



# POPULAR ANNUAL FINANCIAL REPORT

*City of Miami, Florida*

**FISCAL YEAR ENDED  
September 30, 2016**





# POPULAR ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDED SEPTEMBER 30, 2016**

Prepared By:  
**The Finance Department**

**Jose M. Fernandez, CPA**  
*Director*

**Armando J. Blanco**  
*Treasurer*

**Erica T. Paschal, CPA**  
*Assistant Director*

**Eugene Codner**  
*Financial Reporting  
& Compliance Manager*



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## ABOUT THE POPULAR ANNUAL FINANCIAL REPORT (PAFR)

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information contained in the City's 2016 Comprehensive Annual Financial Report (CAFR), with selected information from CAFRs prepared for earlier years.

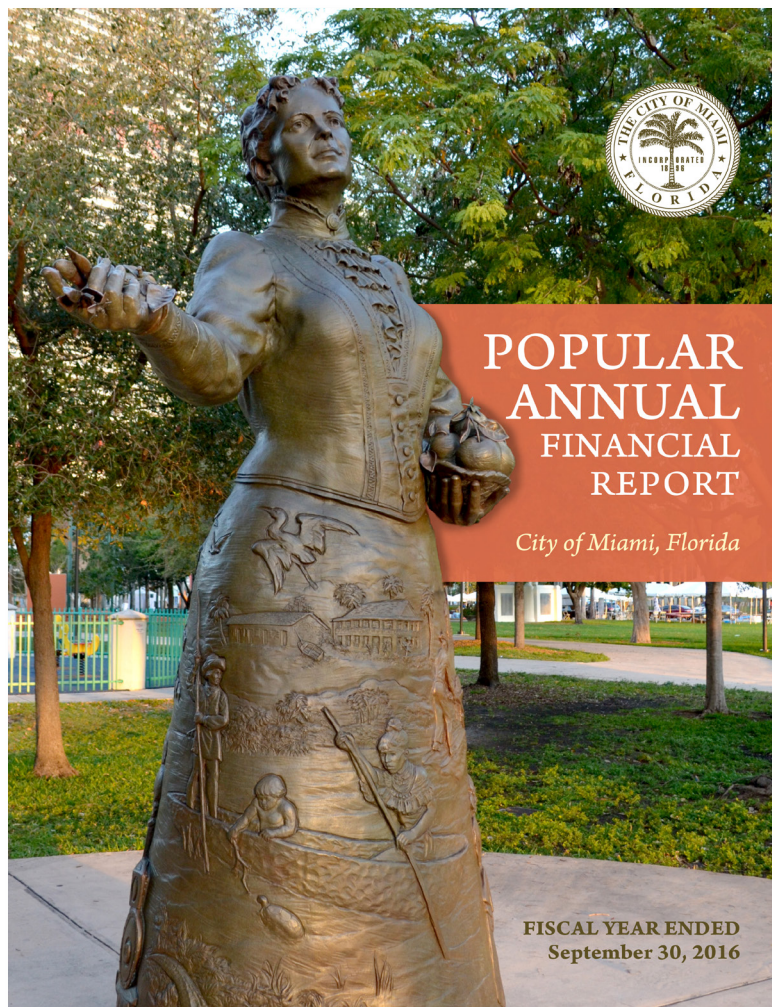
The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements. As such, it provides much more detail as well as full disclosure of all material events, both financial and non-financial. The GAAP presentation also includes the City's component units (related organizations) and information on individual funds.

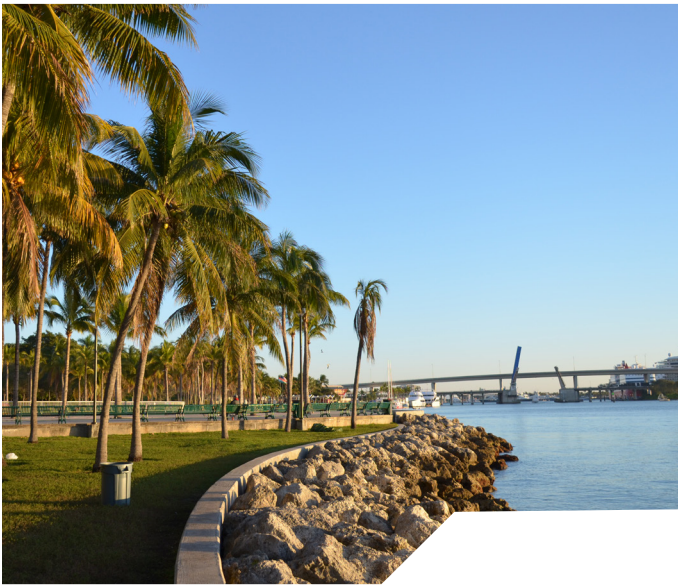
The information in the CAFR by its nature can be technical and complex and as such not as useful to citizens wishing to gain an overview of the City's finances. The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

Questions or feedback concerning any of the information provided in this report or requests for additional financial information may be directed to the City's Finance Department via mail to 444 SW 2nd Avenue, 6th Floor, Miami, Florida 33130.

**TO VIEW BOTH THE CITY'S FULL COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND POPULAR ANNUAL FINANCIAL REPORT PLEASE VISIT:**

<http://www.miamigov.com/Finance/pages/FinancialInfo/financialInfo.asp>





The City of Miami was incorporated in 1896. 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 120 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.

