5,252
Due From Other Governments	6,953	-	1,814	41	15	411	12,674	21,908
Due From Other Funds	306	-	-	-	-	-	-	306
Accrued Interest	312	-	-	-	15	103	27	457
Prepays	2,861	-	22	-	-	-	3	2,886
Other Assets	-	-	-	-	-	-	37	37
<b>Total Assets</b>	<b>\$ 168,215</b>	<b>\$ 29,236</b>	<b>\$ 4,729</b>	<b>\$ 8,700</b>	<b>\$ 64,812</b>	<b>\$ 57,023</b>	<b>\$ 275,285</b>	<b>\$ 608,000</b>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts Payable and Accrued Liabilities	24,944	-	1,238	760	1,948	3,929	13,088	45,907
Due to Other Funds	-	-	-	-	-	-	305	305
Due to Other Governments	-	-	-	-	-	-	450	450
Unearned Revenue	-	-	-	10,278	-	-	-	10,278
Deposits	10,853	-	-	-	-	-	1,873	12,726
<b>Total Liabilities</b>	<b>35,797</b>	<b>-</b>	<b>1,238</b>	<b>11,038</b>	<b>1,948</b>	<b>3,929</b>	<b>15,716</b>	<b>69,666</b>
<b>Deferred Inflows of Resources</b>								
Revenue Received in Advance	14,951	-	-	-	-	-	-	14,951
Unavailable Revenue - Other	5,045	-	14	-	-	-	3,836	8,895
<b>Total Deferred Inflows of Resources</b>	<b>19,996</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,836</b>	<b>23,846</b>
Fund Balances (Deficit):								
Non-Spendable Fund Balance								
Non Spendable	2,950	-	22	-	-	-	1,003	3,975
Spendable Fund Balance								
Restricted	-	29,236	3,142	-	57,099	2,268	191,918	283,663
Committed	-	-	56	-	4,971	50,826	59,536	115,389
Assigned	51,813	-	257	-	794	-	4,417	57,281
Unassigned	57,659	-	-	(2,338)	-	-	(1,141)	54,180
<b>Total Fund Balances</b>	<b>112,422</b>	<b>29,236</b>	<b>3,477</b>	<b>(2,338)</b>	<b>62,864</b>	<b>53,094</b>	<b>255,733</b>	<b>514,488</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 168,215</b>	<b>\$ 29,236</b>	<b>\$ 4,729</b>	<b>\$ 8,700</b>	<b>\$ 64,812</b>	<b>\$ 57,023</b>	<b>\$ 275,285</b>	<b>\$ 608,000</b>

**City of Miami, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**September 30, 2014**  
*(\$ in thousands)*

Fund Balances - Total Governmental Funds \$ 514,488

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

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

Governmental Capital Assets	2,320,935	
Less: Accumulated Depreciation	<u>(1,187,148)</u>	1,133,787

Inventory (Land) held for resale are not financial resources and therefore are not reported in the governmental funds.	614
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Grant revenues are reported as deferred inflows in the fund financial statements due to amounts being unavailable; under full accrual accounting they are reported as revenues.	3,643
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Tax revenues are reported as deferred inflows in the fund financial statements due to amounts being unavailable; under full accrual accounting they are reported as revenues.	5,252
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Loss on refunding of debt is recognized in the statement of Net Position and amortized over the term of the bond.	2,521
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds, Notes, and Loans Payable	(719,468)	
Compensated Absences	(51,171)	
Claims Liability	(209,081)	
Other Post Employment Benefit	(255,823)	
Net Pension Obligation	(4,599)	
Accrued Interest Payable	<u>(7,955)</u>	<u>(1,248,097)</u>

Net Position of Governmental Activities	<u><u>\$ 412,208</u></u>
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**City of Miami, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<b>Major Funds</b>						<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Special Obligation Bonds</b>	<b>Fire Rescue Services</b>	<b>Public Safety</b>	<b>General Government</b>	<b>Streets &amp; Sidewalks</b>		
<b>Revenues</b>								
Property Taxes	\$ 215,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,604	\$ 266,576
Franchise and Other Taxes	106,707	-	-	-	-	-	-	106,707
Licenses and Permits	60,863	-	-	-	-	-	42	60,905
Fines and Forfeitures	11,407	-	-	-	-	-	1,226	12,633
Intergovernmental Revenues	61,013	3,000	18,120	5	15	-	65,166	147,319
Charges for Services	92,987	-	3	294	-	-	16,574	109,858
Investment Earnings	3,740	39	1	-	127	75	316	4,298
Impact Fees	-	-	-	-	21,561	1	-	21,562
Other	4,042	-	6	-	130	4,439	2,611	11,228
<b>Total Revenues</b>	<b>556,731</b>	<b>3,039</b>	<b>18,130</b>	<b>299</b>	<b>21,833</b>	<b>4,515</b>	<b>136,539</b>	<b>741,086</b>
<b>Expenditures</b>								
Current Operating:								
General Government	80,151	59	-	-	1,253	748	9,111	91,322
Planning and Development	13,710	-	-	-	-	-	177	13,887
Community Development	-	-	-	-	-	-	35,182	35,182
Community Redevelopment Areas	-	-	-	-	-	-	16,496	16,496
Public Works	63,258	-	-	-	467	1	572	64,298
Public Safety	281,287	-	18,869	119	-	-	8,758	309,033
Public Facilities	5,791	-	-	-	-	-	5,768	11,559
Parks and Recreation	28,339	-	-	-	-	-	2,595	30,934
Debt Service:								
Principal	-	35,831	-	-	-	1	11,592	47,424
Interest and Other Charges	-	28,634	-	-	-	-	13,780	42,414
Capital Outlay	2,262	-	1,109	6,361	6,196	18,439	31,333	65,700
<b>Total Expenditures</b>	<b>474,798</b>	<b>64,524</b>	<b>19,978</b>	<b>6,480</b>	<b>7,916</b>	<b>19,189</b>	<b>135,364</b>	<b>728,249</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>81,933</b>	<b>(61,485)</b>	<b>(1,848)</b>	<b>(6,181)</b>	<b>13,917</b>	<b>(14,674)</b>	<b>1,175</b>	<b>12,837</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	12,278	49,679	1,671	10,450	6,276	10,221	39,743	130,318
Transfers Out	(57,699)	(11,766)	-	(8,007)	(13,571)	(1,036)	(38,239)	(130,318)
Proceeds from Sale of Property	448	-	-	-	-	1	10,159	10,608
Premium from Issuance of Debt	-	-	-	-	-	-	4,331	4,331
Issuance of Debt	-	18,049	-	-	-	-	55,885	73,934
<b>Total Other Financing Sources (Uses)</b>	<b>(44,973)</b>	<b>55,962</b>	<b>1,671</b>	<b>2,443</b>	<b>(7,295)</b>	<b>9,186</b>	<b>71,879</b>	<b>88,873</b>
<b>Net Changes in Fund Balances</b>	<b>36,960</b>	<b>(5,523)</b>	<b>(177)</b>	<b>(3,738)</b>	<b>6,622</b>	<b>(5,488)</b>	<b>73,054</b>	<b>101,710</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>75,462</b>	<b>34,759</b>	<b>3,654</b>	<b>1,400</b>	<b>56,242</b>	<b>58,582</b>	<b>182,679</b>	<b>412,778</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 112,422</b>	<b>\$ 29,236</b>	<b>\$ 3,477</b>	<b>\$ (2,338)</b>	<b>\$ 62,864</b>	<b>\$ 53,094</b>	<b>\$ 255,733</b>	<b>\$ 514,488</b>

**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, 2014**  
*(\$ in thousands)*

Net Changes in Fund Balances - Total Governmental Funds \$ 101,710

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

Grant revenues are reported as deferred inflows in the fund financial statements due to amounts being unavailable under full accrual accounting they are reported as revenues. 3,642

The net effect of various transactions involving the sale/disposal of capital assets. (647)

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	65,655	
Less: Current Year Depreciation	(74,394)	(8,739)

The net effect of various miscellaneous transactions involving sale of assets held for sale and expenditures that decrease net position. 79

The issuance of long-term debt provides current financial resources and the payment of the principal of long-term debt consumes the resources of the governmental funds.

Principal Paid on Bonds and Loans	48,623	
Net effect of Deferring Premiums, Discounts, and Accretion	8,982	
Issuance of Debt	(78,265)	(20,660)

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	13,798	
Claims Payable	(8,201)	
Other Post Employment Benefits	(61,334)	
Net Pension Obligation	(23)	
Accrued Interest Payable	301	(55,459)

Change in Net Position of Governmental Activities \$ 19,926

**City of Miami, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Employee Retirement Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 62,103
Accounts Receivable	15,704
Capital Assets, Net	<u>3,879</u>
	<u>81,686</u>
Investments:	
U.S. Government Obligations	299,009
Corporate Bonds	411,860
Corporate Stocks	867,927
Money Market Funds and Commercial Paper	30,730
International Equity	246,007
Mutual Funds	217,667
Real Estate	152,934
Private Equity	<u>89,929</u>
<b>Total Investments</b>	<u>2,316,063</u>
Securities Lending Collateral	<u>235,712</u>
<b>Total Assets</b>	<u>2,633,461</u>
<b>Liabilities</b>	
Obligations Under Security Lending Transactions	235,712
Accounts Payable	1,264
Payable for Securities Purchased	<u>18,680</u>
<b>Total Liabilities</b>	<u>255,656</u>
<b>Net Position</b>	
Restricted for Pension Benefits	<u><u>\$ 2,377,805</u></u>



**City of Miami, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2014**  
*(\$ in thousands)*

	<b>Employee Retirement Funds</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 79,770
Plan Members	16,715
<b>Total Contributions</b>	96,485
Investment Earnings:	
Net Increase in Fair Value of Investments	159,326
Interest	27,633
Dividends	18,794
Other	347
<b>Total Investment Earnings</b>	206,100
Security Lending Activities:	
Security Lending Income	916
Security Lending Fees and Rebates	(186)
<b>Net Income From Security Lending Activities</b>	730
Less Investment Expenses	7,539
<b>Net Investment Earnings</b>	199,291
Reimbursement from City for Administrative Costs	2,959
<b>Total Additions</b>	298,735
<b>Deductions</b>	
Benefit Payments	189,715
Refunds upon Resignation, Death, Other	2,858
Distribution to Retirees	22,188
Administrative Expenses and Other Deductions	5,361
<b>Total Expenses</b>	220,122
<b>Change in Net Position</b>	78,613
<b>Net Position Restricted for Pension Benefits - Beginning of Year, as restated (Note 1)</b>	2,299,192
<b>Net Position Restricted for Pension Benefits - End of Year</b>	\$ 2,377,805

**City of Miami, Florida**  
**Statement of Net Position**  
**Discretely Presented Component Units**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Miami Sports and Exhibition Authority</b>	<b>Department of Off-Street Parking</b>	<b>Downtown Development Authority</b>	<b>Bayfront Park Management Trust</b>
<b>Assets</b>				
Cash, Cash Equivalent and Investments	\$ 506	\$ 11,574	\$ 4,306	\$ 5,596
Receivables (Net of uncollectible accounts)	30	574	156	1
Due From Other Governments	-	438	-	-
Prepays	-	532	52	36
Other Assets	-	7,420	-	5
Restricted Assets:				
Cash, Cash Equivalents, and Investments	-	8,335	-	-
Capital Assets:				
Non-Depreciable	-	8,335	-	516
Depreciable, Net	-	53,757	176	4,622
<b>Total Assets</b>	<u>536</u>	<u>90,965</u>	<u>4,690</u>	<u>10,776</u>
<b>Deferred Outflows of Resources</b>				
Deferred Loss on Refunding Bonds	-	1,195	-	-
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>1,195</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	3	2,673	950	60
Due to Other Governments	-	1,329	-	-
Unearned Revenue	-	521	-	191
Deposits	-	214	-	290
Accrued Interest Payable	-	1,735	-	-
Non-Current Liabilities				
Due Within One Year:				
Bonds and Loans Payable	-	1,210	-	-
Compensated Absences	-	345	3	-
Due In More Than One Year:				
Deposits	-	1,008	-	-
Bonds and Loans Payable	-	68,476	-	-
Compensated Absences	-	290	208	-
Other Post Employment Benefits	-	92	-	-
<b>Total Liabilities</b>	<u>3</u>	<u>77,893</u>	<u>1,161</u>	<u>541</u>
<b>Net Position</b>				
Net Investment in Capital Assets	-	(560)	176	5,139
Restricted for:				
Capital Projects	134	-	-	-
Debt Service	-	667	-	-
Parking Waiver	-	-	-	-
Parking Surcharge	-	-	-	-
Unrestricted	399	14,160	3,353	5,096
<b>Total Net Position</b>	<u>\$ 533</u>	<u>\$ 14,267</u>	<u>\$ 3,529</u>	<u>\$ 10,235</u>

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, 2014**  
*(\$ in thousands)*

	<b>Coconut Grove BID</b>	<b>Wynwood BID</b>	<b>Civilian Investigative Panel</b>	<b>Total</b>
<b>Assets</b>				
Cash, Cash Equivalent and Investments	\$ 3,874	\$ 221	\$ 283	\$ 26,360
Receivables (Net of uncollectible accounts)	545	830	-	2,136
Due From Other Governments	-	-	-	438
Prepays	5	1	-	626
Other Assets	-	-	-	7,425
Restricted Assets:				
Cash, Cash Equivalents, and Investments	-	-	-	8,335
Capital Assets:				
Non-Depreciable	-	-	-	8,851
Depreciable, Net	46	-	-	58,601
<b>Total Assets</b>	<u>4,470</u>	<u>1,052</u>	<u>283</u>	<u>112,772</u>
<b>Deferred Outflows of Resources</b>				
Deferred Loss on Refunding Bonds	-	-	-	1,195
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,195</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	102	31	22	3,841
Due to Other Governments	-	-	-	1,329
Unearned Revenue	-	-	-	712
Deposits	-	-	-	504
Accrued Interest Payable	-	-	-	1,735
Non-Current Liabilities				
Due Within One Year:				
Bonds and Loans Payable	-	-	-	1,210
Compensated Absences	-	-	-	348
Due In More Than One Year:				
Deposits	-	-	-	1,008
Bonds and Loans Payable	-	-	-	68,476
Compensated Absences	-	-	-	498
Other Post Employment Benefits	-	-	-	92
<b>Total Liabilities</b>	<u>102</u>	<u>31</u>	<u>22</u>	<u>79,753</u>
<b>Net Position</b>				
Net Investment in Capital Assets	-	-	-	4,755
Restricted for:				
Capital Projects	-	-	-	134
Debt Service	-	-	-	667
Parking Waiver	541	-	-	541
Parking Surcharge	130	-	-	130
Unrestricted	3,697	1,021	261	27,987
<b>Total Net Position</b>	<u>\$ 4,368</u>	<u>\$ 1,021</u>	<u>\$ 261</u>	<u>\$ 34,214</u>

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, 2014**  
*(\$ in thousands)*

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Miami Sports and Exhibition Authority</b>				
Culture and Recreation	\$ 66	\$ 30	-	\$ (36)
<b>Total Miami Sports Exhibition Authority</b>	<u>66</u>	<u>30</u>	<u>-</u>	<u>(36)</u>
<b>Department of Off-Street Parking</b>				
Transportation	30,145	28,796	-	-
<b>Total Department of Off-Street Parking</b>	<u>30,145</u>	<u>28,796</u>	<u>-</u>	<u>-</u>
<b>Downtown Development Authority</b>				
Economic Development	5,812	-	-	-
<b>Total Downtown Development Authority</b>	<u>5,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Bayfront Park</b>				
Parks and Recreation	5,103	4,525	-	-
<b>Total Bayfront Park</b>	<u>5,103</u>	<u>4,525</u>	<u>-</u>	<u>-</u>
<b>Coconut Grove BID</b>				
General Government	1,196	1,525	-	-
<b>Total Coconut Grove BID</b>	<u>1,196</u>	<u>1,525</u>	<u>-</u>	<u>-</u>
<b>Wynwood BID</b>				
General Government	478	1,499	-	-
<b>Total Wynwood BID</b>	<u>478</u>	<u>1,499</u>	<u>-</u>	<u>-</u>
<b>Civilian Investigate Panel</b>				
General Government	625	-	742	-
<b>Total Civilian Investigate Panel</b>	<u>625</u>	<u>-</u>	<u>742</u>	<u>-</u>
<b>Total Component Units</b>	<u>\$ 43,425</u>	<u>\$ 36,375</u>	<u>\$ 742</u>	<u>\$ (36)</u>

**General Revenues:**

Taxes:	
Property Taxes	-
Investment Earnings	-
Gain of Sale of Capital Assets	-
Other General Revenues	-
Total General Revenue	-
Special Item (Note 14)	-
Change in Net Position	(36)
Net position - Beg. as restated (Note 1)	<u>569</u>
Net position - Ending	<u>\$ 533</u>

**City of Miami, Florida**  
**Discretely Presented Component Units**  
**Statement of Activities**  
**For the Year Ended September 30, 2014**  
*(\$ in thousands)*

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

<u>Department of Off-Street Parking</u>	<u>Downtown Development Authority</u>	<u>Bayfront Park Management Trust</u>	<u>Coconut Grove BID</u>	<u>Wynwood BID</u>	<u>Civilian Investigative Panel</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (36)
-	-	-	-	-	-	(36)
(1,349)	-	-	-	-	-	(1,349)
(1,349)	-	-	-	-	-	(1,349)
-	(5,812)	-	-	-	-	(5,812)
-	(5,812)	-	-	-	-	(5,812)
-	-	(578)	-	-	-	(578)
-	-	(578)	-	-	-	(578)
-	-	-	329	-	-	329
-	-	-	329	-	-	329
-	-	-	-	1,021	-	1,021
-	-	-	-	1,021	-	1,021
-	-	-	-	-	117	117
-	-	-	-	-	117	117
<u>\$ (1,349)</u>	<u>\$ (5,812)</u>	<u>\$ (578)</u>	<u>\$ 329</u>	<u>\$ 1,021</u>	<u>\$ 117</u>	<u>\$ (6,308)</u>
-	5,586	-	-	-	-	5,586
-	6	-	-	-	-	6
-	-	-	-	-	-	-
-	123	151	-	-	-	274
-	5,715	151	-	-	-	5,866
1,289	-	-	-	-	-	1,289
(60)	(97)	(427)	329	1,021	117	847
14,327	3,626	10,662	4,039	-	144	33,367
<u>\$ 14,267</u>	<u>\$ 3,529</u>	<u>\$ 10,235</u>	<u>\$ 4,368</u>	<u>\$ 1,021</u>	<u>\$ 261</u>	<u>\$ 34,214</u>

**CITY OF MIAMI, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

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

**A. Reporting Entity**

The City, which is located in the county of Miami-Dade, was incorporated in 1896, and has a population of approximately 417,650. 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 five 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 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, 2014.

### **Blended Component Units**

SOUTHEAST OVERTOWN PARK WEST COMMUNITY REDEVELOPMENT AGENCY ("SEOPW CRA") – SEOPW CRA 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 are included within the reporting entity as 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 MIDTOWN CRA is included within the reporting entity as a special revenue fund (Midtown CRA).

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

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

### **Discretely Presented Component Units**

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

Please reference Note # 14—Special Items for discussion on special items related to the DOSP.



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

WYNWOOD BUSINESS IMPROVEMENT DISTRICT (“WBID”) – On June 4, 2013, the City through its Office of the City Clerk tabulated the results of a special election for the creation of the Wynwood Business Improvement District (“BID”), where the BID was deemed to be approved by a majority of the affected property owners. During July 2013, under City Ordinance No. 13-00831, the City approved to establish a new Wynwood Business Improvement District Board (“BID Board”) to manage the BID in stabilizing and improving 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 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. Therefore the HFA is fiscally dependent and the City is discretely presenting the HFA in the accompanying financial statements.

Debt obligations issued under the purview of the HFA do not constitute an indebtedness, liability or pledge of the faith or credit of the HFA or the City. The City is not responsible for any of the HFA’s debt. The amount of conduit debt obligations totaled \$19.4 million at September 30, 2014. The HFA does not issue stand-alone audited financial statements.

On June 1, 2011, Mercy Hospital redeemed the Miami Health Facilities Authority Series 1998, 2002, 2008 and 2009 bonds. The debt service payment was made by Miami Jewish Home.

The City of Miami Health Facilities Authority conduit debt activity and outstanding balance as of September 30, 2014 is as follows:

*(\$ in thousands)*

<b>Debt Issue</b>	<b>Beginning Balance</b>	<b>Principal Payment</b>	<b>Outstanding Balance</b>
Series 2005	\$ 20,120	\$ 710	\$ 19,410
Total	\$ 20,120	\$ 710	\$ 19,410

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<sup>rd</sup> Ave.  
 Suite 105  
 Miami, Florida 33136

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

CGBID  
 3390 Mary Street  
 Suite 130  
 Miami, Florida 33133

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

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

Wynwood  
 301 N. Biscayne Blvd.  
 Miami, Florida 33132

VKBPT  
 4020 Virginia Beach Drive  
 Miami, Florida 33149

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

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

MSEA  
 3500 Pan American Drive  
 Miami, Florida 33133

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

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net 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 discrete 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 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, pension contributions, and other post-employment benefits) are allocated to activities based on each activities pro-rata share of the cost incurred.

### 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, deferred outflows/inflows of resources, 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, and non-major funds are aggregated and presented in a single column. The City maintains fiduciary funds which are used to account for assets held by the City in a trustee capacity. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the statements or on the page following, which briefly explains the adjustments necessary to transform the fund-level 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 special revenue fire services fund accounts for grant 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.

The Fire Services, Special Obligation Bonds, and Streets and Sidewalks funds did not meet the minimum criteria for major fund determination during fiscal year 2014. However, these funds were presented as major funds for public interest purposes.

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.

The 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, except for grant revenues which is considered to be available if collected within one year.

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 measurable and are recognized as revenues of the current fiscal period when available. These include:

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

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes. When restricted resources are available for use, it is the City's policy to use restricted resources first as they are needed. Similarly, within fund balance categories committed amounts are reduced first, followed 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, Deferred Outflows/Inflows of Resources, 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. 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.

### **Inventory**

There are no inventory values presented in the governmental funds. Purchases considered inventoriable items are recorded as expenditures/expenses at the time of purchase since the year-end balances are not material. The government-wide financial statements present inventory values of the City, which are 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, agreements, and other externally imposed constraints.

### 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 and discrete component unit financial statements. Capital assets are defined by the City as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value on the date of the donation.

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

Property, plant, equipment, and infrastructure 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

### Compensated Absences

Under terms of Civil Service regulations, labor contracts and administrative policy, City employees are granted vacation and sick leave in varying amounts. Additionally, certain overtime hours can be accrued and carried forward as earned time off. Unused vacation and sick time is payable upon separation from service, subject to various limitations depending upon the employee's seniority and civil service classification. The amount accrued as of September 30, 2014 is \$51.2 million of which \$13.1 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 fund-level liability for compensated absences includes salary-related payments, paid sixty days subsequent to year end.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s). The City only has one item that qualifies for reporting in this category. It is a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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) primarily for directors and other unclassified administrators employees. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457.