The City Charter was adopted by the electors of the City of Miami at an election held May 17, 1921 and legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. The Florida Legislature, in 1955, approved and submitted to a general election, a constitutional amendment designed to give a new form of government to Miami-Dade County,

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

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

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

## CITY SERVICES

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







**TOMÁS P.  
REGALADO**  
*Mayor*



**KEN  
RUSSELL**  
*Vice-Chairman*



**FRANK  
CAROLLO**  
*Commissioner*



**DANIEL J.  
ALFONSO**  
*City Manager*

**KEON  
HARDEMON**  
*Chairman*



**WIFREDO  
"WILLY" GORT**  
*Commissioner*



**FRANCIS  
SUAREZ**  
*Commissioner*

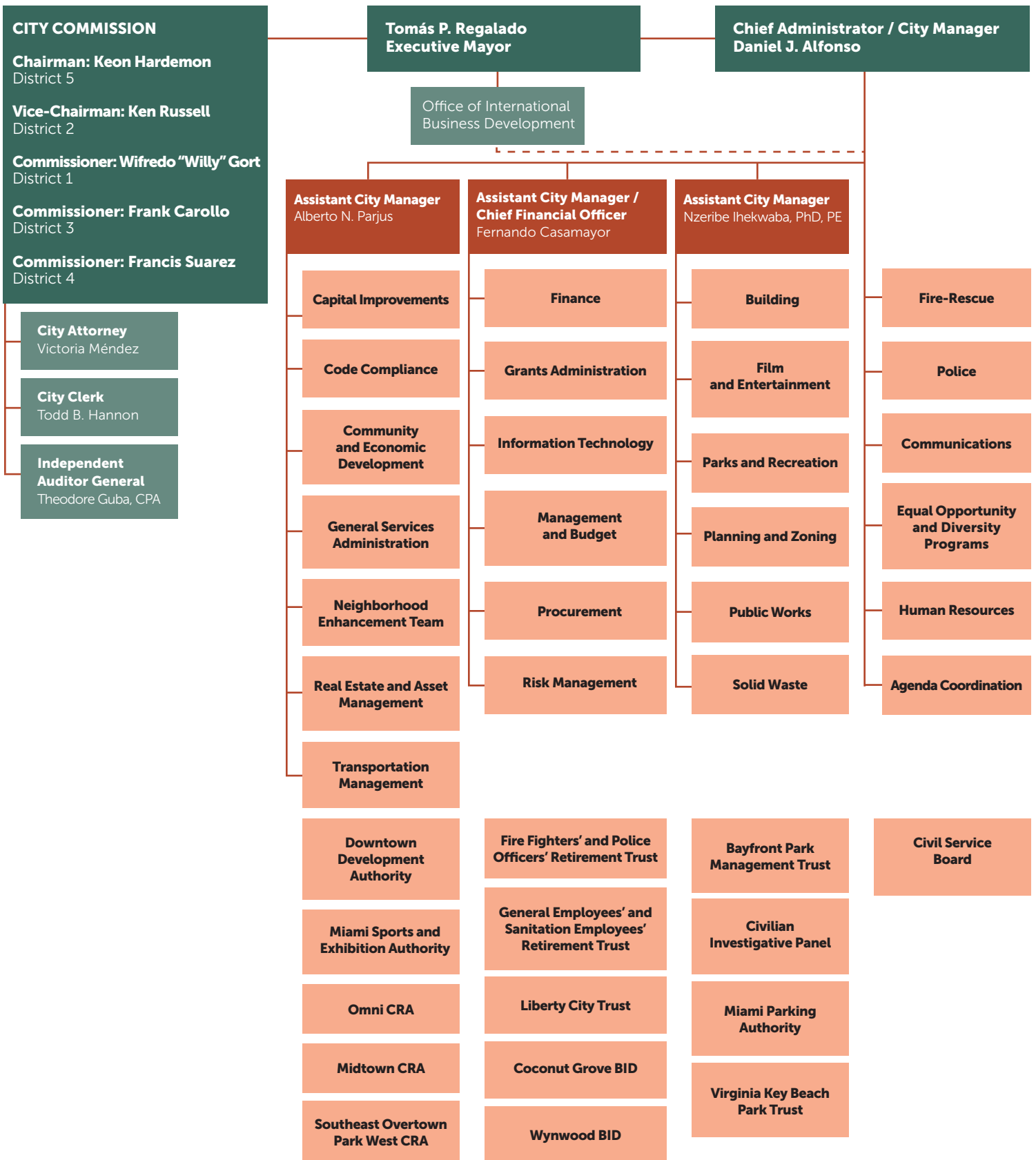


**VICTORIA  
MÉNDEZ**  
*City Attorney*



**September 30, 2016**

# CITY ORGANIZATIONAL CHART



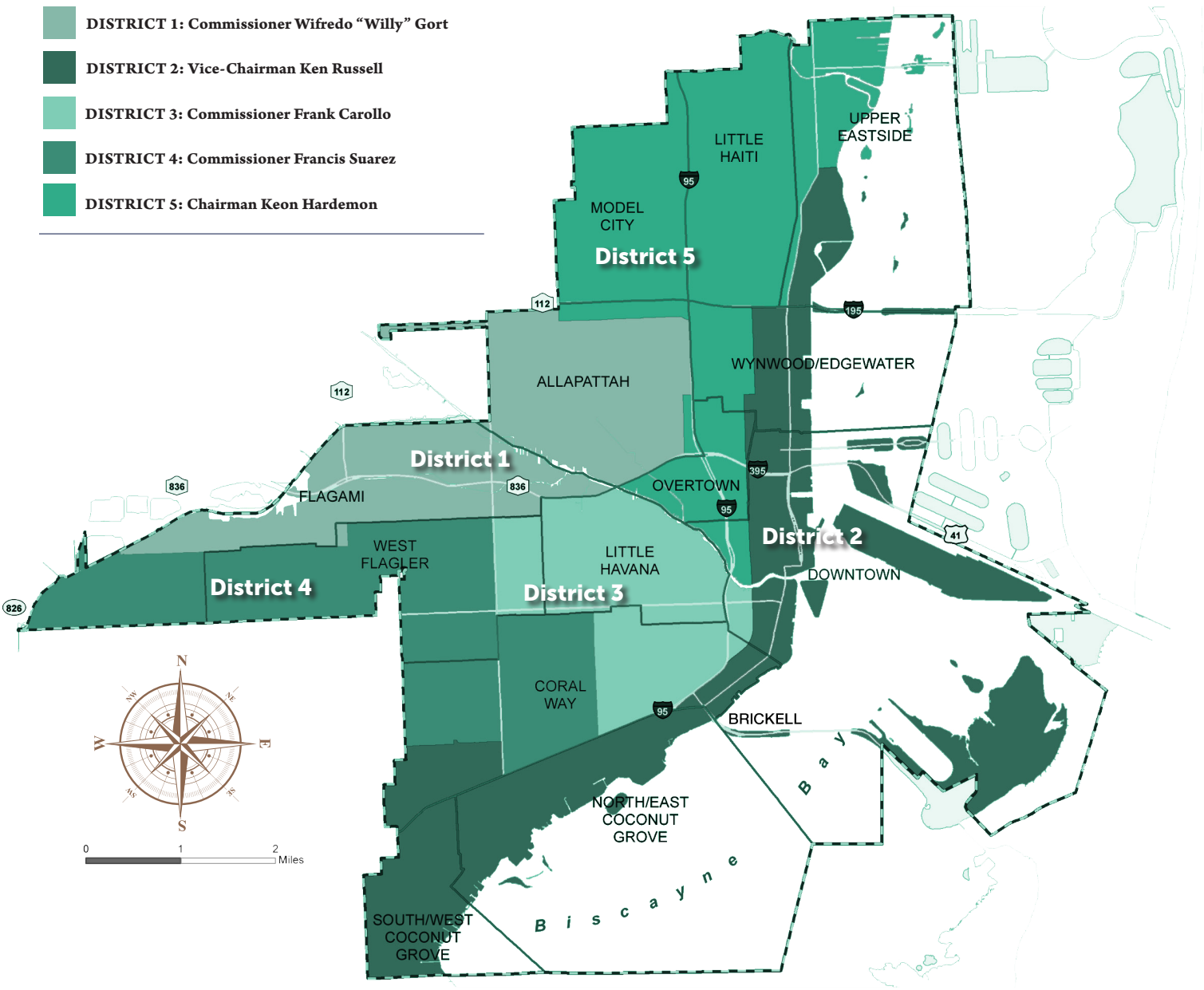


# GEOGRAPHIC LOCATION AND POPULATION

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 456,089 residents according to the Bureau of Economic and Business research, University of Florida, 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

## COMMISSION DISTRICTS

- DISTRICT 1: Commissioner Wifredo "Willy" Gort**
- DISTRICT 2: Vice-Chairman Ken Russell**
- DISTRICT 3: Commissioner Frank Carollo**
- DISTRICT 4: Commissioner Francis Suarez**
- DISTRICT 5: Chairman Keon Hardemon**



## MISSION

To effectively serve the community and continuously enhance quality of life

## VISION

The City's leadership envisions Miami as:

- an internationally-renowned city with a commitment to public engagement and excellent service delivery;
- a diverse and vibrant community with a high quality of life;
- and a global destination for business, culture, and leisure.



## STATISTICAL INFORMATION BY PROGRAM

### PUBLIC SAFETY

- Police Stations 1
- Police Sub Stations 3
- Fire Stations 15

### PARKS, RECREATION & CULTURE

- Parks Acreage 1,497
- Parks 143
- Swimming Pools 15