At September 30, 2014 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 recorded a net OPEB obligation in its government-wide financial statements related to the implicit subsidy.



**Unearned / Unavailable Revenues**

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as unavailable (a deferred inflow of resources) in the governmental fund financial statements.

Unearned revenues in the government-wide and governmental funds financial statements at September 30, 2014 are as follows:

<i>(\$ in thousands)</i>	<b>Government-Wide</b>	<b>Governmental</b>
<b>Source</b>	<b>Level</b>	<b>Funds Level</b>
College of Policing - Lease Income	\$ 10,280	\$ 10,280

**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. Bond premiums, discounts and prepaid insurance cost 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 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 and payment of debt principal, are reported as debt service expenditures.

Under GASB 49 Accounting and Financial Reporting for Pollution Remediation Obligations, a pollution remediation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as assessments and clean-ups. In the governmental-wide financial statements long-term debt the City records a liability for pollution remediation. As of September 30, 2014, it was approximately \$10.6 million.

## **Risk Management**

Under the protection of the 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 City records a liability for self-insured claims payable. As of September 30, 2014, it was approximately \$209 million.

## **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. Deferred outflow and inflow of resources that are attributable to acquisition of those assets or related debt are included in this component of net position. Net position is reported as restricted when there are legal limitations imposed on their use by State Statutes, City legislation or external 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, 2014, the government-wide statement of net position reports \$86.2 million of restricted net position.

## **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.

*Nonspendable 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 as 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

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**NOTES TO FINANCIAL STATEMENTS**

which is the City Commission. Once adopted by resolution, the commitment 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. Pursuant to the City’s Financial Integrity Rule Section 18-542 the city shall retain assigned fund balance reserves equal to ten percent of the prior three years average of general revenues (excluding transfers).

*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. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The following schedule classifies the City’s fund balances as of fiscal year end September 30, 2014:

City of Miami, Florida Fund Balance Classification Major Governmental Funds September 30, 2014 (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		
<b>FUND BALANCES</b>								
<b>Non Spendable:</b>								
Recycling Trust Fund	\$ -	-	-	-	-	-	\$ 1,000	\$ 1,000
Prepaid Items	2,950	-	22	-	-	-	3	2,975
	2,950	-	22	-	-	-	1,003	3,975
<b>Spendable:</b>								
<b>Restricted for:</b>								
Debt Service (Required by Debt Covenants)	-	29,236	-	-	-	-	3,078	32,314
Environmental Projects	-	-	-	-	-	-	13	13
Water Sewer Combination	-	-	-	-	-	-	12,255	12,255
Other Grants	-	-	-	-	-	-	205	205
Park Projects	-	-	-	-	-	-	907	907
Capital Improvements	-	-	-	-	57,099	-	-	57,099
Transportation and Transit	-	-	-	-	-	2,268	35,930	38,198
Computer and Software Upgrade	-	-	-	-	-	-	80	80
Housing and Urban Development	-	-	-	-	-	-	2,328	2,328
Public Safety	-	-	3,142	-	-	-	1,724	4,866
Other Infrastructure and Development	-	-	-	-	-	-	54	54
Other Facilities Improvement	-	-	-	-	-	-	14,981	14,981
Community Redevelopment Agencies	-	-	-	-	-	-	118,012	118,012
Other	-	-	-	-	-	-	2,351	2,351
	-	29,236	3,142	-	57,099	2,268	191,918	283,663
<b>Committed to:</b>								
Elected Officials	-	-	-	-	-	-	784	784
Planning Projects	-	-	-	-	-	-	7,566	7,566
Housing and Urban Development	-	-	-	-	-	-	4,026	4,026
Transportation Projects	-	-	-	-	-	50,826	-	50,826
Public Safety	-	-	56	-	529	-	3,161	3,746
Other	-	-	-	-	4,442	-	43,999	48,441
	-	-	56	-	4,971	50,826	59,536	115,389
<b>Assigned to:</b>								
Other	51,813	-	257	-	794	-	4,417	57,281
	51,813	-	257	-	794	-	4,417	57,281
<b>Unassigned:</b>								
Other	57,659	-	-	(2,338)	-	-	(1,141)	54,180
<b>Total Fund Balances</b>	<b>\$ 112,422</b>	<b>29,236</b>	<b>3,477</b>	<b>(2,338)</b>	<b>62,864</b>	<b>53,094</b>	<b>\$ 255,733</b>	<b>\$ 514,488</b>

The City’s Financial Integrity Principles require the City to individually retain assigned and unassigned fund balance reserves equal to ten percent of the prior three years average of general revenues (excluding transfers). The assigned balance and unassigned fund balance should equal twenty percent of the prior three years average of general revenues. The average three years revenues for fiscal years, 2011, 2012, and 2013 were approximately \$103.6. Based on this, the City is required to individually retain assign and unassigned fund balance of approximately \$51.8. The City has assigned the required \$51.8 million, the balance, net of the non-spendable related to prepaid of approximately \$3.0 million, of approximately \$57.7 million was unassigned.

**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, liabilities, deferred inflow/outflow and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**Excess of Expenditures over Appropriations**

The following fund’s actual expenditures exceeded appropriations as of September 30, 2014:

<i>(\$ in thousands)</i>	<b>Exceeds Budget</b>
<b>Fund</b>	<b>Authorization \$</b>
Special Revenue:	
SEOPW CRA Other Special Obligation Bond	\$ 1,484

The excess of expenditures over appropriations can be attributed to expenditures related to the CRA Special Obligation Series 2014 A-1 and Series 2014 A-2 which were not appropriated.

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 will work closely with the Budget Department 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, 2014:

<i>(\$ in thousands)</i>	
<b>Fund</b>	<b>Deficit</b>
Capital Projects:	
Disaster Recovery Capital Fund	\$ 1,141
Public Safety Capital Fund	2,338

The fund deficits reported as of September 30, 2014, for the Disaster Recovery and Public Safety Capital Fund are attributed to reimbursements of grants not received as of the year end. The City expects to collect the outstanding balances in the ensuing fiscal year.

**New Accounting Pronouncements**

The following new pronouncements, effective for the year ending September 30, 2014, were adopted by the City effective for the year ending September 30, 2014:

**GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, was issued in March 2012. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. When an asset is recorded, but the revenue is not available this statement requires that the government report a deferred inflow of resources until such time as the revenue becomes available. Additionally, this statement requires that debt issuance costs, except prepaid insurance costs, should be recognized as an expense in the period incurred. The implementation of GASB 65 required the City to expense unamortized debt issuance cost previously reported as an asset on the Governmental Activities Statement of Net Position. Accordingly the beginning net position has been restated as follows (amounts in thousands):

**Government Activities**

Net Position, October 1, 2013 as reported	\$ 402,144
Adjustment to write-off debt issuance cost	9,862
Net Position, October 1, 2013 as restated	\$ 392,282

The implementation of GASB 65 also required the reclassification of deferred charge on refunding of debt from assets to deferred outflow of resources. The deferred outflow of resources balances as of September 30, 2014 was \$2.5 million.

During the fiscal year ended September 30, 2014, the Department of Off-Street Parking implemented GASB Statement No. 65. This accounting change required the Authority to expense unamortized debt issuance costs previously recorded as an asset. Accordingly, beginning net position in the Statement of Revenues, Expenses and Changes in Net Position has been restated due to the implementation of GASB 65. The impact of this restatement is as follows:

Net Position, October 1, 2013 as reported	\$	15,049
Expensing of unamortized debt issuance costs		<u>722</u>
Net Position, October 1, 2013 as restated	\$	<u>14,327</u>

**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 adoption resulted in no financial impact to the City.

**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 pension plans. This Statement results from comprehensive review of the effectiveness of existing 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 adoption resulted in additional pension disclosures to the City.

The implementation of GASB 67 required a restatement of net position previously reported for the City of Miami Firefighters and Police Officers Retirement Trust (FIPO). The Trust administers a DROP. During the DROP participation period, each member’s monthly retirement benefit accrues and the balance accumulates within the DROP account. Upon termination of employment at the end of the DROP period, each retired member’s funds are immediately due and payable. Monthly accruals of benefits were previously expensed and accordingly recorded as a deduction on the Statement of Changes in Plan Net Position. Similarly, the total amount of deferred retirement benefits that had accumulated but not yet distributed at fiscal year-end were previously classified as a liability on the Statement of Plan Net Position. According to paragraph 98 of GASB 67, “DROP” balances, similar to other benefit payments, should be recognized as a pension liability only when ultimately due to the plan member”. Further clarification is provided by question 37 in the GASB 67 implementation guide which states that “benefits generally would be considered due and payable only when they are required to be distributed to the plan member from the DROP account.”

As a result the fiduciary financial statements have been restated to report only for benefits due but not yet distributed to members who had ended their participation in the DROP program at September 30, Likewise, deductions have been restated to include only DROP amounts actually distributed to participants as well as amounts due but not yet distributed. Additions have also been restated to add back those that relate to the DROP investment income earned by the DROP account. The cumulative effect of the restatement is as follows (amounts in thousands):

**Statement of Fiduciary Net Position**

Total liabilities, previously reported	\$ 525,534
Impact of restatement	<u>(200,182)</u>
Total liabilities, as restated	<u><u>\$ 325,352</u></u>
Net position restricted for pensions, previously reported	\$ 1,499,777
Impact of restatement	<u>200,182</u>
Total net position restricted for pensions, as restated	<u><u>\$ 1,699,959</u></u>

**Statement of Changes in Fiduciary Net Position**

Total additions, previously reported	\$ 221,878
Impact of restatement	<u>10,431</u>
Total additions, as restated	<u><u>\$ 232,309</u></u>
Total deductions, previously reported	\$ 147,423
Impact of restatement	<u>(21,472)</u>
Total deductions, as restated	<u><u>\$ 125,951</u></u>

## NOTE 2. – DEPOSITS AND INVESTMENTS

### Pooled Cash

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.

### Deposits

**Custodial Credit Risk** – This is the risk in the event of a financial institution 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 other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

### Investments

The City Code authorizes the Director of Finance and/or a designee in his/her absence to purchase and invest idle funds prudently in US 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 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. The value of the position in the external investment pool is the same as the value of the pool shares.



At September 30, 2014, the pooled cash, cash equivalents and investments including restricted amounts of the primary government, exclusive of the Pension Trust Funds and discrete component units, consisted of the following:

*(\$ in thousands)*

<b>Investment Type</b>	<b>Fair Value</b>
Federal National Mortgage Association	\$ 80,743
Federal Home Loan Mortgage Corporation	50,814
Federal Farm Credit Bank	58,065
Federal Home Loan Bank	78,022
Money Market Fund	16,119
<b>Total Investments</b>	<b>283,763</b>
Bank Deposits	268,258
<b>Total Pooled Cash, Cash Equivalents and Investments</b>	<b>\$ 552,021</b>

**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.

As of September 30, 2014, \$132.8 million of the total balance listed above relates to unspent bond proceeds restricted for capital projects. Unspent bond proceeds consisted of the following:

*(\$ in thousands)*

<b>Debt Issue</b>	<b>Unspent Debt Proceeds</b>
2007 Steet & Sidewalks	\$ 8,413
Special Obligations	1,825
2007 Homeland Defense	2,351
2009 Homeland Defense	14,712
2009 Streets & Sidewalks	34,911
2010A Marlins Garage Tax Exempt	9,341
2010B Marlins Garage Taxable	2,291
2011A - Non-Ad Valorem Refunding Bond	198
2014A-1 CRA SEOPW Tax Increment Rev	52,749
2014A-2 CRA SEOPW Tax Increment Rev	5,960
<b>Total</b>	<b>\$ 132,751</b>

The City also has an additional \$16.1 million of cash, cash equivalents, and investments restricted for debt service payments.

**Interest Rate Risk** – Interest rate risk is the risk that as market rates change, the fair value of an investment will adversely 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, 2014, the City had the following investments with the respective weighted average maturity in years. The respective weighted average maturities were based on the securities’ maturity date.

<i>(\$ in thousands)</i>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>
Federal National Mortgage Association	\$ 80,743	3.09
Federal Home Loan Mortgage Corporation	50,814	3.28
Federal Farm Credit Bank	58,065	3.23
Federal Home Loan Bank	78,022	3.01
Money Market Fund	16,119	Less than 1 year
<b>Total</b>	<u>\$ 283,763</u>	

The portfolio’s overall weighted average duration was 2.9 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. As of September 30, 2014, the City recorded an unrealized loss of approximately \$2.7 million.

**Credit Risk** – Credit Risk is the risk that in issuer or other counterparty to an investment will not fulfill its obligations. 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). The table that follows summarizes the investments by credit rating at September 30, 2014:

<u>Investment Type</u>	<u>Standard &amp; 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, 2014, the following issuers held 5 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.

The City of Miami Fire Fighters' and Police Officers Retirement Trust has adopted the following asset allocation policy as of September 30, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	41%
Domestic Equity	28%
International Equity	18%
Real Estate	8%
Private Equity	5%

**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. The investment policy does not limit investments to certain maturities.

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Information about the sensitivity of fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2014:

<i>(\$ in thousands)</i>	<b>U.S Treasuries</b>	<b>U.S Agencies</b>	<b>Corporate Bonds</b>	<b>Total</b>
Fair Value	\$ 123,051	\$ 86,996	\$ 355,753	\$ 565,800
Investment Maturities:				
Less than 1 Year	9,228	824	2,347	12,399
1 to 5 year	37,603	2,395	96,640	136,638
6 to 10 year	68,723	9,925	205,824	284,472
More than 10 Years	7,497	73,852	50,942	132,291

**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 controls this risk by limiting investments in certain types of securities.

The following table discloses credit ratings, at September 30, 2014:

<i>(\$ in thousands)</i>		
<b>Investment Type/ Rating</b>	<b>Fair Value</b>	<b>Percentage of Portfolio</b>
U.S.Government guaranteed*	\$ 210,047	37.12%
Credit risk debt securities:		
AAA	16,445	2.91%
AA+	7,410	1.31%
AA	7,532	1.33%
AA-	5,719	1.01%
A+	16,749	2.96%
A	26,541	4.69%
A-	39,127	6.92%
BBB	38,532	6.81%
BBB-	18,717	3.31%
BB+ and Lower	121,367	21.45%
Not Rated	22,038	3.90%
BBB+	35,576	6.29%
<b>Total</b>	355,753	62.88%
<b>Grand Total</b>	\$ 565,800	100.00%

\*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 FIPO’s fiduciary net position at September 30, 2014.

**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 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>	<b>Holdings valued in U.S. Dollars - International Equities</b>	
<b>Currency</b>		
Swiss Franc	\$	3,905
Canadian Dollar		2,453
Euro		19,667
British Pound Sterling		4,611
Hong Kong Dollar		2,301
Japanese Yen		19,195
South Korean Won		3,157
Swedish Krona		1,225
Mexican Peso		412
Norwegian Krone		773
Singapore Dollar		3,397
Australian Dollar		814
Other		1,778
<b>Total</b>	<b>\$</b>	<b>63,688</b>

**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 199 and 154 days respectively, as of September 30, 2014. The custodial bank and its affiliates are prohibited from borrowing the Trust’s securities.

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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 45 and 38 days, respectively. 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.

The following represents the balances relating to securities lending transactions at September 30, 2014:

*(\$ in thousands)*

<b>Securities Lent:</b>	<b>Fair Value of Underlying Securities</b>	<b>Cash Collateral Received/Securities Collateral Value</b>	<b>Cash Collateral Investment Value</b>
Lent for cash collateral:			
U.S. Government and Agency Obligations	105,086	107,640	107,640
International Equities	2,975	3,116	3,116
Domestic Corporate Stocks	101,189	104,147	104,147
Domestic Corporate Bonds	20,246	20,809	20,809
<b>Total</b>	<b>\$ 229,496</b>	<b>\$ 235,712</b>	<b>\$ 235,712</b>

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

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The following table details FIPO investments as of September 30, 2014:

<i>(\$ in thousands)</i>		<u>Amount</u>
Investments, at fair value:		
Debt Securities, domestic:		
U.S. Treasuries		55,702
U.S. Agencies		86,996
Treasury Inflation Protected		<u>67,349</u>
U.S. Government Obligations		<u>\$ 210,047</u>
Corporate Bonds		275,695
Asset Backed Securities		20,603
Mortgage Backed Securities		16,391
Guaranteed Fixed Income		16,542
Debt Securities, International:		
International Government Bonds		3,260
International Asset Backed Securities		951
International Corporate Bonds		<u>22,311</u>
Corporate Bonds		<u>\$ 355,753</u>
Corporate Stocks		440,493
International Equity		246,007
Mutual Funds		217,667
Real Estate		130,083
Private		<u>89,929</u>
<b>Total Investments</b>		<u>\$ 1,689,979</u>

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, adjusted for cash flow activities through September 30, 2014.

**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, 2014, is as follows:

<i>(\$ in thousands)</i>	<b>Fair Value</b>	
	<b>GESE Trust</b>	<b>Staff Trust</b>
<b>Investment Type</b>		
U.S. Government and Agency Securities	\$ 88,962	\$ -
Corporate Stocks	425,264	2,170
Corporate Bonds	55,185	922
	<u>569,411</u>	<u>3,092</u>
Real Estate Fund	22,851	-
Money Market Funds and Commercial Paper	24,372	-
<b>Total Investments</b>	<u>\$ 616,634</u>	<u>\$ 3,092</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.

The GESE Trust has adopted the following asset allocation policy as of September 30, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S Large Cap Equity	42%
U.S Small Cap Equity	10%
International Equity	13%
U.S Fixed Income	29%
Real Estate	5%
Cash and Other	1%



**Interest Rate Risk** – The GESE Trust limits the maturities of investments to control this risk. The GESE Trust investment policy requires that the average maturity 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 maturity at +/- one year of the benchmark duration. The GESE Trust utilizes duration to manage its risk to changes in interest rates.

The following represents investment value and weighted average maturity of the GESE investments at September 30, 2014:

*(\$ in thousands)*

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity Years</u>
Other Government	351	13.47
Asset - Backed	1,646	2.97
Corporate - Bank	12,534	3.12
Corporate - Finance	10,345	5.87
Corporate - Industrial	17,360	6.17
Corporate - Commercial Utility	2,412	4.01
Corporate - Transportation	926	6.06
Corporate - Electric Utility	454	8.70
US Treasury Bonds	7,657	14.52
US Treasury Notes	41,258	4.75
US Agency	11,212	1.98
Yankee - Finance	762	0.31
Yankee - Industrial	1,274	3.75
Mortgages	34,609	3.81
Cash	3,199	0.00
Foreign Bonds	1,772	7.94
Other	612	6.06
<b>Total</b>	<b>\$ 148,383</b>	

**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 Baa3/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, 2014, the following table displays Moody’s ratings and the fair value of GESE’s fixed-income portfolio investments:

*(\$ in thousands)*

<b><u>Investment Type/Rating</u></b>	<b><u>Fair Value</u></b>
US Treasury*	48,915
US Agency*	11,212
Other Government	351
Asset-Backed**	1,646
Mortgages**	34,609
Aaa	64
Aa	4,913
A	26,326
Baa	14,324
Ba	719
Caa and Below	333
Cash	3,199
Foreign Bonds	1,772
<b>Total</b>	<b>\$ 148,383</b>

\* 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) and registered in the Plan’s name. 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, 2014, 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.

***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.

The Staff Trust has adopted the following asset allocation policy as of September 30, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S Large Cap Equity	42%
U.S Small Cap Equity	10%
International Equity	13%
U.S Fixed Income	35%
Cash and Other	1%

**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 held 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 Baa3/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, 2014, the fixed income assets of the Staff Trust were invested in a mutual fund managed passively by Vanguard.

The value of the fixed income portfolio was approximately \$924,000. Vanguard manages the assets in accordance with the investment policy statement approved by the trustees.

The table below summarizes Staff Trust investments by credit rating at September 30, 2014:

*(\$ in thousands)*

<u>Investment Type/Rating</u>	<u>Fair Value</u>
Government*	\$ 657
Aaa	23
Aa	37
A	102
Baa	105
<b>Total</b>	<u><u>\$ 924</u></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 and registered in the plans name. 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, 2014, 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 Officer’s Retirement Trust (EORT)**

At September 30, 2014, the investments of EORT are as follows:

*(\$ in thousands)*

<u>Investment Type</u>	<u>Fair Value</u>
Federal National Mortgage Association	\$ 1,256
Federal Home Loan Mortgage Corporation	1,248
Federal Farm Credit Bank	1,350
Federal Home Loan Bank	1,377
Money Market Fund	1,127
<b>Total</b>	<b>\$ 6,358</b>

The EORT has adopted the following asset allocation policy as of September 30, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S Fixed Income	87%
Cash	13%

**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, 2014, EORT had the following investments with the respective weighted average maturity in years.

The respective weighted average maturities were based on the securities call date, not the maturity date.

<u>Investment Type</u>	<u>Weighted Average Maturity In Years</u>
Federal National Mortgage Association	2.58
Federal Home Loan Mortgage Association	2.75
Federal Home Loan Bank	2.75
Federal Home Credit Bank	2.25
Money Market Funds	Less than 1 year

The investments at September 30, 2014 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, 2014, 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, 2014, 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 and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

*(\$ in thousands)*

Receivables	General	Special Obligation Bonds	Fire Rescue Services	Public Safety	General Government	Street & Sidewalks	Non-Major Govt Funds	Total
Accounts	\$ 39,614	\$ 250	\$ 21	-	\$ 827	\$ 113	\$ 5,113	\$ 45,937
Property Tax	4,740	-	-	-	-	-	512	5,252
Due From Other Governments	6,953	-	1,814	41	15	411	12,674	21,908
Loans Receivable	-	13,822	-	-	-	-	2	13,824
Gross Receivables	51,307	14,072	1,835	41	842	524	18,301	86,921
Less: Allowance for Uncollectibles	(17,581)	(13,822)	-	-	(827)	(103)	(2,295)	(34,628)
<b>Net Total Receivables</b>	<b>\$ 33,726</b>	<b>\$ 250</b>	<b>\$ 1,835</b>	<b>\$ 41</b>	<b>\$ 15</b>	<b>\$ 421</b>	<b>\$ 16,006</b>	<b>\$ 52,293</b>

On November 17, 2011, the City, 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 approximately \$13.8 million. The City has recorded an allowance for the full amount of this receivable.
- 2. Regular Lease Rent Payments** began April 1, 2013 whereby Jungle Island will pay the rent 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 \$1.6 million and any percentage rent due. Jungle Island shall pay to the City the deferred rent on or before December 31, 2020. Given the uncertainty of the collections related to this amount, it is not recognized in the City’s financial statements.

**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 City’s financial statements.

A summary of single-family, deferred long-term loans that are not recognized in the City’s financial statements, as of September 30, 2014 are as follows:

*(\$ in thousands)*

<b>Program</b>	<b>September 30, 2014</b>	
	<b>Loans Outstanding</b>	<b>Amount</b>
CDBG	88 loans	\$ 2,896
HOME	468 loans	22,303
SHIP	279 loans	12,371
Other	51 loans	1,873
<b>Total</b>	<b>886 loans</b>	<b>\$ 39,443</b>

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

As of September 30, 2014, there are 83 projects aggregating to \$59.9 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 City’s financial statements.

### **Economic Development Commercial Loans**

As of September 30, 2014, there are 16 loans aggregating to \$7.5 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 City's financial statements.

### **NOTE 4. – PROPERTY TAXES**

Property taxes are assessed according to the value determined by the Miami-Dade County Property Appraiser on January 1<sup>st</sup> of each year and are due, with discounts of one to four percent allowed if paid prior to March 1<sup>st</sup> of the following calendar year. In accordance with Florida Statute 197.122, taxes become an enforceable lien on the assessed property at this time. Taxes are levied after the millage rate is certified in September of each 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 1<sup>st</sup> 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, 2013, upon which the 2013-2014 levy was based, was \$35.3 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, 2014, was \$7.6465 per \$1,000. The debt service tax rate for the same period was \$0.7385 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, 2014. Property taxes that are not considered "available" have been reported as deferred inflows 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, 2014:

(\$ in thousands)	Primary Government			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 94,128	\$ 120	\$ (169)	\$ 94,079
Construction in progress	59,118	63,177	(60,720)	61,575
<b>Total Capital Assets, not being depreciated</b>	<b>153,246</b>	<b>63,297</b>	<b>(60,889)</b>	<b>155,654</b>
Depreciable Assets:				
Buildings	297,905	15,864	(366)	313,403
Improvements	274,362	8,941	-	283,303
Machinery and equipment	209,830	11,463	(2,593)	218,700
Infrastructure	1,317,607	33,118	(850)	1,349,875
<b>Total capital assets being depreciated</b>	<b>2,099,704</b>	<b>69,386</b>	<b>(3,809)</b>	<b>2,165,281</b>
Less Accumulated Depreciation for:				
Buildings	103,139	7,407	(214)	110,332
Improvements	112,028	20,711	-	132,739
Machinery and Equipment	159,996	13,941	(2,442)	171,495
Infrastructure	740,661	32,335	(414)	772,582
<b>Total accumulated depreciation</b>	<b>1,115,824</b>	<b>74,394</b>	<b>(3,070)</b>	<b>1,187,148</b>
<b>Total capital assets being depreciated, net</b>	<b>983,880</b>	<b>(5,008)</b>	<b>(739)</b>	<b>978,133</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 1,137,126</b>	<b>\$ 58,289</b>	<b>\$ (61,628)</b>	<b>\$ 1,133,787</b>

Depreciation expense was charged to governmental functions as follows:

Function/Program Activities	Depreciation Expenses
General Government	\$ 46,497
Planning and Development	108
Community Development	165
Community Redevelopment Areas	302
Public Works	7,004
Public Safety	7,735
Public Facilities	2,997
Parks and Recreation	9,586
<b>Total depreciation expense</b>	<b>\$ 74,394</b>

**Construction Commitments**

As of September 30, 2014, the City had in progress various construction projects that were not completed with remaining balances totaling approximately \$31 million. Funding of these projects is to be made primarily through the proceeds of the related bond issues, loans, and future tax revenues and grants.

**Discretely Presented Component Units Capital Assets**

The following is a summary of changes in capital assets of the City’s component units during the year ended September 30, 2014:

MSEA, CIP, and WBID did not have any capital asset balances at September 30, 2014.

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

<i>(\$ in thousands)</i>	<b>DOSP</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assests, not being depreciated:				
Land	\$ 13,138	\$ -	\$ (4,805)	\$ 8,333
Construction in progress	-	2	-	2
<b>Total capital assests, not being depreciated</b>	<b>13,138</b>	<b>2</b>	<b>(4,805)</b>	<b>8,335</b>
Capital assests being depreciated				
Building and structures	74,279	306	-	74,585
Leasehold improvements	10,637	88	(14)	10,711
Furniture and fixtures	932	7	-	939
Equipment	16,072	209	(58)	16,223
<b>Total capital assests, being depreciated</b>	<b>101,920</b>	<b>610</b>	<b>(72)</b>	<b>102,458</b>
Less accumulated depreciation for:				
Building and structures	22,371	2,128	-	24,499
Leasehold improvements	9,125	373	(7)	9,491
Furniture and fixtures	303	66	-	369
Equipment	13,404	985	(47)	14,342
<b>Total accumulated depreciation</b>	<b>45,203</b>	<b>3,552</b>	<b>(54)</b>	<b>48,701</b>
<b>Total capital assests, being depreciated, net</b>	<b>56,717</b>	<b>(2,942)</b>	<b>(18)</b>	<b>53,757</b>
<b>DOSP capital assests, net</b>	<b>\$ 69,855</b>	<b>\$ (2,940)</b>	<b>\$ (4,823)</b>	<b>\$ 62,092</b>

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

<i>(\$ in thousands)</i>	<b>DDA</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assests being depreciated:				
Furniture and equipment	\$ 574	\$ 17	\$ (29)	\$ 562
Less accumulated depreciation for:				
Furniture and equipment	373	42	(29)	386
<b>DDA capital assests, net</b>	<b>\$ 201</b>	<b>\$ (25)</b>	<b>\$ -</b>	<b>\$ 176</b>

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**NOTES TO FINANCIAL STATEMENTS**

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

<i>(\$ in thousands)</i>	<b>BFP</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 516	\$ -	\$ -	\$ 516
<b>Total capital assets, not being depreciated</b>	<b>516</b>	<b>-</b>	<b>-</b>	<b>516</b>
Capital assets, being depreciated:				
Buildings	2,638	-	-	2,638
Public domain and system infrastructure	5,760	137	-	5,897
Machinery and equipment	523	42	-	565
<b>Total capital assets, being depreciated</b>	<b>8,921</b>	<b>179</b>	<b>-</b>	<b>9,100</b>
Less accumulated depreciation for:				
Buildings	1,336	52	-	1,388
Public domain and system infrastructure	2,435	230	-	2,665
Machinery and equipment	400	25	-	425
<b>Total accumulated depreciation</b>	<b>4,171</b>	<b>307</b>	<b>-</b>	<b>4,478</b>
<b>Total capital assets being depreciated, net</b>	<b>4,750</b>	<b>(128)</b>	<b>-</b>	<b>4,622</b>
<b>BFP capital assets, net</b>	<b>\$ 5,266</b>	<b>\$ (128)</b>	<b>\$ -</b>	<b>\$ 5,138</b>

A summary of changes in capital assets for Coconut Grove Business Improvement District (CGBID) is as follows:

<i>(\$ in thousands)</i>	<b>CGBID</b>			
	<b>Beginning Balance</b>	<b>Additions/ Transfers In</b>	<b>Retirements/ Transfers Out</b>	<b>Ending Balance</b>
Capital assets being depreciated:				
Furniture and equipment	\$ -	\$ 48	\$ -	\$ 48
Less accumulated depreciation for:				
Furniture and equipment	-	2	-	2
<b>CGBID capital assets, net</b>	<b>\$ -</b>	<b>\$ 46</b>	<b>\$ -</b>	<b>\$ 46</b>

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Summary of the discretely presented component units capital assets at September 30, 2014 are as follows:

*(\$ in thousands)*

	<b>DOSP</b>	<b>DDA</b>	<b>BFP</b>	<b>CGBID</b>	<b>Total</b>
<b>Capital Assets:</b>					
Non-depreciable	\$ 8,335	\$ -	\$ 516	\$ -	\$ 8,851
Depreciable, net	53,757	176	4,622	46	58,601
<b>Total</b>	<b>\$ 62,092</b>	<b>\$ 176</b>	<b>\$ 5,138</b>	<b>\$ 46</b>	<b>\$ 67,452</b>

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

*(\$ in thousands)*

<b>Entity</b>	<b>Depreciation Expense</b>
DOSP	\$ 3,552
DDA	42
BFP	307
CGBID	2
<b>Total depreciation expense</b>	<b>\$ 3,903</b>

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

Accounts payable and accrued liabilities reported in the governmental funds balance sheet at September 30, 2014 consisted of the following:

*(\$ in thousands)*

	General	Fire Rescue Services	Public Safety	General Government	Street & Sidewalks	Non-Major Governmental Funds	Total
Accounts Payables	\$11,039	1,132	299	1,644	2,672	9,809	26,595
Retainage	144	-	461	304	1,257	2,911	5,077
Salaries and Benefits	13,761	106	-	-	-	368	14,235
	\$24,944	\$ 1,238	\$ 760	\$ 1,948	\$ 3,929	\$ 13,088	\$ 45,907

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

The balances reflected as due from/due to other funds reported as of September 30, 2014 are as follows:

*(\$ in thousands)*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Non-Major Governmental Funds	\$306
	<b>Total</b>	<b>\$306</b>

These outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

The following is a summary of interfund transfers reported for the year ended September 30, 2014:

*(\$ in thousands)*

<u>Transfer Out</u>	<u>Transfer In</u>							Total
	General	Special Obligation Bonds	Fire Rescue Services	Public Safety	General Government	Street & Sidewalks	Nonmajor Governmental Funds	
General	-	21,455	1,671	7,499	5,899	1,746	19,429	57,699
Special Obligation Bonds	11,766	-	-	-	-	-	-	11,766
Public Safety	-	4,202	-	-	-	3,773	32	8,007
General Government	-	1,877	-	2,951	-	281	8,462	13,571
Street & Sidewalks	-	89	-	-	-	-	947	1,036
Nonmajor Governmental Funds	512	22,056	-	-	377	4,421	10,873	38,239
Total	\$ 12,278	\$ 49,679	\$ 1,671	\$ 10,450	\$ 6,276	\$ 10,221	\$ 39,743	\$ 130,318

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 for 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 from the General fund to other departments totaled \$57.6 million. This total was comprised of transfers of \$21.5 million for debt service payments, \$11.8 million to different capital projects funds to fund the projects originally funded by unspent Sunshine State Loans, \$3.1 million for police vehicle and fleet replacement, \$1.9 million for the renovation of the Melreese Golf Course and \$1 million for the purchase of 4 fire rescue vehicles and other transfers totaling \$18.3 million.

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.

As part of the compliance with the City's continuing covenants under the Bond Resolution and the Tax Compliance Certificate, the City was required to fully expend outstanding proceeds balances by February 1, 2014. To remain in compliance, the City performed the following transfers of funding which was opined on by Bond Counsel:

1. The City reallocated \$11,765,941 of the remaining original issue unspent proceeds of the Sunshine State Loans that were in the Capital Funds to the Debt Service Funds to cover debt service payments previously made for fiscal years 2012, 2013, and 2014;
2. The City then sent back from the Debt Service Funds the \$11,765,941 originally provided by the General Fund for debt service interest payments on the Series 2011-A Bonds for fiscal years 2012, 2013, and 2014;
3. The City allocated the remaining original issue proceeds of the 2007, 2008, and 2009 Sunshine State Loans in the amount of \$1,196,845 inclusive of all earned interest earned thereon through February 1, 2015, to pay the City's interest payment on the Series 2011-A Bonds due on February 1, 2015; and
4. The City allocated the General Fund funding of \$11,765,941 previously budgeted to make the required debt service interest payments by a separate resolution to amend, re-budget, reprogram, and re-appropriate such previous General Funds to the Capital Projects Appropriations of the City's Multi-Year Capital Plan.

**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, 2014:

*(\$ in thousands)*

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reduction</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
General Obligation Bonds	\$ 228,970	\$ -	\$ (11,592)	\$ 217,378	\$ 12,340
Special Obligation and Revenue Bonds and Loans	443,851	73,934	(37,031)	480,754	12,030
<b>Total Bonds and Loans</b>	<b>672,821</b>	<b>73,934</b>	<b>(48,623)</b>	<b>698,132</b>	<b>24,370</b>
Accretion	16,819	(462)	(7,723)	8,634	-
Bond Premium (Discounts)	9,650	4,331	(1,279)	12,702	-
<b>Total Bond Costs</b>	<b>26,469</b>	<b>3,869</b>	<b>(9,002)</b>	<b>21,336</b>	<b>-</b>
<b>Total Bonds and Loans</b>	<b>699,290</b>	<b>77,803</b>	<b>(57,625)</b>	<b>719,468</b>	<b>24,370</b>
<b>Other Liabilities:</b>					
Compensated Absences	64,969	2,683	(16,481)	51,171	13,053
Claims Payable	200,880	62,752	(54,551)	209,081	52,488
Other Post Employment Benefits	194,489	62,919	(1,585)	255,823	-
Net Pension Obligation	4,576	585	(562)	4,599	-
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 1,164,204</b>	<b>\$ 206,742</b>	<b>\$ (130,804)</b>	<b>\$ 1,240,142</b>	<b>\$ 89,911</b>

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

Claims payable balance of \$209.1 million includes an accrual of \$10.6 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, Loans and Leases Outstanding** – The following presents the City’s bonds, loan and lease outstanding at September 30, 2014:

*(\$ in thousands)*

<b>DESCRIPTION</b>	<b>Purpose of Issue</b>	<b>Maturity Date</b>	<b>Amount Issued</b>	<b>Outstanding Balance</b>	<b>Interest Rate Range</b>
<b>General Obligation Bonds:</b>					
Homeland Defense/Neighborhood CIP Series 2002 (Limited)	Homeland Defense	1/1/2021	\$ 153,186	\$ 13,938	4.670%-4.970%
General Obligation Refunding Bonds Series 2002A	Refunding	9/1/2017	32,510	7,675	5.000%-5.375%
Homeland Defense/Neighborhood CIP Series 2007A (Limited)	Refunding	1/1/2022	103,060	102,185	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	43,580	3.553%-5.500%
<b>Total General Obligation Bonds</b>			<b>389,811</b>	<b>217,378</b>	
<b>Special Obligation and Revenue Bonds and Loans:</b>					
Special Revenue Refunding Bonds Series 1987	Refunding	1/1/2015	65,271	630	8.000%
Special Obligation Non-Ad Valorem Revenue Series 1995	Pension	12/1/2020	72,000	22,295	7.000%-7.200%
Special Obligation Non-Ad Valorem Refunding Bonds Series 2009	Refunding	12/1/2025	37,435	32,035	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	70,980	3.831%-5.250%
Special Revenue Bonds Series 2009	Street & Sidewalks	1/1/2039	65,000	61,195	3.000%-5.625%
Special Obligation Non-Ad Valorem Refunding 2012	Refunding/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%-6000%
Special Obligation Refunding Bonds Series 2014	Refunding	7/1/2026	18,049	18,049	3.280%
CRA SEOPW Tax Increment Revenue Bonds Series 2014 A-1	Redevelopment	3/1/2030	50,000	50,000	5.000%
CRA SEOPW Tax Increment Revenue Bonds Series 2014 A-2	Redevelopment	3/1/2016	5,885	5,885	3.000%-4.000%
Gran Central Corporation Loan	Redevelopment	Not applicable	1,709	1,709	0.000%
Mears Leasing Company	Recycling Bins	10/1/2015	3,600	1,236	3.020%
<b>Total Special Obligation Bonds, Revenue Bonds, and Loans</b>			<b>615,689</b>	<b>480,754</b>	
<b>Total Bonds, Loans and Leases</b>			<b>\$ 1,005,500</b>	<b>\$ 698,132</b>	



**Annual Debt Service Requirements to Maturity**

The annual debt service requirements for all bonds, loans, and leases outstanding, as of September 30, 2014 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
2015	\$ 12,340	\$ 13,741	\$ 12,031	\$ 29,845	\$ 24,371	\$ 43,586
2016	14,908	11,166	16,758	24,752	31,666	35,918
2017	17,000	9,067	23,579	23,768	40,579	32,835
2018	17,865	8,196	24,363	22,493	42,228	30,689
2019	18,775	7,287	23,521	21,132	42,296	28,419
2020-2024	83,030	22,347	96,102	88,699	179,132	111,046
2025-2029	53,460	6,186	111,696	61,630	165,156	67,816
2030-2034	-	-	88,775	33,146	88,775	33,146
2035-2039	-	-	83,929	11,834	83,929	11,834
Total	\$ 217,378	\$ 77,990	\$ 480,754	\$ 317,299	\$ 698,132	\$ 395,289

**Bond Refunding**

During the 2014 fiscal year, the City refunded the Special Revenue Refunding Bonds 2002-A and Special Revenue Refunding Bonds 2002-C with the Special Obligation Non-Ad-Valorem Refunding Bond Series 2014. The remaining aggregate debt service of the refunded bonds was approximately \$26 million while the aggregate debt service of the refunding bonds is approximately \$21.3 million. The economic gain of the refunding was approximately \$1.2 million.

**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, 2014, the statutory limitation of assessed non-exempt property value for the City amounted to \$5 billion providing a debt margin of \$4.8 billion after consideration of \$217.4 million of general obligation bonds outstanding at September 30, 2014 and adjusted for the fund balance of \$3.1 million in the related Debt Service Fund.

Special Obligation debt of the City for which no revenue is pledged is collateralized by covenants to budget and appropriate non-ad valorem revenues, and tax increment revenue 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, 2014, the City had approximately \$29.2 million available in the sinking fund to meet this requirement. Principal and interest to be paid in subsequent years totals \$358.9 million on all other Special Obligation debt of the City.

### **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 \$5.2 million and \$4.3 million respectively. The current year revenues were (i) \$15.3 million (ii) \$6.8 million and (iii) \$19 million respectively. Principal and interest to be paid in subsequent years totals \$120.2 million on the Series 2007 bonds and \$117.5 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. Principal and interest to be paid in subsequent years totals \$172.7 million on the Series 2010A bonds and \$28.8 million on the Series 2010B bonds. Principle payments will commence in fiscal year 2016. The total pledge revenue collected during the year was \$7.9 million and total interest payments during the year were \$5.6 million.

### **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 certain outstanding bonds issued prior to 1997 and other debt obligations with no third party trustee.

The City 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 \$12.7 million with the Escrow Agent during fiscal year 2014 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**

**Department of Off-Street Parking (DOSP)**

The changes in DOSP’s long-term debt for 2014 are as follows:

<i>(\$ in thousands)</i>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds Payable	\$ 69,775	-	\$ 1,005	\$ 68,770	\$ 1,060
Premium (discount)	(754)	-	(20)	(734)	-
Compensated absences	557	494	416	635	345
Other post-employment benefit obligation	82	10	-	92	-
Loan from primary government	1,800	-	150	1,650	150
	<u>\$ 71,460</u>	<u>\$ 504</u>	<u>\$ 1,551</u>	<u>\$ 70,413</u>	<u>\$ 1,555</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 which started December 1, 2005. As of September 30, 2014, DOSP has drawn \$3 million of this loan. The outstanding balance as of September 30, 2014 is \$1.7 million.

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2014:

<i>(\$ in thousands)</i>	<b>Year Ending September 30,</b>	<b>Bonds</b>			<b>Loan Principal</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
	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	3,158	4,743	150
	2019	1,670	3,064	4,734	150
	2020-2024	9,710	13,955	23,665	750
	2025-2029	12,200	11,340	23,540	150
	2030-2034	15,510	7,832	23,342	-
	2035-2039	19,830	3,294	23,124	-
	2040-2041	4,585	-	4,585	-
	<b>Total</b>	<u>\$ 68,770</u>	<u>\$ 52,641</u>	<u>\$ 121,411</u>	<u>\$ 1,650</u>
		Range of Rates	<u>4.25%-5.66%</u>		

## NOTE 9. – SELF-INSURANCE

### A. Risk Management

Section 768.28, Florida Statute, provides for waiver of sovereign immunity in tort actions or claims against the state and its agencies and subdivisions. The presents statutory limit of recovery in the absence of special relief granted by the Florida legislature is \$200,000 per person and \$300,000 per incident. 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. 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 \$497 million property values. Included in this amount is \$35 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 value of the affected location subject to a minimum of \$250,000 for any one occurrence.

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 payment of losses within the self-insured retention level are made from the General Fund. Claims are being predominantly adjusted by a 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 of the insurance premium. The City is currently contributing approximately 8 percent of the premium cost for non-Medicare eligible retirees and approximately 38 percent for Medicare eligible retirees. To limit catastrophic losses, the City is currently purchasing specific stop loss coverage for claims in excess of \$250,000.

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

At September 30, 2014, 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 2013 and 2014 were as follows:

*(\$ in thousands)*

<b>Fiscal Year Ended September 30,</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2014	\$ 200,880	\$ 62,752	\$ (54,551)	\$ 209,081
2013	214,727	42,629	(56,476)	200,880

**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”). Thereafter 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 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.

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, adjusted for cash flow activities through September 30, 2014

***FIREFIGHTERS’ AND POLICE OFFICERS’ RETIREMENT TRUST (FIPO)***

The audited financial statements for the plan can be obtained from the FIPO Trust Fund, 1895 SW 3<sup>rd</sup> 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, 2013, membership in the FIPO consisted of 2,260 retirees and beneficiaries receiving benefits and terminated members entitled to benefits but not yet receiving them; current members equaled 1,482.

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 have to meet the be rule of 70 for retirement with a minimum age of 50 and ten or more years of creditable service.

Rule of 64, 68 and 70 is 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 if 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. During the years ended September 30, 2014 and 2013, approximately \$5.5 million and \$5.3 million, respectively, was funded by the City. Benefits payable from the COLA accounts are computed in accordance with an actuarially based formula as defined in Section 40.204 of the City of Miami Code.

#### 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, 2014 was approximately \$85.2 million.



GASB 27 Disclosures

Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost, net pension obligations and percentage of annual pension cost contributed to FIPO for the year ended September 30, 2014 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
2014	\$ 47,306	100%	\$ -
2013	45,412	100%	-
2012	47,418	100%	-

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

(\$ in thousands)

Annual Required Contribution	\$ 47,306
Interest on Net Pension Obligation	-
Adjustment to Annual Required Contribution	-
Annual Pension Cost	47,306
Contributions Made	(47,306)
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, 2013, the most recent actuarial valuation date, the funded status of the FIPO plan was as follows:

(\$ in millions)

Actuarial Value of Plan Assets	\$ 1,531
Actuarial accrued liability (AAL)	1,932
Unfunded actuarial accrued liability(UAAL)	\$ 401
Funded ratio (actuarial value of plan assets/AAL)	79%
Covered Payroll	\$ 85
UAAL as a percentage of covered payroll	471%

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, 2013 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2013
Actuarial cost method:	Aggregate Cost Method
Amortization method:	Not applicable
Asset valuation method:	20% Write-Up Method: Expected actuarial value of assets, adjusted by 20% of the difference between expected actuarial value and actual market value (net of pending transfers to the COLA Fund).