- Basketball Courts 71

### CLEAN & BEAUTIFUL NEIGHBORHOODS

- Collections Trucks 148
- Net Offices 11
- Number of Trees Planted 158



Miami's local economy continues to improve showing strong growth in home prices and tourism. Miami has become a major center and a leader in finance, commerce, culture, media, entertainment, and the arts. Local unemployment continues a steady decline from previous year. Miami experienced a 5.0 percent unemployment rate as of November 2016, down from 5.5 percent from November 2015. A good business climate has been created for the South Florida economy encouraging growth in construction, motion pictures, financial 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.

Tourism is a major economic driver for the City. Annual events that attract visitors from across the country and world include the Miami Open, Art Basel, Miami International Boat Show, Calle Ocho Festival and the Ultra Music Festival. In addition, Miami is the home to nation's busiest ports of entry, Miami International Airport and Port Miami.

Miami's Downtown and Brickell area is the heart of major developments for the City. There are huge changes taking place in the area. These developments will bring more entertainment, culture and arts to the Downtown area. Miami will also be home to Brickell City Centre and MiamiCentral Station.

The Brickell City Centre project, located in the center of Brickell's financial district finally opened its doors to the public on November 3, 2016. Brickell City Centre is a \$1.05 billion mixed-use development bringing a whole new level of urban living and catering to the new Miami residents. Brickell City Centre mall spans three city blocks and features more than 100 retail brands. Retail stores include Saks Fifth Avenue serving as an anchor, Audemars Piguet, Armani, All Saints, Ted Baker, Chopard, Diptyque, Hugo Boss, Intermix, Kendra Scott, Lafayette 148 New York, NARS, Nest Casa, Ted Baker London, Tommy Bahama, Victoria's Secret and many more to come. Brickell City Centre complex also includes two completed 390-unit luxury condominium residences and office buildings.