Actuarial assumptions

Interest Rates:	7.5% net of investment expenses
Inflation:	3.25%
Projected salary increases:	1.5-5% for promotions and other increase plus salary merit
Mortality Rates:	
Healthy	RP 2000 Mortality Table Projected to 2020 using Scale AA
Disabled	RP 2000 Disabled Mortality Table Projected to 2020 using Scales AA
	100% of the assumed deaths are expected to be ordinary deaths

GASB 67 Disclosures

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

*(\$ in thousands)*

Total pension liability	\$ 2,149,956
Plan fiduciary net position	<u>(1,748,696)</u>
Net pension liability	<u>\$ 401,260</u>
 Plan fiduciary net position as a percentage of the total pension liability	  81.34%

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2013 with update procedures used to roll forward the total pension liability to September 30, 2014. The actuarial valuation was based on the following actuarial assumptions:

<u>Actuarial assumptions</u>	
Inflation:	3.25%
Actuarial cost method	Aggregate cost method
Projected salary increases:	3.25-9.75%, average, including inflation
Cost-of-living adjustments	Amount varies annually with the adjustment on January 1st
Assumed rate of return on investments	7.5% compounded annually, net pension plan investment expense including inflation.

Mortality rates are calculated with the RP 2000 Mortality Table projected to 2020 using Scale AA for all healthy retirees. Disabled Mortality rates are calculated based on the RP 2000 Disabled Mortality Table projected to 2020 using Scale AA

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No.27, *Selection of Economic Assumptions for measuring Pension Obligation*. ASOP No.27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) for each major asset class as well as historical investment data and Plan performance. Best estimates of real rates of return for each major asset class included in the pensions Plan’s target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real rate of Return</u>
Domestic Fixed Income	1.00%
Foreign Fixed Income	0.00%
Domestic Equity	5.80%
International Equity	6.50%
Real Estate	4.70%
Private Equity	9.00%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2014:

(\$ in thousands)

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Net pension liability	\$ 603,190	\$ 401,260	\$ 230,208

***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, 2013, 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 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 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 40-246(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 Plan.

The payroll for employees covered by the GESE Trust for the year ended September 30, 2014 was approximately \$64.4 million.

GASB 27 Disclosures

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, 2014 and each of the two preceding years are as follows:

*(\$ in thousands)*

<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2014	\$ 30,710	100%	\$ -
2013	25,568	100%	-
2012	25,973	100%	-

Funded status and funding progress

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

<i>(\$ in thousands)</i>	
Actuarial Value of Plan Assets	\$ 556,600
Actuarial accrued liability (AAL)	865,900
Unfunded actuarial accrued liability(UAAL)	\$ 309,300
Funded ratio (actuarial value of plan assets/AAL)	64%
Covered Payroll	\$ 64,400
UAAL as a percentage of covered payroll	480%

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, 2013 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2013
Actuarial cost method:	Modified entry age normal
Amortization method:	Level percent, closed
Remaining amortization period:	10 to 21 years
Asset valuation method:	5-Year Smoothed Market
<u>Actuarial assumptions</u>	
Investment rate of return:	7.90%
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

Pre-Retirement Mortality rates are calculated with the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 1 year. Post-Retirement Healthy Mortality rates are calculated based on the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 2 years. The Post-Retirement Disabled Mortality rate are calculated on the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 8 years.

GASB 67 Disclosures

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

*(\$ in thousands)*

Total pension liability	\$	881,418
Plan fiduciary net position		<u>(619,561)</u>
Net pension liability	\$	<u>261,857</u>
Plan fiduciary net position as a percentage of the total pension liability		70.29%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013 using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to measurement date of September 30, 2014.

<u>Actuarial assumptions</u>	
Actuarial cost method	Modified entry age normal
Inflation:	3.50%
Projected salary increases:	4% - 8.75%, including inflation
Assumed rate of return on investments	7.8% for year ending Oct 1, 2014, net pension plan investment expense including inflation

Pre-Retirement Mortality rates are calculated with the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 1 year. Post-Retirement Healthy Mortality rates are calculated based on the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 2 years. The Post-Retirement Disabled Morality rate are calculated on the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 8 years.



*Long Term Rate of Return*

The long term expected rate of return on pension plan investments was determined using a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pensions Plan’s target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real rate of Return</u>
U.S Large Cap Equity	8.50%
U.S Small Cap Equity	9.25%
International Equity	8.75%
U.S Fixed Income	8.75%
Real Estate	4.85%
Cash and Other	2.10%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.6 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made and the employer contributions will be made in accordance with the City Ordinance and Florida Statutes.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2014:

(\$ in thousands)

	<u>1% Decrease (6.6%)</u>	<u>Current Discount Rate (7.6%)</u>	<u>1% Increase (8.6%)</u>
Net pension liability	\$ 351,755	\$ 261,856	\$ 185,667

***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, 2013, 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, 2014 was approximately \$64.4 million.

GASB 27 Disclosures

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost, net pension obligations and percentage of annual pension cost contributed to the EBP for the year ended September 30, 2014 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
2014	\$ 585	96%	\$ 4,599
2013	543	96%	4,576
2012	496	84%	4,556

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

(\$ in thousands)

Annual Required Contribution	\$ 723
Interest on Net Pension Obligation	357
Adjustment to Annual Required Contribution	<u>(495)</u>
Annual Pension Cost	585
Contributions Made	<u>(562)</u>
Change in Net Pension Obligation	23
Net Pension Obligation, Beginning of Year	<u>4,576</u>
Net Pension Obligation, End of Year	<u>\$ 4,599</u>

Funded status and funding progress

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

<i>(\$ in thousands)</i>	
Actuarial Value of Plan Assets	\$ -
Actuarial accrued liability (AAL)	6,684
Unfunded actuarial accrued liability(UAAL)	<u>\$ 6,684</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll	\$ 64,437
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, 2013 actuarial valuation report using the following methods and assumptions:

Valuation date:	October 1, 2013
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar, closed
Remaining amortization period:	17 years
Asset valuation method:	Not applicable
<u>Actuarial assumptions</u>	
Investment rate of return:	7.80%
Projected salary increases:	Variable by years of service
Includes inflation at:	3.50%
Cost of living adjustments:	None

GASB 67 Disclosures

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

(\$ in thousands)

Total pension liability	\$	9,834
Plan fiduciary net position		-
Net pension liability	\$	9,834
Plan fiduciary net position as a percentage of the total pension liability		0.00%

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of October 1, 2013 using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to measurement date of September 30, 2014.

<u>Actuarial assumptions</u>	
Actuarial cost method	Modified entry age normal
Inflation:	3.50%
Projected salary increases:	4% - 8.75%, including inflation
Assumed rate of return on investments	Not applicable, the plan has no assets for investments

Pre-Retirement Mortality rates are calculated with the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 1 year. Post-Retirement Healthy Mortality rates are calculated based on the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 2 years. The Post-Retirement Disabled Morality rate are calculated on the UP-1994 Morality Table projected to 2018 (using scale AA) for male and female, set forward 8 years.

*Long Term Rate of Return*

The Excess Plan has no assets therefore the long term rate of return is not applicable.

*Discount Rate*

The discount used to measure the total pension liability was 4.13 percent. Since the Excess plan has no assets, there are no assets available to make projected future benefit payments of current plan members. Therefore, the applicable municipal bond index rate of 4.13%, based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of September 30, 2014 was applied to all periods of projected benefit payments. As a result, the Single Equivalent Interest Rate (SEIR) is also 4.13%. The SEIR at the beginning of the measurement period was 4.79% based on the applicable municipal bond index rate of 4.79% as of September 30, 2013 applied to all periods of projected benefit payments. The projection of cash flows used to determine the discount rate assumed that member contributions will be made and the employer contributions will be made in accordance with the City Ordinance and Florida Statutes.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2014:

(\$ in thousands)

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
Net pension liability	\$ 11,227	\$ 9,834	\$ 8,718

***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, 2013, 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, 2014 was approximately \$0.3 million.

GASB 27 Disclosures

Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost, net pension obligations and percentage of annual pension cost contributed to the Staff Trust for the year ended September 30, 2014 and each of the two preceding years are as follows:

<i>(\$ in thousands)</i>				
<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>	
2014	\$ 292	100%	\$	-
2013	220	100%		-
2012	227	100%		-

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

<i>(\$ in thousands)</i>	
Annual Required Contribution	\$ 292
Interest on Net Pension Obligation	-
Adjustment to Annual Required Contribution	-
Annual Pension Cost	<u>292</u>
Contributions Made	<u>(292)</u>
Change in Net Pension Obligation	-
Net Pension Obligation, Beginning of Year	-
Net Pension Obligation, End of Year	<u>\$ -</u>

Funded status and funding progress

As of October 1, 2013, the most recent actuarial valuation date, the funded status for the Staff Trust was as follows:

<i>(\$ in thousands)</i>	
Actuarial Value of Plan Assets	\$ 2,687
Actuarial accrued liability (AAL)	<u>4,592</u>
Unfunded actuarial accrued liability(UAAL)	<u>\$ 1,905</u>
Funded ratio (actuarial value of plan assets/AAL)	59%
Covered Payroll	\$ 299
UAAL as a percentage of covered payroll	637%

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, 2013 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2013
Actuarial cost method:	Modified entry age normal
Amortization method:	Level dollar amount, closed
Remaining amortization period:	4 to 20 years
Equivalent single amortization period:	13 years
Asset valuation method:	3-Year Smoothed Market
<u>Actuarial assumptions</u>	
Investment rate of return:	7.90%
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.

GASB 67 Disclosures

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

*(\$ in thousands)*

Total pension liability	\$	4,816
Plan fiduciary net position		(3,190)
Net pension liability	\$	<u>1,626</u>
Plan fiduciary net position as a percentage of the total pension liability		66.24%



*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of October 1, 2013 using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to measurement date of September 30, 2014.

<u>Actuarial assumptions</u>	
Actuarial cost method	Modified entry age normal
Inflation:	3.50%
Projected salary increases:	6%, including inflation
Assumed rate of return on investments	7.8% for year ending Oct 1, 2014, net pension plan investment expense including inflation.

Pre-Retirement Mortality rates are calculated with the 1983 Group Annuity Table for male and female, set back 2 years. Post-Retirement Healthy Mortality rates are calculated based on the 1983 Group Annuity Table for male and female. The Post-Retirement Disabled Mortality rate are calculated on the 1983 Group Annuity Table for male and female, set back 9 years.

*Long Term Rate of Return*

The long term expected rate of return on pension plan investments was determined using a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pensions Plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real rate of Return</u>
U.S Large Cap Equity	8.50%
U.S Small Cap Equity	9.25%
International Equity	8.75%
U.S Fixed Income	4.85%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.6 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made and the employer contributions will be made in accordance with the City Ordinance and Florida Statutes.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2014:

(\$ in thousands)

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
Net pension liability	\$ 2,271	\$ 1,626	\$ 1,103

***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, 2014, the most recent actuarial valuation date, membership in the EORT consisted of 6 retirees currently receiving benefits and 2 terminated employee entitled to benefits but not yet receiving them, and 3 active officers with the future range of service from 1 to 3 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, 2014 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, 2014 was approximately \$0.29 million.

GASB 27 Disclosures

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:

*(\$ in thousands)*

<b>Year Ended September 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2014	\$ 551	100%	\$ -
2013	489	100%	-
2012	566	100%	-

Funded status and funding progress

As of January 1, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

*(\$ in thousands)*

Actuarial Value of Plan Assets	\$ 6,526
Actuarial accrued liability (AAL)	8,127
Unfunded actuarial accrued liability(UAAL)	\$ 1,601
Funded ratio (actuarial value of plan assets/AAL)	80%
Covered Payroll	\$ 299
UAAL as a percentage of covered payroll	535%

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, 2014 actuarial valuation using the following methods and assumptions:

Valuation date:	January 1, 2014
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:	Not applicable
Inflation:	Not applicable
Merit and longevity:	Not applicable
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.

GASB 67 Disclosures

Net Pension Liability

The components of the net pension liability of the City at September 30, 2014, were as follows:

*(\$ in thousands)*

Total pension liability	\$ 8,153
Plan fiduciary net position	<u>(5,975)</u>
Net pension liability	<u>\$ 2,178</u>
Plan fiduciary net position as a percentage of the total pension liability	73.29%

*Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of October 1, 2014 with update procedures used to roll forward the total pension liability to September 30, 2014. The actuarial valuation used the following actuarial assumptions:

<u>Actuarial assumptions</u>	
Inflation:	2.50%
Projected salary increases:	0.00%
Assumed rate of return on investments	3.75% for year ending Jan 1, 2014, net pension plan investment expense
Discount rate:	3.75%

Mortality rates are calculated with the RP-2000 Mortality Table, sex-distinct, combined rates for annuitants and non-annuitants, adjusted for white-collar employees, and with mortality improvement projected to 20131 by Scale

*Long Term Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pensions plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real rate of Return</u>
U.S Fixed Income	1.50%

*Discount Rate*

The discount rate used to measure the total pension liability was 3.75%.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2014:

	(\$ in thousands)		
	<u>1% Decrease (2.75%)</u>	<u>Current Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net pension liability	\$ 3,431	\$ 2,178	\$ 1,164

***Special Benefit Plans (SBP)***

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, 2014 the City's participation in this plan was as follows:

*(\$ in thousands)*

Total current year's payroll for all employees	\$	270,976
Current year's payroll for participating employees		4,944
Current year employer contributions		362

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 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 \$10.2 million for the year ended September 30, 2014. 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, 2013, the most recent actuarial valuation date, there are approximately 4,700 covered participants of whom approximately 2,991 are active employees and 1,709 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.

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,

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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 \$10.64 million for the fiscal year ended September 30, 2014.

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, 2014 for both Non-Police and Police retirees are as follows:

	<b>Police Retirees (in thousands)</b>	<b>Non-Police Retirees (in thousands)</b>	<b>Total (in thousands)</b>
Annual required contribution (ARC)	\$ 56,070	\$ 18,500	\$ 74,570
Interest on net OPEB obligation	2,939	951	3,890
Adjustment to annual required contribution	<u>(4,898)</u>	<u>(1,585)</u>	<u>(6,483)</u>
Annual OPEB cost (expense)	54,111	17,866	71,977
Contributions made	<u>7,475</u>	<u>3,168</u>	<u>10,643</u>
Increase in net OPEB obligation	46,636	14,698	61,334
Net OPEB obligation - beginning of year	146,938	47,551	194,489
Net OPEB obligation - end of year	<u>\$ 193,574</u>	<u>\$ 62,249</u>	<u>\$ 255,823</u>

The City's annual OPEB cost, net OPEB obligations, and percentage of annual OPEB cost contributed, for the year ended September 30, 2014 are as follows:

	<b>Annual OPEB Cost (in thousands)</b>	<b>OPEB Contributions (in thousands)</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligations (in thousands)</b>
Police	\$ 54,111	\$ 7,475	14%	\$ 193,574
Non-Police	<u>17,866</u>	<u>3,168</u>	18%	<u>62,249</u>
Total	<u>\$ 71,977</u>	<u>\$ 10,643</u>		<u>\$ 255,823</u>



Funded status and funding progress

As of October 1, 2013, the most recent actuarial valuation date, the funded status of the Police and Non-Police Retirees OPEB plan was as follows:

<i>(in thousands)</i>				
	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability* (b)	Unfunded Actuarial Accrued Liability (UAAL)* (b-a)	Funded Ratio (a/b)
Non-Police	\$ -	\$ 197,524	\$ 197,524	0.00%
Police	-	707,613	707,613	0.00%
Total	<u>\$ -</u>	<u>\$ 905,137</u>	<u>\$ 905,137</u>	<u>0.00%</u>
		Non-Police	Police	
	Covered Payroll	\$ 198,243	\$ 77,892	
	UAAL as a percentage of Payroll	99.6%	908.5%	

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, 2013 actuarial valuation using the following methods and assumptions:

Valuation date:	October 1, 2013
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 24 years on an open and closed basis with a starting amortization period of 30 years which began in FY 2008

Actuarial assumptions

Assumed rate of return on investments:	3.85%
Assumed health care cost trend rates:	9% for pre 65 medical and 9% for post 65 medical, grading down by .05% annually until an ultimate trend rate of 5.0% is reached

Mortality rates are calculated with the RP 2014 Mortality Table applied on a gender specific basis.

**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 Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General and OMB Circular A-133. 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 were available 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 (Port of Miami Tunnel Project) issued December 13, 2012. The Special Obligation Non-Ad Valorem Revenue Funding City is City debt. As such the City is responsible for all debt service. However, the OMNI CRA has agreed to provide the City with the required annual debt service. In the event the CRA defaults on its commitment to the City, the City would be responsible to pay the debt service from legally available funds. As of September 30, 2014 the total outstanding related debt for the Non-Ad Valorem Revenue Refunding Bonds, Series (Port of Miami Tunnel Project) issued December 13, 2012 was approximately \$44.7 million.

**Fraternal Order of Police, Walter E. Headley, Jr., Miami Lodge No. 20 v. City of Miami**, 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**, 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 District Court of Appeal, Third District affirmed, and the Florida Supreme Court has stayed the case pending resolution of *Headley v. City of Miami*. As of date of the report the City cannot predict the outcome of this case of financial consequences, if any.

**Securities and Exchange Commission v. City of Miami and Former Budget Director**, 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 the City's 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, although the Eleventh Circuit denied the former budget director's appeal in an unpublished opinion, on January 20, 2015 the Eleventh Circuit granted the former budget director's motion for stay of issuance of mandate pending Petition for Writ of Certiorari to the United States Supreme Court. Mr. Boudreaux has until March 17, 2015 to file his Petition for Writ of Certiorari. The City cannot predict the outcome of this investigation or the financial consequences if any, 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 City cannot predict the outcome of this investigation or the ultimate consequences resulting from any action on the part of the SEC.

Pursuant to 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. Currently, 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,** 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**

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances do not constitute expenditures or liabilities and are recorded in the appropriate fund balance classifications of restricted, committed or assigned in accordance with the City's fund balance policy.

The City has outstanding encumbrances in the governmental funds. The following is a summary of these commitments at September 30, 2014:

<b><u>Governmental Funds</u></b>	
Major Funds:	
Fire Rescue Services	\$ 313
Public Safety	1,465
General Government	2,541
Street & Sidewalks	9,903
Other Non-Major Governmental Funds	<u>32,472</u>
	\$ 46,694

**NOTE 13. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED**

**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.

The City's management has not yet determined the unfunded portion. The adoption of this statement will require the City to record a material liability for the unfunded portion of its plans.

**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 financial statements for the City's year ending September 30, 2015.

**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 provisions of this statement should be applied simultaneously with the provisions of GASB 68.

**GASB Statement No. 72, *Fair Value Measurement and Application***, by requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

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

#### **NOTE 14. – SPECIAL ITEM**

In March 2014, the DOSP entered into a sale / construction agreement with a third-party developer. Under the agreement, the developer is contractually obligated to do as follows: (1) upgrade and improve one of the DOSP's existing municipal garages for an amount not to exceed \$1.5 million, and (2) expand the parking capacity of the garage, as well as create office and retail facilities for a cost of approximately \$4.6 million. Due to zoning restrictions, DOSP gave back a portion of the proposed retail to the developer and received \$0.5 million in cash. In exchange, the DOSP transferred a land parcel adjacent to the garage to the developer. The land parcel had a net book value of \$4.8 million. This transaction yielded a gain of \$1.3 million and is presented as a special item in the Discretely Presented Component Units Statement of Activities during fiscal year ended September 30, 2014.

## 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, 2014**  
*(\$ in thousands)*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 225,733	\$ 225,733	\$ 215,972	\$ (9,761)
Franchise and Other Taxes	99,192	99,588	106,707	7,119
Licenses and Permits	37,634	44,157	60,863	16,706
Fines and Forfeitures	10,869	10,869	11,407	538
Intergovernmental Revenues	47,112	59,554	61,013	1,459
Charges for Services	99,195	93,315	92,987	(328)
Investment Earnings	1,000	1,000	3,740	2,740
Other	4,166	6,756	4,042	(2,714)
<b>Total Revenues</b>	<u>524,901</u>	<u>540,972</u>	<u>556,731</u>	<u>15,759</u>
<b>Expenditures:</b>				
General Government				
Mayor	955	957	871	86
Board of Commissioners	2,489	2,489	2,380	109
Office of City Manager	2,925	2,925	2,649	276
Office of City Clerk	1,509	1,509	1,367	142
Office of NET	3,376	3,376	3,124	252
Office of Civil Service	371	371	329	42
Office of the Auditor General	1,078	1,078	964	114
Office of Communications	1,050	1,060	1,029	31
Human Resources	3,567	3,749	3,214	535
Information Technology	8,544	8,544	8,262	282
Office of the City Attorney	6,105	6,394	6,034	360
Office of Strategic Planning & Budgeting	1,756	1,824	1,717	107
Procurement	1,567	1,567	1,482	85
Office of Equal Opportunity & Diversity	329	329	248	81
Finance	8,011	8,011	7,144	867
Capital Improvements Administration	5,157	5,121	4,708	413
Office of Grants Administration	931	931	904	27
Non-Departmental	33,649	26,202	22,927	3,275
Pensions	-	-	-	-
Risk Management	12,964	12,964	10,950	2,014
<b>Total General Government</b>	<u>96,333</u>	<u>89,401</u>	<u>80,303</u>	<u>9,098</u>
Planning and Development				
Building	9,282	9,282	8,452	830
Planning	5,344	5,685	5,065	620
Red Light Camera	477	280	205	75
<b>Total Planning and Development</b>	<u>15,103</u>	<u>15,247</u>	<u>13,722</u>	<u>1,525</u>
Public Works				
Solid Waste	27,569	28,550	28,223	327
General Service Administration	21,125	21,114	20,667	447
Public - Works	16,351	16,351	15,653	698
<b>Total Public Works</b>	<u>65,045</u>	<u>66,015</u>	<u>64,543</u>	<u>1,472</u>
Public Safety				
Office of Code Compliance	4,533	4,533	4,201	332
Fire - Rescue	99,635	108,544	106,730	1,814
Police	168,721	174,289	171,120	3,169
<b>Total Public Safety</b>	<u>272,889</u>	<u>287,366</u>	<u>282,051</u>	<u>5,315</u>
Public Facilities				
Parks and Recreation	6,465	6,465	5,793	672
	29,119	29,507	28,386	(1,121)
<b>Total Expenditures</b>	<u>484,954</u>	<u>494,001</u>	<u>474,798</u>	<u>19,203</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>39,947</u>	<u>46,971</u>	<u>81,933</u>	<u>34,962</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	11,766	12,278	512
Transfers Out	(39,948)	(58,738)	(57,699)	1,039
Proceeds from Sale of Property	2	2	448	446
<b>Total Other Financing Sources (Uses)</b>	<u>(39,946)</u>	<u>(46,970)</u>	<u>(44,973)</u>	<u>1,997</u>
<b>Net Change in Fund Balance</b>	<u>1</u>	<u>1</u>	<u>36,960</u>	<u>36,959</u>
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>75,462</u>	<u>75,462</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,422</u>	<u>\$ 112,422</u>

## Required Supplementary Information

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Fire Rescue Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental Revenues	8,922	15,543	18,120	2,577
Charges for Services	-	-	3	3
Investment Earnings	-	-	1	1
Other	10,837	15,759	6	(15,753)
<b>Total Revenues</b>	19,759	31,302	18,130	(13,172)
<b>Expenditures:</b>				
Public Safety	13,014	21,926	18,869	3,057
Capital Outlay	8,374	11,005	1,109	9,896
<b>Total Expenditures</b>	21,388	32,931	19,978	12,953
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,629)	(1,629)	(1,848)	(219)
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,629	1,629	1,671	42
<b>Total Other Financing Sources (Uses)</b>	1,629	1,629	1,671	42
<b>Net Change in Fund Balance</b>	-	-	(177)	(177)
<b>Fund Balance - Beginning of Year</b>	-	-	3,654	3,654
<b>Fund Balance - End of Year</b>	\$ -	\$ -	\$ 3,477	\$ 3,477



# Notes to Required Supplementary Information

**City of Miami, Florida**  
**Year Ended September 30, 2014**  
**(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 Project Funds. The Capital Project 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 31<sup>st</sup>, the City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund, which is at the departmental level, for the fiscal year commencing the upcoming October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
- The Mayor prepares and delivers a budgetary address annually to the people of the City between July 1<sup>st</sup> and September 30<sup>th</sup>.
- Such report is prepared after consultation with the City Manager.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1<sup>st</sup>, the budget is legally enacted through the passage of 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 2014, supplemental appropriations totaling \$16.1 million in the General Fund, \$11.5 million in the Fire Rescue Services Fund, \$7.2 million in Public Safety Capital Fund, \$8.2 million in General Government Capital Fund, \$19.4 million in the Streets and Sidewalks Capital Fund, \$35.0 in Special Obligation Bonds and \$29.2 million in Other Non-Major Funds was required to fund expenditures for unanticipated program requirements.