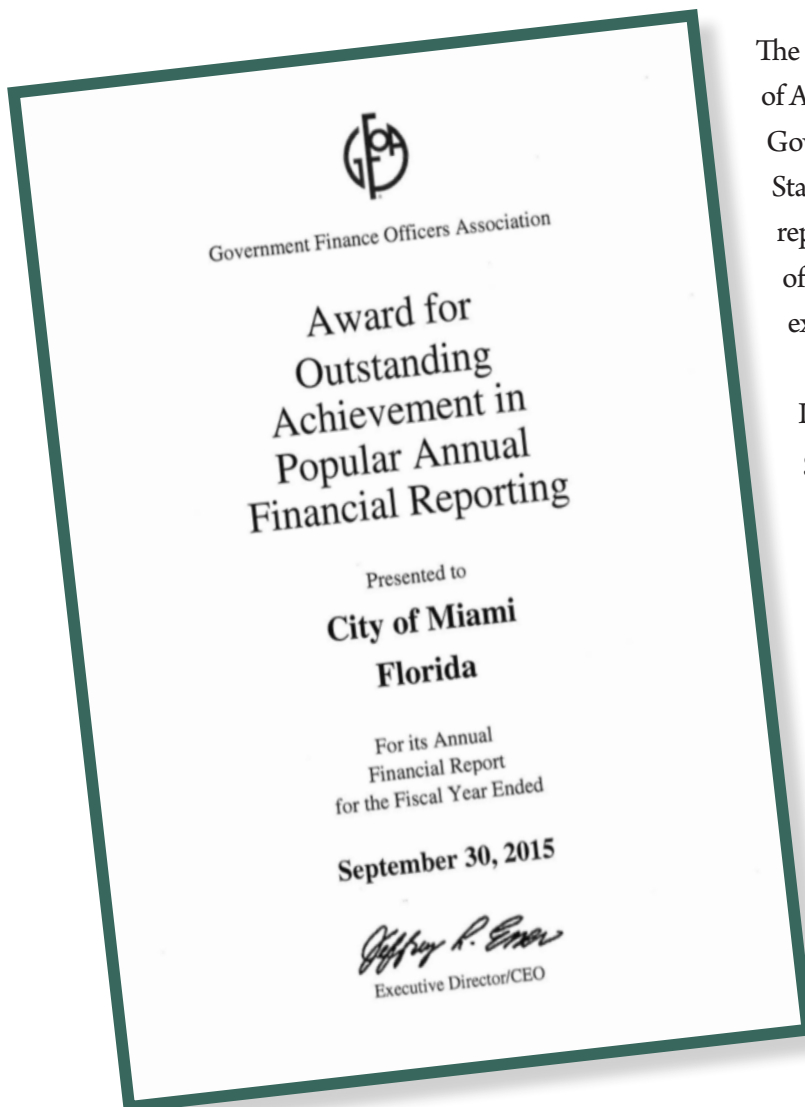
In the heart of Downtown Miami construction continues with the All Aboard Florida Miami Central station complex. All Aboard Florida's is a state of the art passenger train connecting Orlando to downtown Miami. Driving from Orlando to Miami takes approximately four hours. The train will allow passengers to travel the same distance in about three hours. This project will attract many visitors to the City, further expanding the tourism industry. Service will begin in 2017, with trips to Fort Lauderdale and West Palm Beach from Miami. Full-service between Miami and Orlando will follow. Prior to the launch of service, All Aboard Florida is making significant improvements to the Florida East Coast Railway corridor.



The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Miami, Florida for its Popular Annual Financial Report for the fiscal year ended September 30, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



The City of Miami, Florida was also awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial report for year ended September 30, 2015. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

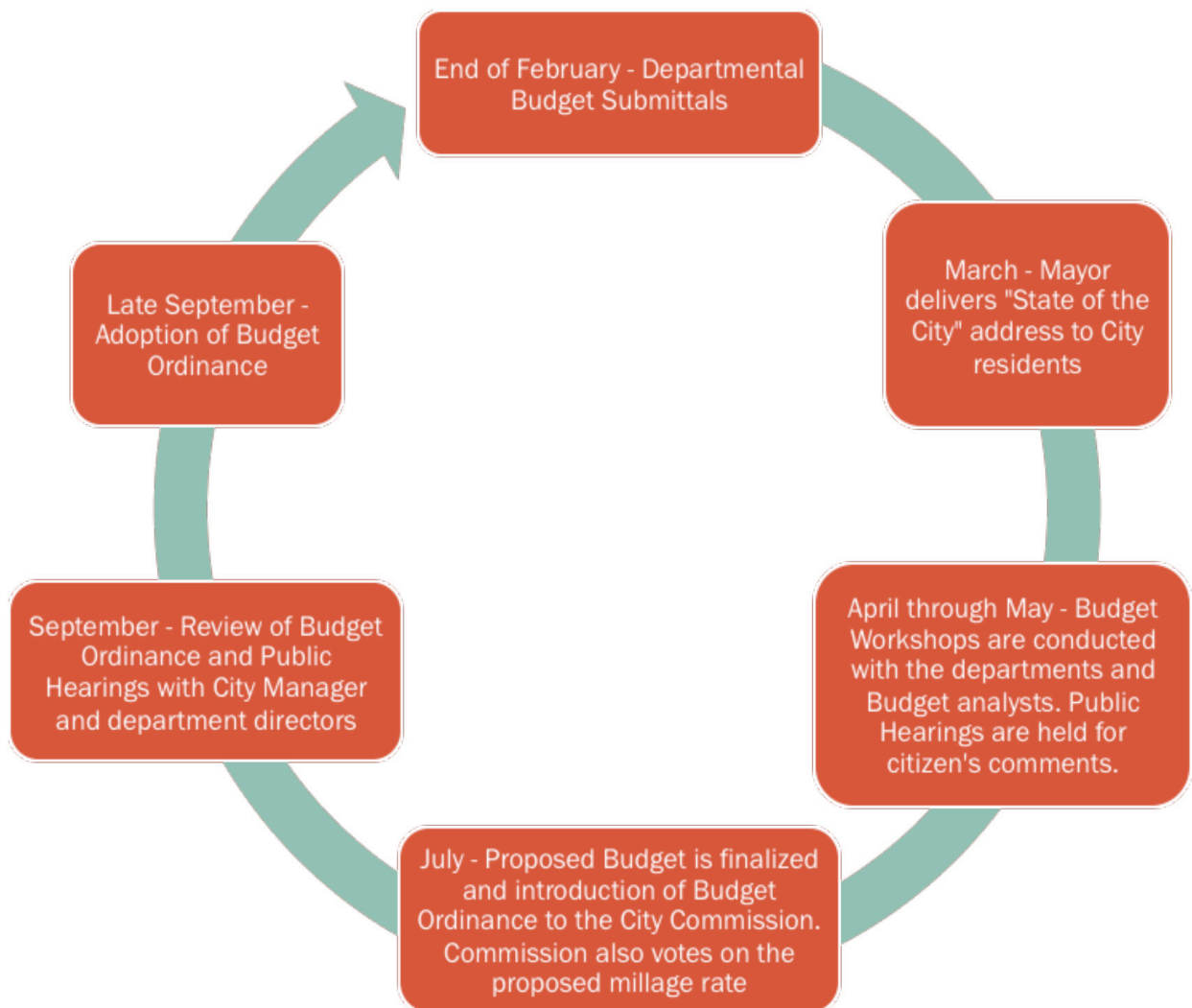
A Certificate of Achievement is also valid for a period of one year only. We believe our comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we have also submitted our comprehensive annual financial report for the current year to the GFOA.



The annual budget serves as the foundation for the City's financial planning and control. The City's fiscal year is from October 1st to September 30th. The Mayor is required to prepare and deliver a budgetary address annually to the residents of the City.

The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30 preceding the beginning of the fiscal year on October 1.

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.





# FINANCIAL HIGHLIGHTS

The information provided is summarized and represents only selected funds and therefore is not in accordance with generally accepted accounting principles (GAAP) and is not intended to represent all of the City's component units. The following table is a summary of select financial data for the past two fiscal years:

## FINANCIAL SUMMARY

	2016	2015
<b>Net Position</b>		
Assets	\$ 1,780,284,138	\$ 1,751,317,552
Deferred Outflows	164,869,009	89,038,439
Liabilities	2,231,053,224	2,096,494,073
Deferred Inflows	48,578,905	55,349,804
Total Net Position (Deficit)	<u>(334,478,982)</u>	<u>(311,487,886)</u>
<b>Revenues</b>		
Governmental Activities	\$ 840,488,524	\$ 787,513,799
Total Revenues	<u>840,488,524</u>	<u>787,513,799</u>
<b>Expenses</b>		
Governmental Activities	\$ 863,479,623	\$ 825,166,436
Total Expenditures	<u>863,479,623</u>	<u>825,166,436</u>
<b>Capital Assets</b>		
Governmental Activities	\$ 1,139,601,058	\$ 1,135,842,879
Total Capital Assets	<u>1,139,601,058</u>	<u>1,135,842,879</u>
<b>Long-Term Obligations</b>		
Governmental Activities	\$ 652,344,755	\$ 673,761,548
Total Long-Term Obligations	<u>652,344,755</u>	<u>673,761,548</u>

Governmental activities of the City – general government, planning, and development, community development, community redevelopment areas, public works, public safety, public facilities, parks and recreation, interest on long-term debt



# THE CITY'S NET POSITION

The Government-wide Balance Sheet, known as the Statement of Net Position, presents information on all City's assets and liabilities, with the difference between the two reported as net position. Increases and decreases in net position serve as an indicator of the City's financial position and of the results of the City's operations.

The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the 2016 fiscal year by approximately \$334.5 million (net position deficit).

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, 2016, the City's net investment in capital assets was approximately \$616.8 million.

An additional portion of the City's net position represents resources that are subject to restrictions on how they may be used. As of September 30, 2016, the City's portion of restricted net position was approximately \$273.7 million.

The remaining portion represents an unrestricted net deficit of approximately \$1.2 billion which is primarily due to outstanding borrowings for which there are no off-setting assets, along with an increase in claims payable, net pension liability, and other post-employment benefits (OPEB) liability. At the end of the current fiscal year, the City overall net position decreased by approximately \$23.0 million compared to prior fiscal year.