During fiscal year 2014, the General fund had expenditures of approximately \$2.2 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 128.

## Required Supplementary Information

### City of Miami, Florida Pension Trust Funds and Other Post Employment Benefits As Required by GASB 27 Schedule of Funding Progress (a) (Unaudited)

Actuarial Valuation Date	(1) Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) AAL (2)-(1)	Funded Ratio (1)/(2)	(3) Covered Payroll	Unfunded (Overfunded) as a Percentage of Covered Payroll ((2)-(1))/(3)
GESE Retirement Trust (b) <i>(in millions)</i>						
10/01/2013	\$ 556.60	\$ 865.90	\$ 309.30	64%	\$ 64.40	480%
10/01/2012	560.90	858.20	297.30	65%	62.52	476%
10/01/2011	600.70	845.10	244.40	71%	63.60	384%
GESE Staff Trust Plan (b) <i>(in thousands)</i>						
10/01/2013	\$ 2,687.00	\$ 4,592.00	\$ 1,905.00	59%	\$ 299.00	637%
10/01/2012	2,455.40	4,364.40	1,909.00	56%	354.90	538%
10/01/2011	2,137.00	3,139.90	1,002.90	68%	735.00	136%
GESE Excess Plan (b) <i>(in thousands)</i>						
10/01/2013	\$ -	\$ 6,684.00	\$ 6,684.00	0%	\$ 64,437.00	10%
10/01/2012	-	6,281.00	6,281.00	0%	62,516.00	10%
10/01/2011	-	5,825.00	5,825.00	0%	63,601.00	9%
FIPO (c) <i>(in millions)</i>						
10/01/2013	\$ 1,531.00	\$ 1,932.30	\$ 401.30	79%	\$ 85.20	471%
10/01/2012	1,143.60	1,573.00	429.40	73%	82.20	522%
10/01/2011	1,150.30	1,590.50	440.20	72%	82.20	536%
EORT (e) <i>(in thousands)</i>						
1/1/2014	\$ 6,526.00	\$ 8,127.00	\$ 1,601.00	80%	\$ 299.00	535%
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%
City of Miami Police Other Post Employment Benefits (d) <i>(in millions)</i>						
10/01/2012	\$ -	\$ 424.34	\$ 424.34	0%	\$ 75.26	564%
10/01/2008	-	394.13	394.13	0%	72.71	542%
10/01/2006	-	333.52	333.52	0%	57.60	579%
City of Miami Other Than Police Other Post Employment Benefits (d) <i>(in millions)</i>						
10/01/2012	\$ -	\$ 162.56	\$ 162.56	0%	\$ 191.54	85%
10/01/2008	-	146.56	146.56	0%	185.06	79%
10/01/2006	-	146.80	146.80	0%	129.89	113%

a. See Note 10 for information regarding pension contribution percentage rates, assumptions, amortization method.

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, 2014.

e. Calculated using Projected Unit Credit Cost as of 01/01/2014, prior years individual aggregate cost method.

## Required Supplementary Information

### City of Miami, Florida Pension Trust Funds and Other Post Employment Benefits As Required by GASB 27 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>		
9/30/2014	\$ 30,710	100%	9/30/2014	\$ 47,306	100%
9/30/2013	25,568	100%	9/30/2013	45,412	100%
9/30/2012	25,973	100%	9/30/2012	47,418	100%
<u>GESE Staff Trust Plan</u>			<u>GESE Excess Plan</u>		
9/30/2014	\$ 292	100%	9/30/2014	\$ 723	78%
9/30/2013	220	100%	9/30/2013	666	79%
9/30/2012	227	100%	9/30/2012	607	69%
<u>EORT (Elected Officials Retirement Trust)</u>					
1/01/2014	\$ 551	100%			
1/01/2013	489	100%			
1/01/2012	566	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>		
9/30/2014	\$ 17,866	17%	9/30/2014	\$ 54,111	13%
9/30/2013	14,552	25%	9/30/2013	32,745	17%
9/30/2012	13,676	23%	9/30/2012	30,876	20%
(a)			(a)		

(a) The information presented in the Required Supplementary Information 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).

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Changes in the Net Pension**  
**Liability and Related Ratios (as required by GASB 67)**  
**September 30, 2014**  
(\$ in thousands)  
(Unaudited)

	<b>Firefighters and Police (FIPO)</b>	<b>General and Sanitation Employees (GESE)</b>	<b>General and Sanitation Employees Excess Benefit (GESE Excess Plan)</b>	<b>General and Sanitation Employees Staff Trust Plan (GESE Staff Plan)</b>	<b>Elected Officers Retirement Trust (EORT)</b>
<b>Total pension liability</b>					
Service cost	\$ 17,233	\$ 8,678	\$ -	\$ 77	\$ 257
Interest	155,339	64,249	427	345	308
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(6,639)	-	763	-	(251)
Changes of assumptions	-	-	-	-	-
Benefit payments, including refunds of member contributions	(139,860)	(73,771)	(556)	(311)	(261)
<b>Net change in total pension liability</b>	<b>26,073</b>	<b>(844)</b>	<b>634</b>	<b>111</b>	<b>53</b>
Total pension liability - beginning	2,123,883	882,262	9,200	4,705	8,100
Total pension liability - ending	<u>2,149,956</u>	<u>881,418</u>	<u>9,834</u>	<u>4,816</u>	<u>8,153</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	47,655	30,710	562	292	-
Contributions - member	9,463	7,231	-	23	-
Net investment income	133,609	65,273	-	338	(20)
Benefit payments, including refunds of member contributions	(139,860)	(71,903)	(557)	(311)	(261)
Administrative expenses	(2,086)	(266)	(5)	-	(2)
Depreciation expense	(43)	-	-	-	-
Refunds of contributions	-	(1,868)	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>48,738</b>	<b>29,177</b>	<b>-</b>	<b>342</b>	<b>(283)</b>
Plan fiduciary net position - beginning	1,699,959	590,384	-	2,848	6,258
Plan fiduciary net position - ending	<u>\$ 1,748,697</u>	<u>\$ 619,561</u>	<u>\$ -</u>	<u>\$ 3,190</u>	<u>\$ 5,975</u>
City's net position liability	<u>\$ 401,259</u>	<u>\$ 261,857</u>	<u>\$ 9,834</u>	<u>\$ 1,626</u>	<u>\$ 2,178</u>
Covered-employee payroll	\$ 85,223	\$ 66,370	\$ 66,370	\$ 299	\$ 299
Net pension liability as a percentage of covered-employee payroll	470.83%	394.54%	14.82%	543.81%	728.43%

Note to Schedule:

This Schedule is presented to illustrate the requirement of GASB 67.  
Currently only data for fiscal year ending September 30, 2014 is available.

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Contributions (as required by GASB 67)**  
**September 30, 2014**  
(\$ in thousands)  
(Unaudited)

	<b>Firefighters and Police (FIPO)</b>	<b>General and Sanitation Employees (GESE)</b>	<b>General and Sanitation Employees Excess Benefit (GESE Excess Plan)</b>	<b>General and Sanitation Employees Staff Trust Plan (GESE Staff Plan)</b>	<b>Elected Officers Retirement Trust (EORT)</b>
Actuarially determined contribution	\$ 47,306	\$ 30,710	\$ 562	\$ 292	\$ 570
Contribution made in relation to the actuarially determined contribution	47,306	30,710	562	292	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 570
Covered-employee payroll	\$ 93,705	\$ 66,370	\$ 66,370	\$ 299	\$ 299
Contributions as a percentage of covered-employee payroll	50.48%	46.27%	0.85%	97.66%	0.00%

**Notes to Schedule**

**Measurement date: September 30, 2014**

The following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of Contribution:

	<b>General and Sanitation Employees</b>	<b>General and Sanitation Employees Excess Plan</b>	<b>General and Sanitation Employees Staff Plan</b>	<b>Elected Officers Retirement Trust (EORT)</b>
Valuation date:	October 1, 2013	October 1, 2013	October 1, 2013	January 1, 2013
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percent, closed	Level dollar amounts, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period:	9 to 20 years	17 years	3 to 20 years	5 to 9 years
Equivalent single amortization period:	14 years		12.5 years	
Asset valuation method:	5-Year Smoothed Market	Not applicable	3-Year Smoothed Market	Market Value
Actuarial Assumptions:				
Investment rate of return	7.8%	7.8%	7.8%	3.75%
Projected salary increases	4% to 8.75%	4% to 8.75%	6.0%	0.00%
Payroll Growth	3.0%			0.00%
Includes inflation at	3.5%	3.5%	3.5%	2.50%
Cost of living adjustments	4% per year, with \$54 per year minimum and \$400 per year maximum		None	None

**Firefighters and Police**

Valuation date:	October 1, 2013
Actuarial cost method:	Aggregate Cost Method
Asset valuation method:	20% Write-Up Method: Expected actuarial value of assets, adjusted by 20% of the difference between expected actuarial value and actual market value (net of pending transfers to the COLA Fund)
Actuarial Assumptions:	
Interest rates	7.5% net of investment expenses
Inflation at	3.25%
Projected salary increases Expense and or Contingency Loading	\$2,222,561

**Required Supplementary Information**

**City of Miami, Florida**  
**Schedule of Investment returns (as required by GASB 67)**  
**September 30, 2014**  
(\$ in thousands)  
(Unaudited)

	<b>Firefighters and Police (FIPO)</b>	<b>General and Sanitation Employees (GESE)</b>	<b>General and Sanitation Employees Excess Benefit (GESE Excess Plan)</b>	<b>General and Sanitation Employees Staff Trust Plan (GESE Staff Plan)</b>	<b>Elected Officers Retirement Trust (EORT)</b>
Annual money-weighted rate of return, net of investment expense	8.60%	11.20%	Not applicable (a)	12.10%	-0.36%

Note to Schedule:  
This Schedule is presented to illustrate the requirement of GASB 67.  
Currently only data for fiscal year ending September 30, 2014 is available.  
(a) The GESE Excess Plan has no assets



## 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.





## Non-major Governmental Funds

# SPECIAL REVENUE FUNDS

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

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

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

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

**Solid Waste Recycling Trust** – To account for funds received through the recycling program that are utilized to pay for scholarships annually to educational institutions for Solid Waste employees and for the children or legal dependents of Solid Waste employees.

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



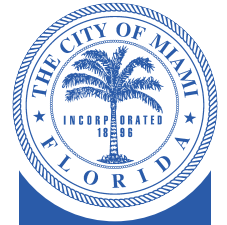
# DEBT SERVICE FUNDS

## 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.



## Non-major Governmental Funds

# CAPITAL FUNDS PROJECT

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

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

**Transportation and Transit** – To account for expenditures for the improvement to infrastructure that enhances transportation options, improves safety, and increases mobility within city limits.

**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, 2014**  
*(\$ in thousands)*

**Special Revenue  
Funds**

	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 18,288	\$ -	\$ 42,161	\$ -	\$ 7,571
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	2
Accounts Receivable	-	-	-	-	3
Property Tax	-	-	-	-	-
Due From Other Governments	1,166	-	-	586	3,000
Accrued Interest	6	-	8	-	4
Prepays	-	-	-	-	-
Other Assets	-	-	30	-	-
<b>Total Assets</b>	<b>\$ 19,460</b>	<b>-</b>	<b>\$ 42,199</b>	<b>\$ 586</b>	<b>\$ 10,580</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	1,617	-	724	119	2,347
Due to Other Funds	-	-	-	262	-
Due to Other Governments	-	-	-	-	450
Unearned Revenue	-	-	-	-	-
Deposits	-	-	15	-	1,740
<b>Total Liabilities</b>	<b>1,617</b>	<b>-</b>	<b>739</b>	<b>381</b>	<b>4,537</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	1	-	-	-	199
<b>Total Deferred Inflows of Resources</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	17,842	-	41,460	205	1,818
Committed	-	-	-	-	4,026
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>17,842</b>	<b>-</b>	<b>41,460</b>	<b>205</b>	<b>5,844</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 19,460</b>	<b>-</b>	<b>\$ 42,199</b>	<b>\$ 586</b>	<b>\$ 10,580</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds				
	Choice Housing Vouchers	SHIP	Convention Center	Economic Development & Planning Services	NET Offices
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 148	\$ 232	\$ 1,999	\$ 7,740	\$ 2,577
Restricted Cash, Cash Equivalents, and Investments	-	-	177	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	-	193	1	4
Property Tax	-	-	-	-	-
Due From Other Governments	134	-	2	-	-
Accrued Interest	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 282</b>	<b>\$ 232</b>	<b>\$ 2,371</b>	<b>\$ 7,741</b>	<b>\$ 2,581</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	9	49	830	4	17
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	4
<b>Total Liabilities</b>	<b>9</b>	<b>49</b>	<b>830</b>	<b>4</b>	<b>21</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	1	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	272	183	-	54	13
Committed	-	-	1,541	7,566	2,538
Assigned	-	-	-	117	9
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>272</b>	<b>183</b>	<b>1,541</b>	<b>7,737</b>	<b>2,560</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 282</b>	<b>\$ 232</b>	<b>\$ 2,371</b>	<b>\$ 7,741</b>	<b>\$ 2,581</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Special Revenue Funds</b>				
	<b>Parks &amp; Recreation Services</b>	<b>Police Services</b>	<b>Law Enforcement Trust</b>	<b>Public Works Services</b>	<b>City Clerk Services</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 1,980	\$ 1,402	\$ 1,778	\$ 4,275	\$ 597
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	10	325	65	-	-
Property Tax	-	-	-	-	-
Due From Other Governments	23	2,104	-	-	-
Accrued Interest	-	4	-	-	-
Prepays	-	3	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,013</b>	<b>\$ 3,838</b>	<b>\$ 1,843</b>	<b>\$ 4,275</b>	<b>\$ 597</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	95	543	7	189	1
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	112	-	-
<b>Total Liabilities</b>	<b>95</b>	<b>543</b>	<b>119</b>	<b>189</b>	<b>1</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	22	131	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>22</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	3	-	-	-
Spendable Fund Balance					
Restricted	907	-	1,724	78	-
Committed	102	3,161	-	4,008	596
Assigned	887	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,896</b>	<b>3,164</b>	<b>1,724</b>	<b>4,086</b>	<b>596</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,013</b>	<b>\$ 3,838</b>	<b>\$ 1,843</b>	<b>\$ 4,275</b>	<b>\$ 597</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds				
	Emergency Services	General Special Revenues	Departmental Improvement Initiatives	Transportation & Transit	Miami Ballpark Parking Facilities
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 2,249	\$ 1	\$ 3,379	\$ 15,560	\$ 25
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	-	27	-	2,188
Property Tax	-	-	-	-	-
Due From Other Governments	17	341	34	3,249	-
Accrued Interest	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	7	-	-
<b>Total Assets</b>	<b>\$ 2,266</b>	<b>\$ 342</b>	<b>\$ 3,447</b>	<b>\$ 18,809</b>	<b>\$ 2,213</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	5	90	167	667	444
Due to Other Funds	-	43	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<b>5</b>	<b>133</b>	<b>167</b>	<b>667</b>	<b>444</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	999	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>999</b>	<b>-</b>
Fund Balances (Deficit):					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	-	206	1,892	17,143	1,769
Committed	2,261	1	1,388	-	-
Assigned	-	2	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,261</b>	<b>209</b>	<b>3,280</b>	<b>17,143</b>	<b>1,769</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,266</b>	<b>\$ 342</b>	<b>\$ 3,447</b>	<b>\$ 18,809</b>	<b>\$ 2,213</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds			Debt Service Funds	
	Liberty City Revitalization Trust	Solid Waste Recycling Trust	Virginia Key Beach Park Trust	Total Special Revenue	General Obligation Bonds
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 46	\$ 1,255	\$ 105	\$ 113,368	\$ -
Restricted Cash, Cash Equivalents, and Investments	-	-	22	199	3,056
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	2	-
Accounts Receivable	-	-	1	2,817	-
Property Tax	-	-	-	-	512
Due From Other Governments	13	-	-	10,669	-
Accrued Interest	-	-	1	23	-
Prepays	-	-	-	3	-
Other Assets	-	-	-	37	-
<b>Total Assets</b>	<b>\$ 59</b>	<b>\$ 1,255</b>	<b>\$ 129</b>	<b>\$ 127,118</b>	<b>\$ 3,568</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	4	-	21	7,949	-
Due to Other Funds	-	-	-	305	-
Due to Other Governments	-	-	-	450	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	1	1,871	2
<b>Total Liabilities</b>	<b>4</b>	<b>-</b>	<b>22</b>	<b>10,575</b>	<b>2</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	1,353	512
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,353</b>	<b>512</b>
Fund Balances (Deficit):					
Non-Spendable Fund Balance					
Non Spendable	-	1,000	-	1,003	-
Spendable Fund Balance					
Restricted	55	255	-	85,876	3,054
Committed	-	-	108	27,296	-
Assigned	-	-	-	1,015	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>55</b>	<b>1,255</b>	<b>108</b>	<b>115,190</b>	<b>3,054</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 59</b>	<b>\$ 1,255</b>	<b>\$ 129</b>	<b>\$ 127,118</b>	<b>\$ 3,568</b>



**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Debt Service Funds</b>		<b>Capital Projects Funds</b>		
	<b>SEOPW CRA Other Special Obligation Bonds</b>	<b>Total Debt Service</b>	<b>SEOPW Community Redevelopment Agency</b>	<b>Transportation &amp; Transit</b>	<b>Sanitary Sewers</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 1	\$ 1	\$ 2	\$ 18,580	\$ 15,745
Restricted Cash, Cash Equivalents, and Investments	23	3,079	58,708	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Property Tax	-	512	-	-	-
Due From Other Governments	-	-	-	-	-
Accrued Interest	-	-	-	-	4
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 24</b>	<b>\$ 3,592</b>	<b>\$ 58,710</b>	<b>\$ 18,580</b>	<b>\$ 15,749</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	-	-	-	277
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	2	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>277</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	-	512	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>512</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	24	3,078	58,710	18,580	2,772
Committed	-	-	-	-	12,700
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>24</b>	<b>3,078</b>	<b>58,710</b>	<b>18,580</b>	<b>15,472</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 24</b>	<b>\$ 3,592</b>	<b>\$ 58,710</b>	<b>\$ 18,580</b>	<b>\$ 15,749</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

**Capital Projects  
Funds**

	<b>Storm Sewers</b>	<b>Solid Waste</b>	<b>Public Facilities</b>	<b>Parks &amp; Recreation</b>	<b>Disaster Recovery</b>
<b>Assets</b>					
Pooled Cash, Cash Equivalents, and Investments	\$ 9,077	\$ 752	\$ 23,725	\$ 14,834	\$ 930
Restricted Cash, Cash Equivalents, and Investments	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Loans Receivable	-	-	-	-	-
Accounts Receivable	-	1	-	-	-
Property Tax	-	-	-	-	-
Due From Other Governments	1,602	-	218	185	-
Accrued Interest	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,679</b>	<b>\$ 753</b>	<b>\$ 23,943</b>	<b>\$ 15,019</b>	<b>\$ 930</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	1,196	80	1,035	2,360	188
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,196</b>	<b>80</b>	<b>1,035</b>	<b>2,360</b>	<b>188</b>
<b>Deferred Inflows of Resources</b>					
Revenue Received in Advance	-	-	-	-	-
Unavailable Revenue - Other	-	-	86	-	1,883
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>-</b>	<b>1,883</b>
Fund Balances (Deficit):					
Non-Spendable Fund Balance					
Non Spendable	-	-	-	-	-
Spendable Fund Balance					
Restricted	9,483	-	13,212	-	-
Committed	-	673	6,326	12,541	-
Assigned	-	-	3,284	118	-
Unassigned	-	-	-	-	(1,141)
<b>Total Fund Balances</b>	<b>9,483</b>	<b>673</b>	<b>22,822</b>	<b>12,659</b>	<b>(1,141)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,679</b>	<b>\$ 753</b>	<b>\$ 23,943</b>	<b>\$ 15,019</b>	<b>\$ 930</b>