## STATEMENT OF NET POSITION GOVERNMENT ACTIVITIES

	<u>2016</u>	<u>2015</u>	<u>Change (\$)</u>	<u>Change (%)</u>
<b>Assets</b>				
Current and Other Assets	\$ 640,683,080	\$ 615,474,673	\$ 25,208,407	4.10%
Capital Assets	1,139,601,058	1,135,842,879	3,758,179	0.33%
<b>Total Assets</b>	<u>1,780,284,138</u>	<u>1,751,317,552</u>	<u>28,966,586</u>	<u>1.65%</u>
<b>Deferred Outflows of Resources</b>	164,869,009	89,038,439	75,830,570	85.17%
<b>Liabilities</b>				
Other Liabilities	1,008,492,765	953,834,761	54,658,004	5.73%
Long-Term Liabilities	1,222,560,459	1,142,659,312	79,901,147	6.99%
<b>Total Liabilities</b>	<u>2,231,053,224</u>	<u>2,096,494,073</u>	<u>134,559,151</u>	<u>6.42%</u>
<b>Deferred Inflows of Resources</b>	48,578,905	55,349,804	(6,770,899)	-12.23%
<b>Net Position:</b>				
Net Investment in Capital Assets	616,752,804	614,080,419	2,672,385	0.44%
Restricted	273,730,365	237,584,556	36,145,809	15.21%
Unrestricted (Deficit)	(1,224,962,154)	(1,163,152,861)	(61,809,293)	5.31%
<b>Total Net Position (Deficit)</b>	<u>\$ (334,478,985)</u>	<u>\$ (311,487,886)</u>	<u>\$ (22,991,099)</u>	<u>7.38%</u>

# GOVERNMENT FUND EXPENSES

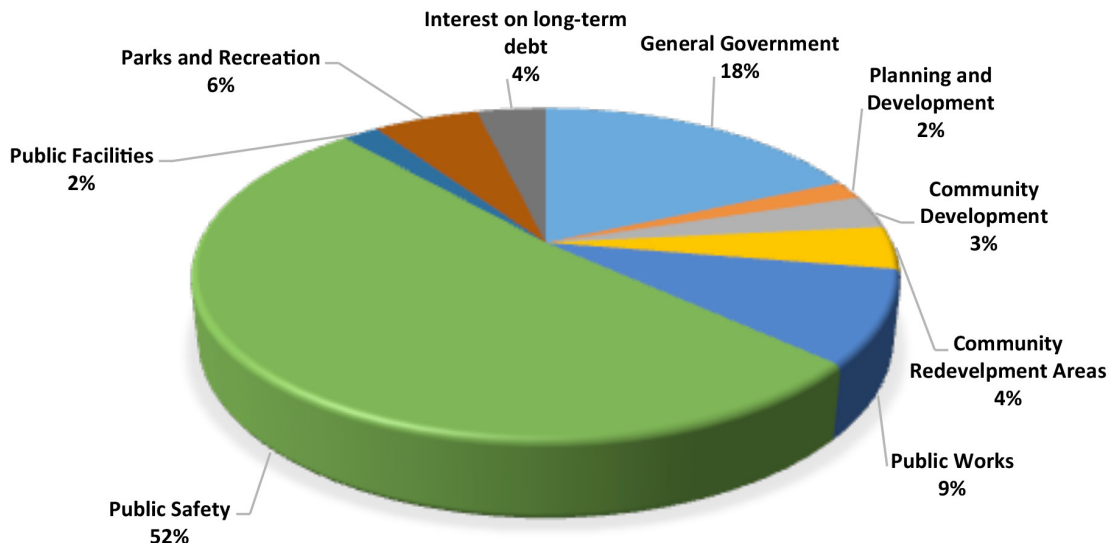
## WHERE DOES THE MONEY GO?

During fiscal year 2016 expenses for governmental activities increased \$38.3 million over the prior fiscal year. Although most expense line items experienced minimal increases, Public Works, Public Safety, and Parks and Recreation experienced significant increases. The increase to Public Safety is attributable mainly to the replacement of police fleet and addition of police officers and fire rescue units to address growth and response times to certain areas. In addition, Public Safety increased due to expenditures related to Police and Fire-Rescue State Pension payments. The Increase to Public Works is attributable mainly to increase in personnel and fleet vehicles. Finally, the increase to Parks and Recreation is mainly attributable to an increase in personnel and improvements to parks throughout the City. The following schedule reflects a summary of expenses compared to the prior year:

## TOTAL EXPENSES

	<b>Governmental Activities</b>	
	2016	2015
<b>Expenses:</b>		
General Government	\$ 158,677,568	\$ 168,655,624
Planning and Development	15,513,166	15,479,449
Community Development	27,937,279	30,519,798
Community Redevelopment Areas	36,149,769	58,062,764
Public Works	78,763,459	74,434,887
Public Safety	446,865,144	385,120,293
Public Facilities	16,758,483	16,560,573
Parks and Recreation	50,207,864	42,585,419
Interest on long-term debt	32,606,891	33,747,629
<b>Total Expenses</b>	<b>\$ 863,479,623</b>	<b>\$ 825,166,436</b>

The pie chart below shows the City's expenses during Fiscal Year 2016:





## WHERE DOES THE MONEY COME FROM?

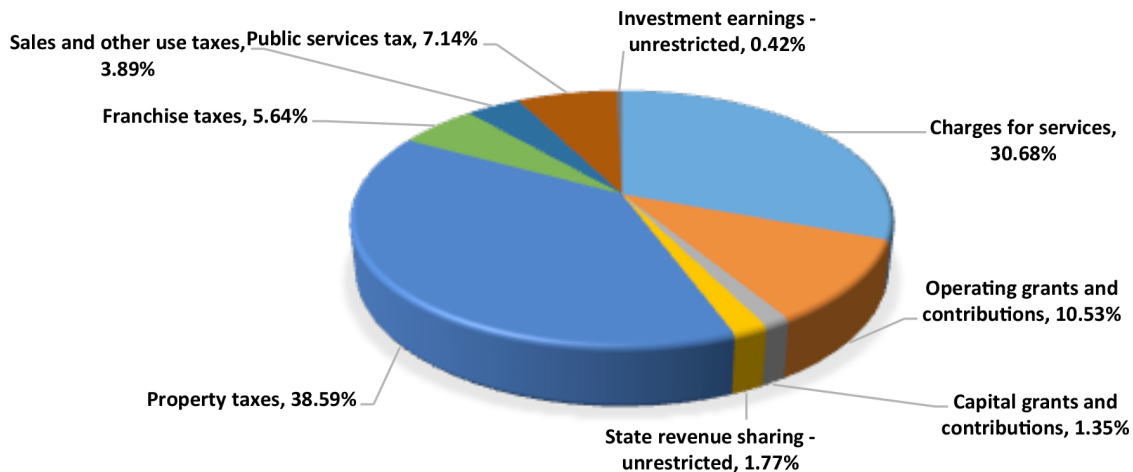
During fiscal year 2016 total program revenues for the governmental activities increased \$52.9 million over the prior year for the governmental activities. Specifically, the Charges for Services and Property Taxes line items increased over the prior year by \$15.4 million and \$30.2 million respectively. The charges for services and property tax increases reflect the economic recovery. Growth in the construction industry resulted in increased permit fees and assessments, which are included in the charges for services line item. Property tax increase is primarily attributed to an increase in property values.

The following schedule reflects a summary of revenue compared to the prior year:

## TOTAL REVENUES

	Governmental Activities	
	2016	2015
<b>Program revenues</b>		
Charges for Services	\$ 257,840,317	\$ 242,481,742
Operating Grants and Contributions	88,478,479	84,631,766
Capital Grants and Contributions	11,315,519	9,253,860
<b>General revenues:</b>		
Property Taxes	324,381,187	294,152,040
Franchise Taxes	47,416,360	47,560,134
State Revenue Sharing - Unrestricted	14,836,385	14,389,530
Sales and Other Use Taxes	32,699,735	31,254,199
Public Service Taxes	60,020,384	59,576,109
Gain (loss) Sale of Property	-	(546,835)
Investment earnings/(losses) - unrestricted	3,500,158	4,761,254
<b>Total Revenues</b>	<b>\$ 840,488,524</b>	<b>\$ 787,513,799</b>

The pie chart below shows the City's revenues by source during Fiscal Year 2016:



## INVESTING IN OUR COMMUNITY

The City's investment in capital assets as of September 30, 2016 is \$1.1 billion. This investment in capital assets includes land, buildings, improvements, machinery, equipment and infrastructure. The total increase in capital assets from the end of the prior fiscal year is approximately 0.33 percent.

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

- Land increased approximately \$1.1 million. The increase is attributed to the city acquiring five properties valued at \$1.2 million and disposing of three properties valued at \$67.9 thousand during fiscal year 2016.
- Construction in progress increased approximately \$25.3 million. The total transfers out of Construction in progress amounted to approximately \$37.1 million; however, there was an addition of approximately \$62.4 million in new expenditures during fiscal year 2016.
- Buildings decreased by approximately \$3.9 million. The decrease is in large part attributed to \$8.5 million in depreciation expense offset by \$4.6 million in additions which includes cost adjustments to the CRA Multi Entertainment Center, the West End Park Community Center, the Gibson Park Gymnasium and the Virginia Key Bike & Kayak Facility as well as acquisition of three properties.
- Improvements decreased by approximately \$14.0 million. The projects completed during the fiscal year and transferred from Construction in progress, included \$781.3 thousand in building improvements and \$6.0 million in land improvements. There was also an addition of \$687 thousand in improvement expenditures, primarily related to improvements at several City parks and Fire Stations. These transfers and additions are offset by the \$21.4 million in depreciation expense incurred for the current fiscal year.
- Machinery and Equipment increased by approximately \$11.5 million. There was \$29.0 million in additions and transfers, primarily attributed to the acquisition of communications equipment for police and fire computers for several departments and 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 \$15.2 million in depreciation expense for the current fiscal year and the retirement of assets with a net book value of \$2.3 million.

## CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities	
	2015-2016	2014-2015
Land	\$ 95,421,063	\$ 94,308,614
Construction-in-Progress	98,025,139	72,756,125
Buildings	218,123,892	221,988,433
Improvements	122,165,421	136,189,531
Machinery and Equipment	61,489,998	49,972,138
Infrastructure	544,375,545	560,628,038
<b>Total Capital Assets</b>	<b>\$ 1,139,601,058</b>	<b>\$ 1,135,842,879</b>



# LONG-TERM OBLIGATIONS

As of September 30, 2016, the City's long-term obligations totaled \$2.1 billion. Of this amount, \$88 million is due within one year. The long-term obligations for the City include claims payable, debt, compensated absences, net pension liability, and other post-employment benefit obligations.

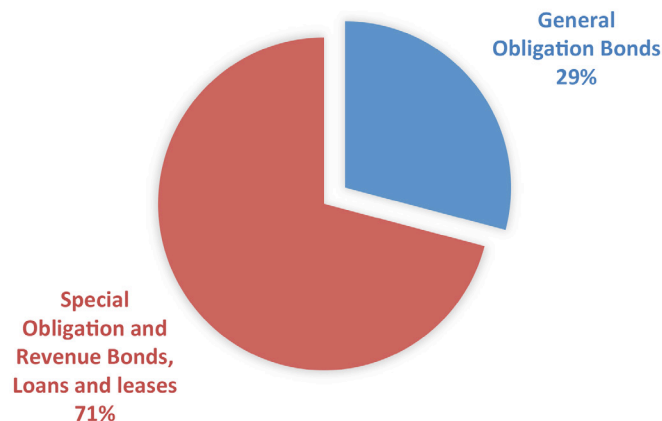
## Long-Term Obligations

## Governmental Activities

	Ending Balance as of September 30, 2016	Amount Due Within One Year
General Obligation Bonds	\$ 189,735,000	\$ 17,145,000
Special Obligation and Revenue Bonds, Loans and Leases	462,609,755	25,703,298
<b>Total Debt Outstanding</b>	<b>652,344,755</b>	<b>42,848,298</b>
Bond Premium (Discounts)	8,547,344	-
Compensated Absences	54,103,043	9,066,085
Claims Payable	209,618,213	36,093,513
Other Post Employment Benefits	385,955,000	-
Net Pension Liability	823,454,753	-
<b>Total Long-Term Obligations</b>	<b>\$ 2,134,023,108</b>	<b>\$ 88,007,896</b>