**City of Miami, Florida**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Capital Projects Funds</b>		<b>Total Non- Major Governmental Funds</b>
	<b>Mass Transit</b>	<b>Total Capital Projects</b>	<b>Total Non- Major Governmental Funds</b>
<b>Assets</b>			
Pooled Cash, Cash Equivalents, and Investments	\$ 211	\$ 83,856	\$ 197,225
Restricted Cash, Cash Equivalents, and Investments	1	58,709	61,987
Receivables (Net of Allowance for Uncollectibles):			
Loans Receivable	-	-	2
Accounts Receivable	-	1	2,818
Property Tax	-	-	512
Due From Other Governments	-	2,005	12,674
Accrued Interest	-	4	27
Prepays	-	-	3
Other Assets	-	-	37
<b>Total Assets</b>	<b>\$ 212</b>	<b>\$ 144,575</b>	<b>\$ 275,285</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts Payable and Accrued Liabilities	3	5,139	13,088
Due to Other Funds	-	-	305
Due to Other Governments	-	-	450
Unearned Revenue	-	-	-
Deposits	-	-	1,873
<b>Total Liabilities</b>	<b>3</b>	<b>5,139</b>	<b>15,716</b>
<b>Deferred Inflows of Resources</b>			
Revenue Received in Advance	-	-	-
Unavailable Revenue - Other	2	1,971	3,836
<b>Total Deferred Inflows of Resources</b>	<b>2</b>	<b>1,971</b>	<b>3,836</b>
<b>Fund Balances (Deficit):</b>			
Non-Spendable Fund Balance			
Non Spendable	-	-	1,003
Spendable Fund Balance			
Restricted	207	102,964	191,918
Committed	-	32,240	59,536
Assigned	-	3,402	4,417
Unassigned	-	(1,141)	(1,141)
<b>Total Fund Balances</b>	<b>207</b>	<b>137,465</b>	<b>255,733</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 212</b>	<b>\$ 144,575</b>	<b>\$ 275,285</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds				
	Omni CRA	Midtown CRA	SEOPW CRA	Homeless Program	Community Development
<b>Revenues</b>					
Property Taxes	\$ 10,886	\$ 3,366	\$ 11,499	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	824	-	686	2,007	31,047
Charges for Services	-	-	4	-	98
Investment Earnings	77	-	136	-	5
Other	23	-	368	-	661
<b>Total Revenues</b>	<b>11,810</b>	<b>3,366</b>	<b>12,693</b>	<b>2,007</b>	<b>31,811</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	-	-
Planning and Development	-	-	-	-	-
Community Development	-	-	-	2,409	30,116
Community Redevelopment Areas	5,490	3,337	7,497	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	5,049	-	1,348	-	2,758
<b>Total Expenditures</b>	<b>10,539</b>	<b>3,337</b>	<b>8,845</b>	<b>2,409</b>	<b>32,874</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>1,271</b>	<b>29</b>	<b>3,848</b>	<b>(402)</b>	<b>(1,063)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	629	-	-	387	1,960
Transfers Out	(3,118)	(29)	(508)	-	-
Proceeds from Sale of Property	-	-	10,159	-	-
Premium from Issuance of Debt	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,489)</b>	<b>(29)</b>	<b>9,651</b>	<b>387</b>	<b>1,960</b>
<b>Net Changes in Fund Balances</b>	<b>(1,218)</b>	<b>-</b>	<b>13,499</b>	<b>(15)</b>	<b>897</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>19,060</b>	<b>-</b>	<b>27,961</b>	<b>220</b>	<b>4,947</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 17,842</b>	<b>-</b>	<b>\$ 41,460</b>	<b>\$ 205</b>	<b>\$ 5,844</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds				
	Choice Housing Vouchers	SHIP	Convention Center	Economic Development & Planning Services	NET Offices
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	42	-
Fines and Forfeitures	-	-	30	-	2
Intergovernmental Revenues	1,860	833	38	-	-
Charges for Services	-	-	6,319	1,299	232
Investment Earnings	-	2	-	-	1
Other	-	51	544	-	1
<b>Total Revenues</b>	<b>1,860</b>	<b>886</b>	<b>6,931</b>	<b>1,341</b>	<b>236</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	-	8	-
Planning and Development	-	-	-	30	-
Community Development	1,775	882	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	-	-
Public Safety	-	-	-	-	130
Public Facilities	-	-	3,612	-	-
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	9
<b>Total Expenditures</b>	<b>1,775</b>	<b>882</b>	<b>3,612</b>	<b>38</b>	<b>139</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>85</b>	<b>4</b>	<b>3,319</b>	<b>1,303</b>	<b>97</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	3,106	747	-
Transfers Out	-	-	(4,854)	(325)	-
Proceeds from Sale of Property	-	-	-	-	-
Premium from Issuance of Debt	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,748)</b>	<b>422</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>85</b>	<b>4</b>	<b>1,571</b>	<b>1,725</b>	<b>97</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>187</b>	<b>179</b>	<b>(30)</b>	<b>6,012</b>	<b>2,463</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 272</b>	<b>\$ 183</b>	<b>\$ 1,541</b>	<b>\$ 7,737</b>	<b>\$ 2,560</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds				
	Parks & Recreation Services	Police Services	Law Enforcement Trust	Public Works Services	City Clerk Services
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	814	-	-
Intergovernmental Revenues	1,424	5,412	-	-	-
Charges for Services	253	242	-	2,659	180
Investment Earnings	-	35	11	4	-
Other	731	-	-	-	5
<b>Total Revenues</b>	<b>2,408</b>	<b>5,689</b>	<b>825</b>	<b>2,663</b>	<b>185</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	1	-	172
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	485	-
Public Safety	-	7,651	891	-	-
Public Facilities	-	-	-	-	-
Parks and Recreation	1,979	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	441	167	-	1
<b>Total Expenditures</b>	<b>1,979</b>	<b>8,092</b>	<b>1,059</b>	<b>485</b>	<b>173</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>429</b>	<b>(2,403)</b>	<b>(234)</b>	<b>2,178</b>	<b>12</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	153	1,707	-	-	138
Transfers Out	(609)	(350)	-	(1,258)	-
Proceeds from Sale of Property	-	-	-	-	-
Premium from Issuance of Debt	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(456)</b>	<b>1,357</b>	<b>-</b>	<b>(1,258)</b>	<b>138</b>
<b>Net Changes in Fund Balances</b>	<b>(27)</b>	<b>(1,046)</b>	<b>(234)</b>	<b>920</b>	<b>150</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>1,923</b>	<b>4,210</b>	<b>1,958</b>	<b>3,166</b>	<b>446</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 1,896</b>	<b>\$ 3,164</b>	<b>\$ 1,724</b>	<b>\$ 4,086</b>	<b>\$ 596</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds				
	Emergency Services	General Special Revenues	Departmental Improvement Initiatives	Transportation & Transit	Miami Ballpark Parking Facilities
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	380	-	-
Intergovernmental Revenues	191	918	1,880	15,297	-
Charges for Services	-	-	1	-	4,851
Investment Earnings	-	-	34	-	-
Other	-	22	10	-	-
<b>Total Revenues</b>	<b>191</b>	<b>940</b>	<b>2,305</b>	<b>15,297</b>	<b>4,851</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	538	2,494	4,370	-
Planning and Development	-	-	112	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	5	43	-	-
Public Safety	86	-	-	-	-
Public Facilities	-	-	-	-	1,949
Parks and Recreation	-	-	95	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	21	-	-
<b>Total Expenditures</b>	<b>86</b>	<b>543</b>	<b>2,765</b>	<b>4,370</b>	<b>1,949</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>105</b>	<b>397</b>	<b>(460)</b>	<b>10,927</b>	<b>2,902</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	1,791	-	-
Transfers Out	-	-	(333)	(11,206)	(2,586)
Proceeds from Sale of Property	-	-	-	-	-
Premium from Issuance of Debt	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,458</b>	<b>(11,206)</b>	<b>(2,586)</b>
<b>Net Changes in Fund Balances</b>	<b>105</b>	<b>397</b>	<b>998</b>	<b>(279)</b>	<b>316</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>2,156</b>	<b>(188)</b>	<b>2,282</b>	<b>17,422</b>	<b>1,453</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 2,261</b>	<b>\$ 209</b>	<b>\$ 3,280</b>	<b>\$ 17,143</b>	<b>\$ 1,769</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	Special Revenue Funds			Total Special Revenue
	Liberty City Revitalization Trust	Solid Waste Recycling Trust	Virginia Key Beach Park Trust	
<b>Revenues</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ 25,751
Licenses and Permits	-	-	-	42
Fines and Forfeitures	-	-	-	1,226
Intergovernmental Revenues	5	-	-	62,421
Charges for Services	-	-	354	16,493
Investment Earnings	1	-	-	306
Other	22	-	172	2,610
<b>Total Revenues</b>	<u>28</u>	<u>-</u>	<u>526</u>	<u>108,849</u>
<b>Expenditures</b>				
Current Operating:				
General Government	-	-	-	7,583
Planning and Development	-	-	-	142
Community Development	-	-	-	35,182
Community Redevelopment Areas	172	-	-	16,496
Public Works	-	3	-	536
Public Safety	-	-	-	8,758
Public Facilities	-	-	-	5,561
Parks and Recreation	-	-	443	2,517
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	9,794
<b>Total Expenditures</b>	<u>172</u>	<u>3</u>	<u>443</u>	<u>86,569</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(144)</u>	<u>(3)</u>	<u>83</u>	<u>22,280</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	1,258	-	11,876
Transfers Out	-	-	-	(25,176)
Proceeds from Sale of Property	-	-	-	10,159
Premium from Issuance of Debt	-	-	-	-
Issuance of Debt	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>1,258</u>	<u>-</u>	<u>(3,141)</u>
<b>Net Changes in Fund Balances</b>	(144)	1,255	83	19,139
<b>Fund Balances (Deficit) - Beginning</b>	<u>199</u>	<u>-</u>	<u>25</u>	<u>96,051</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 55</u>	<u>\$ 1,255</u>	<u>\$ 108</u>	<u>\$ 115,190</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, 2014**  
*(\$ in thousands)*

	Debt Service Funds			Capital Project Funds
	General Obligation Bonds	SEOPW CRA Other Special Obligation Bonds	Total Debt Service	SEOPW Community Redevelopment Agency
<b>Revenues</b>				
Property Taxes	\$ 24,853	\$ -	\$ 24,853	\$ -
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>24,853</u>	<u>-</u>	<u>24,853</u>	<u>-</u>
<b>Expenditures</b>				
Current Operating:				
General Government	16	1,485	1,501	-
Planning and Development	-	-	-	-
Community Development	-	-	-	-
Community Redevelopment Areas	-	-	-	-
Public Works	-	-	-	-
Public Safety	-	-	-	-
Public Facilities	-	-	-	-
Parks and Recreation	-	-	-	-
Debt Service:				
Principal	11,592	-	11,592	-
Interest and Other Charges	13,780	-	13,780	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>25,388</u>	<u>1,485</u>	<u>26,873</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(535)</u>	<u>(1,485)</u>	<u>(2,020)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Sale of Property	-	-	-	-
Premium from Issuance of Debt	-	-	-	4,331
Issuance of Debt	-	1,508	1,508	54,377
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>1,508</u>	<u>1,508</u>	<u>58,708</u>
<b>Net Changes in Fund Balances</b>	(535)	23	(512)	58,708
<b>Fund Balances (Deficit) - Beginning</b>	<u>3,589</u>	<u>1</u>	<u>3,590</u>	<u>2</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 3,054</u>	<u>\$ 24</u>	<u>\$ 3,078</u>	<u>\$ 58,710</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, 2014**  
*(\$ in thousands)*

	<b>Capital Projects Funds</b>				
	<b>Transportation &amp; Transit</b>	<b>Sanitary Sewers</b>	<b>Storm Sewers</b>	<b>Solid Waste</b>	<b>Public Facilities</b>
<b>Revenues</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental Revenues	-	-	1,689	-	307
Charges for Services	-	-	-	-	-
Investment Earnings	-	-	-	-	10
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>1,689</b>	<b>-</b>	<b>317</b>
<b>Expenditures</b>					
Current Operating:					
General Government	-	-	15	-	(486)
Planning and Development	-	-	-	-	-
Community Development	-	-	-	-	-
Community Redevelopment Areas	-	-	-	-	-
Public Works	-	-	-	36	-
Public Safety	-	-	-	-	-
Public Facilities	-	-	-	-	207
Parks and Recreation	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	1,765	4,854	607	4,607
<b>Total Expenditures</b>	<b>-</b>	<b>1,765</b>	<b>4,869</b>	<b>643</b>	<b>4,328</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(1,765)</b>	<b>(3,180)</b>	<b>(643)</b>	<b>(4,011)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	4,679	-	4,158	607	4,469
Transfers Out	(5,496)	-	(43)	-	(533)
Proceeds from Sale of Property	-	-	-	-	-
Premium from Issuance of Debt	-	-	-	-	-
Issuance of Debt	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(817)</b>	<b>-</b>	<b>4,115</b>	<b>607</b>	<b>3,936</b>
<b>Net Changes in Fund Balances</b>	<b>(817)</b>	<b>(1,765)</b>	<b>935</b>	<b>(36)</b>	<b>(75)</b>
<b>Fund Balances (Deficit) - Beginning</b>	<b>19,397</b>	<b>17,237</b>	<b>8,548</b>	<b>709</b>	<b>22,897</b>
<b>Fund Balances (Deficit) - Ending</b>	<b>\$ 18,580</b>	<b>\$ 15,472</b>	<b>\$ 9,483</b>	<b>\$ 673</b>	<b>\$ 22,822</b>

**City of Miami, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<b>Capital Projects Funds</b>			<b>Total Capital Projects</b>
	<b>Parks &amp; Recreation</b>	<b>Disaster Recovery</b>	<b>Mass Transit</b>	
<b>Revenues</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental Revenues	669	-	79	2,745
Charges for Services	82	-	-	81
Investment Earnings	-	-	-	10
Other	-	-	1	1
<b>Total Revenues</b>	<u>751</u>	<u>-</u>	<u>80</u>	<u>2,837</u>
<b>Expenditures</b>				
Current Operating:				
General Government	480	-	18	27
Planning and Development	35	-	-	35
Community Development	-	-	-	-
Community Redevelopment Areas	-	-	-	-
Public Works	-	-	-	36
Public Safety	-	-	-	-
Public Facilities	-	-	-	207
Parks and Recreation	77	-	1	78
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	9,338	368	-	21,539
<b>Total Expenditures</b>	<u>9,930</u>	<u>368</u>	<u>19</u>	<u>21,922</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(9,179)</u>	<u>(368)</u>	<u>61</u>	<u>(19,085)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	13,726	-	228	27,867
Transfers Out	(6,992)	-	1	(13,063)
Proceeds from Sale of Property	-	-	-	-
Premium from Issuance of Debt	-	-	-	4,331
Issuance of Debt	-	-	-	54,377
<b>Total Other Financing Sources (Uses)</b>	<u>6,734</u>	<u>-</u>	<u>229</u>	<u>73,512</u>
<b>Net Changes in Fund Balances</b>	(2,445)	(368)	290	54,427
<b>Fund Balances (Deficit) - Beginning</b>	<u>15,104</u>	<u>(773)</u>	<u>(83)</u>	<u>83,038</u>
<b>Fund Balances (Deficit) - Ending</b>	<u>\$ 12,659</u>	<u>\$ (1,141)</u>	<u>\$ 207</u>	<u>\$ 137,465</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, 2014**  
*(\$ in thousands)*