The City had total debt outstanding of \$652.3 million as of September 30, 2016. Of this amount, \$0.7 million is backed by the full faith and credit of the City and \$189.0 million is backed Limited Ad Valorem Tax Revenue; the remainder represents Special Obligation, Revenue bonds, Loans and Leases which are secured solely by Non-Ad Valorem revenue sources

## LONG TERM DEBT



There are three major rating agencies that evaluate thousands of issuers and their municipal bonds. The agencies are, Moody's, Standard and Poor's (S&P), and Fitch. The ratings agencies assign ratings such as AAA and other ratings. The objective of the rating agency is to assign a municipal bond a credit rating to make it faster for market participants to evaluate risk. A bond's credit rating is the rating agency's opinion as to the creditworthiness of the bond's issuer. Each rating agency produces a ratings scale.

The table below shows City's latest rating as determined by the three national rating agencies, Moody's, Standard & Poor's, and Fitch Ratings' as of September 30, 2016:

Cityof Miami Bond Ratings			
Issue	Moody's	Standard & Poor's	Fitch
General Obligation	Aa3	AA-	A+
Limited General Obligation	A1	AA-	A-
Marlins Garage	A2	A+	A
Special Obligation (NAV)	A1	A+	A
Street and Sidewalks	A2	A	A+



## TYPES OF RISK

**Interest Rate Risk** - the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates

**Credit Rate Risk** – the risk that the City will not recover its investments due to the inability of the issuer to fulfill its obligation

**Custodial Credit Risk** – the risk that, in the event of failure of the issuer, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in possession an outside party

## WAYS THE CITY MITIGATES RISK

**Interest Rate Risk** - to limit its exposure to fair value losses arising from rising interest rates, the City's Investment Policy limits the maturity of an investment to a maximum of five years.

**Credit Rate Risk** – in order to prevent over concentration by investment type, the City's Investment Policy provides for diversification of its portfolio which establishes limitations on portfolio composition by investment type and by issuer

**Custodial Credit Risk** – the City's Investment Policy requires that all securities be registered in the name of the City and be held with a third party custodian. The policy also requires all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City.

At September 30, 2016, pooled cash, cash equivalents and investments including restricted amounts of the primary government, exclusive of the Pension Trust Funds and discrete component units balances, consisted of the following:

<b>Investment Type</b>	<b>Balance</b>	<b>Standard &amp; Poor's Rating</b>	<b>Moody's Rating</b>
Federal National Mortgage Association	\$ 30,592,380	AA+	Aaa
United States Treasury Notes	46,341,420	AA+	Aaa
Federal Home Loan Mortgage Corporation	25,437,465	AA+	Aaa
Federal Farm Credit Bank	38,529,916	AA+	Aaa
Federal Home Loan Bank	80,229,172	AA+	Aaa
Corporate Notes	20,838,804	A1-P1	A-/A3
Commercial Paper	92,162,324	A1	P1
Money Market Fund	19,647,303	AAAm	Aaa-mf
Total Investments	353,778,784		
Bank Deposits	227,825,034		
Total Pooled Cash, Cash Equivalents and Investments	<u>\$ 581,603,818</u>		



The following are description of the City’s fund balance classifications:

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

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

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

**Assigned Fund Balance** – This amount includes amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made directly by formal action of the City Commission  
**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 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 \$131.5 million. Of this amount, approximately \$51.9 million is restricted, approximately \$2.0 million is recorded as non-spendable for prepaid expenses, approximately \$21.1 million is designated as assigned fund balance, which includes the \$5.0 million Required Contingency Reserve, and approximately \$56.5 million is unassigned fund balance in accordance with the City’s Financial Integrity Ordinance. Consequently, while the overall fund balance exceeded the 20% three-year revenue average, the 10% of the three-year revenue average required for the assigned fund balance was not met.

General Fund’s fund balance had a net decrease of approximately \$15.9 million during the current fiscal year. Although revenues saw an increase of \$39.4 million, there were also increases in the expenditures of \$57.5 million and transfers out in the amount of \$32.3 million. Significant revenue increases included property taxes, which increased \$22.9 million or 10% and licenses and permits, which increased \$5.6 million or 9%. These revenue increases reflect an improvement in the local economy which appears to have now fully recovered. Expenditure increases are seen in the General Fund functions Public Safety and Parks and Recreation.

## FUND BALANCE - GENERAL FUND

	2016	2015
Non Spendable	\$ 2,009,736	\$ 2,450,193
Restricted	51,908,663	31,257,219
Committed		-
Assigned	21,116,250	53,619,428
Unassigned	56,486,700	60,077,872
<b>Total Fund Balances</b>	<b>\$ 131,521,349</b>	<b>\$ 147,404,712</b>

***About the Cover***

*Bronze Statue of Miami Founder Julia Tuttle*

*Located at Bayfront Park Downtown Miami*

**City of Miami, Florida**

**Fianace Department**

444 SW 2nd Avenue, 6th Floor

Miami, Florida 33130



2016



POPULAR ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED September 30, 2016

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