	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>	
Property Taxes	\$ 50,604
Licenses and Permits	42
Fines and Forfeitures	1,226
Intergovernmental Revenues	65,166
Charges for Services	16,574
Investment Earnings	316
Other	2,611
<b>Total Revenues</b>	<b>136,539</b>
 <b>Expenditures</b>	
Current Operating:	
General Government	9,111
Planning and Development	177
Community Development	35,182
Community Redevelopment Areas	16,496
Public Works	572
Public Safety	8,758
Public Facilities	5,768
Parks and Recreation	2,595
Debt Service:	
Principal	11,592
Interest and Other Charges	13,780
Capital Outlay	31,333
<b>Total Expenditures</b>	<b>135,364</b>
<b>Excess (Deficiency) of Revenues</b>	
<b>Over (Under) Expenditures</b>	<b>1,175</b>
 <b>Other Financing Sources (Uses)</b>	
Transfers In	39,743
Transfers Out	(38,239)
Proceeds from Sale of Property	10,159
Premium from Issuance of Debt	4,331
Issuance of Debt	55,885
<b>Total Other Financing Sources (Uses)</b>	<b>71,879</b>
 <b>Net Changes in Fund Balances</b>	 <b>73,054</b>
 <b>Fund Balances (Deficit) - Beginning</b>	 <b>182,679</b>
 <b>Fund Balances (Deficit) - Ending</b>	 <b>\$ 255,733</b>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Omni CRA**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 31,413	\$ 29,797	\$ 10,886	\$ (18,911)
Intergovernmental Revenues	-	-	824	824
Investment Earnings	-	-	77	77
Other	-	170	23	(147)
<b>Total Revenues</b>	<u>31,413</u>	<u>29,967</u>	<u>11,810</u>	<u>(18,157)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	7,823	7,876	5,490	2,386
Capital Outlay	18,711	16,503	5,049	11,454
<b>Total Expenditures</b>	<u>26,534</u>	<u>24,379</u>	<u>10,539</u>	<u>13,840</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,879</u>	<u>5,588</u>	<u>1,271</u>	<u>(4,317)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	729	629	629	-
Transfers Out	(5,609)	(6,218)	(3,118)	3,100
Proceeds from Sale of Property	1	1	-	(1)
<b>Total Other Financing Sources (Uses)</b>	<u>(4,879)</u>	<u>(5,588)</u>	<u>(2,489)</u>	<u>3,099</u>
<b>Net Change in Fund Balance</b>	-	-	(1,218)	(1,218)
<b>Fund Balance - Beginning of Year</b>	-	-	19,060	19,060
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,842</u>	<u>\$ 17,842</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Midtown CRA**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 3,391	\$ 3,366	\$ 3,366	\$ -
<b>Total Revenues</b>	<u>3,391</u>	<u>3,366</u>	<u>3,366</u>	<u>-</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	3,362	3,362	3,337	25
<b>Total Expenditures</b>	<u>3,362</u>	<u>3,362</u>	<u>3,337</u>	<u>25</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>29</u>	<u>4</u>	<u>29</u>	<u>25</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(29)	(4)	(29)	(25)
<b>Total Other Financing Sources (Uses)</b>	<u>(29)</u>	<u>(4)</u>	<u>(29)</u>	<u>(25)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of Year</b>	-	-	-	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - SEOPW CRA**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 12,231	\$ 12,231	\$ 11,499	\$ (732)
Intergovernmental Revenues	80	-	686	686
Charges for Services	1	157	4	(153)
Investment Earnings	-	10,160	136	(10,024)
Other	<u>28,623</u>	<u>27,961</u>	<u>368</u>	<u>(27,593)</u>
<b>Total Revenues</b>	<u>40,935</u>	<u>50,509</u>	<u>12,693</u>	<u>(37,816)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	34,115	41,051	7,497	33,554
Debt Service:				
Principal	-	5,440	-	5,440
Capital Outlay	<u>6,303</u>	<u>3,988</u>	<u>1,348</u>	<u>2,640</u>
<b>Total Expenditures</b>	<u>40,418</u>	<u>50,479</u>	<u>8,845</u>	<u>41,634</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>517</u>	<u>30</u>	<u>3,848</u>	<u>3,818</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(517)	(30)	(508)	(478)
Proceeds from Sale of Property	<u>-</u>	<u>-</u>	<u>10,159</u>	<u>10,159</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(517)</u>	<u>(30)</u>	<u>9,651</u>	<u>9,681</u>
<b>Net Change in Fund Balance</b>	-	-	13,499	13,499
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>27,961</u>	<u>27,961</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,460</u>	<u>\$ 41,460</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Homeless Program**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	1,929	2,039	2,007	(32)
Other	-	102	-	(102)
<b>Total Revenues</b>	<u>1,929</u>	<u>2,141</u>	<u>2,007</u>	<u>(134)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	2,316	2,527	2,409	118
<b>Total Expenditures</b>	<u>2,316</u>	<u>2,527</u>	<u>2,409</u>	<u>118</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(387)</u>	<u>(386)</u>	<u>(402)</u>	<u>(16)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	387	387	387	-
<b>Total Other Financing Sources (Uses)</b>	<u>387</u>	<u>387</u>	<u>387</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	1	(15)	(16)
<b>Fund Balance - Beginning of Year</b>	-	(1)	220	221
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 205</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Community Development**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	50,528	49,144	31,047	(18,097)
Charges for Services	-	-	98	98
Investment Earnings	-	-	5	5
Other	3,366	3,366	661	(2,705)
<b>Total Revenues</b>	<u>53,894</u>	<u>52,510</u>	<u>31,811</u>	<u>(20,699)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	55,473	54,470	30,116	24,354
Capital Outlay	-	-	2,758	(2,758)
<b>Total Expenditures</b>	<u>55,473</u>	<u>54,470</u>	<u>32,874</u>	<u>21,596</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,579)</u>	<u>(1,960)</u>	<u>(1,063)</u>	<u>897</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,579	1,960	1,960	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,579</u>	<u>1,960</u>	<u>1,960</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	897	897
<b>Fund Balance - Beginning of Year</b>	-	-	4,947	4,947
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,844</u>	<u>\$ 5,844</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Choice Housing Vouchers**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	1,850	1,920	1,860	(60)
<b>Total Revenues</b>	<u>1,850</u>	<u>1,920</u>	<u>1,860</u>	<u>(60)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	1,850	1,920	1,775	145
<b>Total Expenditures</b>	<u>1,850</u>	<u>1,920</u>	<u>1,775</u>	<u>145</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	85	85
<b>Net Change in Fund Balance</b>	-	-	85	85
<b>Fund Balance - Beginning of Year</b>	-	-	187	187
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 272</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - SHIP**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	-	1,314	833	(481)
Charges for Services	-	(1)	-	1
Investment Earnings	-	-	2	2
Other	247	247	51	(196)
<b>Total Revenues</b>	<u>247</u>	<u>1,560</u>	<u>886</u>	<u>(674)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Development	247	1,560	882	678
<b>Total Expenditures</b>	<u>247</u>	<u>1,560</u>	<u>882</u>	<u>678</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>Net Change in Fund Balance</b>	-	-	4	4
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>179</u>	<u>179</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 183</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Convention Center**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	-	-	30	30
Intergovernmental Revenues	-	-	38	38
Charges for Services	7,132	7,132	6,319	(813)
Other	75	225	544	319
<b>Total Revenues</b>	<u>7,207</u>	<u>7,357</u>	<u>6,931</u>	<u>(426)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Facilities	4,298	4,448	3,612	836
<b>Total Expenditures</b>	<u>4,298</u>	<u>4,448</u>	<u>3,612</u>	<u>836</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,909</u>	<u>2,909</u>	<u>3,319</u>	<u>410</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,410	3,410	3,106	(304)
Transfers Out	(6,319)	(6,319)	(4,854)	1,465
<b>Total Other Financing Sources (Uses)</b>	<u>(2,909)</u>	<u>(2,909)</u>	<u>(1,748)</u>	<u>1,161</u>
<b>Net Change in Fund Balance</b>	-	-	1,571	1,571
<b>Fund Balance - Beginning of Year</b>	-	-	(30)	(30)
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,541</u>	<u>\$ 1,541</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Economic Development & Planning Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	15	15	42	27
Charges for Services	1,351	1,351	1,299	(52)
Other	<u>5,684</u>	<u>6,012</u>	<u>-</u>	<u>(6,012)</u>
<b>Total Revenues</b>	<u>7,050</u>	<u>7,378</u>	<u>1,341</u>	<u>(6,037)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	-	-	8	(8)
Planning and Development	6,910	7,206	30	7,176
Community Development	<u>214</u>	<u>246</u>	<u>-</u>	<u>246</u>
<b>Total Expenditures</b>	<u>7,124</u>	<u>7,452</u>	<u>38</u>	<u>7,414</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(74)</u>	<u>(74)</u>	<u>1,303</u>	<u>1,377</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	74	74	747	673
Transfers Out	<u>-</u>	<u>-</u>	<u>(325)</u>	<u>(325)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>74</u>	<u>74</u>	<u>422</u>	<u>348</u>
<b>Net Change in Fund Balance</b>	-	-	1,725	1,725
<b>Fund Balance - Beginning of Year</b>	-	-	<u>6,012</u>	<u>6,012</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,737</u>	<u>\$ 7,737</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - NET Offices**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	-	-	2	2
Charges for Services	300	300	232	(68)
Investment Earnings	-	-	1	1
Other	<u>2,008</u>	<u>2,462</u>	<u>1</u>	<u>(2,461)</u>
<b>Total Revenues</b>	<u>2,308</u>	<u>2,762</u>	<u>236</u>	<u>(2,526)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	2,083	2,537	130	2,407
Capital Outlay	<u>225</u>	<u>225</u>	<u>9</u>	<u>216</u>
<b>Total Expenditures</b>	<u>2,308</u>	<u>2,762</u>	<u>139</u>	<u>2,623</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>97</u>	<u>97</u>
<b>Net Change in Fund Balance</b>	-	-	97	97
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>2,463</u>	<u>2,463</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,560</u>	<u>\$ 2,560</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Parks & Recreation Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and Permits	49	49	-	(49)
Intergovernmental Revenues	1,206	1,478	1,424	(54)
Charges for Services	216	216	253	37
Other	<u>1,645</u>	<u>2,298</u>	<u>731</u>	<u>(1,567)</u>
<b>Total Revenues</b>	<u>3,116</u>	<u>4,041</u>	<u>2,408</u>	<u>(1,633)</u>
<b>Expenditures:</b>				
Current Operating:				
Parks and Recreation	2,350	3,275	1,979	1,296
Capital Outlay	<u>405</u>	<u>405</u>	<u>-</u>	<u>405</u>
<b>Total Expenditures</b>	<u>2,755</u>	<u>3,680</u>	<u>1,979</u>	<u>1,701</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>361</u>	<u>361</u>	<u>429</u>	<u>68</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	139	139	153	14
Transfers Out	<u>(500)</u>	<u>(500)</u>	<u>(609)</u>	<u>(109)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(361)</u>	<u>(361)</u>	<u>(456)</u>	<u>(95)</u>
<b>Net Change in Fund Balance</b>	-	-	(27)	(27)
<b>Fund Balance - Beginning of Year</b>	-	-	1,923	1,923
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,896</u>	<u>\$ 1,896</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Police Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	5,508	6,740	5,412	(1,328)
Charges for Services	761	766	242	(524)
Investment Earnings	-	-	35	35
Other	13,816	13,416	-	(13,416)
<b>Total Revenues</b>	<u>20,085</u>	<u>20,922</u>	<u>5,689</u>	<u>(15,233)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Safety	20,801	21,206	7,651	13,555
Capital Outlay	873	1,304	441	863
<b>Total Expenditures</b>	<u>21,674</u>	<u>22,510</u>	<u>8,092</u>	<u>14,418</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,589)</u>	<u>(1,588)</u>	<u>(2,403)</u>	<u>(815)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,058	2,058	1,707	(351)
Transfers Out	(470)	(470)	(350)	120
<b>Total Other Financing Sources (Uses)</b>	<u>1,588</u>	<u>1,588</u>	<u>1,357</u>	<u>(231)</u>
<b>Net Change in Fund Balance</b>	(1)	-	(1,046)	(1,046)
<b>Fund Balance - Beginning of Year</b>	1	-	4,210	4,210
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,164</u>	<u>\$ 3,164</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Law Enforcement Trust**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and Forfeitures	1,291	1,291	814	(477)
Investment Earnings	-	-	11	11
Other	<u>1,800</u>	<u>1,958</u>	<u>-</u>	<u>(1,958)</u>
<b>Total Revenues</b>	<u>3,091</u>	<u>3,249</u>	<u>825</u>	<u>(2,424)</u>
<b>Expenditures:</b>				
Current Operating:				
*Error: invalid cell reference*	-	-	1	(1)
Public Safety	3,091	2,631	891	1,740
Capital Outlay	<u>-</u>	<u>618</u>	<u>167</u>	<u>451</u>
<b>Total Expenditures</b>	<u>3,091</u>	<u>3,249</u>	<u>1,059</u>	<u>2,190</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(234)</u>	<u>(234)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>(234)</u>	<u>(234)</u>
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>1,958</u>	<u>1,958</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,724</u>	<u>\$ 1,724</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Public Works Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	400	936	2,659	1,723
Investment Earnings	-	-	4	4
Other	1,998	1,829	-	(1,829)
<b>Total Revenues</b>	<u>2,398</u>	<u>2,765</u>	<u>2,663</u>	<u>(102)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Works	2,398	2,765	485	2,280
<b>Total Expenditures</b>	<u>2,398</u>	<u>2,765</u>	<u>485</u>	<u>2,280</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>2,178</u>	<u>2,178</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(1,258)	(1,258)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(1,258)</u>	<u>(1,258)</u>
<b>Net Change in Fund Balance</b>	-	-	920	920
<b>Fund Balance - Beginning of Year</b>	-	-	3,166	3,166
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,086</u>	<u>\$ 4,086</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - City Clerk Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	75	75	180	105
Other	<u>368</u>	<u>445</u>	<u>5</u>	<u>(440)</u>
<b>Total Revenues</b>	<u>443</u>	<u>520</u>	<u>185</u>	<u>(335)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	586	661	172	489
Capital Outlay	<u>-</u>	<u>2</u>	<u>1</u>	<u>1</u>
<b>Total Expenditures</b>	<u>586</u>	<u>663</u>	<u>173</u>	<u>490</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(143)</u>	<u>(143)</u>	<u>12</u>	<u>155</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>143</u>	<u>143</u>	<u>138</u>	<u>(5)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>143</u>	<u>143</u>	<u>138</u>	<u>(5)</u>
<b>Net Change in Fund Balance</b>	-	-	150	150
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>446</u>	<u>446</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 596</u>	<u>\$ 596</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Emergency Services**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	-	-	191	191
Other	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<b>Total Revenues</b>	<u>100</u>	<u>100</u>	<u>191</u>	<u>91</u>
<b>Expenditures:</b>				
Current Operating:				
Public Works	-	-	0	-
Public Safety	<u>100</u>	<u>100</u>	<u>86</u>	<u>14</u>
<b>Total Expenditures</b>	<u>100</u>	<u>100</u>	<u>86</u>	<u>14</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
<b>Net Change in Fund Balance</b>	-	-	105	105
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>2,156</u>	<u>2,156</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,261</u>	<u>\$ 2,261</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - General Special Revenues**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	742	892	918	26
Other	100	135	22	(113)
<b>Total Revenues</b>	<u>842</u>	<u>1,027</u>	<u>940</u>	<u>(87)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	742	892	538	354
Public Works	100	108	5	103
Capital Outlay	-	27	-	27
<b>Total Expenditures</b>	<u>842</u>	<u>1,027</u>	<u>543</u>	<u>484</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>397</u>	<u>397</u>
<b>Net Change in Fund Balance</b>	-	-	397	397
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>(188)</u>	<u>(188)</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209</u>	<u>\$ 209</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Departmental Improvement Initiatives**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	75	75	380	305
Intergovernmental Revenues	3,218	1,575	1,880	305
Charges for Services	-	-	1	1
Investment Earnings	-	-	34	34
Other	1,286	1,935	10	(1,925)
<b>Total Revenues</b>	<u>4,579</u>	<u>3,585</u>	<u>2,305</u>	<u>(1,280)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	5,152	4,227	2,494	1,733
Planning and Development	375	383	112	271
Public Works	41	104	43	61
Public Facilities	82	333	-	333
Parks and Recreation	219	219	95	124
Capital Outlay	-	-	21	(21)
<b>Total Expenditures</b>	<u>5,869</u>	<u>5,266</u>	<u>2,765</u>	<u>2,501</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,290)</u>	<u>(1,681)</u>	<u>(460)</u>	<u>1,221</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,291	1,681	1,791	110
Transfers Out	-	-	(333)	(333)
<b>Total Other Financing Sources (Uses)</b>	<u>1,291</u>	<u>1,681</u>	<u>1,458</u>	<u>(223)</u>
<b>Net Change in Fund Balance</b>	1	-	998	998
<b>Fund Balance - Beginning of Year</b>	(1)	-	2,282	2,282
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,280</u>	<u>\$ 3,280</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Transportation & Transit**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	14,275	14,275	15,297	1,022
Other	1,506	3,006	-	(3,006)
<b>Total Revenues</b>	<u>15,781</u>	<u>17,281</u>	<u>15,297</u>	<u>(1,984)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	5,065	6,565	4,370	2,195
Capital Outlay	10	10	-	10
<b>Total Expenditures</b>	<u>5,075</u>	<u>6,575</u>	<u>4,370</u>	<u>2,205</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>10,706</u>	<u>10,706</u>	<u>10,927</u>	<u>221</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(10,706)	(10,706)	(11,206)	(500)
<b>Total Other Financing Sources (Uses)</b>	<u>(10,706)</u>	<u>(10,706)</u>	<u>(11,206)</u>	<u>(500)</u>
<b>Net Change in Fund Balance</b>	-	-	(279)	(279)
<b>Fund Balance - Beginning of Year</b>	-	-	17,422	17,422
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,143</u>	<u>\$ 17,143</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Miami Ballpark Parking Facilities**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	5,397	5,397	4,851	(546)
Other	100	100	-	(100)
<b>Total Revenues</b>	<u>5,497</u>	<u>5,497</u>	<u>4,851</u>	<u>(646)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Facilities	2,872	2,872	1,949	923
<b>Total Expenditures</b>	<u>2,872</u>	<u>2,872</u>	<u>1,949</u>	<u>923</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,625</u>	<u>2,625</u>	<u>2,902</u>	<u>277</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,625)	(2,625)	(2,586)	39
<b>Total Other Financing Sources (Uses)</b>	<u>(2,625)</u>	<u>(2,625)</u>	<u>(2,586)</u>	<u>39</u>
<b>Net Change in Fund Balance</b>	-	-	316	316
<b>Fund Balance - Beginning of Year</b>	-	-	1,453	1,453
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,769</u>	<u>\$ 1,769</u>



**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Liberty City Revitalization Trust**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	198	198	5	(193)
Investment Earnings	-	-	1	1
Other	15	15	22	7
<b>Total Revenues</b>	<u>213</u>	<u>213</u>	<u>28</u>	<u>(185)</u>
<b>Expenditures:</b>				
Current Operating:				
Community Redevelopment Areas	328	328	172	156
<b>Total Expenditures</b>	<u>328</u>	<u>328</u>	<u>172</u>	<u>156</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(115)</u>	<u>(115)</u>	<u>(144)</u>	<u>(29)</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Property	115	115	-	(115)
<b>Total Other Financing Sources (Uses)</b>	<u>115</u>	<u>115</u>	<u>-</u>	<u>(115)</u>
<b>Net Change in Fund Balance</b>	-	-	(144)	(144)
<b>Fund Balance - Beginning of Year</b>	-	-	199	199
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 55</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Solid Waste Recycling Trust**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues:</b>				
Other	1,258	1,259	-	(1,259)
<b>Total Revenues</b>	<u>1,258</u>	<u>1,259</u>	<u>-</u>	<u>(1,259)</u>
<b>Expenditures:</b>				
Current Operating:				
Public Works	1,258	1,259	3	1,256
<b>Total Expenditures</b>	<u>1,258</u>	<u>1,259</u>	<u>3</u>	<u>1,256</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	1,258	1,258
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,258</u>	<u>1,258</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>1,255</u>	<u>1,255</u>
<b>Fund Balance - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,255</u>	<u>\$ 1,255</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Virginia Key Beach Park Trust**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for Services	511	511	354	(157)
Investment Earnings	-	-	0	-
Other	10	10	174	164
<b>Total Revenues</b>	<u>521</u>	<u>521</u>	<u>528</u>	<u>7</u>
<b>Expenditures:</b>				
Current Operating:				
Parks and Recreation	521	521	443	78
<b>Total Expenditures</b>	<u>521</u>	<u>521</u>	<u>443</u>	<u>78</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>85</u>	<u>85</u>
<b>Net Change in Fund Balance</b>	-	-	85	85
<b>Fund Balance - Beginning of Year</b>	-	-	25	25
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 110</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - General Obligation Bonds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 25,383	\$ 25,383	\$ 24,853	\$ (530)
Other	1,099	1,099	-	(1,099)
<b>Total Revenues</b>	<u>26,482</u>	<u>26,482</u>	<u>24,853</u>	<u>(1,629)</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	1,108	1,108	16	1,092
Debt Service:				
Principal	11,593	11,593	11,592	1
Interest and Other Charges	13,781	13,781	13,780	1
<b>Total Expenditures</b>	<u>26,482</u>	<u>26,482</u>	<u>25,388</u>	<u>1,094</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>(535)</u>	<u>(535)</u>
<b>Net Change in Fund Balance</b>	-	-	(535)	(535)
<b>Fund Balance - Beginning of Year</b>	-	-	3,589	3,589
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,054</u>	<u>\$ 3,054</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - Special Obligation Bonds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental Revenues	3,000	3,000	3,000	-
Investment Earnings	-	-	39	39
<b>Total Revenues</b>	<u>3,000</u>	<u>3,000</u>	<u>3,039</u>	<u>39</u>
<b>Expenditures:</b>				
Current Operating:				
General Government	6	74	59	15
Debt Service:				
Principal	12,861	35,832	35,831	1
Interest and Other Charges	28,464	28,635	28,634	1
<b>Total Expenditures</b>	<u>41,331</u>	<u>64,541</u>	<u>64,524</u>	<u>17</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(38,331)</u>	<u>(61,541)</u>	<u>(61,485)</u>	<u>56</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	38,331	50,097	49,679	(418)
Transfers Out	-	(11,766)	(11,766)	-
Issuance of Debt	-	23,210	18,049	(5,161)
<b>Total Other Financing Sources (Uses)</b>	<u>38,331</u>	<u>61,541</u>	<u>55,962</u>	<u>(5,579)</u>
<b>Net Change in Fund Balance</b>	-	-	(5,523)	(5,523)
<b>Fund Balance - Beginning of Year</b>	-	-	34,759	34,759
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,236</u>	<u>\$ 29,236</u>

**City of Miami, Florida**  
**Schedule of Revenue, Expenditures and Changes In Fund Balance**  
**Budget and Actual - SEOPW CRA Other Special Obligation Bonds**  
**For The Year Ended September 30, 2014**  
*(\$ in thousands)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures:</b>				
Current Operating:				
General Government	-	-	1,484	(1,484)
<b>Total Expenditures</b>	-	-	1,484	(1,484)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(1,484)	(1,484)
<b>Other Financing Sources (Uses):</b>				
Issuance of Debt	-	-	1,508	1,508
<b>Total Other Financing Sources (Uses)</b>	-	-	1,508	1,508
<b>Net Change in Fund Balance</b>	-	-	24	24
<b>Fund Balance - Beginning of Year</b>	-	-	(1)	(1)
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</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 the payment of 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 the payment of 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)**

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

**City of Miami, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2014**  
*(\$ in thousands)*

	<b>Employee Retirement Funds</b>					<b>Total Employee Retirement Funds</b>
	<b>Fire Fighters and Police (FIPO)</b>	<b>General and Sanitation Employees (GESE)</b>	<b>General and Sanitation Employees (GESE Excess Plan)</b>	<b>General and Sanitation Employees Staff Plan (GESE Staff Plan)</b>	<b>Elected Officers Retirement Trust (EORT)</b>	
<b>Assets</b>						
Cash and Cash Equivalents	\$ 61,295	\$ 672	\$ 37	\$ 99	-	\$ 62,103
Accounts Receivable	12,333	3,344	27	-	-	15,704
Capital Assets, Net	1,915	1,964	-	-	-	3,879
	<u>75,543</u>	<u>5,980</u>	<u>64</u>	<u>99</u>	<u>-</u>	<u>81,686</u>
<b>Investments:</b>						
U.S. Government Obligations	210,047	88,962	-	-	-	299,009
Corporate Bonds	355,753	55,185	-	922	-	411,860
Corporate Stocks	440,493	425,264	-	2,170	-	867,927
Money Market Funds and Commercial Paper	-	24,372	-	-	6,358	30,730
International Equity	246,007	-	-	-	-	246,007
Mutual Funds	217,667	-	-	-	-	217,667
Real Estate	130,083	22,851	-	-	-	152,934
Private Equity	89,929	-	-	-	-	89,929
<b>Total Investments</b>	<u>1,689,979</u>	<u>616,634</u>	<u>-</u>	<u>3,092</u>	<u>6,358</u>	<u>2,316,063</u>
Securities Lending Collateral	235,712	-	-	-	-	235,712
<b>Total Assets</b>	<u>2,001,234</u>	<u>622,614</u>	<u>64</u>	<u>3,191</u>	<u>6,358</u>	<u>2,633,461</u>
<b>Liabilities</b>						
Obligations Under Security Lending Transactions	235,712	-	-	-	-	235,712
Accounts Payable	505	694	64	1	-	1,264
Payable for Securities Purchased	16,321	2,359	-	-	-	18,680
<b>Total Liabilities</b>	<u>252,538</u>	<u>3,053</u>	<u>64</u>	<u>1</u>	<u>-</u>	<u>255,656</u>
<b>Net Position</b>						
Restricted for Pension Benefits	<u>\$ 1,748,696</u>	<u>\$ 619,561</u>	<u>-</u>	<u>\$ 3,190</u>	<u>\$ 6,358</u>	<u>\$ 2,377,805</u>



**City of Miami, Florida**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2014**  
*(\$ in thousands)*

	<b>Employee Retirement Funds</b>					<b>Total Employee Retirement Funds</b>
	<b>Fire Fighters and Police (FIPO)</b>	<b>General and Sanitation Employees (GESE)</b>	<b>General and Sanitation Employees (GESE Excess Plan)</b>	<b>General and Sanitation Employees Staff Plan (GESE Staff Plan)</b>	<b>Elected Officers Retirement Trust (EORT)</b>	
<b>Additions</b>						
Contributions:						
Employer	\$ 47,655	\$ 30,710	\$ 562	\$ 292	\$ 551	\$ 79,770
Plan Members	9,462	7,231	-	22	-	16,715
<b>Total Contributions</b>	<u>57,117</u>	<u>37,941</u>	<u>562</u>	<u>314</u>	<u>551</u>	<u>96,485</u>
Investment Earnings:						
Net Increase in Fair Value of Investments	102,725	56,259	-	272	70	159,326
Interest	22,657	4,976	-	-	-	27,633
Dividends	12,820	5,907	-	67	-	18,794
Other	302	45	-	-	-	347
<b>Total Investment Earnings</b>	<u>138,504</u>	<u>67,187</u>	<u>-</u>	<u>339</u>	<u>70</u>	<u>206,100</u>
Security Lending Activities:						
Security Lending Income	916	-	-	-	-	916
Security Lending Fees and Rebates	(186)	-	-	-	-	(186)
<b>Net Income From Security Lending Activities</b>	<u>730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730</u>
Less Investment Expenses	5,625	1,914	-	-	-	7,539
<b>Net Investment Earnings</b>	<u>133,609</u>	<u>65,273</u>	<u>-</u>	<u>339</u>	<u>70</u>	<u>199,291</u>
Reimbursement Income From City	-	2,870	89	-	-	2,959
<b>Total</b>	<u>190,726</u>	<u>106,084</u>	<u>651</u>	<u>653</u>	<u>621</u>	<u>298,735</u>
<b>Deductions</b>						
Benefits/Payments	116,682	71,903	557	311	262	189,715
Refunds upon Resignation, Death, Other	990	1,868	-	-	-	2,858
Distribution to Retirees	22,188	-	-	-	-	22,188
Administrative and Other Expenses	2,129	3,136	94	-	2	5,361
<b>Total</b>	<u>141,989</u>	<u>76,907</u>	<u>651</u>	<u>311</u>	<u>264</u>	<u>220,122</u>
<b>Change in Net Position</b>	48,737	29,177	-	342	357	78,613
<b>Net Position- Beginning of Year, as restated (Note 1)</b>	1,699,959	590,384	-	2,848	6,001	2,299,192
<b>Net Position- End of Year</b>	<u>\$ 1,748,696</u>	<u>\$ 619,561</u>	<u>-</u>	<u>\$ 3,190</u>	<u>\$ 6,358</u>	<u>\$ 2,377,805</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 POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCURAL BASIS OF ACCOUNTING)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Primary Government										
Net Investment in Capital Assets	\$ 651,485	\$ 626,017	\$ 657,452	\$ 693,247	\$ 752,507	\$ 791,006	\$ 773,960	\$ 730,273	\$ 640,931	\$ 608,958
Restricted	86,209	93,376	90,078	95,873	88,297	77,577	147,707	102,602	188,895	153,642
Unrestricted (Deficit)	(325,486)	(327,113)	(331,776)	(341,277)	(306,024)	(242,954)	(211,486)	(93,713)	(98,069)	(82,047)
Total Primary Government Net Position	\$ 412,208	\$ 392,280	\$ 415,754	\$ 447,843	\$ 534,780	\$ 625,629	\$ 710,181	\$ 739,162	\$ 731,757	\$ 680,553

Notes:

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

**CITY OF MIAMI  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Governmental Activities:										
General Government	147,632	142,930	104,495	164,006	152,727	155,198	140,681	121,694	85,315	78,337
Planning and Development	13,985	11,688	16,397	10,801	12,019	15,465	16,218	16,923	16,912	16,260
Community Development	35,026	40,906	38,100	40,852	37,126	39,655	42,029	35,487	41,054	55,265
Community Redevelopment Areas	16,798	20,836	17,041	4,696	29,288	20,566	13,904	7,011	6,331	4,968
Public Works	71,269	68,733	83,062	65,604	69,970	72,003	72,573	75,073	65,958	70,988
Public Safety	363,081	337,347	352,869	333,431	371,351	375,402	370,007	343,470	347,977	325,534
Public Facilities	14,549	15,403	16,330	11,242	13,179	16,848	15,354	16,691	14,917	12,950
Parks and Recreation	40,492	43,341	44,977	39,223	39,776	43,441	39,550	39,893	25,718	24,293
Interest on Long-Term Debt	31,931	43,544	37,426	43,336	27,533	36,091	27,207	23,859	21,560	22,202
Contribution to Port Tunnel	-	-	-	50,000	-	-	-	-	-	-
Unallocated Depreciation	-	-	-	-	-	-	-	-	29,548	26,147
Total Primary Government Expenses	734,763	724,728	710,697	763,191	759,167	768,471	737,523	709,649	652,433	636,944
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
General Government	65,843	50,687	51,265	48,814	38,703	35,587	40,062	33,404	51,162	41,774
Planning and Development	36,880	18,848	15,328	13,125	9,719	9,611	13,077	24,558	22,800	23,964
Community Development	824	1,555	709	1,585	155	-	703	2,302	4,054	777
Community Redevelopment Areas	416	62	39	224	1,275	1,065	1,141	1,415	214	45
Public Works	50,258	47,176	41,533	49,349	46,480	47,792	48,489	46,588	51,889	47,279
Public Safety	25,426	26,208	23,321	15,997	22,152	17,785	16,578	22,952	39,194	47,488
Public Facilities	30,926	29,219	27,353	18,244	14,636	15,459	16,660	6,559	25,137	22,793
Parks and Recreation	5,614	7,111	7,184	6,224	6,247	4,827	4,107	3,488	2,406	1,901
Balance Sheet	0	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	105,483	103,177	88,608	94,339	73,139	64,646	63,179	71,071	34,889	59,415
Capital Grants and Contributions	2,598	17,042	29,303	21,824	27,113	33,964	54,174	69,141	72,068	38,161
Total Primary Government Program Revenue	324,268	301,085	284,643	269,725	239,619	230,736	258,170	281,478	303,813	283,597
<b>Net(Expense)/Revenue</b>	(410,495)	(423,643)	(426,054)	(493,466)	(519,548)	(537,735)	(479,353)	(428,171)	(348,620)	(353,347)
Total Primary Government Net Expense										
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	241,722	232,083	223,386	233,193	264,548	283,516	269,785	275,013	226,508	191,641
Property Taxes, Levied for Debt Service	24,853	26,425	26,887	28,132	22,663	21,378	21,328	19,887	19,966	20,369
Franchise Taxes	46,312	44,699	44,650	44,881	43,121	42,824	42,298	42,257	41,342	35,919
State Revenue Sharing - Unrestricted	13,389	12,673	12,367	11,430	10,516	12,567	12,187	13,074	12,947	12,581
Sales and Other Use Taxes	29,491	27,738	25,803	25,988	22,666	22,567	24,861	25,505	25,800	23,422
Public Service Taxes	60,396	59,322	58,046	59,427	61,966	64,011	62,257	58,099	57,991	61,114
Investment Earnings (Losses) - Unrestricted	4,298	(2,653)	2,826	2,393	3,218	7,718	17,656	23,837	14,478	5,866
Gain (Loss) on Disposal of Capital Assets	9,960	(116)	-	1,087	-	-	-	1,502	-	(3,387)
Other General Revenues	-	-	-	-	-	-	-	-	-	(1)
Special Item - Impairment Loss on Capital Assets	-	-	-	-	-	-	-	(23,595)	-	-
Total Primary Government	430,421	400,171	393,965	406,531	428,698	464,581	450,372	435,579	399,032	347,524
<b>Change in Net Position</b>										
Total Primary Government	19,926	(23,472)	(32,089)	(86,935)	(90,850)	(72,776)	(28,981)	7,408	51,181	(3,930)

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

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

Fiscal Year	Ad Valorem Taxes General Purpose	Ad Valorem Taxes Debt Service	Franchise Taxes	Sales and Other Use Taxes	Communication Service Taxes	Total
2014	\$ 241,722	\$ 24,853	\$ 46,312	\$ 29,491	\$ 60,396	\$ 402,774
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	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

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

	2014	2013	2012	2011
Fund Balances (Deficit):				
Non-Spendable Fund Balance				
Non Spendable	\$ 3,975	\$ 3,554	\$ 8,141	\$ 4,897
Spendable Fund Balance				
Restricted	283,663	315,152	333,199	382,134
Committed	115,389	20,881	16,512	18,349
Assigned	57,281	76,590	52,161	18,908
Unassigned	54,180	(3,399)	(9,324)	(4,978)
<b>Total Fund Balances (Deficit)</b>	<b>\$ 514,488</b>	<b>\$ 412,778</b>	<b>\$ 400,689</b>	<b>\$ 419,310</b>

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

	2014	2013	2012	2011	2010
<b>Revenues</b>					
Property Taxes	\$ 266,576	\$ 258,508	\$ 250,273	\$ 261,325	\$ 287,211
Franchise and Other Taxes	106,707	104,021	102,696	104,309	105,090
Licenses and Permits	60,905	35,894	35,726	34,031	25,348
Fines and Forfeitures	12,633	11,822	5,538	6,454	5,208
Intergovernmental Revenues	147,319	169,377	152,387	170,755	153,416
Charges for Services	109,858	123,089	106,717	94,711	88,420
Investment Earnings	4,298	(2,653)	2,826	2,393	3,218
Impact Fees	21,562	9,122	4,338	1,355	12
Other	11,228	7,447	14,934	10,102	9,106
<b>Total Revenues</b>	<b>741,086</b>	<b>716,627</b>	<b>675,435</b>	<b>685,435</b>	<b>677,029</b>
<b>Expenditures</b>					
Current Operating Expenses	91,322	92,847	187,595	166,671	180,608
Planning and Development	13,887	11,938	7,922	8,328	9,340
Community Development	35,182	40,442	36,706	40,432	39,158
Community Redevelopment Areas	16,496	20,408	22,041	4,395	29,084
Public Works	64,298	62,775	48,949	46,644	51,337
Public Safety	309,033	311,799	221,066	218,698	249,749
Public Facilities	11,559	12,422	12,708	9,803	12,556
Parks and Recreation	30,934	32,462	25,879	26,540	27,545
Contribution to Port Tunnel	-	-	-	50,000	-
Organizational Support	-	-	-	30,524	32,219
Non-Departmental	-	-	-	-	-
Debt Service:					
Principal	47,424	73,067	22,934	29,492	27,261
Interest and Other Charges	42,414	44,112	41,185	39,648	38,065
Debt Issuance Costs	-	-	-	2,048	-
Capital Outlay	65,700	52,580	66,897	113,888	55,696
<b>Total Expenditures</b>	<b>728,249</b>	<b>754,852</b>	<b>693,882</b>	<b>787,111</b>	<b>752,618</b>
Excess (Deficiency) of Revenues					
Net Excess (Deficiency)	12,837	(38,225)	(18,447)	(101,676)	(75,589)
<b>Other Financing Sources (Uses)</b>					
Transfers In	130,318	79,854	114,263	100,560	146,557
Transfers Out	(130,318)	(79,854)	(114,263)	(100,560)	(146,557)
Proceeds from Sale of Property	10,608	304	-	1,087	-
Proceeds Received from Refunding	-	-	-	68,894	-
Payment To Escrow Agent For Refunding	-	-	-	(68,572)	-
Proceeds Received From Long-Term Debt	-	-	-	1,712	-
Premium from Issuance of Debt	4,331	-	-	-	-
Issuance of Debt	73,934	50,029	-	51,751	-
Loan	-	-	-	-	-
Capital Leases	-	-	-	-	(1,392)
Sale of Capital Assets	-	-	-	-	166,370
<b>Total Other Financing Sources (Uses)</b>	<b>88,873</b>	<b>50,333</b>	<b>-</b>	<b>54,872</b>	<b>164,978</b>
<b>Net Change in Fund Balance</b>	<b>\$ 101,710</b>	<b>\$ 12,108</b>	<b>\$ (18,447)</b>	<b>\$ (46,804)</b>	<b>\$ 89,389</b>
Debt Service as a Percentage of Non-Capital Expenditures	13.56%	16.69%	10.23%	10.27%	9.37%

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

	2009	2008	2007	2006	2005
<b>Revenues</b>					
Property Taxes	\$ 304,894	\$ 291,113	\$ 294,900	\$ 246,338	\$ 208,092
Franchise and Other Taxes	106,834	104,556	100,356	98,244	92,714
Licenses and Permits	26,105	29,845	32,848	28,469	27,394
Fines and Forfeitures	7,441	6,978	7,542	5,912	5,778
Intergovernmental Revenues	141,254	157,269	150,040	174,074	161,745
Charges for Services	85,927	86,387	89,589	106,681	110,483
Investment Earnings	7,718	17,656	23,837	18,979	8,715
Impact Fees	332	4,679	4,017	9,388	9,257
Other	10,757	10,103	9,370	15,377	5,721
<b>Total Revenues</b>	<b>691,262</b>	<b>708,586</b>	<b>712,499</b>	<b>703,462</b>	<b>629,899</b>
<b>Expenditures</b>					
Current Operating Expenses	158,902	171,040	146,494	154,406	147,738
Planning and Development	11,350	11,236	11,863	12,741	12,859
Community Development	36,413	41,037	35,325	40,979	57,804
Community Redevelopment Areas	20,144	15,947	5,314	5,983	4,608
Public Works	55,173	55,068	56,484	50,580	48,267
Public Safety	266,285	265,498	256,692	251,915	222,378
Public Facilities	11,660	13,020	13,456	11,796	11,426
Parks and Recreation	33,211	29,056	30,638	17,896	17,261
Contribution to Port Tunnel	-	-	-	-	-
Organizational Support	41,315	27,752	35,122	25,162	23,917
Non-Departmental	-	-	28,490	13,204	12,927
Debt Service:					
Principal	23,566	21,343	20,887	19,219	18,770
Interest and Other Charges	31,928	28,921	24,346	21,651	21,823
Debt Issuance Costs	-	-	6,989	-	-
Capital Outlay	106,863	114,577	124,264	103,894	94,681
<b>Total Expenditures</b>	<b>796,810</b>	<b>794,495</b>	<b>796,364</b>	<b>729,426</b>	<b>694,459</b>
Excess (Deficiency) of Revenues					
Net Excess (Deficiency)	(105,548)	(85,909)	(83,865)	(25,964)	(64,560)
<b>Other Financing Sources (Uses)</b>					
Transfers In	196,099	227,563	278,006	229,701	204,248
Transfers Out	(196,099)	(227,563)	(278,006)	(229,701)	(204,248)
Proceeds from Sale of Property	-	-	1,502	-	-
Proceeds Received from Refunding	-	133,099	138,842	-	-
Payment To Escrow Agent For Refunding	(32,366)	-	(131,775)	-	-
Proceeds Received From Long-Term Debt	108,490	-	50,969	-	-
Premium from Issuance of Debt	(794)	1,345	-	-	-
Issuance of Debt	-	-	-	-	-
Loan	-	-	-	1	-
Capital Leases	-	-	-	-	-
Sale of Capital Assets	-	-	-	890	500
<b>Total Other Financing Sources (Uses)</b>	<b>75,330</b>	<b>134,444</b>	<b>59,538</b>	<b>891</b>	<b>500</b>
<b>Net Change in Fund Balance</b>	<b>\$ (30,218)</b>	<b>\$ 48,535</b>	<b>\$ (24,327)</b>	<b>\$ (25,073)</b>	<b>\$ (64,060)</b>
Debt Service as a Percentage of Non-Capital Expenditures	8.04%	7.39%	6.73%	6.53%	6.77%



**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 Service Taxes	Total
2014	\$ 241,723	\$ 24,853	\$ 46,312	\$ 29,491	\$ 60,395	\$ 402,774
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	43,122	22,666	61,967	414,966
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	226,305	20,033	41,342	25,800	56,901	370,381
2005	187,999	20,093	35,919	23,422	56,795	324,228

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

Fiscal Year Ended September 30,	Real Property				Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value (1)
	Residential Property	Commercial Property	Personal Property					
2014	\$ 21,934,173	\$ 11,333,504	\$ 2,017,164	\$ 35,284,842	8.4310	\$ 44,910,824	78.57%	
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%	

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

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

(1) Includes tax-exempt property.

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

City of Miami, Florida					Overlapping Rates (1)							
Fiscal Year	Tax Roll Year	General Operations	Debt Service	Total City	Miami-Dade		Miami-Dade	Miami-Dade	South Florida		Florida Inland	Total Direct and Overlapping Rates
					County School Board	Miami-Dade County	Children's Trust	County Library System	Water Management District	Environmental Projects	Navigation District	
2014	2013	7.61480	0.8162	8.4310	7.9770	5.1255	0.5000	0.1725	0.3523	0.0587	0.0345	22.65150
2013	2012	7.57100	0.9000	8.4710	7.9980	4.9885	0.5000	0.1725	0.3676	0.0613	0.0345	22.59340
2012	2011	7.57100	0.9300	8.5010	8.0050	5.0900	0.5000	0.1795	0.3739	0.0624	0.0345	22.74630
2011	2010	7.67400	0.9701	8.6441	8.2490	5.8725	0.5000	0.2840	0.5346	0.0894	0.0345	24.20810
2010	2009	7.67400	0.6595	8.3335	7.9950	5.1229	0.5000	0.3822	0.5346	0.0894	0.0345	22.99210
2009	2008	7.67400	0.5803	8.2543	7.7970	5.1229	0.4212	0.3822	0.5346	0.0894	0.0345	22.63610
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

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**

Taxpayer	2014			2005		
	Net Assessed Value	Rank	Percent of Total City Net Assessed Value	Net Assessed Value	Rank	Percent of Total City Net Assessed Value
Florida Power and Light	\$ 534,364	1	1.51%	\$ 229,722	3	1.05%
200 S Biscayne TIC 1 LLC	250,334	2	0.71%			
Crescent Miami Center	192,390	3	0.55%			
Plantation General Hospital	184,128	4	0.52%			
T C 701 Brickell LLC	180,200	5	0.51%			
Bellsouth Telecommunications	138,326	6	0.39%			
Bayfront 2011 Property	132,906	7	0.38%			
145 Brickell LLC	132,080	8	0.37%			
PR 1111 Brickell LLC	131,500	9	0.37%			
Trustees of L and B	125,200	10	0.35%	278,800	1	1.27%
SRI Miami Ventures LP				254,000	2	1.16%
Terremark				114,874	6	0.52%
Prudential Insurance Co				152,600	4	0.70%
Swire Properties				88,253	8	0.40%
111 Brickell Office LLC				124,500	5	0.57%
Biscayne Tower Group				90,000	7	0.41%
<b>Total</b>	<b>\$ 2,001,428</b>		<b>5.67%</b>	<b>\$ 1,332,749</b>		<b>6.08%</b>
Net Assessed Value- Citywide	\$ 35,284,842			\$ 21,929,702		

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 Levy		Collections of Delinquent Taxes	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	\$ 281,070	\$ 260,359	92.63%	\$ 6,217	\$ 266,576	94.84%
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	97.96%	3,179	294,251	99.03%
2006	249,932	244,216	97.71%	2,122	246,337	98.56%
2005	211,978	205,393	96.89%	2,699	208,092	98.17%

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				Capital Leases	Premium (Discounts) Accretions	Total	Percent of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Loans Payable						
2014	\$ 217,378	\$ 479,518	\$ 1,236	\$ -	\$ 21,336	\$ 719,468	0.00%	1,723	
2013	228,970	441,414	2,436	-	23,466	696,287	2.37%	1,682	
2012	239,988	407,367	54,972	-	-	702,327	2.21%	1,758	
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	

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 204 for personal income and population data.

**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)
2014	\$ 217,378	\$ 3,054	\$ 214,324	0.607%	\$ 513
2013	228,970	3,589	225,381	0.688%	545
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	274,618	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

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 195 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 204 for population data.

**CITY OF MIAMI, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2014**

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	\$ 1,293,365	19.00%	\$ 245,739
Miami-Dade County School Board	359,623	19.00%	<u>68,328</u>
Subtotal, Overlapping Debt			314,067
City of Miami, Florida Direct Debt (Includes special obligation, revenue bonds, loans, premium (discount) accretion and capital leases)			<u>719,468</u>
Total Direct and Overlapping Debt			<u>\$ 1,033,535</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**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 4,990,152	\$ 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
Total Net Debt Applicable to Limit	214,324	225,381	238,036	251,230	265,845	274,618	233,255	243,385	203,312	214,217
Legal Debt Margin	\$ 4,775,828	\$ 4,374,556	\$ 4,295,725	\$ 4,132,139	\$ 5,104,989	\$ 5,097,732	\$ 5,167,685	\$ 4,711,551	\$ 3,843,295	\$ 3,075,238
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	4.29%	4.90	5.25%	5.73%	4.95%	5.11%	4.32%	4.91	5.02%	6.51%
Net Assessed Value	\$ 35,284,842									
Less Homestead Exempt Valuation	(2,017,164)									
Total Assessed Value	<u>33,267,678</u>									
Debt Limit for Bonds (15% of Total Assessed Value)	<u>4,990,152</u>									
Present Debt Application of Debt Limitation										
General Obligation Debt										
Less Amount Available in Debt Service Fund										
Total Net Debt Applicable to Limit	<u>217,378</u>									
Legal Debt Margin	<u>(3,054)</u>									
	<u>214,324</u>									
	<u>\$ 4,775,828</u>									

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

Fiscal Year Ended September 30,	Ad Valorem Revenues(1)	Debt Service		2x Annual Debt Service	Coverage (2)
		Principal	Interest		
2014	\$ 266,576	\$ 11,592	\$ 13,780	\$ 50,744	5.25
2013	258,508	11,018	13,732	49,500	5.22
2012	250,273	11,578	13,673	50,502	4.96
2011	261,325	14,238	13,783	56,042	4.66
2010	287,211	10,309	13,865	48,348	5.94
2009	304,894	10,335	12,228	45,126	6.76
2008	291,113	10,466	11,380	43,692	6.66
2007	294,900	10,515	14,628	50,286	5.86
2006	246,338	8,796	12,520	42,632	5.78
2005	208,092	8,555	12,491	42,092	4.94

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)
2014	417,650	\$ -	\$ -	39	349,553	5.6%
2013	413,892	16,506,013	39,880	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	31,347	37	361,550	4.7%

Sources:

- (1) United States Census Bureau
  - (2) Bureau of Economic Analysis, U.S. Department Commerce
  - (3) Miami-Dade County School Board Budget Office
  - (4) Florida Agency for Workplace Innovation, Office of Workplace Information Services, Labor Market Statistics
- N/A Information not available

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Miami-Dade County Public Schools	33,477	1	21.7%	50,000	1	4.8%
Miami-Dade County Employer	25,502	2	16.5%	30,000	2	2.9%
Federal Government	19,600	3	12.7%	20,300	3	1.9%
Florida State Government	18,300	4	11.9%	18,300	4	1.8%
Baptist Health South Florida	13,376	5	8.7%	10,683	5	1.0%
University of Miami	12,720	6	8.3%	9,367	7	0.9%
American Airlines	9,000	7	5.8%	9,000	8	0.9%
Jackson Health System	8,208	8	5.3%	10,453	6	1.0%
Publix Super Markets	4,604	9	3.0%			
Florida International University	3,534	10	2.3%			
Carnival Cruise Lines	3,500	11	2.3%			
Miami-Dade College	2,356	12	1.5%	5,400	9	0.5%
<b>Total</b>	<b>154,177</b>		<b>100.0%</b>	<b>163,503</b>		<b>15.6%</b>

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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Number of Employees:										
General Government	538	540	533	505	538	511	641	644	641	617
Planning and Development	126	124	111	96	102	123	128	142	141	147
Community Development	40	43	43	60	54	55	61	52	61	73
Public Works	452	443	442	442	436	521	525	526	542	505
Public Safety	2,338	2,286	2,282	2,283	2,368	2,390	2,310	2,288	2,222	2,138
Public Facilities	41	42	41	41	41	41	54	56	55	45
Parks and Recreation	192	178	178	182	186	265	207	191	190	188
Total Number of Employees	3,727	3,656	3,630	3,609	3,725	3,906	3,926	3,899	3,852	3,713

Source: City of Miami, Budget Department

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Community Development:</b>										
Entitlements/Grants Received	\$ 19,239	\$ 18,794	\$ 24,364	\$ 33,491	\$ 37,815	\$ 26,275	\$ 30,267	\$ 29,943	\$ 30,816	\$ 37,191
<b>Public Safety:</b>										
Police:										
Part 1 Crimes - (1)	25,208	25,898	28,070	27,045	26,097	25,761	27,907	27,302	26,219	29,455
Part 1 Arrests - (1)	3,715	3,837	4,166	4,295	4,393	4,536	4,741	4,635	4,359	5,728
Part 2 Arrests - (2)	27,580	26,329	25,155	22,269	26,670	32,826	31,211	32,738	33,408	33,385
Fire:										
Number of Fire Calls	12,736	13,131	15,122	16,686	14,493	10,411	18,191	14,472	12,694	19,017
Number of EMS Calls	83,697	79,544	79,279	81,638	76,747	73,017	69,870	72,757	70,423	67,300
Number of Alarms	96,433	92,675	94,401	98,324	91,240	83,428	88,061	87,229	83,117	86,317
<b>Planning and Development:</b>										
Certificate of Use Permits Used	23,399	20,860	20,907	20,775	20,156	22,724	21,482	22,000	21,142	21,123
Business Tax Receipts Issued	33,877	29,686	23,117	22,478	29,548	22,092	22,498	42,000	34,197	40,371
<b>Culture and Recreation:</b>										
Summer Food Program - Meals Served (Lunches)	123,925	119,603	98,129	92,737	59,785	N/A	N/A	104,472	55,126	89,324
Summer Food Program - Meals Served (Snacks)	123,425	122,512	106,449	87,963	62,983	N/A	N/A	114,670	61,000	100,870
<b>Solid Waste:</b>										
Refuse Collected (Tons/Day)	675	643	586	551	566	N/A	717	629	713	578
Recyclables Collected (Tons/Day)	48	52	14	14	11	N/A	16	13	10	72

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 ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Public Safety:</b>										
<b>Police:</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub-Stations	3	3	3	3	3	3	3	2	2	2
<b>Fire:</b>										
Fire Stations	14	14	14	14	14	14	14	14	14	14
<b>Solid Waste:</b>										
Collection Trucks	143	144	144	160	160	N/A	181	175	151	152
<b>Public Works:</b>										
Streets (Miles - Paved)	663.5	663.8	662.1	662.1	662.1	662.1	662.2	662.2	667.4	660.0
Streets (Miles - Unpaved)	0.84	0.92	1.12	1.12	1.12	1.1	N/A	1.2	3.1	1.4
<b>Transportation:</b>										
Steet Resurfacing (Miles)	27.68	23.65	23.7	18.3	15.8	N/A	21.6	23.3	17.9	33.5
<b>Culture and Recreation:</b>										
Parks Acreage	897	897	897	894	894	894	894	894	800	800
Parks	127	127	127	112	112	112	112	112	112	111
Swimming Pools	15	N/A	15	15	15	15	11	11	12	10
Tennis Courts	61	61	61	61	61	61	55	55	53	53
Community Centers	35	34	34	34	34	34	32	32	32	30
Basketball Courts	71	71	71	71	71	71	63	63	63	61
Water Playgrounds	4	4	3	2	2	2	2	2	1	1
Soccer Fields	15	15	13	13	13	13	11	11	7	7
Football Fields	9	9	9	9	9	9	10	10	N/A	12
Baseball Fields	30	30	30	30	30	30	27	27	25	21
Open Practice Fields	2	2	2	2	2	2	2	2	-	-
Cricket Field	1	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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# 2014

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED SEPTEMBER 30, 2014

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